THE GLOBAL & EUROPEAN NEIGHBORHOOD MIGRATION SYSTEMS:
TRENDS, GOVERNANCE CHALLENGES & A LOOK AHEAD

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Keynote Address
Vienna, Austria | June, 2012
Part I: Key Observations

Part II: The Demographic Landscape

Part III: Competing for the Best and the Brightest

Part IV: Anxiety About and Three Immigration Governance Challenges
- Immigrant Integration
- Being Mindful of the Interests of Countries of Origin
- Controlling Illegal Immigration & Resisting the Irresponsible Growth of Migration

Part VI: Conclusions
International migration, a key byproduct of globalization, is already one of this century’s unavoidable issues; it will only become more so as the century progresses.

Few issues seem to be pricklier for high-income societies than migration. Yet good management of the issue is possible. It requires both a whole-of-government and a whole-of-society approach: a rarity everywhere.

Being conflicted about migration (both immigrant origin and destination countries are very conflicted!), however, does not mean less global migration in the years ahead because the economic importance of migration is growing for both sending and receiving countries and it will only grow stronger.
In the next two decades, migration totals to high income countries will likely grow only modestly as these countries focus ever more on selective migration, family migration is curtailed further, and asylum flows are directed elsewhere ever more systematically.

- The combined effect of sputtering economies and continuing fiscal woes, with their enormous overhangs of un- and under- employed workers (and especially the massive unemployment of young persons), spell unemployment and social reactions likely to last for most of this decade.

However, this does not mean less global migration. Any slack will be picked up with ever increasing intensity by middle-income countries, first and foremost by the “BRICs plus”-- with the plus standing for Turkey, Mexico, South Africa and Indonesia.

- These countries and others that also grow rapidly in the next two decades will be the true immigration hubs over the next two decades.

**Mobility and Migration:** The two core and competing concepts in the movement of people in the future.

- The two flows will likely intersect early in the next decade with mobility gaining the upper hand as migration to the middle income countries is neither likely to be permanent nor citizenship bearing.
Part II

The Demographic Landscape
Persistent Low Fertility Leads to...

- Shrinking pools of workers and consumers
- Faster aging populations

- Negative demographic momentum...
  - Whereby ever-smaller numbers of women in child-bearing ages produce fewer children than are needed to work and pay the taxes that will support health and pay-as-you-go retirement systems

- And the persistent economic crisis will only exacerbate these trends **and** their effects.
Declining Fertility Rates

- Total fertility rates for almost all rich countries will likely remain below replacement level (2.1 children per woman) until 2030.

Source: UN Population Division, 2010
Increasing Dependency Ratios

Old-age dependency ratios* for all rich countries will increase

*The old-age dependency ratio is the ratio of the population 65 years and over to the population aged 20 to 64 multiplied by 100.

Source: UN Population Division, 2010
# The Demographic “Triple-Squeeze”

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Fertility Rate (children per woman) in 2005-2010*</th>
<th>Median Age of population 2005</th>
<th>Old-age Dependency Ratio** in 2005</th>
<th>Old-age Dependency Ratio in 2030</th>
<th>Median Age of Population 2030 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1.32</td>
<td>43.1</td>
<td>30</td>
<td>53</td>
<td>51.4</td>
</tr>
<tr>
<td>Germany</td>
<td>1.36</td>
<td>42.1</td>
<td>29</td>
<td>48</td>
<td>48.8</td>
</tr>
<tr>
<td>Austria</td>
<td>1.38</td>
<td>40.0</td>
<td>24</td>
<td>41</td>
<td>47.0</td>
</tr>
<tr>
<td>France</td>
<td>1.97</td>
<td>38.9</td>
<td>25</td>
<td>39</td>
<td>42.4</td>
</tr>
<tr>
<td>Greece</td>
<td>1.46</td>
<td>39.8</td>
<td>27</td>
<td>37</td>
<td>47.4</td>
</tr>
<tr>
<td>Spain</td>
<td>1.41</td>
<td>38.8</td>
<td>24</td>
<td>37</td>
<td>48.0</td>
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<tr>
<td>Poland</td>
<td>1.32</td>
<td>36.6</td>
<td>19</td>
<td>35</td>
<td>44.9</td>
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<tr>
<td>Russia</td>
<td>1.44</td>
<td>37.3</td>
<td>19</td>
<td>29</td>
<td>43.3</td>
</tr>
<tr>
<td>United States</td>
<td>2.07</td>
<td>36.2</td>
<td>18</td>
<td>33</td>
<td>39.1</td>
</tr>
<tr>
<td>China</td>
<td>1.64</td>
<td>32.2</td>
<td>11</td>
<td>24</td>
<td>42.5</td>
</tr>
<tr>
<td>India</td>
<td>2.61</td>
<td>23.9</td>
<td>7</td>
<td>12</td>
<td>31.2</td>
</tr>
</tbody>
</table>

*About 2.1 needed to keep replenishing a population.

**The old-age dependency ratio is the ratio of the population 65 years and over to the population aged 20 to 64 multiplied by 100.


*Old-age Dependency Ratio* is the ratio of the population 65 years and over to the population aged 20 to 64 multiplied by 100.
These Trends Raise Crucial Questions

- Who will do the work that vibrant economies require?

- Who will pay the taxes needed to support the dense social infrastructure that is one of Europe’s signal achievements?

- Who will buy the products and services that European firms produce?
Getting more out of the people you’ve got by adjusting domestic and EU-wide policy, including by identifying groups that are socially and economically marginalized (and, as a result, deeply under-represented in the labor force) and working hard to incorporate them.
Specifically...

- Adjust Retirement and Pensions
  - Raise the retirement age (all countries are gradually doing so) and trim benefits.
  - Close the gap between when people no longer work (whether voluntarily or not) and when pensions become available.

- Increase Labor Market Participation
  - Getting more work from the existing population—especially women, minorities, older workers, and immigrants and their offspring—through positive (affirmative) measures and through the tactical use of social supports (incentives and disincentives).
  - Thinking much harder about part-time work (restructuring part-time work to fit the talent pool, offering tax concessions and incentives to employers so that they offer training and benefits to such workers, assisting those part-time workers who want to get into full-time jobs in doing so, etc.).

- Continue to Try to Increase Fertility
  - France, Germany, Greece, many Nordic countries, Japan and Korea and many others have explicit, even aggressive, pro-natalist policies but results are very mixed.
And Part of the Answer May Lie With…

- Increasing intra-EU mobility, which has been accelerating already and the European Commission is preparing financial incentives to facilitate it further.

- Attracting more workers/consumers from the region (after all, migration is first and foremost a neighborhood affair).
# The Demography of the EU's “Neighborhood”

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>Median Age</th>
<th>Population Growth Rate</th>
<th>Total Fertility</th>
<th>Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balkans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albania</td>
<td>2,994,667</td>
<td>30.4 years</td>
<td>0.267%</td>
<td>1.48 children/woman</td>
<td>1.06 million</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>4,622,163</td>
<td>40.7</td>
<td>-0.008%</td>
<td>-</td>
<td>2.60 million</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>7,093,635</td>
<td>41.9</td>
<td>-0.781%</td>
<td>1.42</td>
<td>2.50 million</td>
</tr>
<tr>
<td>Croatia</td>
<td>4,483,804</td>
<td>41.4</td>
<td>-0.076%</td>
<td>1.43</td>
<td>1.76 million</td>
</tr>
<tr>
<td>Kosovo</td>
<td>1,825,632</td>
<td>26.7</td>
<td>-</td>
<td>-</td>
<td>310,000</td>
</tr>
<tr>
<td>Macedonia</td>
<td>2,077,328</td>
<td>35.8</td>
<td>0.248%</td>
<td>1.58</td>
<td>949,300</td>
</tr>
<tr>
<td>Montenegro</td>
<td>661,807</td>
<td>37.8</td>
<td>-0.705%</td>
<td>-</td>
<td>259,100</td>
</tr>
<tr>
<td>Serbia</td>
<td>7,310,555</td>
<td>41.3</td>
<td>-0.467%</td>
<td>-</td>
<td>2.95 million</td>
</tr>
<tr>
<td><strong>East of EU</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Belarus</td>
<td>9,577,552</td>
<td>39</td>
<td>-0.363%</td>
<td>1.26</td>
<td>5.00 million</td>
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<tr>
<td>Moldova</td>
<td>4,314,377</td>
<td>35.4</td>
<td>-0.072</td>
<td>1.29</td>
<td>1.20 million</td>
</tr>
<tr>
<td>Ukraine</td>
<td>45,134,707</td>
<td>39.9</td>
<td>-0.622%</td>
<td>1.28</td>
<td>22.02 million</td>
</tr>
<tr>
<td><strong>North Africa &amp; Turkey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>34,994,937</td>
<td>27.6</td>
<td>1.173%</td>
<td>1.75</td>
<td>10.81 million</td>
</tr>
<tr>
<td>Egypt</td>
<td>82,079,636</td>
<td>24.3</td>
<td>1.96%</td>
<td>2.97</td>
<td>26.20 million</td>
</tr>
<tr>
<td>Libya</td>
<td>6,597,960</td>
<td>24.5</td>
<td>2.064%</td>
<td>2.96</td>
<td>1.73 million</td>
</tr>
<tr>
<td>Morocco</td>
<td>31,968,361</td>
<td>26.9</td>
<td>1.067%</td>
<td>2.21</td>
<td>11.63 million</td>
</tr>
<tr>
<td>Tunisia</td>
<td>10,629,186</td>
<td>30</td>
<td>0.978%</td>
<td>2.03</td>
<td>3.829 million</td>
</tr>
<tr>
<td>Turkey</td>
<td>78,785,548</td>
<td>28.5</td>
<td>1.235%</td>
<td>2.15</td>
<td>25.64 million</td>
</tr>
</tbody>
</table>

Source: CIA Factbook, 2011
The Working-Age Population (15-64 year-olds) in MENA sending*, the EU-27, and select MENA sending countries

Source: UNDP World Population Prospects 2010 (latest as of 2012)

* For the purposes of this chart, MENA sending countries are: Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Sudan, Syria, Tunisia, Turkey & Yemen
New Workers (20-29 year-olds) in MENA sending*, the EU-27, and select MENA sending countries

Source: UNDP World Population Prospects 2010 (latest as of 2012)

* For the purposes of this chart, MENA sending countries are: Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Sudan, Syria, Tunisia, Turkey, and Yemen.
How to Prepare for More Migration Smartly

Of course, we all know that openings to migration are always difficult. Hence, all players must do their part.

- **The Government Must:**
  Build legal frameworks for the entry, employment, and integration of migrants, attend carefully to security issues, including managing immigration’s “back door”, and experiment with various types of migration in order to come up with the right mix.

- **The Business Community Must:**
  Step up to the plate and insist that firms should select the foreign workers they need (just as they do with all other workers) and train and help such workers advance without discrimination… positive or negative.

- **Civil Society Must:**
  Hold both government and business accountable on how they treat migrants, work with them on developing, defining and implementing integration programs, and advocate aggressively for all marginalized populations.
Also requires viewing the MENA region as a partner and resource and suggests that Europe should...

- Invest smartly in building up the region’s human capital stocks--a strategy that gives workers and their families opportunities for growth, builds up local economic opportunities, creates growing classes of consumers, and, for those who will migrate, enables them to do better for themselves and simultaneously offer greater value to their employers and the community of which they become part. Only then can today’s sorry narrative about migration in Europe be rewritten.

- Open markets and create a safe and secure investment environment under preferential tariff rules until a customs union or at least proper free trade and investment agreements are negotiated and come into force.

- Create incentives for European firms to relocate some of their production facilities to the region.
But if much migration to high income countries in the future is likely to be selective or highly selective, how might competition for the best and brightest sort itself out?
Assumptions

- The immigrant pipeline will remain robust for the next two decades, but not necessarily the supply of skilled migrants.

- But well before then, the BRICs plus will all be fishing in the same talent pool as high income countries do now—and so will other fast growing countries.

- So the question for high income countries is:

  “How do we attract and keep the best immigrants”?

  Or to put it more provocatively,…
Competing for the best and the brightest

How will they choose us?
Presence of Other Talented Professionals
Synergistic work environments, potential for virtuous cycles of innovation and success

Capital Infrastructure
Research labs, dynamic & transformative environment

Opportunity
Getting the best returns on one’s own human-capital investments

First-Tier Variables
Choice of Destination

First-Tier Variables
- Presence of Other Talented Professionals (talent hubs)
  - Synergistic work environments, potential for virtuous circles of innovation and success
- "Capital" Infrastructure
  - Research labs, professional growth, dynamic & transformative environments
- Opportunity
  - Getting the best returns on one's own human-capital investments

Second-Tier Variables
- Fair and Generous Social Model
- Lifestyle and Environmental Factors
- Tolerant and Safe Society
Choice of Destination

First-Tier Variables
- Presence of Other Talented Professionals
  - Synergistic work environments, potential for virtuous circles of innovation and success
- Capital Infrastructure
  - Research labs, professional growth, dynamic & transformative environment
- Opportunity
  - Getting the best returns on one’s own human-capital investments

Second-Tier Variables
- Fair and Generous Social Model
- Lifestyle and Environmental Factors
- Tolerant and Safe Society

Total Immigration Package
1. Clear, fair, and transparently applied immigration rules
2. Reasonable paths to permanent residency/citizenship that have predictable outcomes
3. Recognition of foreign credentials/licensing facilitation
4. Opportunities for family members

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Anxiety About Immigration Has Been Increasing
The Roots of Anxiety About Immigration

Rates of Growth and Cultural/Religious Differences

- The **speed with which immigration has grown** fuels natural anxieties about social and cultural change and brings to the **fore national identity insecurities** and apprehensions.

- Adding to this anxiety is the fact that many (and in some cases *most*) new immigrants come from countries of large social, cultural and ethnic “distances”.
  
  - In recent years, **religious distance** has often seemed to take “pride of place” among these differences and has defined much of the anxiety.
  
  - The increasing **“visibility”** and **“otherness”** of some newcomers fuels discomfort among host populations and shapes the reactions to them.

**The key “takeaway”:** The manner in which migration has evolved in recent years has challenged host societies’ management models and led to profound and highly visible social and cultural change—*and it has done so almost literally before people’s eyes*. This makes the popular discomfort about migration more understandable and frames the governance challenges discussed next…
Governance Challenge I

Immigrant Integration: A Record of Various Forms (and Degrees) of “Failure”

- All too frequently immigrant groups and their offspring are well behind natives in:
  - Language ability
  - Educational achievement
  - Access to opportunity (employment, earnings, quality of housing)
  - Social and political engagement.

And the fiscal crisis and lingering economic weakness exacerbates these differences.

- The on-the-ground effect:
  - The building up of cumulative disadvantage (expressing itself in varying forms and degrees of economic, social and political marginalization); and
  - The breeding of mutual wariness.

- The result: Many immigrant communities feel aggrieved, while many natives view immigrants and their children with impatience, if not mistrust and suspicion.
Governance Challenge II

Being More Mindful of the Concerns of Countries of Origin

- For most developing countries, emigration is first and foremost an **essential lifeline** for many of their citizens-- and (less directly) for their economies.

- At the same time, these countries are deeply concerned about the following:
  - That the behavior of some authorities and publics in the countries in which their citizens live and work all too often borders on a gross disregard for their citizens’ basic rights.
  - That the **human smuggling and trafficking industries** endanger their citizens’ lives and systematically exploits them, while undermining the legitimacy of their public institutions and complicating their relationships with transit and destination country governments.
  - That the increasingly selective immigration policies of rich societies may be tapping too deeply into their human capital pool (the **“brain drain”** issue).
Controlling Illegal Immigration and Resisting the Irresponsible Growth of Immigration

- The essence of success on migration is managing an orderly and flexibly regulated flow of legal immigrants.

- But managing legal migration well may not be enough either to turn the tables on gaining more from migration or on how immigration is perceived in many countries. To do so requires two additional things:
  - Success in controlling illegal immigration (the US is the “poster child” of failure in this regard—although things may be changing...)
  - Maintaining a sense of measure in how to grow a legal immigration flow (Spain is the poster child of how not to do so).

- Good management and legality serve the interests of most immigration actors well—except those of the criminal syndicates that move people, unscrupulous employers, family networks, the “migration facilitation industry,” and oblivious and/or completely self-interested consumers.
And Just in Case Anyone is Forgetting...

Mind the Effects of the Continuing Economic and Jobs Crisis...
… and Rising Youth Unemployment

Source: Eurostat 2012