



The Presidency Conference on
Future European Union Co-operation in the Field of Asylum, Migration and Frontiers
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**Concluding speech by Mr. Antonis Kastrissianakis
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Adrian Fortescue was a fine colleague and a gentleman. And I too, on behalf of the Commission, want to pay tribute to our former Director-General, who has contributed as none other to the build up of European policies on Immigration, Justice and Home Affairs. We are deeply aggrieved by this sudden and premature death.

Chairman, Ladies and Gentlemen,

I have no intention to provide any conclusions on behalf of the European Commission. My colleague Jean-Louis de Brouwer would have been in a much better position to do so and to provide fully-fledged comments. For my part, I am an expert neither on asylum nor on security and border control. My concern in the Directorate-General for Employment, Social Affairs and, as of now in the new Commission, also for equal opportunities, is how to contribute to increasing prosperity in Europe through policies that raise employment, improve productivity and quality at work and promote social cohesion. Policies that foster the adaptability to change of enterprises and workers; that ensure adequate labour supply and increase employment rates; and that improve human capital. It is from this perspective that I would ask you to allow me to make a couple of comments on immigration.

In its Communication on immigration, integration and employment published last year, as well as in its first annual report on immigration and integration adopted this June, the European Commission has emphasised that we need a forward-looking approach to economic migration if we want to meet the demographic, social and economic challenges that Europe is confronted with. Immigration is now closely related to the Lisbon Strategy launched four years ago, which aims to make the EU *"the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion"*.

In this context, I would like to share with you three main messages:

1. Firstly, if Europe wants to be more prosperous in the medium and longer run, it will need more immigrants.
2. Achieving successful integration of newcomers is indispensable.
3. The European Union has an important role to play to address these challenges.

All these statements may sound basic but they have far-reaching policy implications.

1. Europe will need more immigrants.

Although it is hardly ever presented this way, the question of "more or less immigration" is a collective choice about the sort of society and the sort of Europe we want to live in. This choice, as Professor Duncan reminded us in his excellent report on the second workshop, must be based on transparent judgements, looking at facts and weighing the merits, and also the limits, of the policy instruments at our disposal.

In this respect, more sustained immigration flows are increasingly likely. Globalisation, as well as welfare and demographic differentials, are driving forces behind greater mobility, and an increasing number of people world-wide enjoy the benefits of living and working abroad.

When it comes to Europe, increasing immigration flows are not only likely, they are increasingly necessary to achieve prosperity, if we consider the longer term implications of population ageing.

Looking at facts, and Rainer Münz and the other contributors made them plainly clear in their papers, what we see is that the labour force of the EU is not only ageing; it will also begin to shrink sharply as of 2010, a mere six years away! Between 2010 and 2030, at current net immigration flows, the decline in the population of working age in the EU-25 entails an average reduction in employment by 1 million every year. The contribution of employment growth to economic growth will therefore become structurally negative for several decades.

Such developments will have a huge impact on our labour market and the competitiveness of our enterprises, with increasing jobs and skills shortages. Without an increase in employment derived from increased immigration, and unless productivity growth rises above its current range (0.5-1.5%), average GDP growth will slow down to less than 1%, and GDP per capita growth will also slow down significantly. Although productivity growth of an ageing labour force is difficult to predict, it is very questionable whether productivity growth can adequately compensate for the decrease in employment.

This outlook is very worrying. To meet the challenge of demographic ageing, the EU must, of course, fully employ its existing human resources. This is a central plank of the European Employment Strategy and of the Lisbon Agenda. Improving the adaptability of workers and enterprises; increasing labour force participation, especially of women, and ensuring older workers remain longer in employment, also increasing employment rates of non-EU nationals in most Member States; investing in human capital and lifelong learning, as well as in research and innovation: these are all necessary to raise employment rates further and accelerate productivity. Action is also needed to ensure the sustainability of welfare systems.

Reforms in all these areas have been and are being introduced to a greater or less extent in all European countries. Actually, in the past seven years or so, employment in the EU-15 increased by more than 12 million, faster than at any other periods since the 1960s. And we hope that in the next years, we will be able to recover the momentum of employment growth which has stalled in the last couple of years.

However, given the magnitude of the demographic change, it is clear that pressures of the labour market for more immigration will increase – and Europe must prepare for this. If not, we are likely to see even higher levels of clandestine flows and undeclared work.

This view is now shared more and more widely and the main world regions now compete to attract migrants who can meet the needs of their labour market. Several Member States have re-opened some channels for economic migration, and many European economic actors insist on the role that immigrants can play in matching labour demand and supply.

On the other hand, many fear that newcomers substitute for existing, available workers, especially the low-skilled, pointing at levels of unemployment, which indeed remain too high in several European countries. Some, possibly the same, will also claim that increased immigration may represent an extra burden on social protection and public services, especially in urban areas.

These fears are not corroborated by evidence and the distributional effects of immigration should not be overstated. Clearly, the costs and benefits of immigration are not distributed evenly across the EU society and territory. This is something we need to acknowledge in designing our policies. But it should not prevent us from taking advantage of the overall economic gains that immigration can bring about.

For one thing, migrants will become the only way to replace workers that have already left the labour market and are no longer available. Reducing labour and skills shortages will therefore directly contribute to maintaining and expanding economic activity, as well as tax revenues. This is why the ability to manage immigration is crucial for the EU to master economic transformation and reinforce social cohesion in the short and longer term.

It is, therefore, becoming an imperative to make a success of a proactive and inclusive immigration policy. I would go as far as to say that maintaining and improving living standards on a decent footing for all of us depends, to a significant degree, on the successful immigration of third country nationals to provide a dynamic input to our economies and societies. Such success depends both on a more intelligent management of immigration flows and on more effective integration policies.

This brings me to my second point.

2. Better integration of newcomers with the host communities is indispensable: it is the key to the success of immigration.

Preparing for more immigration is not just an economic necessity; it is also a political and social priority. Sustained recourse to labour immigration brings with it greater responsibilities to ensure fair treatment and effective integration of newcomers. Better integration is a matter of social cohesion, a pre-requisite for economic efficiency and a political necessity to ensure acceptance of immigration. The European experience is not overall very positive in this regard, although some Member States may be more successful than others. Given the prospect of higher immigration, it is crucial that, in future, we do much better in terms of integration than in the past.

Better integration requires, in the first place, proper admission policies for new economic migrants, as well as a greater recognition and development of the skills and aptitudes of all migrants, including those coming through family reunification, and refugees. It is particularly important that immigration takes place in an orderly way, with transparent rules and mechanisms that respect the rights and interests of the migrants, the host country and the country of origin. Close partnership with countries of origin and transit in designing these rules is crucial. Let us not forget their investment in the migrants who leave them to come to us, nor the financial benefits which they accrue through remittances.

There are several systems we can think of for Europe as a whole. Policies are still very diverse within the EU and there is also a wealth of experience abroad that we can draw on. Some systems make admission dependent on holding a specific job or on qualifications for specific sectors or occupations; others tend to select immigrants on their overall levels of human capital. Overall, there seems to be a converging trend to mix these criteria, so as to ensure that immigrants have the capacity not just to enter the labour market for a specific job, but also to progress in the labour market and integrate fully in society in the longer run. This also stems from the recognition that micro-management of admissions to serve short-term needs is not easy to implement, nor a satisfactory solution to meet the broader, longer-term needs of the labour market.

Here again, I am grateful to Prof. Duncan for making the point that the future labour market needs will be across the board: they will not just be about the knowledge society jobs. Low-skilled immigrants will also be needed. The involvement of the social partners and the corporate sector is *sine qua non* for the design and success of admission policies.

To succeed in designing our policies, we need to further improve our knowledge of facts and policies. In particular, we need credible and comparable data in order to understand and foresee more accurately the needs of the labour market and the potential contribution of migrant labour. We must be better equipped to anticipate skills shortages and the need for certain occupations, and we must increase the body of studies on legal and illegal immigrants, as well as on stocks and flows!

As to the migrants who have already settled, it is necessary to develop comprehensive integration strategies, reflecting their specific needs and aspirations. A holistic approach to integration encompasses the key elements of the integration process: access to the labour market, education and language skills, housing and urban issues, health and social services, social and cultural environment but also civic and political rights. Tailor-made instruments may be required, but it is at least as important to mainstream immigration concerns into all relevant policy fields to ensure they correctly address the reality of today's immigration, as is important the need to combat discrimination.

The fight against discrimination and racism has been rendered particularly complex in the recent political climate, with the sometimes negative stereotyping of immigrants in the media and in the political discourse. We must combat the widespread prejudices, often whipped up by a biased press which make certain groups of migrants the "scapegoats" for unemployment and insecurity in Europe.

There is, I believe, a growing understanding among Member States of the need to combat discrimination. The Commission just published its second annual report on equality and non-discrimination, which reports on new rights to legal protection against discrimination which have been introduced across the EU and describes efforts that have been made to raise awareness about the positive benefits of diversity.

Finally, better integration requires effective partnerships between the stakeholders who are involved in immigration issues, especially through micro-level actions: regional and local authorities, particularly in the larger towns where many migrants settle; employment services; providers of education, healthcare, and social welfare; the police; the media; social partners; non-governmental organizations; and migrants themselves and their associations. All have a key role to play in defining and implementing policies. The INTI Preparatory Actions fund has the support of trans-national networks at different levels at its core and together with the European Social Fund, which promotes integration in the labour market, makes an important contribution to support the efforts of the Member States.

This leads me to my third and last point.

3. The EU can and should take the necessary initiatives to provide a more coherent framework for immigration

From what precedes, and from our discussion over the last two days, we see that the EU - as a whole - must prepare for future immigration in a responsible and effective way and that it must become more efficient in ensuring integration of immigrants. This challenge is of common interest to all Member States: what should then be the role of the EU?

Since the Tampere and Lisbon European Councils, the EU has a range of instruments to ensure that the right framework is in place. While these remain primarily the responsibility of the Member States, the Commission has announced its intention to propose a more coherent European framework to ensure that the contribution of immigration is fully tapped and to promote integration.

This requires, firstly, to mainstream the issue of immigration in existing EU policies and instruments. Good management of immigration flows and better integration cannot be ensured unless decisions in economic, human resources and social policy areas take fully into account the immigration dimension. This is particularly true for the instruments and initiatives carried out within the framework of the Lisbon Strategy, such as the European Employment Strategy and the European Strategy for Social Inclusion.

Take the example of the EES. Employment policies will fail unless they take fully into account the existing and future size and composition of labour supply as will be affected by immigration flows. This is why the revised European employment guidelines endorsed by the Council in 2003 have given much more attention to the issue of immigration: Member States are committed to take into account labour market aspects of immigration when addressing change and promoting adaptability and mobility in the labour market (guideline 3). They should also give full consideration to the additional labour supply resulting from immigration (guideline 5). They should finally foster the integration of immigrants and in particular aim to achieve a significant reduction in each Member State in the unemployment gaps between non-EU and EU nationals, according to any national targets (guideline 7).

This is a good start and the Commission is monitoring the implementation of the guidelines and reports annually. We are also planning action to engage an ambitious exchange of experiences at the EU level. This will not only concern Member States but all stakeholders including the Social Partners - whom I would have hoped to also find here today - and the regional and local authorities. A number of studies are being launched by the European Commission, which, together with existing information, will feed into this exchange. Moreover, the European network of public employment services, in particular the EURES network and the European Job Mobility Portal can also contribute to providing information on and anticipating skill shortages.

Mainstreaming is also to be strengthened in other relevant policy fields, so as to provide a comprehensive and consistent framework for action: external relations, development, trade, enterprise, education, cohesion policy, research and statistics, etc.

Secondly, and as a corollary, the European Union should work towards the definition of common basic principles for integration of immigrants. A number of European objectives, and even targets, already exist at the EU level, for instance in the context of the European Employment Strategy, but it is necessary to define a more consistent European framework for integration, in line with the future

European Constitution. Following the mandate given by the European Council of Thessaloniki, the Commission will make the necessary proposals in this respect. In line with the mainstreaming approach, I believe that such proposals should be followed by more specific objectives fixed in the main policy fields, where progress is necessary to improve integration of migrants. The Commission has already started an exchange of experiences and best practices on integration within the National Contact Points on Integration, and later this year will publish a handbook on integration. The systematic exchange of experiences in a number of priority domains related to integration and progress will continue and progress will be scrutinised through the annual report on migration and integration.

Thirdly, the Commission intends to publish a Green Paper in order to launch an in-depth discussion on the Community rules which should apply for economic migration to the EU. Exchanging and pooling experiences from the EU and abroad should be a fundamental aspect of this discussion. The publication of the Green Paper will be followed by a public hearing in the course of 2005, which must help pave the way for a common European approach to economic migration.

Finally, it is also important that immigration is given appropriate treatment in the use of the EU budget. The Commission presented overall proposals for the future financial perspectives covering the period 2007-2013 and specific legislative proposals for the EU Structural Funds. The integration of migrants is now prominent in the Commission's proposals for the new Regulation for the European Social Fund. And we hope that the Council and the European Parliament will also recognise the importance of this dimension.

Ladies and Gentlemen,

The issues discussed in this conference underline how urgent it is to take action on the immigration front. This is not simply a security aspect, nor a question as to how to deal with refugees and asylum seekers. It is a question about our economic and social future, about the composition and cohesion of our societies. Trying to hide the question under the carpet is not, to my mind, a reasonable approach in the medium and longer term. The forthcoming impact of ageing on our labour markets and employment and on our economies is a mathematical certainty and we must act now to prepare the ground for solid immigration policies that make sense at EU level.

Based on accurate information and data, we must raise the level of the political debate, in civil society and at the workplace, about the benefits as well as the costs of immigration, if we want to avoid that policy is made simply by default and uninformed bias.

Ways must be found to manage migratory pressures to the benefit of all, through adequate policies of legal entry and settlement, including better integration of new and established immigrants. We must also tackle illegal immigration by humane but firm policies and relentless struggle against trafficking in human beings often linked to other forms of organised crime.

Some may fear the prospect of a more diverse and more open Europe. However, the greatest fear is fear itself and this is what we need to tackle. Preparing for future immigration is one, necessary, way to prepare Europe's future.

By including distinguished experts and practitioners, not just from Europe but also from other countries, Canada, the US, and international institutions such as the OECD, the ILO and the Global

Commission, the Dutch Presidency has shown that we do, indeed, keep an open mind, and that we are ready to listen to advice to learn from the successes and mistakes of others and of ourselves.

Thank you and thank you, Demetri, for a very successful conference.

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