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"If only ageing Europe had taken the easy option of more immigration"

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It seems extraordinary three-quarters of a century after the Treaty of Rome was signed, and almost 30 years since the European Union's 'Big Bang' enlargement, that a major common problem should so consistently fail to find a common solution. Yet that is the fate of immigration policies in Europe. Extraordinary may not be the right word; 'Significant' might be more appropriate because the issues surrounding immigration into Europe are not just politically sensitive in national terms but also point to fault lines that threaten the EU's future integrity.

Until a few years ago, immigration was a relatively straightforward issue in most EU member states. It concerned each country's notions of social balance and cultural history. In other words, the degree to which indigenous populations accept change and the presence of newcomers of different religions and ethnicities. Some countries, even regions, were more relaxed than others, and their immigration policies reflected this.

Europe's circumstances have changed, however, and those looser and more flexible conditions no longer apply. Ageing and demographic change of revolutionary proportions demand a radically different policy approach. Europe badly needs new blood to stem the shrinkage of its active, tax-paying workforces and to help fund the soaring pension and healthcare costs of its older populations.

Rather than responding to immigration pressures from different standpoints of enlightenment or tolerance, Europeans would be wise to instead predicate their policies on economic realism and self-interest. Because the demographic shift will soon be so overwhelming in both size and speed, the EU's member governments must adopt common migration policies or risk the Union's disintegration, either with a bang or the whimper of the poet T.S. Eliot.

THE MYTHS THAT FUEL ANTI-MIGRANT RHETORIC

Few Europeans think of themselves as racist. In opinion polls they tend to sidestep questions that would reveal outright racial discrimination but are less inhibited when asked about immigration. More than half of respondents consistently say they want to see fewer migrants. But three-quarters say the free movement of people to live and find work within the EU is essential[1].

An ingrained suspicion of 'foreigners' and resistance to newcomers - and to change in general - persists, arguably as a hallmark of Europeans' conservative culture. Their anti-immigration stance contrasts with public opinion in the United States, where (despite Trump) about two-thirds welcome immigration.

Americans' openness to newcomers is enviable because it promises a brighter economic future there than in Europe. The refusal of so many Europeans to re-evaluate the pros and cons of immigration is baffling because the case for opening up to more migrants has grown stronger year by year. This is in turn highlighted by the speed with which Europe's demographic outlook has gone from gloomy to catastrophic.

Before looking at the chief features of the migration question, and of EU member states' refusal to agree a common policy, it is useful to review the

[1] Oxford University polling, *January 2021.*

widely accepted myths used by citizens and their politicians to justify opposition to more immigration.

The first myth, of course, is that Europe has no need of migrants. The premise of much media reporting is that migrants and refugees - whether across the English Channel, northwards from Italy or Spain, or into Poland from Belarus - are unwanted and to be discouraged. Even when Angela Merkel opened Germany's frontiers in 2015/16 with her famous "*wir schaffen das*" welcome, the arrival of almost a million generally well-educated Syrians was seen as a charitable gesture rather than German self-interest.

The next frequently heard myth is that migrants 'take jobs' from native Europeans. As EU countries, and Britain too, face mounting labour shortages there is no evidence of employers shedding workers to hire new ones at cheaper rates. The present active EU-UK workforce of 240 million is to shrink by mid-century to 207 million, so even relatively unskilled workers will be increasingly in demand.

Then there's the terrorism myth, voiced more loudly than ever following the succession of jihadist massacres in Paris, Nice, Brussels, London, Berlin and Manchester. There was nothing mythical about the attacks themselves, but rather about the blame that should attach to migrants. Counter-terrorism experts put the likelihood of their involvement at 0.01 per cent, stressing that Islamic militants are generally from established second or third generation immigrant families. That fails to persuade the 60 per cent of opinion poll samples who remain convinced that new migrants fuel terrorism[2].

Other myths are more concerned with economic effects. Migrants are widely thought to impose a heavy burden on social security arrangement ranging from unemployment benefits to healthcare. The evidence points the other way; the OECD says unequivocally that "migrants contribute more in taxes and social contributions than they receive in individual benefits."

The notion that irregular migrants brave dangerous sea crossings and clandestine rigours to sponge off EU countries' social support systems never seemed very convincing. In fact, in-depth research shows that on the whole migrants contribute more as taxpayers and consumers than they cost in the initial 'settling in' stages of arrival. The 2015-16 'migrant crisis' did indeed impose financial burdens within Europe, notably in Germany and Sweden, but these are now seen as worthwhile investments[3].

To round off this litany of myths, arguments against immigration also include charges that Europe is too crowded to make room for more people, and that competition for jobs from lower waged migrants depresses overall wage levels. Neither stands up to scrutiny. Europe's problem is increasingly the 'desertification' of neglected regions rather than a population density that is considerably less than that of, say, China. And although in some unskilled sectors migrants have very slightly pushed wage levels down, in most they have actually seen an increase in wages[4].

A more persuasive suggestion is that migrants are not needed to swell shrinking workforces because of robotisation and the digital revolution. While this sounds convincing, it's wrong. Nobody can say what the world will look like in the coming years. What we do know, however, is that robots don't pay taxes, they are not consumers, nor do they produce children. As digital technologies haven't yet delivered the promised productivity bonuses that would create much-needed growth and wealth, the 'people power' that migrants can provide will be essential.

WHAT ABOUT EU POLICIES?

Where has the EU got to on policy responses? The short answer is almost nowhere. EU policymakers dispute this, but the member states are so far from agreeing a common approach on both economic migrants and asylum-seeking refugees as to be no further forward in practical policy terms.

[2] Pew Research Center, *May 2019.*

[3] McKinsey Global Institute, *December 2016.*

[4] University College London, *2008.*

The European Commission presented on 23 September 2020 a new Pact on Migration and Asylum, but its adoption is moving ahead at a very slow pace. The cornerstone of the new Pact is the abolition of the 30-year-old and widely disputed Dublin Regulation, imposing responsibility on the EU member state a migrant first sets foot in. This clumsy asylum rule, detested above all by Greece, Italy and Spain, will be replaced by a complex system allowing each EU country to choose how to show solidarity and how to share the burden with border states.

Under this new approach, there will be a greater emphasis on the deportation of illegal migrants and, perhaps more problematically, a new financial burden-sharing formula that invites the richer members of the Union to contribute more.

Compared to the high hopes raised just over 20 years ago at the EU's Tampere conference, progress towards a common policy has been slow to non-existent. In October 1999 at their meeting in Finland, leaders of the then 15 member states declared: "Our aim is to develop a European Union that is open to those led justifiably to seek access in our territory, and which is able to respond to humanitarian needs on the basis of solidarity."

This lofty idealism partly reflected the new-found confidence of an EU that most of the former Soviet bloc was clamouring to join, and also the fact that over 300,000 people displaced by recent conflicts in the western Balkans needed a new homeland.

None of this added up to a genuine EU migration policy. It wasn't until Syria's civil war led to millions of refugees that European governments were at last forced to confront the problem. Even then, with Germany and Sweden shouldering much of the burden of almost two million newcomers, the so-called '2015-16 migration crisis' arguably hardened voters' resistance to migrant influxes, and thus EU governments' reluctance to agree a common stance.

The French Presidency of the Council of the European Union intends to make progress on the adoption of the new Pact and on the reform of the Schengen area. Last week, the French president put forward the idea of creating a "Schengen Council" to "regain control of Europe's borders" and the creation of a "rapid intervention mechanism in the event of a crisis at the Union's borders. It is above all a response to the instrumentalisation of migration for political and geopolitical purposes.

WHERE TO NOW, IF THERE'S NO COMMON APPROACH?

It might appear, at first glance, that migration policy analysis has been sadly neglected, leading to an under-appreciation by political decision-takers of the issues involved. On the contrary, it is so complex an area that academics and NGOs vie for attention in ways that obscure the choices to be made.

The plethora of information and comment has failed to clarify official thinking or to focus public attention on the unavoidable difficulties that lie ahead. With immigration the only viable medium-term solution to Europe's demographic problems, the question is how best the EU should fashion legal migration routes that serve its member states' interests as well as those of migrants and their countries of origin.

It's almost forgotten now, but in 2010 former Spanish prime minister Felipe Gonzalez was asked to conduct a 'Wise Men's' report on the long-term implications of Europe's ageing, early retirement, rising pension entitlements and soaring healthcare costs. His conclusion was that to compensate for these factors the EU would need 100 million migrants by mid-century. Officialdom quietly buried his findings.

Today, however, the demographic problem is harder to ignore. Covid's lockdowns have aggravated labour shortages in key sectors, raising questions not only about automation and more robots but also about the size of tax revenues from smaller labour forces. The reduction mentioned earlier of Europe's present workforce by 33 million people will be an economic body blow.

Fewer taxpayers will be only part of the problem as those retired workers will become pensioners and healthcare recipients. That economic hit will be an even greater problem when placed against the background of expensive climate change investments and the continuing erosion of Europe's privileged position in the international economy and trading system.

Europeans' living standards will be coming under heavy pressure for a host of different reasons, so stabilising the workforce is the policy lever that's easiest - that's to say, least difficult - to pull. It's also likely to yield the quickest results. Encouraging more women into the active workforce, notably in southern and eastern EU countries, is another option, although it is proving far from easy. There's also the goal of reversing the downward fertility trend, but as the EU is averaging 1.5 children per couple this strategy is long-term and discouraging.

More immigration, it has to be stressed, offers no immediate magic wand. Labour shortages in essential services like healthcare will not be resolved by the arrival of young men from African and Arab countries who lack adequate educational and language qualifications. But that's not a convincing argument for denying them entry.

Europe needs more young people, including younger women to assure the gender balance in migrant communities and to address the fertility problem. Second and third generation immigrants are already proving their worth through contributions at many levels to European society. And as well as being consumers and taxpayers, the investment their arrival triggers in housing and education is often an important but underrated economic stimulus.

THE 'BIG PICTURE' IS THE MOST TELLING OF ALL

Persuading public opinion, and therefore politicians, of a need to avert future catastrophe is a notoriously thankless task. The path of European history is littered with avoidable conflicts and crises had all the warnings been heeded. So far, the demographic tsunami now rolling silently towards us has been largely ignored; the measures needed to reform our labour markets and welfare systems look to be so radical that governments focus instead on short-term issues.

Admitting more legal immigrants and asylum-seeking refugees is the least radical policy open to them. Perversely, it's also the option most EU governments have discarded. Until ten years ago, the yearly flow of legal migrants averaged half a million people. But since 2012, the clampdown on family reunifications prompted by populist politicians has halved that number. At the same time, work visas for legal migrants - a category supposedly prioritised by the EU - were reduced by 70 per cent.

Holding governments and their various agencies to account on immigration matters is virtually impossible. Decisions on individual cases are seldom transparent, and broad policies are too complex to be questioned. The result is systematised hypocrisy over immigration.

The European Commission has attempted for many years to encourage a more concerted EU-wide approach to immigration. It did so at first in response to 'push' pressures from sub-Saharan and Arab countries that benefit from the financial remittances of migrants to their families at home. Then it urged the 'pull' of Europe's need for both seasonal and unskilled labour.

Nowadays, the more reflective Eurocrats in the senior ranks of the Commission and the EU's other institutions have a broader concern. They can see that unless Europe is more open to immigration, powerful new pressures risk pulling the Union apart. Privately, they despair of EU member states' inability to see the 'Big Picture' and liken their own frustrated efforts to 'herding cats'.

The strains of ageing and demographic dislocation will be most disruptive in the EU's newer member states. Central and eastern European countries

generally have very low fertility rates, high barriers against immigration and, as formerly communist economies, less stored wealth to finance the costs of the demographic crunch.

Will the taxpayers of richer countries, especially Germany, be ready to fund their neighbours' shortcomings? When today's orange alert signals turn to red ten or twenty years hence, it may well be that Europe's policymakers and voters fervently wish they had encouraged and facilitated immigration. 'If only we had taken the easy option' may be their refrain.

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