

Warsaw 2007 - Conclusions

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DEMOGRAPHIC CHANGES AND IMMIGRATION

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Conclusions

Background

- As a result of rising life expectancy and fertility rates below reproduction level as well as current immigration trends, the total population of the EU will slightly decrease until 2050.
- More dramatically, population will show a much higher average age in 2050. The number of persons over 65 years might double until around 50 per cent - in relation to the number of persons younger than 65 years - in 2050.
- Roughly, Europe goes from the present ratio of four working age people to each elderly person down to two-to-one by 2050.
- Amongst others, the good news is that the Europeans who will reach the age of 65 years in the year 2050 will live, on average, four to five years longer than the persons, who are 65 years old today.
- Nonetheless, economic adjustments must go on as unchanged institutions and cultural norms would lead to problematic financial burdens and poverty problems in some of the EU countries.
- Other European countries have reached already impressive progress in terms of implementing sustainable solutions at least in certain fields. This includes, for example France, the UK and Norway, that have achieved fertility rates near the reproduction level.

Practical Policy Questions

- It still appears uncontroversial that a comprehensive set of measures should be adopted now in order to sustain future costs of demographic changes. This package must be tailored to the specific

needs of each country, however (and may differ, by and large, in central European countries as well as Russia due to differing backgrounds not discussed here from western European ones).

- These measures include, in general, longer working lives adapted to a longer expectancy of a healthy life; improved systems of education and incentives to invest in 'human resources'; as well as raising female employment rates while simultaneously increasing fertility rates in the respective underperforming economies.
- Above all, the family policy issue needs to be addressed by dismantling existing institutional barriers like inflexible shop-opening hours or working times, by lengthening the school day and providing school lunches and by lower taxes on secondary earners. Furthermore, a 'fairer' burden sharing of household obligations between women and men should contribute to a rising feminisation of labour markets.
- Additionally, a focused immigration policy may partially offset the current and future labour market and financial problems of social systems if combined with a comprehensive integration strategy tailored mainly at national levels. The currently discussed 'blue card' for millions of new immigrants to the European Union may, however, have unwanted side-effects that need to be considered in depth before implementing such a measure.
- Specific problems of the integration of immigrants and the 'second generation' (children of immigrants) in several member states need to be addressed more thoroughly in the interest of both, immigrants and native population. Vital measures to use the potential of the immigrant workforce already available include, for example, prevention through better adapted education and training and more effective systems to recognise qualifications.
- Regarding anti-discrimination issues, a very cautious legislative approach appears appropriate, as these measures may become part of the problem itself.

Policy Implementation / Decision Making Level

- In terms of information, the EU can play a key role in fostering mutual learning and in communicating good and best practices. Sometimes, a peer pressure function of the EU may be helpful as well in order to stimulate appropriate reforms at the national level
- It proves difficult, however, to find a lowest common denominator to shift legislative decision making about many of the relevant policies (e.g. family or labour market issues) to the European Union level, as obvious and strong trade-offs exist.
- Nonetheless, in some cases the EU may play a key role in making legislative decisions where the vital needs of several or all EU member states are concerned. With respect to immigration, at least a co-ordination role is important.