



# **THE ECONOMIC AND SOCIAL ASPECTS OF MIGRATION**

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by  
The European Commission and the OECD**

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**ADDRESS**

**by**

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**JOINT EUROPEAN COMMISSION AND OECD CONFERENCE  
ON THE ECONOMIC AND SOCIAL ASPECTS OF MIGRATION**

**ADDRESS BY MS. ODILE QUINTIN**

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Ladies and Gentlemen,

These two days, organised jointly by the Commission and the OECD, are an important event. Such gatherings make it possible to develop a comprehensive, research-based approach to immigration. It is in this way that Europe will be able to formulate a more balanced view of the problems and their solutions.

Ways of analysing and understanding the diversity of immigration, its causes and the issues involved are still largely lacking in Europe. Statistical tools as well. While this field has long been an academic discipline in the United States, how paradoxical it is that Europe—an old land of immigration and emigration—still gives it so little attention and intellectual recognition.

Over the past twenty years, this deficiency has left the door wide open to arguments that are based more on ideologies than on the “real” issues. This discourse having been allowed to go unchallenged, it is now more complicated to open the eyes of policy makers and society as a whole, and thus to facilitate a dispassionate approach to immigration issues. The time has undoubtedly come to develop a genuine immigration policy, rooted in an understanding of what has actually happened in Europe over the past generation. What have we seen in Europe these past ten years? Significant flows of immigration, averaging nearly 800 000 entries per year; migration pressure, including pressure from asylum seekers, sustained by a considerable wealth gap with our neighbours and bolstered by our exceptional political stability, in contrast to the tensions and conflicts raging in nearby regions; and lastly, at home, persistent, if not growing, difficulties with the integration of recent immigrant populations—difficulties that in many instances can be seen as a sign of crisis in the “European model” of integration.

The challenge today is therefore to overhaul this model of integration, beginning with a comprehensive and dispassionate analysis. It must be reiterated that the goal of “zero immigration” is unrealistic and harmful, as is the notion of sending home lawfully established immigrants. History clearly shows the traditional importance of migration in Europe, as well as its diversity. One need only recall that Europe borders on areas that are developing, unstable or at war, and the attraction exerted by this haven of peace and relative prosperity will inevitably remain strong. The problem, in the eyes of our fellow citizens, arises when these pressures lead to illegal immigration and the hijacking of traditional asylum procedures by economic immigrants.

Let us look rather at the more structural challenges for our continent—those of population ageing. The figures show that immigration alone can never fully offset the effects of ageing, as was demonstrated by last year’s report on *The Social Situation in Europe 2002*. It can only alleviate those effects.

In 2000, the demographic dependency rate—the ratio of persons over 65 to those aged 15-64—was 0.24. With the current fertility rate of 1.4‰, the dependency rate in 2050 would be nearly 0.6. Even with 1.2 million immigrants per year, which would be far more than the estimated flows for 1999-2000, the ratio would still approach 0.5 if the fertility rate stayed at 1.4‰. The truth of the matter is that future ageing is programmed by the current structure of the population.

Reform of pension systems must therefore be based on a comprehensive strategy. This is advocated in the co-ordination of national strategies, launched in December 2001, around three essential objectives: to ensure the systems' economic viability, while at the same time preserving their ability to perform their primary role, which is a social one; and to tailor them to changes in the economy and in society.

It is also because ageing is inherent in the current structure of the population that the Heads of State and Government, on the Commission's proposal, have given absolute priority to policies intended to increase labour participation—by women, but also by workers aged 55 and over, whose employment rate should rise to 50% by 2010, versus roughly 39% today. These are the core orientations of the future employment strategy that the Commission has just proposed with a view to the European Council to be held in Brussels on 20 March.

However, even if we meet the goals set in Lisbon, the overall volume of employment will begin to shrink in 2010, jeopardising our capacity to ensure sustainable growth.

- Europe is therefore faced today with considerable challenges. It must continue efforts for structural reform in product and service markets, invest in training and stimulate innovation and new technologies in order to create the conditions for a *structural, and sustainable, increase in productivity*.
- Europe must also explore policies that could contribute to a *rebound in fertility rates*, although such policies could yield results only in the long term—which, *inter alia*, would entail implementation of such active policies as the provision of more day care facilities for young children, as called for at the Barcelona European Council.
- Lastly, Europe can undertake to *increase migration flows*. Immigration can alleviate labour shortages in certain sectors and certain regions, and it can offset the effects of slower demographic growth.

But immigration is not about numbers. It is above all a political, social and cultural issue. This must be made clear to public opinion, which, because it is often exasperated by *some* aspects of immigration, can end up rejecting *all* immigration.

Do we wish to *take in workers*? To do which jobs? Skilled ones or those that “locals” no longer want? For how long? Should there be, or could there actually be, temporary immigration, whereas experience over the past thirty years has shown clearly that what is temporary often becomes permanent? How can we get countries of origin to support such a policy? Do we wish to go further, and offset the *natural decline in the population*? If so, what bold integration policies need to be put in place, since the objective would then be to turn immigrants into future citizens, with their rights and obligations, and above all sharing the values, language and culture of the host country? But let us not forget that we do not wish to deprive the migrants' home countries of the workers who contribute to their development. Clearly, there are many questions for which answers are needed urgently, albeit a little belated. Unfortunately, they have received little attention over the past 20 years that immigration has played an important role on the European political scene.

For its part, the Commission has continuously advocated a comprehensive and balanced approach to immigration—one based on a better understanding of the phenomenon, thanks in particular to more effective statistical tools. The Action Programme to Combat Discrimination is already contributing to this.

An understanding that would also make it possible to identify particular issues relating to gender, including the situation of women immigrants, from family reunification to trafficking in human beings.

An understanding that would combine determined prosecution of illegal immigration and human trafficking, a common asylum policy, fair treatment of immigrants with regard to rights and obligations, and social protection in particular, prevention of racism and discrimination and targeted measures for employment and social protection. This is what the Commission proposed in 2000; little progress has been made in the Council since then, apart from adopting the European legislative framework for combating discrimination, extending social security co-ordination to third country nationals and adopting a comprehensive plan to combat illegal immigration.

For their part, social and employment policies should be based on known facts and a number of principles. The migrants settled in the Member States constitute a deep-rooted social reality, and one that is already changing the face of many regions. Europe must therefore be able to manage the profound change of its increasing cultural and ethnic diversity in a positive, rather than defensive, way. To this end, it must strike a balance between rights and obligations, respect for traditions and national models of citizenship, and a determined fight against all forms of discrimination. At the core of the Social Agenda, four areas of policy embody this vision.

First, with regard to rights, and beyond its technical aspect, the *extension of social security co-ordination* is a considerable factor for integration. As a result, the continuity of entitlement to social security benefits is assured for immigrants who change their country of residence, or who simply travel outside their country of residence. The rationale for this recognition of equal rights was so self-evident that the United Kingdom and Ireland, which are afforded the right to “opt into” provisions concerning immigration policy, chose to exercise that option in the case of this particular measure.

Next, the *European employment strategy*. A guideline to be implemented in their annual national action plans asks the Member States to develop special measures to promote access to employment for migrant workers from third countries. The recent communication on the future of European employment strategy pays considerable attention to immigration in connection with strategies to expand the labour force. It obviously does not call for development of a distinct employment policy, which might compound the difficulties of integration by stigmatising the people concerned. Rather, the idea is to define a range of measures conducive to raising the employment rate of migrants and bringing it nearer to that of nationals, making it possible, for example, to combat illiteracy, improve the condition of women and promote entrepreneurship amongst ethnic minorities.

*Co-ordination of policies to combat exclusion*, the “common objectives” of which have just been reinforced, are based on a “pillar”, which is action in favour of those most vulnerable; these include immigrants experiencing particular difficulties breaking into the job market. The first evaluation report on the action plans presented by the Member States on the basis of European objectives highlights the fact that ethnic minorities and immigrants often experience special problems with job market entry.

All of these policies must be rooted in the values forming the “European social model” and enshrined in the Charter of Fundamental Rights. Since the Treaty of Amsterdam, and its Article 13, the Union has the legal authority to render these values a reality and to *prohibit discrimination* based on sex, religion or belief, disability, age, sexual orientation or, of course, racial or ethnic origin.

In June 2000, the Union adopted a directive to combat racial discrimination, not only in the workplace, but also in the education system, social protection and assistance, access to housing and access to goods and services in general. The Member States were required to have transposed the directive into their national law by July 2003. They also had to incorporate concretely the notions of “direct” and “indirect discrimination”, as well as “harassment”. In addition, the burden of proof is now shared, so as to facilitate the recourse of victims, meaning that the courts can impose the burden of proof on employers if there is deemed to be sufficient evidence of discrimination. Such legal instruments, by facilitating recourse, will make it possible to reveal more clearly the exact nature of instances of discrimination, to detect and understand them more fully and to avert them more effectively.

In this general context, the social responsibility initiatives of businesses have an important contribution to make.

Thanks to the progress towards a comprehensive and dispassionate approach to immigration, we can address the vital issue of the interaction between immigration, employment and social policies, within the context of population ageing. The Commission will adopt a communication on this subject in the spring, with a view to the European Councils of Brussels and Thessaloniki. These two days of high-quality dialogue and deliberation will enrich that initiative, which symbolises our determination to progress towards a European approach respectful of differences but mindful of our responsibility vis-à-vis this issue, which concerns the identity and the future of our continent.