

Global Trends to 2030: The Future of Migration and Integration

Disclaimer

This publication was prepared by the European Political Strategy Centre (EPSC) in the context of the forthcoming European Strategy and Policy Analysis System (ESPAS) Global Trends to 2030 Report. This publication does not bind, nor may be attributed to, any of the European Union institutions and bodies participating in ESPAS, namely the European Commission, the European Parliament, the General Secretariat of the Council of the EU and the European External Action Service, as well as the Committee of the Regions, the European Economic and Social Committee and the European Investment Bank.

The scenarios included in these ESPAS Ideas Papers are hypothetical situations aiming to provoke discussions about possible futures, and are by no means prescriptive.

Acknowledgements

The ESPAS Ideas Papers have benefited from valuable feedback received from colleagues from across all EU institutions who participated in a series of ESPAS Ideas events throughout 2018.

International migration and geographic mobility have major implications for societies and economies. This is true at global level, and, perhaps even more so, at European level. The special impact on Europe is partly down to its history. Until just two generations ago, most European countries recorded much more emigration than immigration. In fact, some EU Member States and neighbouring countries still do which implies a potential loss of talent and skills.

As a result, **there are no ‘classical’ immigration countries on the European continent**, comparable to the US, Canada or Australia. This goes some way towards explaining why **Europe’s migration policies often lack coherence, selectivity and a focus on socio-economic outcomes**. Since the 1990s temporary or permanent admission granted by EU Member States is dominated more by rights-based and humanitarian considerations (family reunion, asylum, humanitarian protection) than by economic interests.

At the same time, in a European Union without internal borders, only a handful of EU Member States – depending on their geographic location and/or the generosity of their reception and asylum systems – have become responsible for managing the bulk of irregular arrivals and/or for processing asylum requests.

Recent spikes in uncontrolled flows of irregular migrants and refugees, combined with integration deficits inherited from the past have led to growing scepticism about international migration, as well as about migration and border management at national and EU levels.

Yet, this growing scepticism is taking place at a moment in time when migration is set to become an important answer to the emerging supply of labour, talent and skills. Europe now is the world’s demographically oldest continent, home to stagnating or even shrinking native populations and – in many EU countries – characterised by early retirement as a common practice.

This paper explores the current situation and the future of migration to Europe in a global context. It informs about stocks and flows of migrants, describes arrivals by the main gates of entry, and looks at the future size of EU population. Building on the current situation the paper develops four possible scenarios describing the future of European migration and their implications for socio-economic integration.

Key Messages

- **The number of migrants living in richer parts of the world – including Europe – has increased and will most likely continue to do so.** Richer countries in Europe have become prime destinations for both economic and other migrants. Given Europe’s geographical and geopolitical location, periods marked by mass inflows of people seeking protection or better opportunities cannot be excluded in decades to come. But such flows will also depend on **EU-wide efforts to control arrivals and entry at external borders** (including airports), as well as on the effectiveness of **asylum procedures, resettlement and return mechanisms**.
- **Labour migration to EU Member States is on the decline.** More than half of newly arriving citizens of non-EU countries are now admitted on rights-based (family reunion) and humanitarian grounds (refugee status, other humanitarian reasons). As a result, most new entrants are not immediately integrated into formal EU labour markets, reducing the potential economic gains from migration.
- In many EU countries, the number of native-born children with no migration background is declining. **Migration will thus play a more significant role shaping not only the size, but also the structure of our continent’s future population, with major implications for the fabric, cohesion and identity of European societies.** Depending on the size and composition of future immigration flows, Europe’s economies and societies face a considerable integration challenge augmented by already existing gaps, marginalised groups and parallel societies, resulting from integration deficits of the past.
- At the same time, even with the likely intensification of automation and robotisation, **demographic ageing and a shrinking number of young native-born Europeans will – most likely – require the recruitment of new labour and skills.** It remains to be seen if and how Europe could become more selective in its choice of migrants, but also more attractive for talented and ambitious people on the move.

PART I • KEY TRENDS

Global migration trends

The **absolute number of people living outside their country of birth** today is higher than ever before: It rose from 173 million in 2000 to **258 million in 2017** – accelerating at a pace slightly above world population growth. As a result, the share of international migrants in global population has grown from 2.8% in 2000 to 3.4% in 2017.

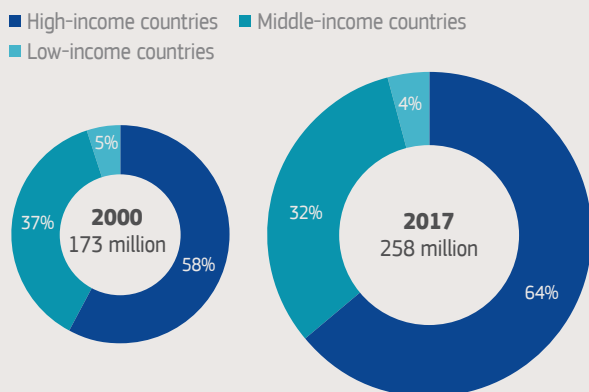
High-income countries have absorbed the lion's share of this net increase, hosting 64 million of the additional 85 million people living outside their country of birth worldwide (net increase 2000-2017).

As a result, in 2017, 64% of international migrants worldwide – or 165 million people – live in high-income countries. This includes 20 million recognised refugees and asylum-seekers. Another 81 million reside in middle-income countries and only 11 million in low-income countries (Figure 1).

The USA, Saudi Arabia, Germany and Russia are the most important receiving countries. Europe – once the world's most important migrant sending region – has, since the 1960s, become a prime destination for immigrants, with the **EU28 hosting 22% of all persons living outside their country of birth globally**.

Figure 1: Two thirds of all international migrants live in high-income countries

International migrants by income group of destination country, 2000 and 2017, in %



Note: For both charts, the classification of countries and areas by income level is based on 2016 gross national income (GNI) per capita, in US \$ as calculated by the World Bank.

Source: United Nations Population Division

Trends in migration to and in the EU

Since the beginning of 21st century, the number of immigrants and mobile EU citizens living in today's 28 EU Member States has increased by about 60%: from 34 million (or 6.9 % of total EU population) in 2000 to 57 million (or 11.1%) in 2017.

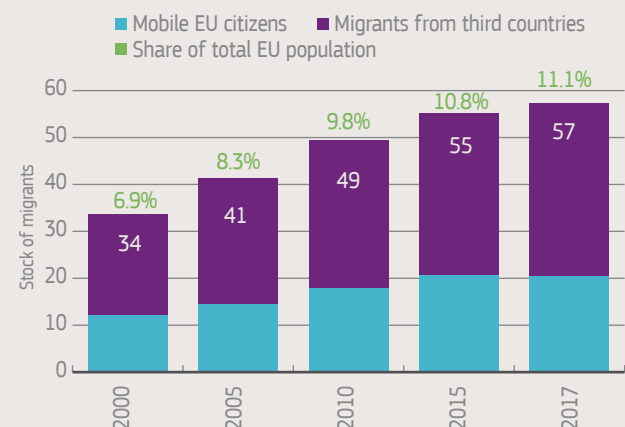
Among these, roughly 20 million people came from another EU Member State, while 37 million are third-country nationals and naturalised EU citizens with place of birth outside the EU (Figure 2).

Counterbalancing immigration trends, at least 3.0 million emigrants were reported to have left an EU Member State in 2016; about half of them mobile EU citizens moving to another Member State.

Although 21 of the EU Member States reported more immigration than emigration in 2016, the number of emigrants outnumbered the number of immigrants in Bulgaria, Croatia, Latvia, Lithuania, Poland, Portugal and Romania. In fact, between 2010 and 2016, while countries like Germany (+3.4 million) and Italy (+1.5 million) recorded a strong positive net migration, countries like Spain (-484,000), Poland (-400,000), Romania (-276,000) or Greece (-241,000) recorded net migration losses, reducing unemployment or underemployment, but leading to a loss of talent and skills (brain drain).

Figure 2: Absolute numbers and share of migrants rising in Europe

Stocks of immigrants from third countries and mobile EU citizens in EU28



Note: Some of the mobile EU citizens shown in Fig. 2 had arrived as non-EU citizens prior to the EU accession of their country of origin.

Source: Eurostat

Intra-EU mobility on the up

EU enlargement to Central and South-Eastern European countries in 2004, 2007 and 2013, unleashed new opportunities for **intra-EU labour mobility**, providing millions of citizens from Central and South-Eastern European access to labour markets and residence in Western and Southern Europe. Since the early 2000s, it has led to unprecedented East-West migration within the EU. More recently, as a result of the financial crisis and a subsequent rise in unemployment levels in Southern Europe, citizens of Spain, Portugal, Italy and Greece have been incentivised to move within Europe in search for jobs; a phenomenon not seen since the 1980s.

During the period 2010 to 2015, an estimated 6.7 million EU citizens moved to other EU countries for an extended period of time (12+ months). That is an average of 1.1 million per year. To a large extent, these were EU citizens taking up jobs in another EU country, although educational and retirement mobility also played a role. The prime destination was Germany, followed by the UK, Spain, Italy and Austria. The most important sending EU countries were Poland, Romania and Bulgaria, but also Italy and Spain.

Rights-based, humanitarian migration dominates in the EU

Over the period 2010 to 2016, some 12 million people from non-EU countries were granted **residence permits** (with a duration of more than 12 months), refugee status or temporary protection in the EU. That is an average of 1.75 million per year.

The most important destination country was Germany, followed by the UK, Italy, Spain, France and Sweden. In Germany the largest inflows were linked to asylum-seekers from Syria, Afghanistan and Iraq, but also to regular migrants coming from Serbia, Turkey, Russia and China. In the UK, immigration from China, India and Pakistan played the most important role. In Italy, Spain, and France, the largest inflows were from Morocco and Algeria.

In 2016, the number of new residence permits peaked at 3.4 million as refugee status or temporary protection was granted at a larger-than-usual scale. The number of **first-time asylum-seekers rose** from 200,000 (annual average 2008-2010) to more than 1.2 million per year (2015-2016). Although the numbers of first-time asylum applications fell back down to 650,000 in 2017, this still represents 3 times as many as 10 years ago (Figure 3).

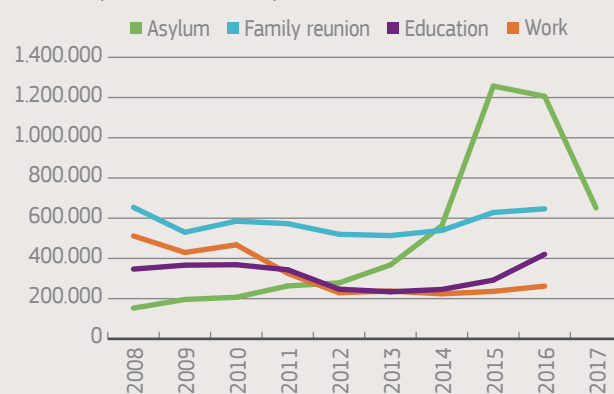
During the years 2013-2016 the flow of asylum seekers was closely linked to irregular arrivals across the Mediterranean and from Western Balkan countries. In 2017 and early 2018 this was no longer the case.

Recent asylum requests in the EU largely outnumber irregular arrivals in Italy, Greece and Spain.

Lengthy asylum procedures and low return rates of migrants without residence status have created a non-negligible group of migrants in **legal limbo** or with a **non-enforceable order to leave the EU** Member State in which they reside. Depending on the host country, such migrants as well as over-stayers often find work in the informal economy (as agricultural or construction workers, in restaurants, in private households, as prostitutes).

Figure 3: Labour migration to EU drops as asylum-seekers peak

Migration flows to EU Member States estimated on the basis of first residence permits and first asylum claims, 2008-2016/2017



Source: Eurostat

In parallel, as a result of the financial crisis and high unemployment levels in many EU countries, newly issued **long-term residence permits for labour migrants from third countries dropped** from 0.5 million in 2008 – representing 31% of all residence permits awarded that year – to 260,000 in 2016 – representing just 10% of residence permits awarded that year (Figure 3).

Family reunion is in fact the most stable ‘gate of entry’ to the EU, even if its nature has been changing. While it initially enabled labour migrants arriving in Europe to bring their dependent family members with them, today, family reunion mostly serves to facilitate the immigration of young brides and grooms getting married to EU-born members of established diasporas reaching out to partners from the ancestral regions and family networks of their parents and grand-parents. With more than 1.2 million people granted asylum or temporary protection in 2016-2017, family reunion also becomes an issue for dependent family members of recently recognised refugees. This secondary flow will become more important in the next years.

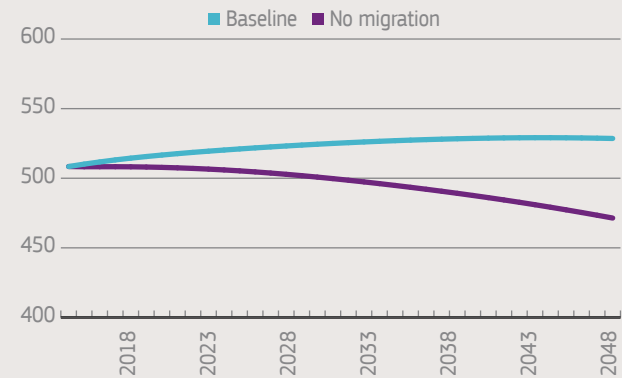
Trends affecting the EU labour force

Given its current demographic structure and numbers of children per family, it is projected that, in the – unlikely – absence of any future immigration, total population in the EU would drop from 512 million in 2017 (including the UK) to 471 million in 2050: a loss of 41 million people. If immigration levels remain constant, the number of people living in today's 28 EU Member States would increase to 528 million in 2050 (Figure 4).

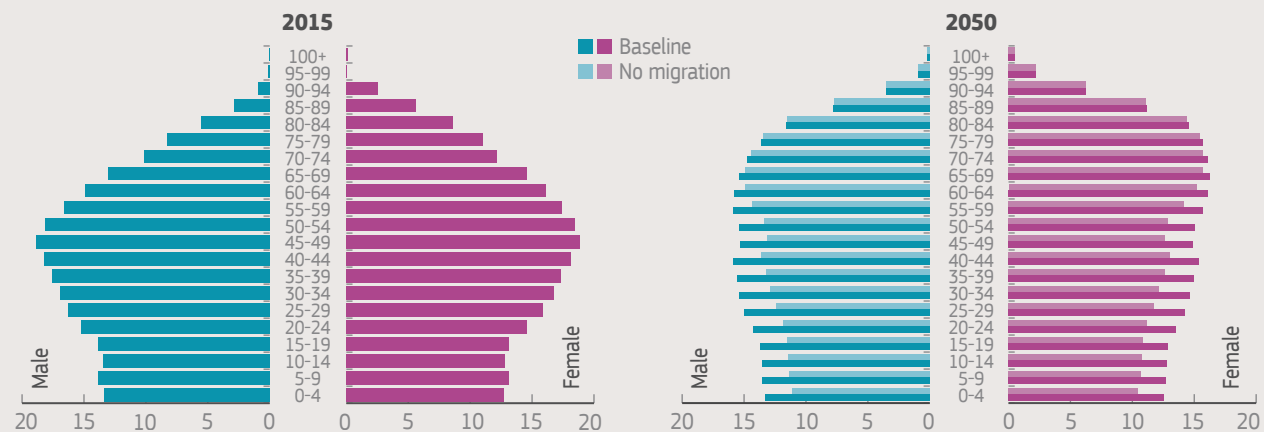
Although it is difficult to predict how many of the remaining 471 people in the no migration scenario would be employable, this scenario would also translate in a declining labour force, with anywhere up to 50 million fewer workers by 2050 depending on future labour force participation and retirement age.

Figure 4: EU population and labour force to shrink without migration

EU28 population, 2014-2050, in millions



EU population by age and gender: situation in 2015/17 and projected situation for 2050



Source: Europop, Eurostat

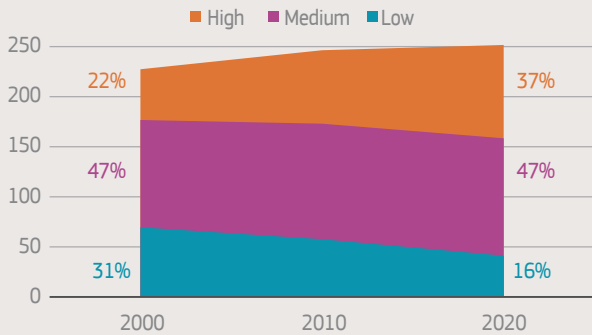
As for the skills composition of the labour force, projections show that the number of highly-qualified workers is likely to increase by more than 15 million between 2015 and 2025, while the labour force with low qualifications will decline by nearly 14 million.¹

A study of future imbalances of labour demand,² which assesses the skills that are likely to be in short supply across different regions of Europe relative to overall demand, nearly all European regions (Scandinavia, the Central and South-Eastern European countries, but

also France and the Benelux) will face a **potential shortage of lower and intermediate workers**, which might open up labour market opportunities for mobile EU citizens and immigrants coming from third countries.

Demographic ageing, combined with changes in the content of jobs and in work organisation, as well as increased automation and robotisation, are likely to have an impact on occupational structures and qualifications tied to particular jobs.

Figure 5: Labour force by level of qualification in the European Union



European Centre for the Development of Vocational Training

Trends in Public Perceptions

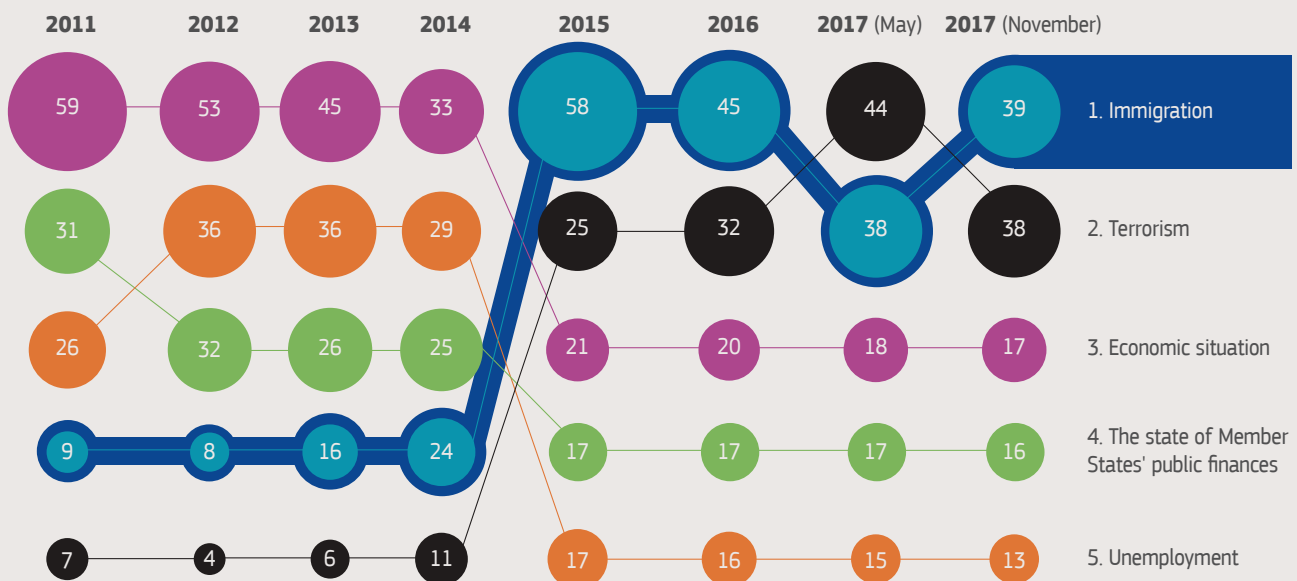
Immigration surged on the list of top concerns of European citizens since 2014, peaking at the end of 2015, at the height of the humanitarian crisis, when 58% of Europeans said that immigration was the most important issue facing the EU. Today, it remains the number one concern of Europeans (Figure 6).

The large numbers of arrivals in 2015/2016 served to polarise opinions and politically mobilise those who already held negative views on immigration in several countries, resulting in an increase in populist votes and/or in mainstream parties campaigning with a more restrictive immigration agenda. Today, nearly four in ten (38%) Europeans think that immigration from outside the EU is more of a problem. Just under a third (31%) see it as equally a problem and an opportunity, while only a fifth (20%) see it as more as an opportunity.³

While growing concern about immigration in some cases reflects the fears or misperceptions of some EU citizens, it is also the expression of **a desire for a fair and effective system of refugee management in Europe**.⁴ In particular, people appear to support a system that allocates numbers of refugees according to the capacity of the host country to accommodate them, based on factors such as economic performance and the number of existing asylum applications. Most respondents prefer this type of system, even when it means that their own countries would see a rise in the number of migrants it hosted.

The **integration of immigrants** is also a key concern with 7 in 10 Europeans saying that integrating immigrants is a necessary investment in the long-run for their country, as well as that successful integration is the responsibility of both immigrants and the host society. However just one in two respondents agree that their government is doing enough to support the integration of immigrants, while 40% say integration has not been successful in their local area or country.⁵

Figure 6: Immigration tops issues of concern for EU citizens



Source: Eurobarometers 79 to 88

Note: Up to two priorities could be mentioned in the interview

PART II • UNCERTAINTIES, BLIND SPOTS AND RISKS

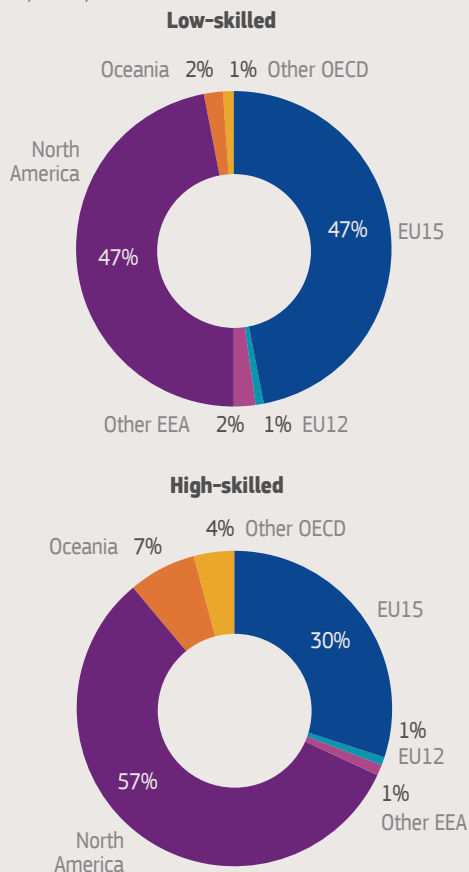
Can migration solve future EU labour imbalances?

Just as intra-EU mobility helps to ensure a better matching of supply and demand, international migration could help to address future labour and skills shortages in EU Member States.

However, EU Member States currently lag behind other regions of the world in attracting top non-EU talent and skills (Figure 7).

Figure 7: Europe underachieves in the global competition for high talent

Distribution of migrants with high skills and low skills by destination countries, 2013, in %



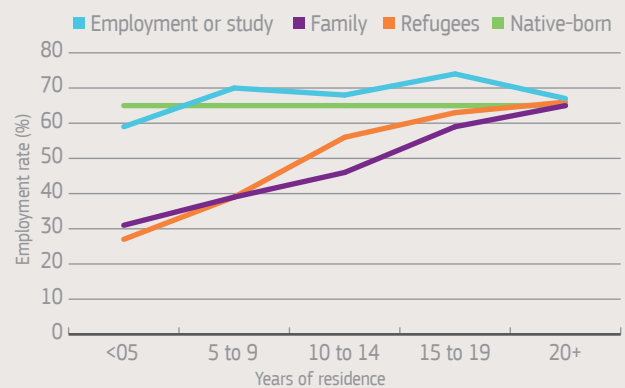
Notes: EU15 = EU Member States that joined until 1995; EU12 = EU Member States that joined between 2004 and 2007; Croatia not included.
Source: Organisation for Economic Cooperation and Development (OECD)

In addition, the fact that rights-based and humanitarian immigration to Europe have become far more important than labour immigration could mean that the continent fails to attract profiles that match its labour and skills needs.

In Europe, immigrants coming as asylum-seekers or as dependent family members have been, on average, much slower in entering the labour force of receiving countries than labour migrants and foreign students graduating from European universities. Currently, it takes more than 20 years for differences in labour force participation rates between natives, labour migrants, former refugees and dependent family members to disappear (Figure 8). Without intensive integration measures and efforts the situation is most difficult for certain groups of migrant and refugee women.

Figure 8: Refugees and dependent family members are not easily integrating into our labour markets

Employment rates by type of initial residency permit and duration of residence in the EU, ages 15-64, 2014, in %



Source: Source: OECD, EU-LFS 2014 ad-hoc module

Can Europe overcome its integration gap?

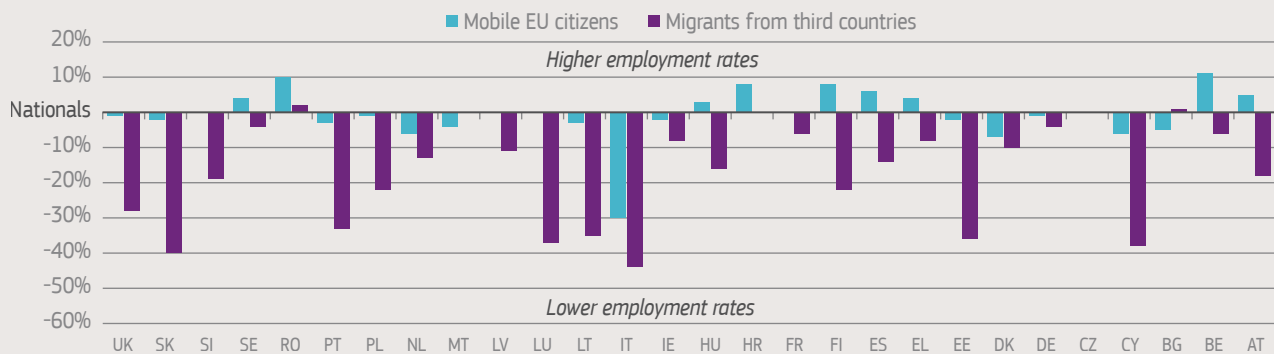
Past immigration to Europe has left an 'integration gap', best illustrated by the **differences in employment rates between native-born people and some groups of immigrants**.

In addition, throughout their working lives **immigrants remain overrepresented in low-skilled work** – even where they have similar levels of educational attainment as native-born residents.

Despite progress on the recognition of qualifications, skilled migrants often face entry barriers to jobs for which they would be qualified. As a result newcomers face more limited opportunities than natives. The main exceptions are migrants who arrive as students and graduate in an EU country, as well those recruited for a particular qualified position (e.g. medical doctors and nurses). This indicates that there is not only a failure to attract migrants with 'the right skills', but also a failure to recognise and fully utilise their qualifications.

Figure 9: Natives and mobile EU citizens do better than immigrants coming from third countries

Labour force participation rates, immigrants from 3rd countries and mobile EU citizens compared to natives



Source: European Commission, Eurostat, LFS 2016

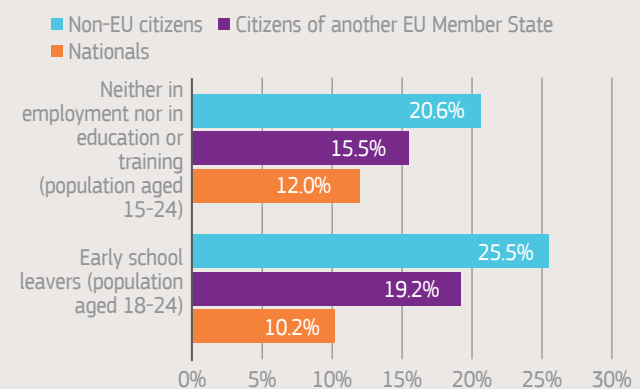
These empirical findings are particularly problematic as entering the world of work is the most important route to integration in general. More rapid labour market integration would also play a crucial role in ensuring that the majority of natives trust existing immigration and integration systems.

It is not only labour markets that are struggling to integrate immigrant populations. In many parts of Western Europe, a quarter or more of young people now have a migration background. The **educational systems** of host countries often have particular difficulties in coping with some of these children (and vice versa). Children with foreign citizenship are more susceptible to leaving school early and/or without graduating, falling within the category of 'not in education, employment or training' (NEET, see Figure 10). On average these young people not only have significantly lower PISA scores (Programme for International Student Assessment by the OECD) than their peers with native-born parents, but are also underrepresented in higher education.⁶ As a result young adults with migrant backgrounds belonging to visible minorities generally continue to display low labour force participation.

Immigrant workers also have twice the poverty rate of their native-born peers and in-work poverty is particularly acute for this group in Southern Europe.⁷ In addition to this, patterns of residential segregation on the basis of both income and ethnicity often prevail so that many migrants find themselves living in more deprived areas, with more limited access to local resources, such as schools, child care facilities and healthcare institutions, as well as employment prospects.⁸ These trends can perpetuate an 'unmixing' of native and migrant populations, entrenching fragmentation and/or parallel societies.

Figure 10: A gap remains in education and training

Early leavers (age 18-24) from education and training (NEET), EU-28, 2015, in % and early school leavers (age 18-24) by citizenship in the EU 28, 2015, in %



Source: Eurostat, EU-LFS 2015

PART III • IMPACTS ON EUROPE:

POSSIBLE SCENARIOS

In the coming decades, integration of migrants within the EU will depend on a number of internal and external factors, including:

- The level of income differentials between receiving EU Member States and EU as well as non-EU sending countries;
- Future admission policies and the degree of selectivity as well as openness/restrictiveness in migration policies applied by receiving EU countries;
- The number and skill levels of native-born Europeans available for the labour market (depending on future changes in retirement age and the ratio between job losses and job creation linked to future innovation, notwithstanding the likely intensification of automation and robotisation);
- The possible loss of skills through emigration of young and talented EU citizens;
- The success or failure of joint European border management, asylum and readmission policies;
- Possible external shocks producing new large-scale flows of people seeking protection;
- The success or failure of integration policies. In this respect it is worth noting that, due to the particularly high volumes involved, the legacy of the irregular migrant and refugee inflows of 2014-2017 will be important, most likely entailing lasting effects and difficulties, at least in the medium term, with respect to the integration of these immigrants into labour markets and societies. The legacy of the immigration crisis also includes rising numbers of people with neither access to refugee status nor clear return perspectives.
- Despite a high degree of uncertainty, we can establish at least four plausible migration scenarios for Europe. Each of these scenarios leads to specific integration challenges and labour market outcomes.

Scenario 1: 'Back to the early 2000s'

Assuming there are no major changes in admission and integration policies and that the EU and its Member States succeed in maintaining control over their external borders, thereby limiting spill-over effects of current and future political or humanitarian crises in Europe's neighbourhood, this scenario would entail that immigration from third countries could go back to the more stable, mixed flows that characterised the years

2000 to 2013. Rights-based admissions (family reunion, asylum and other admissions for humanitarian reasons) would still play a more important role than labour migration, so that many third-country nationals settling in Europe would likely not immediately join the labour market. Next to this, highly-skilled global migrants would not necessarily choose Europe as a prime destination but prefer other similar economies like the US, Canada or Australia.

In scenario 1 existing integration deficits and fragmentation within societies are likely to persist.

Scenario 2: 'Instability in the neighbourhood'

This scenario assumes large-scale future population displacements could be fuelled either by political instability in the Middle East, parts of Western Asia and of North Africa, which would hinder economic growth and might – in some countries – be characterised by violent conflicts and/or civil wars producing refugee flows, or by extreme weather conditions, creating additional flows of asylum-seekers and irregular migrants in need of protection towards Europe, similar to those witnessed in 2015-2016.

Scenario 2 risks inflating existing integration challenges, as it could fuel negative sentiment towards migrants, leading to increased discrimination and greater electoral scores for political parties advocating restrictive asylum and migration policies. Large numbers of migrants could spend years in limbo without being granted permanent status.

Scenario 3: 'More selective admission of immigrants'

This scenario assumes that shortages of labour and skills in a number of EU Member States could trigger major migration policy changes: a shift from present admission criteria (with strong humanitarian elements) to a stricter skills-based selection of labour migrants (like in Australia and Canada) or to a more demand- and employer-driven selection (like in New Zealand and Sweden). In order to create more acceptance for this selective opening, such a policy change might go hand in hand with more restrictive policies with regard to non-economic migrants – or be combined with an intensification of integration policies. Scenario 3 could maximise economic gains from migration and reduce integration challenges as more future EU residents are selected taking into account their skills and/or available jobs.

Scenario 4: 'Going native'

This scenario assumes that, as public opinion grows more sceptical or even hostile to the admission of foreigners, migration policies become ever more restrictive, coupled with a general political consensus on such restrictions and a social climate in which migrants are not welcome. This could effectively lead to much lower immigration, higher return rates of already established migrants and a reduction of intra-EU mobility.

Under scenario 4, the main challenge would be managing demographic ageing, gradual population decline and a shortage of labour and skills.

Questions for discussion

- Which immigrants will Europe need in the future? And what migration policies?
- To what extent should EU Member States be able and willing to select future immigrants?
- How can EU countries become more attractive places for non-EU talent and skills?
- How should authorities at national and local authorities react to a growing number of migrants living in legal limbo or with a non-enforceable order to leave the country?
- How should the EU and its Member States prepare for the possibility of future mass displacement (including political violence- and climate-related shocks) leading to flows of people seeking protection?
- What would it take to regain citizens' confidence in national and European migration policies?
- How can EU Member States deal with integration deficits of the past and the emergence of 'parallel societies' while avoid similar developments in the future?
- Given that mobility within the EU is generally seen as being too low, how can regions and countries affected by both immigration and emigration cope with those challenges?

Notes

1. European Centre for the Development of Vocational Training (Cedefop) skills forecast (2016).
2. European Centre for the Development of Vocational Training (Cedefop) skills forecast, 2016
3. Special Eurobarometer on Integration of immigrants in the European Union, October 2017.
4. According to the results of a survey of Europeans, in '[Bonne Annee: Local realities of migration: emotions, institutions, conflict and cooperation](#)'.
5. Special Eurobarometer on Integration of immigrants in the European Union, October 2017.
6. Not counting those newly arriving migrants admitted as students.
7. EU statistics on income and living conditions (EU-SILC) survey.
8. Cheshire, P., '[Segregated neighbourhoods and mixed communities - A critical analysis](#)', Joseph Rowntree Foundation, London School of Economics, 2007.