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**COMMUNICATION FROM THE COMMISSION
TO THE COUNCIL, THE EUROPEAN PARLIAMENT,
THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
AND THE COMMITTEE OF THE REGIONS**

on immigration, integration and employment

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INTRODUCTION

The entry into force of the Amsterdam Treaty in May 1999 and the special European Council in Tampere which followed it five months later, represented turning points in the European Union's commitment to work together in the fields of Justice and Home Affairs, in particular with regard to immigration and asylum. In its conclusions adopted in Tampere on 16 October 1999¹, the European Council not only reasserted its determination to make full use of the possibilities opened by the new Treaty provisions in these areas, but also gave comprehensive guidelines on the policies it wished to see developed in four clearly identified elements of a common European Union immigration and asylum policy: partnership with countries of origin; a common European asylum policy; fair treatment of third country nationals; and the management of migration flows.

In November 2000, the Commission issued a major Communication on immigration policy² to the Parliament and Council indicating how it intended to translate these guidelines into concrete action. In the intervening time since then, work on this programme has been pursued on all the four elements identified by the European Council. On all of them except one (the integration aspects as set out in the Tampere paragraphs on the fair treatment of third country nationals) the Commission has put forward the necessary proposals and policy papers. The purpose of this Communication is to fill that gap, as indeed specifically requested by the Council (Justice and Home Affairs) in October 2002, by briefly setting out in a single document both what has already been done to promote better integration and ideas for further action needed³.

This Communication also takes account of important relevant developments since Tampere. A major development was the launching of the Lisbon strategy in March 2000 when the Union set itself a new goal for the next decade: *to become 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*. The contribution which legally admitted immigrants could make to the Lisbon objectives had already been highlighted in the Commission's November 2000 Communication. That aspect of their integration is even more important and topical today as the economic and social aspects of demographic ageing become more significant. Access to the EU employment market for immigrants and refugees represents an essential component of the integration process, and at the same time, contributes to the success of the Lisbon strategy more generally. This was emphasised in both the Commission's 2002 and 2003 reports to the Spring European Council⁴ and

¹ Presidency Conclusions of the Tampere European Council 15-16 October 1999 (SN 200/99)

² Communication on a Community immigration policy (COM(2000)757) of 22 November 2000

³ Conclusions adopted on the 14-15 October 2002 by the Justice and Home Affairs Council

⁴ In its 2002 Spring Report, the Commission announced its intention to examine the interaction between immigration, employment and social policies and to report on it in 2003. In its 2003 Spring Report, it referred to the need for *"a fresh approach to immigration as a means of ensuring that high levels of employment and productivity can be maintained in future decades. At the heart of any approach must be the better integration of migrants - who are often able to make a substantial contribution to entrepreneurship - into society, while taking account of the impact of immigration on the countries from which migrants come"*. "Choosing to grow: Knowledge, innovation and jobs

specifically endorsed by the 2003 Spring Council. Due consideration must also be paid to the underlying causes of migration flows and to the need to develop the links between the EU and countries of origin, which was the subject of a Communication from the Commission on migration and development⁵. Against this background this communication:

- responds to the Tampere conclusions by reviewing current practice and experience with integration policy at national and EU level;
- examines the role of immigration in relation to the Lisbon objectives in the context of demographic ageing and
- outlines, on this basis, policy orientations and priorities, including actions at EU level, to promote the integration of immigrants.

1. THE CURRENT FRAMEWORK FOR INTEGRATION IN THE EU

Recent changes in national legislation on immigration legislation in several Member States, together with wide-spread concerns relating to security and the need for greater social cohesion, have already led to renewed debate on the strategies needed to ensure the integration of migrants. During the Danish Presidency, integration into the labour market was the topic of a conference in Copenhagen in July 2002.⁶ This was followed in September by a meeting in Brussels, hosted by the European Economic and Social Committee in co-operation with the Commission, on *'The Role of Civil Society in Promoting Integration'* where discussions were based on an opinion of the EESC on this matter.⁷ These issues were also taken up at a conference organised by the Greek Presidency on *'Managing Migration for the Benefit of Europe'* which took place in Athens on 15-16 May 2003 within the framework of the Athens Migration Policy Initiative.

The need for a level playing field between Member States in addressing the issues of immigration, integration and employment has increasingly been recognised, with a view to improving the effectiveness of these policies. The EU now has a range of instruments to ensure that the right framework is in place to support national efforts.

1.1. Tampere and the legislative framework at EU level

The Tampere Council explicitly requested "a more vigorous integration policy" which "should aim at granting legally resident third country nationals rights and obligations comparable to those of EU citizens". This is the principle which underlies the proposals which the Commission has so far put forward to establish the common legal

in a cohesive society. Report to the Spring European Council, 21 March 2003 on the Lisbon strategy of economic, social and environmental renewal" COM(2003)5 of 14 January 2003

⁵ Communication on integrating migration issues in the European Union's relations with third countries COM(2002)703 of 3 December 2002

⁶ Report of a European Conference on Successful Integration on the Labour Market, Copenhagen 4-5 July 2002

⁷ Opinion of the Economic and Social Committee on Immigration, integration and the role of civil society organisations CES 365/2002

framework on the status of third-country nationals called for in the Amsterdam Treaty (Article 63). In this context, the Charter of Fundamental Rights of the European Union is the essential point of reference since most of its provisions are applicable to all persons irrespective of their nationality. The proclamation of the Charter in December 2001 marked, therefore, an important stage in the definition of the legal framework, and the results of the Convention on the status of the Charter in the new European Treaty will be decisive.

The **right to family reunification**⁸ is, by itself, an indispensable instrument for integration. Political agreement was reached on this directive in the Council on 27 February 2003. The directive recognises the right to family reunification for third-country nationals holding a residence permit of one year or more who have reasonable prospects of obtaining permanent residence. Member States will be entitled to require, for the exercise of this right, that third-country nationals comply with integration measures in accordance with national law. An essential provision for the integration of family members is that they be entitled, in the same way as the applicant, to access to employment, education and vocational training.

The proposal for a directive concerning the **status of third-country nationals who are long-term residents**⁹ is based on the long tradition in the Member States that the length of residence has an influence on the level of rights of the person concerned. This is an essential instrument for integrating people who are planning to settle on a long-term basis in the European Union. The proposal determines the conditions for long-term resident status, a period of continuous legal residence of five years being the fundamental requirement. Willingness to participate in integration measures is also being discussed in the Council as a legitimate requirement. Long-term resident third country nationals are guaranteed equal treatment with nationals of the EU in a number of respects which cover the majority of the socio-economic fields. Long-term residents will also have the right to reside in another Member State for employment or study purposes on the conditions set out in the directive.

The aim of the proposal for a directive on the **conditions of entry and residence of third-country nationals for the purpose of paid employment and self-employed economic activities**¹⁰ is both to provide a pathway for third-country workers which could lead to a more permanent status for those who remain in work, while at the same time giving a secure legal status while in the EU to those who return to their countries of origin when their permit expires. This proposal also follows the principle that rights should be incremental with length of stay and thus facilitates the renewal of the permit of a third-country worker who has been resident for more than three years and aligns the rights of these workers with those put forward for long-term residents, although they are less exhaustive. It has no impact on numbers since it does not affect Member States' responsibility to decide whether or not to admit economic migrants taking into account the needs of their labour markets and their overall capacity to integrate them.

⁸ COM(2002)225

⁹ COM(2001)127

¹⁰ COM(2001)386

In addition the Commission has also put forward proposals for a directive on the **admission of students and volunteers** and is preparing a new proposal on the **admission of researchers**. This new proposal on the admission of researchers is essential to meet the Lisbon objectives in terms of competitiveness and to attain the Barcelona objective to increase investment in research to 3% of GDP with two thirds coming from the private sector by 2010.¹¹

A number of legislative instruments in the field of asylum policy contain provisions concerning integration. This is the case for the Council Directive¹² laying down **minimum standards for the reception of asylum seekers**¹³. The proposal for a directive on **minimum standards for the qualification and status of third-country nationals and stateless persons as refugees or as persons who otherwise need international protection**¹⁴ contains a specific chapter regulating the content of international protection and specifying the rights to be enjoyed by a refugee or person granted subsidiary protection. These require Member States to provide programmes tailored to the needs of refugees to facilitate their integration into society.

The EU has also put in place a **legal framework to combat discrimination** – which can seriously impede the integration process – and in particular common minimum standards to promote equal treatment and to combat discrimination on grounds of racial or ethnic origin, religion or belief, age, disability and sexual orientation. Directives approved at EU level in 2000¹⁵ will give important new rights both to arriving migrants and to established ethnic minorities in the EU. The scope of Community legislation banning racial discrimination is wide and covers employment, education, social security, health care, access to goods and services and to housing. Although the directives do not cover discrimination on grounds of nationality, and are without prejudice to the conditions relating to the entry and residence of third country nationals and to any treatment which arises from their legal status, they do apply to all persons resident in the Member States, including third country nationals. In addition, several activities aiming at exchange of experiences and good practice are carried out under the accompanying programme to combat discrimination. The Commission also supports the work of the European Monitoring Centre on Racism.

The EU has also made progress towards granting third country nationals the same protection as EU workers **in the field of social security** when moving in the EU. The implementation of the new regulation 1408/71 should result in giving legally residing non-EU nationals the same rights as EU nationals when moving within the EU. The adoption of this regulation is an essential cornerstone in view of the future adoption of the directives on the status of long-term residents and admission for employment.

¹¹ COM(2003)226 final and SEC(2003)489

¹² 2003/9/EC of 27 January 2003, OJEC L 31 of 6 February 2003, p.18

¹³ A similar observation can be made about the Council Directive 2001/55/EC on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof (OJEC L 212, 7 August 2001, p.12).

¹⁴ COM(2001)510

¹⁵ Directives 2000/43/EC and 2000/78/EC

1.2. EU policy instruments underpinning integration, employment and social cohesion

Based on the Lisbon mandate, the EU has developed open methods of co-ordination in the fields of employment and social inclusion, policies which are of direct relevance to the integration of immigrants in the EU. These combine concrete goals and policy objectives set at EU level, which are translated into national plans, the use of benchmarks and indicators to measure progress, exchange of experience and peer review so as to learn from good practice.

Since the launch of the **European Employment Strategy (EES)** in 1997, the integration of disadvantaged groups, including migrant workers and ethnic minorities, as well as combating discrimination, have been key features of the employment guidelines. In its Communication of 17 July 2002¹⁶, the Commission reviewed the experience of five years of the EES and identified major issues for the debate on its future. These include reducing the employment gap between EU nationals and non-EU nationals, promoting full participation and employment for 2nd generation migrants, addressing the specific needs of immigrant women, fighting illegal immigration and transforming undeclared work into regular employment. It should be noted that the EU has also put in place and developed the EURES network¹⁷ which is a key instrument to advertise job vacancies across the EU. Other targeted initiatives have already been developed such as the PLOTEUS portal on learning opportunities and the Researcher's Mobility Portal and the Network of Mobility Centres which provide information for mobile researchers.

In the field of **social inclusion**, the Nice European Council (December 2000) agreed a set of common objectives to combat social exclusion and poverty¹⁸. The first national action plans against poverty and social exclusion (NAPs/incl) submitted in June 2001 clearly identified ethnic minorities and immigrants as being at high risk of social exclusion and discrimination although, despite the widespread recognition of such risks, the first NAPs/incl lacked data on these groups.

In July 2001, the Commission proposed an open method of co-ordination for the Community immigration policy and the European Council in Laeken in December 2001 called for a **reinforcement of the exchange of information on migration**. The Commission services have consequently introduced consultative meetings to provide a forum for discussion on migration issues in the EU. Having meetings on the exchange of information and best practice is also the method used to explore the issue of transnational mobility of certain categories of individuals such as researchers. In addition, responding to the conclusions of the October 2002 Justice and Home Affairs Council, a network of national contact points on integration has been set up.

Underpinning the political commitments of the EU in the field of integration, employment and social cohesion, are a number of **EU financial instruments and other initiatives** which directly or indirectly support the integration of immigrants.

¹⁶ COM(2002)416 of 17 July 2002 "Taking stock of five years of the EES"

¹⁷ Commission decision 2003/8/EC of 23 December 2002 – OJ L5/16 of 10.01.2003

¹⁸ To facilitate participation in employment and access by all to resources, rights, goods and services; to prevent the risks of exclusion; to help the most vulnerable and to mobilise all relevant bodies in the fight against social exclusion.

This is most notably the case with the Structural Funds, in particular the European Social Fund. The EU has also supported integration through the development of innovative actions, networks and exchange of experience in the EQUAL programme, the URBAN II initiative with respect to the regeneration of cities and through its programmes to promote gender equality and to combat social exclusion and discrimination. In addition Community funds are being used under the Multiannual Programme for Enterprises and Entrepreneurship 2001-2005 of the European Investment Fund for micro-lending activities which benefit immigrant entrepreneurs. Moreover the multiannual programme is specifically targeting ethnic minority entrepreneurs as part of its general activities, including BEST procedure activities. In the field of education and culture, several initiatives targeting the integration of immigrants have been carried out under the SOCRATES, the LEONARDO DA VINCI, YOUTH and CULTURE 2000 programmes.

Within the framework of the preparation of a common European policy on asylum, the Council has established a European Refugee Fund (ERF)¹⁹, with the objective of *"supporting action by the Member States intended to promote the social and economic integration of refugees, in so far as it contributes to economic and social cohesion"*. In the period 2000-2002, 28.3% of the available funds (19 million Euros) has been attributed to such actions. In 2002, the Commission established a European Migration Network as a tool to improve analysis and research on migration and asylum in the EU.

1.3. National approaches to integration

Most Member States have made major efforts in recent years to improve the integration of immigrants and persons enjoying international protection by developing national integration policies. At the request of the informal Justice and Home Affairs Council in Veria on 28-29 March 2003, the Commission has prepared a synthesis report on integration policies and practices in Member States for the attention of the Council, which is annexed to this Communication as Annex 1. The report, which serves as a fact-finding survey, provides more detailed information on national integration policies.

Many Member States consider that the policies they have conducted so far have not been sufficiently effective. This is illustrated by growing concerns about the barriers for successful integration which continue to exist, inadequate competence in the host country language being the most widespread, although unemployment and poor education or formal skills are also seen as important obstacles.

The current discussions at EU-level concerning integration requirements reflect the political importance which Member States assign to the successful integration of third country nationals. A major area of debate concerns the nature of integration programmes and the kind of integration measures which should be provided. Another key issue is whether they should be obligatory or not, and the effect which non-compliance might have in terms of legal and financial consequences. Whether or not

¹⁹ The European Refugee Fund was set up on the basis of Article 63(2)(b) of EC Treaty by Council Decision of 28 September 2000 to cover the period 2000-04 and given an indicative budget (budget line B5-810) of €216 million over five years.

non-compliance with obligatory measures should lead ultimately to the revocation of a residence permit, is an issue which is playing an increasing role in the negotiation of the different legislative proposals currently before the Council. These discussions show that there are many similarities in the problems Member States are facing and in the way they seek to tackle them. This has led to a growing recognition of the need to act collectively at EU level by developing additional common instruments and adapting existing ones to the new challenges.

2. THE ECONOMIC AND DEMOGRAPHIC CHALLENGE: THE NEW DIMENSION

In an overall economic and social context characterised by a number of skill and labour shortages, competition for the highly skilled in a globalised economy and accelerating demographic ageing, immigration is taking on a new profile in the EU, as already highlighted in the Commission's Communication of November 2000²⁰. Immigration is caused by "pull" as well as "push" factors and it is therefore important to relate it to the employment outlook and the profile of future labour market needs. More sustained immigration flows will be increasingly likely and necessary and it is important to anticipate these changes.

2.1. Patterns of immigration flows in the EU

The EU Member States have a long tradition of immigration, which, on the whole, has contributed positively to economic growth and labour market adaptability, although its shape and dynamics has varied substantially across countries and over time. Men and women of non-EU nationality represented around 4% of men and women living in the EU in 2000²¹. During the 1990s, positive net migration became the largest component of population change in most Member States fluctuating around a total for the EU of 850,000 net international migrants (including returning EU nationals) per annum by the end of the decade. This figure for 2001 is estimated to be just over 1 million.

The period also witnessed a broadening and diversification in the typology of migrants, of the patterns of flows and of the mix of sending and receiving countries. Changes affecting asylum seeking resulted in peak numbers of applications in 1992 and 1997, largely as a result of the wars in former Yugoslavia and of armed conflicts around the world. In addition, former countries of emigration (southern Member States and Ireland) became countries of immigration, the larger inward flows of migrants composed both of returning nationals and of non-nationals, most of whom were from outside the EU. Given the growth of young adult population in many third countries, economic and social differences as well as political instability, migratory pressure is unlikely to fall in the foreseeable future.

²⁰ COM(2000)757

²¹ For more detailed information, see, in particular, Eurostat, *Women and men migrating to and from the EU*, Statistics in focus, Theme 3 - 2/2003; Eurostat, *First demographic estimates for 2002*, Statistics in focus, Theme 3 - 25/2002. The figures provided in this paragraph are extracted from these two publications. See also Figures 1 and 2 in the Annex 2.

As ten new Member States will join the EU in 2004, part of past immigration will become internal mobility. Previous experience and recent estimates²² suggest that labour mobility from new Member States may be moderate to limited, with specific situations in border regions. At the same time, the size and dynamics of migrations' contribution to population change in EU-25 is likely to increase as the existing and new Member States share similar demographic trends.

2.2. The economic role of immigration and its impact on employment²³

While immigration should be recognised as a source of cultural and social enrichment, in particular by contributing to entrepreneurship, diversity and innovation, its economic impact on employment and growth is also significant as it increases labour supply and helps cope with bottlenecks. In addition, immigration tends to have an overall positive effect on product demand and therefore on labour demand.

Studies from across the world (e.g. by the ILO, the IMF, the OECD) generally confirm that immigration has a number of positive economic effects²⁴. For instance, it is now acknowledged that immigration into the US represents one of the explanations for the long boom period in the 1990's with an average annual employment growth of 1.5% and an overall economic growth of more than 3%. Furthermore, it seems that the large waves of legal and illegal immigration²⁵ into the US since the late 1980's is the main reason why the ageing trajectory of the US has markedly improved by comparison to, and now differs substantially from, that of Europe (see Figure 3 in the annex). By contrast, it is increasingly common to see the economic stagnation in Japan over the last decade as partly caused by the decline of the working-age population since the mid-1990's, with severe restrictions on immigration which have kept the inflow of migrants far too small to allow it to alleviate the impact of rapid ageing on labour supply, employment and growth (see Figure 4 in the annex).

²² European Integration Consortium (2001) *The impact of Eastern Enlargement on Employment and Labour markets in the EU member States*. Estimates suggest that the flows from the new Member States to the existing 15 initially may amount to only about 350.000 people. The yearly net inflows would decrease over time so that by 2030, the total population of non-nationals from the new Member States in EU-15 is expected to stabilise at a level of approximately 3.5 million people. The introduction of transitional periods would distribute inflows over a longer period of time.

²³ The impact on countries of origin is not covered as it has been addressed in greater detail in a recent Communication from the Commission (COM(2002) 703) of 3.12.2002

²⁴ Despite evidence of positive macro-economic effects, many people feel uneasy about the effects of immigration. This may be linked to the fact that while immigration can be beneficial from an overall economic point of view, its costs and benefits are not evenly distributed. Furthermore, some of the longer-run benefits due to the positive influence of the immigrant population are difficult to demonstrate, such as those on aggregate demand as a driving force for economic growth.

²⁵ Between 1990 and 2000, nearly 33 million people were added to the US population. Immigration accounted for about one third of US population growth in the 1980s and for an increasing share during the 1990s. Between 1995 and 2000, immigration contributed around 40% of population growth (UN World Population, medium variant, 2000 revision). This sizeable demographic contribution to US growth helps understand why the growth differential between the US and the EU is higher in terms of GDP than of GDP per capita.

In Europe, the working age population would already have begun to shrink in some Member States had it not been for the inflow of immigrants (see Figure 5 in the annex). The recent increase in immigration in Ireland seems to have contributed to the sustained growth performance in this country²⁶, where it followed a change in the regime of employment permits to ease labour shortages.

In terms of employment opportunities, there is little evidence that immigration has led to higher unemployment²⁷. In the short run, immigration can be beneficial for domestic employment to the extent that it increases the flexibility of labour markets. This is particularly true in the case of temporary migration. Furthermore, since on average migrants are not displacing domestic employment, immigrants' skills and qualifications can be complementary to those of EU nationals. This does not exclude adverse effects on particular groups or sectors. Empirical findings point towards the concentration of undesirable effects on blue-collar workers in manufacturing industries and on unskilled labour in services.²⁸

Non-EU nationals tend to be concentrated in particular sectors and occupations, though over time this normally diminishes. For example, they account for more than 10% of the employed in the private household sector and for almost 8% of the hotels and restaurant sector (versus 3% of overall employment). Their share of employment in manual jobs is higher for all types of qualifications than EU-nationals' (and it is almost twice as much for unskilled manual occupations - an occupational group for which more than a third of jobs are of rather low quality²⁹). The spatial distribution of immigration also varies considerably across Member States and regions, with a relatively higher concentration in urban and industrialised areas.

The sectoral concentration of immigrants corresponds to low barriers to entry and requirements in terms of specific skills. As such it can provide non-EU nationals with an entry point into the labour market and the acquisition of skills such as language. At the same time, relatively large numbers of non-EU nationals in some sectors with limited rights or scope for mobility within the labour market will not be in a strong position as regards wages and job-quality. This may be compounded by weak representations of these workers in the social dialogue. The consequence will be the reinforcement of the reluctance of nationals to take these jobs and an accentuation of the segmentation of the labour market.

The impact of immigration on domestic wages is in a range between -0.3 and +0.3 per cent³⁰. The effects on wages and employment would be more negative for some native workers, in particular low-skilled, due to substitution effects, and they would be positive for high-skilled workers, possibly through gains in productivity achieved thanks to complementarity between these workers and immigrants. The net impact of immigration on the public finances of the host countries, i.e. both on government

²⁶ Trends in international migration, 2002, OECD

²⁷ J. Coppel et. al., "Trends in Immigration and Economic Consequences", ECO/WKP(2001)10

²⁸ European Integration Consortium (2001) Ibid

²⁹ European Commission, Employment in Europe 2001

³⁰ H. Brückner, "Can international Migration Solve the Problems of European Labour Markets?", German Institute for Economic Research, April 2002, page 34

expenditures and revenues, seems to have been moderate so far³¹ and there is evidence that it can be positive overall. In addition, most studies find that migrants are no more dependent on welfare than those parts of the endogenous population that are in the same social and employment situation.

2.3. The impact of demographic change on employment and economic growth

The impact of demographic change has often been discussed³² and can be illustrated by a number of different scenarios. Under the Eurostat assumption of moderate immigration³³, demographic ageing will cause the EU-25 working age population to fall from 303 to 297 million by 2020, and to 280 million by 2030. This decrease is due to the long lasting effects of the reduction of fertility rates since the mid-1970's and it will be coupled with an increase in the age group of the over 65. Under the same assumptions³⁴, the number of people in this age group will increase from 71 in 2000 to 93 in 2020, up to 110 million in 2030 for EU-25, thus causing the old age dependency ratio to increase from 23% to 40% (see Figures 6 and 7)³⁵. Moreover, the number of those aged 80 and over in EU-25 is projected to increase from almost 16 million in 2000 to some 30 million in 2030.

For the purpose of this Communication, the significance of these demographic developments for employment growth can be brought out by an illustrative demographic scenario incorporating the achievement of the Lisbon target of a 70% employment rate by 2010 and a constant rate of employment afterwards³⁶. In such a scenario, an overall decline of employment could be expected after 2010 (see graph below) and the fall in the number of employed people between 2010 and 2030 would be in the order of 20 million workers for EU-25³⁷. In an alternative scenario where the employment rate rose above the 70% target after 2010 to reach 75%, the decrease in the volume of employment would occur anyway, but at a later point in time and it would be smaller. This fall in employment expected in these scenarios with constant employment rate as of 2010 or 2020 cannot be reversed by (unexpected) increases in fertility rates, as it would take more than two decades for "new baby boomers" to reach their working age and contribute to the growth of total employment.

³¹ J. Coppel et. al., (2002) Ibid

³² See for instance the Joint Report on Labour Participation and Active Ageing; Social Situation Report 2002 and 2003

³³ The Eurostat current baseline scenario assumes a rather low net yearly inflow of immigrants to EU-15 at around 630.000, corresponding to a net contribution to the working age population of approximately 450.000 persons.

³⁴ In particular, these long-term projections for the Union do not account for some long-term developments such as the possibility of Turkey joining the Union.

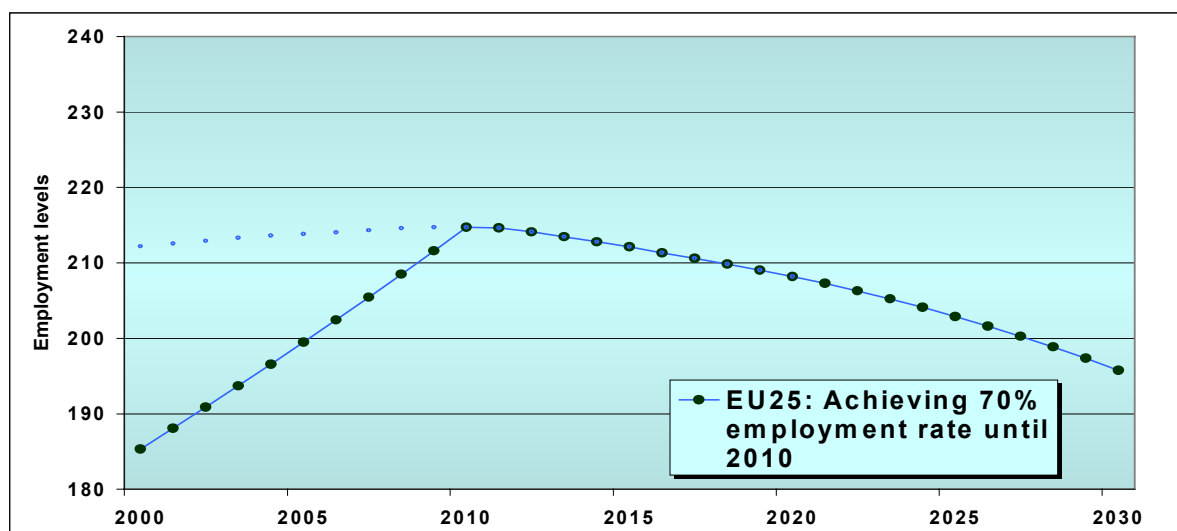
³⁵ With an employment rate of 70%, the number of employed per persons aged 65 and over will decline from 2.7 in 2010, to some 2.2 in 2020, 1.8 in 2030, 1.5 in 2040. If, after reaching the Lisbon target, the employment rate were to rise further to 75% between 2010 and 2020, the decline in this ratio would be attenuated, reaching 2.4 in 2020.

³⁶ In order to highlight the consequences of demographic change *per se*, the same hypothesis of migration flows is considered.

³⁷ 13 million workers for EU-15.

Scenario of future employment levels (EU-25, period 2000-2030)

Total employment (in millions) assuming an employment rate of 70 % in 2010 and for the following period until 2030



The decline in the total volume of employment implies a negative contribution of employment to economic growth since the latter is the combined impact of employment and productivity growth. The negative contribution of employment to economic growth could be compensated by increases in productivity growth. However, under the assumptions of the demographic scenario presented above, an average GDP growth rate at 2.5% (average EU growth since 1990) would imply that, between 2010 and 2020, productivity growth would have to reach 2.8% and between 2020 and 2030 it would have to climb beyond 3.0%, in order to compensate for the fall in employment. The increase would have to be even higher if a 3% growth rate were to be achieved, which would be an extrapolation of the performance envisaged at Lisbon (see Figure 8 in the annex). Under the assumptions that no adjustments in other variables affecting productivity and growth would take place, these results are indicative of the magnitude of the effects involved when the Lisbon target of a 70% employment rate by 2010 is achieved and maintained.

Although the potential of labour-saving technologies should not be underestimated, the possibility for productivity growth to reach the magnitudes mentioned above may be put in question when considering recent trends: for EU-15, labour productivity grew on average by 4.5% in the 1960s, 2.5% in the 1970s and 2% in the 1980s before falling tendentially towards 1.2%. The impact on productivity of declining employment and ageing of the workforce will not necessarily be positive. It will occur through a variety of channels including the adoption of labour saving technology as a result of tightening labour markets, the difficulty of ageing workers to adapt to the new requirements of the labour market, changes in the saving rate which in turn would constrain the pace of investment and of the embodiment of innovation into new capital goods³⁸, a risk for returns of human capital investment to decline in an ageing

³⁸ The life-cycle model points towards some decline in the saving rate in function of ageing. However, the negative effect this should have on investment might be mitigated by new possibilities due to increases in returns on foreign direct investment (see 2002 Annual Economic Review, chapter 4)

population, changes in the pace of investment in research³⁹, technological change and changes in the overall sectoral and geographical mobility as the share of young workers in the workforce declines.

Overall, and although the combination of the factors influencing productivity is difficult to predict, it is questionable whether the productivity growth needed to compensate for the decrease in employment will occur. Without an increase in employment derived from increased immigration and unless productivity growth rises above its current range (0.5-1.5%), the average GDP growth in the EU calculated in the depicted scenario would slow down to 1% between 2010-2020 and to 0.6% between 2020-2030.

Such a scenario does not take into account the multiple adjustment processes which the economy will undergo. Adjustments are to be expected in variables such as exchange or interest rates, level and composition of savings, consumption and investment, as well as in the international flows of capital and goods and services between areas which are differentially exposed to ageing. In its *Annual Economic Review 2002*, the Commission has included this type of effect in a general equilibrium model estimating that the impact of demographic ageing on growth of GDP per capita amounts to a reduction, relative to the baseline scenario, of 0.4 % of the annual growth rate over the period 2000-2050. These estimates, however, do not consider the possibility of policy changes in response to the ageing dynamics and their positive effects on overall growth⁴⁰.

The impact of demographic ageing on the welfare system is already noticeable⁴¹. Increasing employment would also reduce the burden of other types of welfare payments such as unemployment benefits. However, even if the employment rate target of 70% is achieved and maintained throughout the coming decades, the old age dependency ratio will continue to rise (see figure 7 in annex). Therefore, it must be stressed that immigration could contribute to improving the sustainability of pensions only to the extent that it eases the trend towards a fall in the volume of employment after 2010. However, in the longer term, the impact of ageing on the welfare systems cannot be averted without significant increases in fertility.

2.4. The employment outlook and the potential of immigration

Although the economic implications of socio-demographic change will only become fully visible as time goes by, some effects of the changing demographic and skills structure of the working-age population are already noticeable⁴². In particular, while difficult to measure and to monitor, labour shortages have increasingly been reported over the recent economic cycle and they tend to remain in the recent period of

³⁹ See in particular the Barcelona objective to boost investment in research (COM(2003)226 and SEC(2003)489)

⁴⁰ These figures mentioned in the *2002 Annual Economic Review* are not directly comparable to those provided in the demographic scenarios as the latter refer to growth of GDP rather than GDP per capita, as well as making the assumption of reaching the Lisbon target of a 70% employment rate

⁴¹ For a more detailed analysis, see the *2002 Annual Economic Review* and the 2002 Joint Report by the Council and the Commission on Pensions

⁴² See *Employment in Europe 2002* for an analysis of structural changes in the European labour markets

economic downturn. To respond to these challenges and fulfil the objectives set in Lisbon, the EU must first and foremost mobilise its current human resources, including migrant workers residing in the EU. However, as the problem of labour shortages tends to increase, this will put into question the ability of EU labour markets to deliver jobs in sufficient numbers to meet the needs of the labour demand.

In the short run, labour migration may help reduce the labour shortages experienced notably in information and communication technologies, in advanced technologies or in health care, but also among some low-skilled occupations. The experience of the recent past in which some sectors have been consistently reporting labour shortages (e.g. the IT sector, health services, construction) shows that it is not necessarily easy to solve these shortages by tapping into the local labour force. One way to do this would be to make more use of the possibilities provided under the WTO General Agreement on Trade in Services (GATS) to negotiate commitments allowing for the temporary entry of people who are coming to provide a service (so-called "Mode 4").⁴³ This could be particularly important in fields such as IT, where third country companies are winning contracts to supply, for example, outsourced software services. The services are produced in the third country, but generally require a number of professionals from the service supplier to be able to work temporarily in the country in question to ensure that the contract runs smoothly. Currently the conditions for this type of entry vary widely among Member States. In the medium run, labour shortages are going to be reinforced and needs may well develop across the board, including high skills but also low skills. The main challenge will be to attract and recruit migrants suitable for the EU labour force to sustain productivity and economic growth. In the context of increasing skills gaps and mismatches, which require time to be overcome, it is becoming recognised that economic immigration can play a role in tackling labour market imbalances, provided the qualifications of immigrants are appropriate.

Managing the shape and dynamics of future immigration flows to make them appropriate for the EU economy can prove difficult in practice as immigration is caused by multiple factors which can be beyond the scope of any single public authority. However, governments increasingly recognise that a more pro-active and forward-looking approach to immigration is needed to facilitate integration into employment and that, unless a more open approach is taken to legal immigration, the EU may be faced with increasing pressures, running the risk of increased illegal immigration. Several OECD and EU countries have already initiated specific programmes or introduced changes in their regulations to facilitate access to their labour markets for skilled immigrant workers, in particular for high skilled workers such as researchers and software engineers. Some countries are also considering selective employment-related immigration policies to alleviate labour shortages, although the objectives and procedures may differ significantly from one country to another.

⁴³ It is to be noted that this type of temporary migration is likely to expand in the service sector as a result of the on-going negotiations of the Doha Development Agenda as the World Trade Organisation General Agreement on Trade in Services provides possibilities to negotiate commitments allowing for the temporary entry of people who are coming to provide a service (so-called "Mode 4"). The EU already uses this mechanism to indicate its willingness to accept certain highly skilled temporary migrants (for example those transferring within a company)

Such policies cannot be designed in a simple way and their potentialities need to be better assessed, as well as their limits, with the help of improved statistical information. However, even with better data, it would be illusory to think that the future needs of the labour market by sector and occupations can be accurately forecast. The migrants most likely to help match demand and supply are those adaptable enough to face changing conditions, in view of their qualifications, experience and personal abilities. The selection mechanisms must be geared towards these would-be migrants and offer them sufficiently attractive conditions. This is likely to result in increased competition within the Union and between OECD countries. Such a competition calls for co-ordination to ensure a level playing field.

Moreover, public authorities frequently refer to the temporary and even seasonal nature of the immigration they are willing to allow, but this is not often realistic. Past experiences of immigration have also demonstrated that it is extremely difficult to sustain temporary immigration schemes, because people who want to stay generally find ways of doing so. One must also bear in mind that the effective integration and contribution of migrants into the labour market may require some time and that the attenuation of the demographic imbalances which are expected in the medium term will depend largely on permanent immigration.

The success of overall immigration policies in terms of employment will be conditioned by the ability of the EU to fully tap the potential of immigration while being consistent with broader social, economic, foreign, development and trade policy objectives. The recourse to immigrants should not be detrimental to developing countries, particularly with respect to the brain drain⁴⁴. Moreover it should not lead to lasting discrepancies between the sectoral or occupational distribution of immigrants and nationals in the EU. Such unbalances lead to segregated labour markets, hamper the achievement of the overall upgrading quality of work which is at the core of the European employment strategy and they may result in lasting dependency on migration to ensure that the low quality jobs are filled. Shaping immigration would also require that changes in the status of migrants or in the duration of their stay are under control and that undeclared work of immigrants is tackled, as part of a comprehensive approach to undeclared work.

Finally, non-economic types of immigration (e.g. family reunification and refugees) will always play a role in migration flows and it is important to acknowledge and develop the aptitudes and skills of migrants coming through these channels.

2.5. Is immigration a solution to demographic change?

The hypothesis of using replacement immigration to meet the needs of a declining and ageing EU population has been widely studied⁴⁵. As was shown above, a zero increase in current net flows will result in significantly lower rates of employment and economic growth. At the same time, using immigration to fully compensate the impact of demographic ageing on the labour market is not a realistic option. In addition, when discussing net immigration, one should also bear in mind that

⁴⁴ See the discussion in the Communication on relationships with third countries (COM(2002)703)

⁴⁵ See, for instance, UN (2000), *Replacement Migration: Is it a Solution to Declining and Ageing Populations?*, Population Division, Department of Economics and Social Affairs, New York

emigration from the EU also takes place and that its shape and dynamics is as difficult to predict⁴⁶.

Maintaining the working-age population, and even more so maintaining old-age dependency ratio, would require massive increases in immigration until 2030. A major limitation of such increase in economic terms would be the fact that the immigrant population is also ageing, in line with the indigenous demographic patterns. Therefore, any "immigration boom" over the next decades would, under the same assumptions, result in a similar situation as witnessed today but at a later point in time. From a social cohesion perspective, any massive increase in immigration would also increase the challenge of integration to a much larger extent.

However, more sustained immigration flows are increasingly likely and necessary. The trend towards a shrinking working age population in Europe in combination with various push factors in the developing countries is likely to generate a sustained flow of immigrants over the next decades. Immigration can help in filling current and future needs of the EU labour markets. In addition, it can contribute to spreading the effects of the demographic transition between 2010 and 2030 over a longer period of time, bearing in mind that, on its own, it cannot solve all the effects of population ageing. It will therefore be important to find ways of managing these migratory pressures through adequate policies of entry and settlement. It will be of equal importance to realise the potential benefits of immigration and to facilitate the integration of immigrants through better policies on immigration and integration at local, regional, national and EU level.

3. THE CHALLENGE OF INTEGRATION: A HOLISTIC APPROACH

The successful integration of immigrants is both a matter of social cohesion and a prerequisite for economic efficiency. In the context of the Tampere and Lisbon agendas, and in the light of the challenges highlighted above, it is crucial to ensure successful integration of both established and future immigrants. Persisting issues in relation to existing populations of immigrants demonstrate that greater efforts are needed⁴⁷. Low employment and high unemployment rates even among 2nd generation immigrants are a characteristic example of these difficulties.

3.1. Definition and scope

For the purpose of this Communication, integration should be understood as a two-way process based on mutual rights and corresponding obligations of legally resident third country nationals and the host society which provides for full participation of the immigrant. This implies on the one hand that it is the responsibility of the host society to ensure that the formal rights of immigrants are in place in such a way that the individual has the possibility of participating in economic, social, cultural and civil

⁴⁶ As mentioned above, net migration flows do not show the size of inward and outward movements

⁴⁷ For a state of the art of EU projects on this topic carried out under the Fourth Framework Programme for Research and Development see the report "Migration and integration as challenges to European society: assessment of research reports carried out for the European Commission , Targeted Socio-Economic Research (TSER) Programme, available on the following website: <http://www.cordis.lu/improving/socio-economic/publications.htm>

life and on the other, that immigrants respect the fundamental norms and values of the host society and participate actively in the integration process, without having to relinquish their own identity.

The Commission drew attention, in its Communication of November 2000⁴⁸ to the many different categories of immigrant who should benefit from integration measures - the main groups being labour migrants, family members admitted under family reunion arrangements, refugees and persons enjoying international protection. Integration involves the development of a balance of rights and obligations over time, thus the longer a third country national resides legally in a Member State, the more rights and obligations such a person should acquire. This “incremental approach” implies that integration measures should be available to all third country nationals as early as possible after their arrival and in any case as soon as their stay acquires a degree of permanence or stability. Often 2nd and 3rd generation immigrants who were born in the EU or have obtained nationality or immigrants from former colonies holding the nationality of the host country, also need to benefit from specific integration measures.

Refugees, including resettled refugees and persons enjoying subsidiary or temporary protection⁴⁹, should also be eligible for integration measures. As with other categories of immigrants, these may vary according to their specific needs⁵⁰ and length of stay.⁵¹ Asylum seekers, however, constitute a special group of third country nationals who do not have an ordinary status as legal residents and whose stay is neither permanent nor stable. Integration measures, or rather, policies aiming at their *introduction* to the country of asylum, are necessary under certain conditions, but it falls outside the scope of this Communication to examine these in detail⁵².

3.2. The need for a holistic approach

The Commission identified in its Communications of 2000 and 2001⁵³ a number of principles which need to underpin integration policies and these are equally valid today. The most important being the need for a holistic approach which takes into account not only the economic and social aspects of integration but also issues related to cultural and religious diversity, citizenship, participation and political rights. While priorities will vary between countries and regions, integration policies need to be planned within a long-term, coherent overall framework, and at the same time they should be responsive to the specific needs of particular groups and tailored to local conditions. They depend on the establishment of partnerships between a wide range of stakeholders and need adequate resources. Members of the immigrant communities concerned, including women and persons enjoying international protection should

⁴⁸ COM(2000)757

⁴⁹ Council Directive 2001/55/EC of 20 July 2001, OJ L 212, 7.8.2001

⁵⁰ See further on the special needs of vulnerable refugees, section 3.5.1 below

⁵¹ Although a maximum duration of stay has been fixed for temporary protection at EC-level and some labour migrants only enter the Union for a short fixed term, these persons may have legitimate grounds for a prolonged legal stay within the EU

⁵² Integration measures for asylum seekers are specifically dealt with in the proposals for a Council Directive laying down minimum standards on the reception of applicants for asylum in Member States COM(2001)181 of 3 April 2001

⁵³ COM(2000)757 and COM(2001)387

take part in the conception, development, organisation and evaluation of programmes and policies affecting them.

While specific integration programmes are an important element in the initial phase of integration, in the longer term the objective should be to enable migrants to access existing services and to ensure that these take into account their specific needs. It should be noted in this context that many integration measures can serve a double purpose. They will facilitate integration in the host country, but can also prepare for return.⁵⁴ For instance, most educational measures, including vocational training, will provide the persons concerned with qualifications, which may be useful for the development of their home country in case of return.

3.3. Key elements in holistic integration policies

The need for a holistic approach calls for comprehensive integration policies. In the following section a number of elements and core issues which are of particular relevance for a successful integration strategy will be discussed. The issues raised and the challenges identified are at the same time elements which could be the object of further discussion and exchange of information and best practices between Member States.

3.3.1 Integration into the labour market

Access to the labour market is crucial for the integration of third country nationals into society and the vast majority of immigrants and persons enjoying international protection have qualities and competencies that are needed in the European Union today. Their full integration into the EU labour market might further contribute to enable the EU economy to deliver its full potential of competitiveness, growth and employment. Present employment rates of immigrants demonstrate however that the potential contribution of immigrants is not always fully realised. At 52.7% the employment rate of non-EU nationals in EU-15 is significantly lower than the 64.4% rate for EU nationals (see figure 9 in the annex). The difference is particularly strong for women. At the same time, immigrants are over-represented in risky sectors of employment, in undeclared work of low quality, and in population segments particularly exposed to health risks and social exclusion. In addition, well-educated and skilled immigrants are often unable to find work which matches their qualifications and have to accept lower qualified and lower paid work.

In order to maximise the potential contribution of migrants, it is important to build upon their previously acquired experience and qualifications already obtained outside the EU. This requires recognition and proper assessment of formal and informal qualifications (including diplomas). It also means paying more attention to removing barriers to obtaining and retaining employment such as inflexibility in job requirements or legal restrictions concerning e.g. linguistic competencies or nationality.⁵⁵ Discrimination at the workplace and racist behaviour are also major barriers which must be removed. Special efforts are needed to assess and up-grade

⁵⁴ Persons in need of international protection will expect to return once conditions in the country of origin permit, but it also applies to immigrant whose stay is short term

⁵⁵ European Conference on Successful integration on the Labour Market, Copenhagen 4-5 July 2002

immigrants' skills, including language ability, to enable them to enter the labour market and to make sure that they then have access to on-going training on an equal footing with nationals.⁵⁶ Such active labour market policies should foster the integration of immigrants into the labour market with a view to reducing by half in each Member State the unemployment gap between non-EU and EU nationals by 2010⁵⁷. The social partners have an important role to play in this area, particularly to ensure that migrant workers are treated equally with respect to pay and working conditions and that ways are found to deal with any specific needs.

Diversity management - that is management of diversity in the workforce, in lifestyle and in the role of enterprises in society - can be an important instrument to promote the integration of migrants in the labour market. At the same time it can be an effective and profitable strategy for employers by helping them to achieve their business goals through its focus on the commercial possibilities arising from increased diversity in society and taking fully into account the competencies of employees from different backgrounds (e.g. language skills and intercultural understanding). Diversity management is not only about recruiting a diverse workforce, but also about managing and readjusting the organisation to benefit from it. International experience shows that many enterprises and public institutions have gained significantly from implementing such strategies. Although integration into the labour market constitutes a key element of the process of integration, it is unlikely to succeed in the longer run if it is not backed up also by the all round integration of immigrants in the social, cultural and political life of the host society⁵⁸.

3.3.2 *Education and language skills*

Education and training are key factors in successful integration. There are major problems for immigrants with respect to the recognition of their academic attainments and qualifications. This impedes the effectiveness of educational guidance services. Insufficient educational attainment may be reflected in the comparatively lower rates of employment for non-EU nationals (see Figure 10 in the annex). A core concern in most Member States is the ability of immigrants to speak the **language** of the host country. Poor language ability is seen as the main barrier to successful integration. At the same time many Member States insist that poor language skills should not inhibit access to the labour market or to the educational system. On the contrary, they believe that participation in working life or in education and training contributes to the development of the necessary language skills. Taking into account childcare and cultural and religious dimensions, such an approach is particularly important for migrant women to enable them to follow language courses, all the more so as this may influence the language proficiency of their children.

It should be noted that the education system plays an essential role not only when it comes to knowledge acquisition but also as a place for acquiring formal and informal information on norms and values in society and as a cultural bridge. It is an important

⁵⁶ See also Opinion of the Economic and Social Committee on Immigration, integration and the role of civil society organisations, 21 March 2002

⁵⁷ See proposal for a Council decision on guidelines for the employment policies of the Member States, COM(2003)176 of 8.4.2003, page 13

⁵⁸ European Conference on Successful Integration (Ibid.)

tool for the encouragement of pluralism and diversity with respect to both the immigrant population and the host society and thus for combating discrimination.

A number of issues related to the education of migrant children need to be addressed. Diversity should be reflected in the curriculum, close co-operation between parents, immigrant communities and schools should be pursued and any special problems addressed e.g. where there are large numbers of immigrant children in the same school.

3.3.3 Housing and urban issues

The spatial distribution of immigration varies considerably across Member States and regions, with a relatively higher concentration in urban and industrialised areas. Integration problems occur particular in those ethnically mixed – and often deprived – areas where racism and xenophobia are obstacles to migrants’ sense of belonging and participation. The location of employment clearly impacts on the choice of residence, which may also be explained by the patterns of earlier immigration and the presence of established communities. Immigrants now form an increasing proportion of the population of cities and urban areas and it is likely that their numbers will grow in the next decades. Access to housing is a basic necessity in integration, and the lack of affordable quality housing in ethnically mixed areas is a problem many migrants and refugees encounter.

A number of ‘constraint and choice’ factors - such as the opportunities of getting accommodation and work, the wish to live close to relatives and maintain family networks, discrimination – are responsible for this situation which leads to a large number of immigrants living in deprived urban areas.⁵⁹ Ethnic residential concentration or so-called ghettos tends to isolate communities and prevent their participation in the wider society. Although tight community networks can bring new life and regeneration to neglected neighbourhoods - for example through the setting up of small businesses - ethnic and social segregation in cities can also be a major barrier to integration.

Comprehensive urban and regional planning strategies taking into account e.g. infrastructure, housing, leisure, shopping, health service, transport and school facilities and the needs of the local labour market, can overcome these barriers and reduce the negative consequences of urban segregation, including social tension between immigrants and the host population. High concentration and spatial segregation also create many of the conditions on which illegal immigration and trafficking can feed just as these phenomena stimulate the development of discriminatory attitudes in the host society.

3.3.4 Health and social services

Access to health and social services for immigrant populations is another key area where adaptation of existing policies may be necessary. Immigrant populations may suffer from particular health problems resulting for their situation (e.g. separation from family members, uncertainties arising from their status especially if this is

⁵⁹ European Conference on Successful integration on the Labour Market, Copenhagen 4-5 July 2002

temporary). Where a pattern of insecurity and poor living and working conditions exists this can also result in associated health problems which are largely preventable with the right policies in place. At the same time, immigrant populations face difficulties accessing high quality health and social services. A number of issues need to be addressed including making available adequate information for migrant communities and providing additional training for the personnel responsible for delivering the services. An increased participation of persons with different ethnic backgrounds in the planning and delivery of health services should help to prevent discrimination and ensure that services take account of cultural barriers and are sensitive to the specific communities in which they operate.

3.3.5 *The social and cultural environment*

The active involvement and participation of immigrants and persons enjoying international protection in civil life is very important. Measures are needed to encourage this participation in e.g. sports clubs, school boards or other local community life, and they should be encouraged to take part in public debate. Meeting others is an important step in settling down and becoming a part of the host society and interaction between different cultures and religions will increase tolerance and respect. Here renewed efforts are necessary as a result of a growing tendency in the public to blame immigrants for the insecurity in our societies and general hostility towards Muslims which has arisen since the events of 11 September 2001 in the United States. Accurate information about immigrants and their positive contribution, both economically and culturally, to our societies needs to be publicised as failure to meet this challenge may fuel resentment, social exclusion and the rise of racism and xenophobia. Promoting a generally positive attitude in the public towards immigrants requires strong political leadership and a clear commitment to the promotion of pluralistic societies and a condemnation of racism. Here politicians and the mass media have a major responsibility in their role as educators of public opinion. They should set an example for civil society by emphasising the value of the contribution immigrants make and ensuring that the general coverage of integration issues and the tone of the public debate is balanced and based on accurate information.

3.3.6 *Nationality, civic citizenship and respect for diversity*

The Tampere Conclusions endorsed the objective that long-term legally resident third country nationals be offered the opportunity to obtain the **nationality** of the Member State in which they reside. It is widely recognised that acquiring nationality is a means of facilitating integration, although it need not be the ultimate aim of the integration process and it does not by itself avoid problems arising from social exclusion and discrimination. Obtaining nationality is important, however, because it encourages a sense of belonging in national life. Nationality entitles the bearer to full citizens' rights guaranteeing *de jure* participation in the political, civil, social, economic and cultural life of the Member State.

On the premise that it is desirable that immigrants become citizens, it is reasonable to relate access to citizenship to the length of time they have been living in the country concerned, and to apply different principles for 1st and 2nd/3rd generation immigrants. For the latter, nationality laws should provide automatic or semi-automatic access whereas it is reasonable to require the first generation to make a formal application for citizenship. Naturalisation should be rapid, secure and non-discretionary. States may

require a period of residence, knowledge of the language and take into account any criminal record. In any case, criteria for naturalisation should be clear, precise and objective. Administrative discretion should be delimited and subject to judicial control.

In its November 2000 Communication⁶⁰, the Commission introduced a concept of **civic citizenship**, defined as guaranteeing certain core rights and obligations to immigrants which they would acquire gradually over a period of years, so that they are treated in the same way as nationals of their host state, even if they are not naturalised. The Charter of Fundamental Rights establishes a basic framework for civic citizenship some rights applying because of their universal nature and others derived from those conferred on citizens of the Union.⁶¹ In fact, Community law already confers⁶² or proposes to confer⁶³ many of these rights on all persons legally resident in the Union. Enabling migrants to acquire civic citizenship after a certain period of years would help many immigrants to settle successfully into society. It could also be a first step in the process of acquiring the nationality of the Member State concerned.

Another important element of the concept is to make political participation possible. Several Member States⁶⁴ already grant local franchise to all foreign residents under certain conditions. From the point of view of integration, it is obvious that local franchise should derive from permanent residence, rather than from nationality⁶⁵. The Commission believes, that granting long-term resident immigrants political rights is important for the integration process and that the Treaty should provide the basis for so doing.

3.4. The main actors in a holistic integration policy

A key condition for successful implementation of a holistic approach to immigration is to improve the overall policy coherence and synergies between immigration, integration, employment policies at all levels and across all disciplines. This would lead to better governance of immigration issues, closer monitoring and increased co-operation between all relevant actors from local to regional, national, and EU authorities and including countries of origin. However, while governments should take the lead, collaboration around policies should involve the Social Partners, the research community and public service providers, NGOs and other civil society actors, including immigrants themselves.

⁶⁰ COM(2000)757

⁶¹ These rights are the right to free movement and residence, the right to work, to establish oneself and to provide services, the right to vote and to stand as a candidate in elections to the European Parliament and in municipal elections, the right to diplomatic and consular protection as well as the right to petition and to access documents and the right to non-discrimination on the basis of nationality

⁶² C.f. Article 194 and 195 of EC Treaty concerning right to petition the European Parliament and the European Ombudsman and Article 255 on access to documents

⁶³ C.f. Article 12 of the proposal for a Directive on the status of third-country nationals who are long-term residents, which includes freedom of movement and the right of residence within the Union and the right to work, to establish oneself and to provide services

⁶⁴ Denmark, Ireland, Netherlands, Sweden and Finland

⁶⁵ See also Convention on the Participation of Foreigners in Public Life at Local Level, which was adopted by Council of Europe in 1992 and entered into force in 1997

Integration policies are often designed at national level and implemented at local or regional levels, which requires a very good co-operation and information flow between all actors involved. Both at national and local level NGOs play a central role in advocating on behalf of migrants and persons enjoying international protection⁶⁶ which is very important to ensure co-operation and understanding between the implementing service providers and the users. The Social Partners have an important role to play in the integration process as facilitators of everyday integration in the workplace and by highlighting the importance of responding to cultural differences, they can increase workforce efficiency and enhance social responsibility.

All of the above actors bear part of the common responsibility for a successful integration of third country nationals into our societies. For the definition and implementation of policies the dialogue with key actors is of prime importance, however, creating a spirit of integration is a matter for EU society as a whole. Sensitising the host population to the benefits and challenges of immigration are core elements in a pro-active integration strategy.

3.5. Reflecting the needs of specific groups of migrants in integration policy

Although immigrants share a broad range of needs throughout the Union, some will have specific requirements and priorities which should be taken into account within overall integration strategies.

3.5.1 Refugees and persons enjoying international protection

Although in many ways refugees and persons enjoying international protection face the same situation as others, issues concerning the very nature of forced migration and the need for protection should be addressed for this group within national integration strategies. It should be remembered that these persons have not chosen to leave their country of origin for the purpose of economic migration, and may need additional help to integrate and in particular to access mainstream activities at the earliest possible opportunity. Refugee-specific programmes should be designed to supplement normal services or act as bridges to them and should be targeted towards vulnerable groups *within* the refugee community, for example refugee children, the elderly, victims of sexual violence or torture and of those who are traumatised as a result of persecution and/or flight. A key concern for this group is to enable them to take responsibility for their lives and to encourage self-empowerment and sustainable self-sufficiency. This is particularly important since, as opposed to economic migrants, such persons, often have no family, communities or networks to fall back upon.

However, refugees are generally speaking, highly educated and qualified and often face difficulties in obtaining recognition of their experience and qualifications. Some specific integration requirements, limitations or obligations, which may be imposed on migrants may not apply as such to refugees. The ultimate sanction of revoking the residence permit, which may apply to others who fail integration tests, cannot always be imposed on refugees or persons enjoying international protection.

⁶⁶ Conference on “Immigration: The Role of Civil Society in Promoting Integration”, Brussels, 9-10 September 2002

3.5.2 Gender issues

Another important category is that of **women** bearing in mind that nearly half the immigrants entering the EU every year are now female and that an increasing percentage are coming in their own right to work, many as nurses or in the caring professions or as domestic servants. Immigrant women may suffer from double discrimination due to their gender as well as to their ethnic origin. Special attention is therefore needed to ensure equal access to the labour market and adequate education and training and in particular access to lifelong learning. Language learning, awareness of human, civic and social rights, including norms and values in the host society as well as training for new skills and competences are essential tools for integrating both men and women. This is particularly important for women, given their role as carriers of cultural traditions in the family and their ability to influence future generations.

Even though the role of the **family** varies from one culture to another, it generally plays a central role in the integration process as it represents a fixed point of reference for immigrants in the new host country. Family reunification with the nuclear family is a key tool in this respect. It is mainly women who benefit from family reunification arrangements and as a consequence are often depending on a family member with respect to their residence status. They may have difficulty obtaining a job, which may result in them moving into the informal sector. For this reason the Directive on family reunification provides that women have access to the labour market and, if they are in a particularly difficult situation, are granted an independent residence status.

3.5.3 2nd and 3rd generation immigrants

While many immigrants in the European Union are well integrated, there are, nevertheless, growing concerns in a number of countries about the situation of the 2nd and 3rd generation. This is particularly the case for young people who have a parent or parents who are non EU immigrants who are more likely to remain jobless.⁶⁷ Social and racial discrimination may prevent 2nd and 3rd generation immigrant youth from acceding on an equal footing with nationals to the jobs and place in society for which they are qualified⁶⁸. For many the situation is exacerbated by the lack of a clear identity when there is a feeling of rejection by the host society while at the same time ties with the country of origin have been weakened or lost altogether. The failure of integration policies plays a part in enabling these phenomena to develop. The identification of the causes and the development of new policies to deal with them, in which education and training and in particular lifelong learning will be crucial, will contribute to avoiding such problems in the future.

3.6. Dealing with illegal migrants

Third country nationals residing illegally in the EU present a major challenge for the integration process. By its very nature the number of such persons is impossible to estimate with any certainty but evidence *inter alia* from regularisation procedures

⁶⁷ Seminar organised by the Belgian Ministry of Employment and Labour and the OECD on the integration of young migrants into the labour market, Brussels, 6-7 June 2002

⁶⁸ See note 67

carried in recent years⁶⁹ shows that there are considerable numbers. The implementation of the Action plans already adopted by the Council on illegal migration⁷⁰, border control⁷¹ and return policy⁷² should make a major contribution to reducing the flow of illegal migrants. The situation of those who are already living in the Member States does, however, need to be addressed.

Within the context of the common immigration policy the only coherent approach to dealing with illegal residents is to ensure that they return to their country of origin. However, in a considerable number of cases it is not possible to implement such a policy for legal, humanitarian or practical reasons. It is necessary to consider this group of people both from the point of view of their impact on the labour market and with respect to the objective of integration and social cohesion. On both counts the presence of large numbers of illegal residents has a negative influence - as a source of cheap labour, liable to exploitation and in the long-term preventing necessary structural reform and thereby contributing to the inefficiency of the labour market. As sectors of undeclared work and illegal immigration feed on one another there is a clear link with general policies to prevent and combat undeclared work, which must also be reinforced as part of a broad policy mix to transform undeclared work into regular employment. At the same time illegal immigrants are excluded from full participation in society, both as contributors and as beneficiaries, which contributes to their marginalisation and fuels negative attitudes to them from local people.

While policies to combat illegal immigration must remain vigorous, integration policies cannot be fully successful unless the issues arising from the presence of this group of people are adequately and reasonably addressed. Some Member States have implemented regularisation measures for illegal residents. Such procedures may be seen as a factor which enables the integration process to develop but also as an encouragement to further illegal immigration. This must however be balanced against the problems arising when large numbers of illegal residents are present in Member States. It should be remembered that illegal immigrants are protected by universal human rights standards and should enjoy some basic rights e.g. emergency healthcare and primary school education for their children.

4. THE WAY FORWARD: POLICY ORIENTATIONS AND PRIORITIES

Within the context of the EU, the immigration policies of one country inevitably have an impact on the others. There is now a common additional factor – the pressure of demographic change throughout the EU. The EU must therefore prepare for current and future immigration in a responsible and effective way. In doing so, the EU as a whole must become more efficient in developing policies to ensure the integration of the immigrants. The Commission intends to intensify its efforts in a number of areas to provide a more coherent European framework for integration and to ensure that

⁶⁹ CF Communication on a Common Policy on Illegal Immigration (COM(2001)672) of 15 November 2001

⁷⁰ Comprehensive plan to combat illegal immigration and trafficking of human beings in the European Union, 28 February 2002, OJ C 142 of 14 June 2002, p.23

⁷¹ Plan for the management of external borders of the Member States of the European Union of 13 June 2002, Council Doc.10019/02, FRONT 58

⁷² Return Action Programme of 28 November 2002, Council Doc 14673/02, MIGR 125

immigration contributes as effectively as possible to the new demographic and economic challenges which the EU is now facing.

To address the consequences of demographic ageing, the EU must first tap into its existing human resources. Promoting labour force participation and increasing productivity are essential for meeting the Lisbon objectives of increased employment, social cohesion and economic growth. Immigrants currently residing in the EU can make an important contribution. However, in the context of an ageing and shrinking working-age population, more sustained immigration flows, without solving all the effects of demographic change, are increasingly likely and necessary to fill the needs of the EU labour market.

A forward-looking approach is needed which must encompass both the need to promote better integration of new and established immigrants and to prepare for future immigration for the benefit of all. This requires new structures and ideas and the mobilisation and co-ordination of a range of relevant policies and a variety of actors at different levels. It is essential to ensure that the specific needs of migrants are fully taken into account in mainstream policies, which have an impact on their situation.

4.1. Consolidating the legal framework

The Commission has already put forward a number of legislative instruments to create the basic legal framework for the admission and conditions of stay of third country nationals. Progress with the adoption of these directives has been slow and while welcoming the recent agreement in the Council on family reunification, the Commission urges that the process should be speeded up for those initiatives still pending and in particular that

- the **directive on the status of long-term residents** be adopted within the deadline set by the Seville Council (June 2003) and that Member States, when transposing it into national law, consider granting political rights to long-term residents, in particular at local level;
- a deadline in 2003 be set for the adoption of the **directive on admission for employment** since this will create the transparency and conditions necessary to manage efficiently the admission of labour migrants to the EU;
- in the light of the adoption of the directive on the status of long term residents and in line with the opinion of the European Economic and Social Committee⁷³, consideration might be given, once it has been adopted, to extending to third country nationals, the scope of the **directive**⁷⁴ which has been put forward by the Commission **on the recognition of qualifications** obtained in a Member State in the field of the regulated professions. This would be an important step to fully integrate immigrants into the labour market by ensuring that their qualifications and periods of study are recognised on equal terms with nationals;

⁷³ ECOSOC Opinion (SOC/113) of 18 September 2002 on the Proposal for a Directive of the European Parliament and of the Council on the recognition of professional qualifications COM(2002)119 final

⁷⁴ COM(2002)119final, September 2002

- to **promote the fight against discrimination**, Member States ensure that the directives approved in 2000 at EU level are translated into national law by the deadlines in 2003 as originally foreseen. The Commission encourages Member States to go further than the minimum required by the directives and to promote positive action, especially as regards the duty of public authorities to ensure equal treatment for migrants so as to promote their integration.

The Commission will be particularly attentive to the transposition and implementation of the instruments proposed under Article 63(3) which will have an important impact on the integration of third country nationals. The Commission will also consider putting forward further legislative proposals as necessary to ensure the integration of third country nationals, refugees and those benefiting from subsidiary protection. Pursuing the line taken in existing proposals (see section 1.1 above), particular measures may also be necessary for asylum seekers and persons granted temporary protection.

4.2. Re-inforcing policy co-ordination

4.2.1 Monitoring the development of the common immigration policy: an annual report

In its Communication of November 2000⁷⁵, the Commission had already highlighted the need to closely monitor and evaluate EU immigration policy. In order to monitor progress over time and to ensure the overall consistency both of EU policy and instruments with an impact on immigration and of national policies, the Commission intends to prepare an annual report on the development of the common immigration policy. This report will draw on the information provided from the wide range of different EU policies and initiatives affecting immigrants, notably those mentioned below. The aim of the report is to ensure that the needs of immigrants are properly streamlined in all of them and to inform the Council on progress made in the mainstream policies and programmes. The report will also build on other on-going efforts to strengthen monitoring and evaluation at EU level of immigration policy (see section 4.11 below). It will complement the annual report on the development of the common European asylum policy.

4.2.2. Strengthening the co-ordination of integration policies

In its Communication of July 2001 on an open method of co-ordination for the Community immigration policy⁷⁶, the Commission had also suggested a number of areas where it considered that there would be a particular value in reinforcing co-operation and exchange of information between Member States. One of these areas was the integration of legally resident third country nationals. Integration is a complex process that presents difficulties in conceptual, practical and policy terms. Policies must take account of the characteristics of the host society and its organisational structure and there are, therefore, no single or simple answers. The issues to be dealt with are, however, often similar and in the search for the best solutions, much can be learned from the experiences of others. Integration is also an area where there is a

⁷⁵ COM (2000)757

⁷⁶ COM(2001)387

need for greater convergence with respect to concepts and policy objectives as a consequence of the establishment of a common legal framework on the admission and status of third country nationals.

The Commission proposes, therefore, to develop co-operation and exchange of information within the framework of the newly established Group of national contact points on integration⁷⁷ with a view, in particular, to strengthening co-ordination of relevant policies at national level. The work of this group will focus, in the initial phase, and in the light of the conclusions of the Thessaloniki Council, on areas which are identified by the Member States as issues of common interest. This co-operation process will be developed in full complementarity and synergy with other EU policies, particularly those on social cohesion and inclusion, anti-discrimination and the European employment strategy. It will contribute to other existing processes by providing inputs so that the integration dimension is taken better into account by the relevant authorities in mainstream policies. Based on the Commission's report on national integration policies, prepared at the request of informal Justice and Home Affairs Council in Veria in March 2003 (see Annex 1), it is clear that Member States are approaching integration differently and with different means. The action taken or measures provided to solve a given problem are not necessarily the same in all Member States as national, regional or local circumstances may be different. This reinforces the need for exchange of information and best practice. Besides the integration of immigrants into the labour market, which will be addressed within the framework of the European Employment Strategy (see section 4.4 below), the following priority areas can already be identified:

- **Introduction programmes for newly arrived immigrants:** The reception of immigrants is very important in the integration process as there is a need for newly arrived people to familiarise themselves with the wider social and cultural environment of the host country. Information should be exchanged, with the objective of finding the best way of introducing newly arrived immigrants. Priorities should include: nation-wide programmes versus local or regional programmes; involvement of civil society in the programmes; financing, including co-financing by the immigrant; introducing compulsory elements and consequent sanctions; the content of the introduction programme; tailoring programmes to specific target groups.
- **Language training:** The majority of Member States have expressed concern that immigrants are not able to speak to language of the host country. The focus of exchange should be, in particular, on the following topics: ways to increase the language abilities of immigrants particularly on a number of key issues, including: targeting specific groups; financing and co-financing by the immigrant; national language tests; language and naturalisation; 'dual path' language courses.

⁷⁷ According to the Conclusions it was proposed to establish an up to date an easily accessible list of national contact points, which will assist in co-operation and exchange of information between Member States. To follow up on this initiative a forum for the contact points within the framework of the Committee on Immigration and Asylum (Integration Group) has been established by the Commission.

- **Participation of immigrants in civic, cultural and political life:** This is important as it creates a sense of belonging and being a part of a community and of society in general. Such a feeling will in turn encourage immigrants to engage themselves in community life and other social, cultural and political activities. Information could be exchanged on a number of core issues, including: political rights, civic citizenship and nationality; structures at national, regional and local level for the participation of immigrants including the level of immigrant participation; how to tackle religious and cultural differences in society; benchmarking and development of indicators to measure levels of integration in these areas.

4.3. Civic citizenship and nationality: tools to facilitate integration

A new concept which the Commission believes can be used to promote integration, is that of civic citizenship. The rights contained in the Commission's existing initiatives contribute towards the realisation of this concept. However, the Commission underlines the importance of confirming the rights and obligations of legally resident third country nationals in the framework of the new Treaty by the incorporation of the Charter of Fundamental Rights with a legally binding status⁷⁸. The Treaty should provide the means whereby civic citizenship, in particular as concerns participation in political life at local level, can become a reality and the Commission will work for these objectives in the Convention and in the next intergovernmental conference⁷⁹. The Commission will also take forward the development of this concept in the framework of the process for reinforcing co-ordination between Member States on integration (see above).

Naturalisation is a strategy, which can help to promote integration and which Member States should consider when granting residence to immigrants and refugees. The Commission welcomes the relaxation of the conditions to be fulfilled by applicants for nationality which has taken place in a number of Member States in recent years. Within the framework of the reinforced coordination process, the Commission will promote the exchange of information and of best practices concerning the implementation of nationality laws of Member States. There is also a need for further comparative research about Member States' legislation on nationality. The Commission has given priority to this under the 6th Research Framework Programme 2002-2006.

4.4 The European Employment Strategy (EES)

Following its Communication on the future of the EES of 14 January 2003⁸⁰, the Commission adopted its proposals for employment guidelines and recommendations on 8 April 2003, where it highlights that immigration must be better taken into account in the future. The Commission proposes three overarching objectives for the future employment guidelines: full employment, quality and productivity at work, cohesion and an inclusive labour market. It calls on the Member States and the social

⁷⁸ Modalities of incorporation were discussed in Working group II of the Convention, chaired by Mr. Vitorino. See final report of Working Group II, WG II – 16 of 22.10.2002

⁷⁹ C.f. Summary of the Paper submitted by M. Vitorino, Commissioner, Member of the Convention Working group X Freedom, Security and Justice, WG X - WD 14 of 15.11.2002

⁸⁰ COM(2003)6 of 14 January 2003 "The future of the European Employment Strategy"

partners to address these questions and insists on the need to support integration and combat discrimination in the labour market for people at a disadvantage, as well as to combat undeclared work. In the context of the EES, the Commission considers appropriate that the following elements are further taken up:

- sustainable integration of third country nationals into the labour market. This involves access to training and employment services as well as other measures to increase participation into the labour market. The Commission proposes in its 2003 Guidelines that Member States commit themselves to reducing the unemployment gap between non-EU and EU nationals by 2010;
- combating undeclared work and reducing the informal economy with a view to developing a broad policy mix of sanctions and preventive measures to transform undeclared work into regular employment;
- closer monitoring of the needs of the EU labour market and of the role of immigration in filling current and future labour shortages, taking into account increased competition between host countries;
- contributing to increased job mobility of third-country nationals in the EU, in particular through the further development of the EURES network, including as part of the strategy to facilitate their admission into the EU for employment purposes;
- exchanging experiences and good practice in this field, inter alia through the peer review activities carried out under the Programme to promote employment incentive measures. Particular attention needs to be given to the recognition of skills and diplomas; entrepreneurship; special initiatives for 2nd and 3rd generation young people of immigrant origin; barriers to integration on the labour market; local employment strategy for immigrants; language training for professional purposes including 'fast track' schemes.

The Commission considers that these issues should also be taken up by the social partners at EU level in the context of their joint work programme.

4.5 The Social Inclusion Process

The first round of National Action Plans for Social Inclusion (NAPs/incl) in 2001 demonstrated the need to address the issue of integration of immigrants in a more comprehensive, integrated and strategic manner. The Copenhagen European Council (December 2002) endorsed the revised Nice objectives to combat poverty and social exclusion, which explicitly highlight the high risk of poverty and social exclusion faced by some men and women as a result of immigration. In preparing and implementing the NAPs/incl, the European common objectives also insist on mobilising all relevant bodies: while national, regional and local authorities bear prime responsibility for combating social exclusion and poverty, a full range of public and private bodies is concerned, in particular social partners, NGOs and social service providers. In this respect, the Commission considers important that:

- in the context of their 2003 NAPs/incl due for July 2003, Member States should report on policy measures and initiatives aiming at "promoting social integration of

women and men at risk of facing persistent poverty, for instance because they (...) belong to a group experiencing particular integration problems such as those affecting immigrants", as endorsed by the Copenhagen European Council;

- under the Community Action Programme to combat social exclusion (2002-2006)⁸¹, several studies (e.g. on housing conditions for immigrants and ethnic minorities), statistical work (e.g. the feasibility of collecting data pertaining to the specific income and living conditions of immigrants and ethnic minorities in the framework of the new EU Survey on Income and Living Conditions) and a large number of trans-national projects will be carried out on the integration of immigrants, which contribute directly to improving knowledge and promoting exchange of experience

4.6 Economic and social cohesion

The third Commission's report on economic and social cohesion in the EU to be presented by the end of 2003 will pave the way for an open debate on the future of cohesion policy⁸². The new programming period of the Structural Funds will start in 2007. In this respect, the Commission considers it important to build on experiences, in particular from the European Social Fund and the EQUAL initiative, so as to ensure that :

- the mid-term review of the 2000-2006 programming period planned in 2003 takes better account of the challenge of immigration in terms of jobs and social inclusion;
- the policy lessons drawn from the EQUAL initiative in terms of integration of immigrants, in particular asylum-seekers, are widely disseminated⁸³;
- the overall discussion on the future of the European cohesion policy pays full attention to the challenge of integration of immigrants, particularly as regards investment in human capital, access to employment and the regeneration of deprived urban areas

4.7 Combating discrimination

Immigrants are too often exposed to risks of discrimination. In addition to supporting the Member States with the effective implementation of the two anti-discrimination directives mentioned above, the Commission considers it important to strengthen the fight against discrimination by:

- raising public awareness of Community and national law prohibiting discrimination: a major public information campaign will be launched with this

⁸¹ Decision No 50/2002/EC of the European Parliament and of the Council of 7 December 2001 establishing a programme of Community action to encourage co-operation between Member States to combat social exclusion

⁸² See also COM (2003)34, "Second progress report on economic and social cohesion", 30 Jan. 2003

⁸³ 1.500 EQUAL development partnerships have already been established since 2001. For the period 2001 - 2006, 127 million Euro is available for actions aiming at combating racism and xenophobia in relation to the labour market and 153 million Euro in relation to asylum seekers

aim in 2003, particularly focusing on employers and employees. The Commission will also produce a first report on Equality and Discrimination in the EU in 2003;

- involving enterprises in non-discriminatory practices: further to the Commission's Green Paper on corporate social responsibility (CSR)⁸⁴, the need to promote diversity management, responsible recruitment practices and to fight discrimination at the workplace will be further addressed in the context of the new multi-stakeholder forum on CSR;
- closer monitoring: following its report on the employment situation of migrants published in December 2002, the European Monitoring Centre on Racism and Xenophobia, will focus in 2003, inter alia, on collecting data on the situation of migrants and ethnic minorities in relation to employment, housing, education and racial violence;
- exchanging experiences: in the framework of the Community Action Programme to combat discrimination (2001-2006), several trans-national projects, exchanges of experience and best practice as well as studies will be carried out to measure the extent of discrimination and strengthen anti-discrimination policy measures.

4.8 Co-operation in the field of education

In the field of education, the detailed work programme on the objectives of education and training systems in Europe, adopted by the Commission and the Council⁸⁵, sets out how the open method of co-ordination will be applied using benchmarks to set concrete goals to meet the challenges of the Lisbon Strategy (European Council of March 2000). In this context, the general objective of improving active citizenship, equal opportunities and social cohesion, covers issues such as the access of immigrants and their children to education and training systems.

On the basis of the Commission's Communication on benchmarks⁸⁶ adopted by the Council on 5 May 2003, European benchmarks or "reference levels of European average performance" to be achieved by 2010. Among the five EU benchmarks, three of them are particularly relevant in the context of promoting integration and employment of the immigrant population.

- the benchmark on early school leavers (EU average rate of no more than 10% of early school leavers);
- the benchmark on education attainment levels (at least 85% of 22 year olds in the EU should have completed upper secondary school);
- the benchmark on reading literacy (the % of low achieving 15 year-olds in reading and literacy in the EU should have decreased by at least 20% compared to 2000).

⁸⁴ COM(2001)366

⁸⁵ O.J. C/142, 04.06.2002

⁸⁶ COM(2002)629 final, 20.11.2002

4.9 Closer dialogue with third countries

The Communication from the Commission on integrating migration issues in the EU's relations with third countries⁸⁷ underlines that improved dialogue with third countries is a major element of EU migration policy not only to facilitate orderly migration flows but also to fight illegal immigration more effectively and to develop new policies to manage labour migration and to create "win-win" dynamics for both the EU and the countries of origin especially with respect to temporary labour migration. Closer relationships with countries of origin should *inter alia* ensure that the root causes of illegal immigration are addressed and that EU immigration policy is designed so as to support development objectives and to achieve an equitable sharing of the costs and benefits of immigration. This policy should facilitate contacts between migrants and their families and communities in their countries of origin including the transfer of funds (remittances). It should also encourage potential migrants to follow legal channels for admission rather than attempting to enter the EU illegally. In this dialogue, the Commission considers it important that:

- the role and potential of labour migration are fully reflected;
- following further study and consultation on the benefits progress is made towards the mutual recognition of the status of professional qualifications acquired by third country nationals prior to their arrival in the EU based on the principle of reciprocity⁸⁸;
- the EU should make use of the opportunities provided under the WTO General Agreement on Trade in Services (GATS) as a way to provide secure temporary movement mechanisms for people who are coming to the EU to provide a service. This would respond to the expectations of many developing countries.

4.10 Reinforcing EU financial support for integration

A mid-term evaluation of the **European Refugee Fund (ERF)** is currently being undertaken. Any new orientations for the next phase of the ERF will be put forward in the light of this evaluation. It is expected, however, that it will continue to support the development of integration programmes and policies for refugees and persons granted international protection.

The Commission will also launch in 2003 a number of **pilot projects on the integration of migrants**⁸⁹. The purpose of these actions will be to support networks and the transferral of information and good practices between Member States, regional and local authorities and other stakeholders in order to facilitate open dialogue and identify priorities for a more consistent approach to integrating migrants in Europe.

⁸⁷ Cf. Commission Communication Integrating migration issues in the European Union's relations with third countries, COM(2002)703 of 3.12.2002

⁸⁸ See also the conclusions of the Barcelona summit of 2002 referring to persons with qualifications in the field of science and technology

⁸⁹ The programme will be launched in July 2003 with a budget of 12 million € over 3 years. It will complement existing initiatives addressing the issue of integration of immigrants

4.11 Improving information on the migration phenomenon

As mentioned above, a key condition for successful policy implementation is to improve the information available as well as the tools for monitoring and evaluation. This is also essential to raise public awareness of the contribution which migrants bring to economic, social and cultural life in the EU. Without accurate and comparable data and knowledge about the effectiveness of measures taken, Member States and the Community are not in a position to know if their policies have the desired outcome. The Commission is currently undertaking a study on benchmarking which will explore the possibilities of developing indicators at EU-level and has recently adopted an **Action Plan for the collection and analysis of Community Statistics in the field of migration**⁹⁰.

In addition, at the end of 2002, the Commission launched a preparatory action for the creation of a **European Migration Network (EMN)**. The EMN will build up a systematic basis for monitoring and analysing the multidimensional phenomenon of migration and asylum by covering a variety of its dimensions – political, legal, demographic, economic social - and identifying its root causes. Ten Member States designated national contact points in 2002 and others are expected to join the project in 2003. The preparatory phase, which may be extended by up to three years, will test the possibility of setting up a more permanent structure in the future.

Immigration and asylum issues have now been fully incorporated into the priorities of the **Commission's framework programme for research and development** and into the **Commission's Action Plan "Financing Research"**⁹¹. A wide range of issues concerning immigration will be the subject of research and analysis under the 6th programme which will run from 2002-2006.

Such actions will also support the preparation of the report mentioned above.

5. CONCLUSIONS

With this Communication, the Commission has both responded to the task conferred on it at the Tampere Council by setting out detailed proposals for supporting the development of vigorous integration policies for third country nationals in the EU, while at the same time fulfilling the undertaking it made in the 2003 Spring Report to review the role of immigration, integration and employment policies in meeting the Lisbon goals.

The EU's ability to manage immigration and to ensure the integration of immigrants will greatly influence its overall ability to master economic transformation and to reinforce social cohesion in the short and longer term. Although the economic implications of socio-demographic change will only become fully visible as time goes by, a forward-looking approach to immigration is needed today to be prepared for the

⁹⁰ COM(2003) 179

⁹¹ See in particular COM(2003)226, section 3.1 "Fostering the coherent development of national and European policies", Action No 2, regarding "setting up an open process of co-ordination on actions for developing human resources in science and technology, with particular emphasis on the implications of the 3% objective, as an extension of the existing process focusing on mobility"

challenges of tomorrow. The economic and social benefits of immigration can only be realised if a higher degree of successful integration of migrants can be achieved: the EU must address the challenge of integration in a comprehensive manner. The rapid adoption by the Council of the draft directives already put forward on the conditions of admission and residence of third country nationals is an essential prerequisite for future actions since it provides the necessary basic framework of rights on which all further integration policies must rest. In this context the Commission will keep under review the development of the concept of civic citizenship as a new integration tool.

In line with the principle of mainstreaming policies for the integration of immigrants, support for many of the proposals made must now be taken forward within the framework of existing policies and programmes at EU level, notably the European Employment Strategy, the Social Inclusion Process, as well as the Community action programmes to combat social exclusion and discrimination. Meanwhile the European Refugee Fund and the new pilot projects to promote integration will ensure there is a focus on specific issues concerning third country nationals which need to be addressed as such and to provide support for national integration policies.

Finally, and in the light of the conclusions of the Thessaloniki European Council to be held on 20-21 June 2003, the Commission will endeavour to reinforce policy co-ordination. It will report annually on progress made with the development of the common immigration policy.

The Commission will forward this Communication for information to the European Economic and Social Committee and to the Committee of the Regions.

ANNEX 1

SYNTHESIS REPORT ON NATIONAL INTEGRATION POLICIES

1. INTRODUCTION

At the informal Justice and Home Affairs Council meeting in Veria on 28-29 March 2003 Member States agreed that the Commission should prepare a synthesis report on national integration policies in view of the forthcoming European Council in Thessaloniki on 20-21 June 2003.

This synthesis complements the Communication on immigration, integration and employment by being a fact-finding survey on integration policies in Member States and provides clear evidence that there is scope for re-inforcing policy co-ordination in the field of integration. The synthesis report has been prepared on the basis of a questionnaire concerning the integration of immigrants⁹², which was sent to both Member States and acceding countries. The Commission received 13 replies from Member States⁹³ and 8 replies from accession countries⁹⁴ to the questionnaire. The replies vary greatly as far as the amount of information and details provided are concerned. However, it is clear that wide differences exist in integration policies not only with regard to acceding countries but also within the European Union itself. This is not surprising as the migration history of the European countries varies greatly.

2. SYNTHESIS OF ANSWERS RECEIVED TO THE QUESTIONNAIRE

2.1 Reception of new immigrants

National integration programmes are dominant in those countries where the main immigration tends to be primarily of a family reunification or of a humanitarian nature and where new immigrants consequently do not have a job offer before entering the country and rarely speak the language of the host society upon arrival. Furthermore these countries tend to have highly developed social welfare systems. In other countries these issues do not seem to be paramount and problems seem to be more related to ensuring the proper infrastructure to integrate labour migrants, such as access to housing, social services and healthcare.

2.1.1 Objectives of the integration policies

Descriptions of objectives of the integration policies naturally vary, nevertheless there seems to be a general consensus that the main objectives of Member States' integration policies are, on the one hand, to enable immigrants to function independently and be self-supportive and, on the other, to enable them to participate actively in all aspects of life.

⁹² The questionnaire did not take into account integration of refugees. It should be noted that in many countries refugees and immigrants are not treated as separate categories for integration purposes.

⁹³ Belgium and France did not reply to the questionnaire.

⁹⁴ Poland and Hungary did not reply to the questionnaire.

2.1.2 Description of integration policies

In countries such as Finland, Denmark and The Netherlands national legislation on integration was passed in 1998 and 1999 and in Austria and Germany initiatives in this respect have also been taken recently. The legislation provides a general national integration framework within which the different actors may devise measures, which are appropriate to particular local circumstances and individual needs. The national integration programmes consist in general of three main components: language tuition, orientation or introduction courses and professional labour market training. The programmes - which are compulsory to a certain extent - are in most cases tailored to the specific needs of the immigrant. The immigrant is invited for an interview, where the level of qualifications, education, practical experience and language skills is examined. On the basis of this interview it is decided which components the individual integration programme should consist of. Not all Member States have given information on the length of their integration programmes and it seems to vary, but in most cases they last 2-3 years. In Germany for instance, pursuant to the proposed Immigration Act, new immigrants will have a legal entitlement to attend an integration course comprised of language tuition and orientation. The orientation course is intended to provide information about the legal system, culture and history of Germany. In Denmark the orientation course is an integral part of the language tuition, which is free of charge to all immigrants.

In the remaining Member States legislation laying down a framework for nation-wide integration programmes for immigrants does not exist but nevertheless efforts have been made to develop a national policy to promote integration.

In Sweden⁹⁵ the Government decided in 1997 to focus more on integration and the policy is built on mainstreaming. The point of departure is equal rights, responsibilities and opportunities for everybody and integration permeates all policy areas and should be implemented in the everyday operations of all sectors of society. A very similar multicultural approach to integration has been taken, based on race and race relations, in the United Kingdom, which has a long-standing history as a country of immigration. In parallel with immigration policy a number of legal instruments and norms which mainly promote racial equality and equality of opportunity in a number of different areas - employment, education, housing and welfare - has been introduced and this affects the life chances of migrants and their descendants. In Ireland an approach very close to that of the United Kingdom has been chosen. In this context it should be mentioned that so far all immigrants coming to Ireland have a job offer before coming and integration takes place largely with the labour market at its axis.

Greece has recently started - as part of the national migration policy - implementing an Integrated Action Plan (2003-2006) for the social integration of all legally residing immigrants. The Action Plan covers different measures in six main areas: information, labour market, culture, education and language, health services and temporary housing. As part of the labour market initiatives Greece is creating a recording mechanism of professional skills of migrants and action is being taken to foster entrepreneurship.

⁹⁵ It should be noted that an integration programme for refugees similar to those existing for immigrants in Finland, Denmark and The Netherlands does exist in Sweden.

Spain is also currently implementing a national plan for integration: Global Programme for Immigration (2001-2004). This programme has identified some target areas to improve integration: ensuring immigrants full exercise of their rights (medical care, access to the school system, family reunification, religious freedom), access to citizenship, access to the labour market, temporary housing measures, improving the national structure for integration issues (setting up mechanisms for increasing dialogue between public national, local and regional authorities, NGO's and civil society) and combating racism and xenophobia. Beside national efforts, a number of Regional Governments implement immigration programmes including measures for integration of migrants and all major cities in Spain have integration programmes.

In Portugal a number of initiatives have been taken by the newly established High Commission for Immigration and Ethnic Minorities, the national body which has assumed responsibility for the development of integration policies in Portugal. In particular efforts have been made to increase information to newly arrived immigrants. In general NGO's in Portugal play a major role in providing integration measures, running a number of integration projects and providing language tuition and help to find accommodation.

In the implementation of the national integration policy, Italy like Portugal, relies very heavily on civil society and the large NGO community in particular, who are key providers of basic social assistance services, including housing. A number of integration projects has been initiated both at national, provincial and local level with financial support from the Government.

In 1993 Luxembourg approved an Integration of Aliens Law, which set up co-ordinated programmes to facilitate social, economic and cultural adaptation of foreigners. The proportion of foreigners in Luxembourg is far greater than in any other country in the EU and the country has three official languages. Major emphasis has been put on developing a programme for integration of foreign children (immigrant children represent 38% of the total school population) based on the principles of common education, trilingualism and equal opportunity.

2.1.3 Compulsory elements

In those Member States where national integration programmes exist they generally entail compulsory elements. In Denmark and Austria immigrants are required to enter into and comply with an "integration agreement" (if the migrant successfully follows the national integration course they will be able to comply with this agreement). Failing to meet the requirements stipulated in the agreement has negative consequences for renewal of the residence permit. In Austria the immigrants have to bear the cost of the integration programme and up to 50% may be reimbursed by the Government if the migrant complies with the integration agreement within 18 months. In Germany, when the new Immigration Act enters into force, migrants will also be asked to contribute financially (according to personal means) to the integration programme and if they fail to follow the programme this may have negative consequences for renewal of the residence permit. Both in Germany and The Netherlands a certificate of successful attendance at an integration course is issued and this may - in the case of Germany - serve to shorten the period for naturalisation from 8 to 7 years. Sanctions for not participating in the integration programmes exist

generally in those countries where immigrants are entitled to social assistance during the programme, sanctioned with a reduction in these entitlements or – in the case of migrants who are self-supporting - with an administrative fine⁹⁶

2.1.4 Structure of implementing authorities

In all Member States it is the local or regional authorities, which have the competence to implement integration policies, whereas it varies a great deal who is actually paying for the measures/programmes. In some countries both the regional and local authorities have competence in this area and in some countries, such as Spain and The Netherlands, big cities also have competence. In Germany the State sets out guidelines for the integration courses but they are conducted by public and private organisations. The nation-wide integration programme within which the integration services to be offered are set out, is to be developed in co-operation between the State, Federal governments and local authorities as well as the social partners and civil society. In Denmark and Finland it is the local municipalities which bear the overall responsibility for offering integration programmes, but the municipalities can decide to let other public or private organisations help them in conducting the programmes.

2.1.5 Funding of policies

Not all Member States gave exact figures as to how much money is spent on a yearly basis implementing integration policies. As the table shows some countries are spending large amounts on integration of immigrants, however, as information is not given on what the amount exactly covers and it varies according to the number of new arrivals and the size of the country in question, it is difficult to compare the numbers and it is therefore not possible to draw any uniform conclusions

Member State	Year	Budget
Austria		N/a
Belgium		N/a
Denmark	2002	Total budget for running the national integration programme for both refugees and immigrants: € 493 mill.
Finland		N/a
France		N/a
Germany		Federal Budget for national integration courses:

⁹⁶ However, this applies equally to nationals and immigrants in those countries where immigrants are referred to mainstream services if they fail to participate in labour market activities.

		€ 169 mill Additional funding at Länder level
Greece	2003	Yearly budget to finance the new Integrated Action Plan: € 65 mill.
Ireland		N/a
Italy	2002	Social Integration Fund for project at all levels: € 42 mill.
Luxembourg		N/a
Netherlands	2002	Integration budget for newcomers: € 165 mill. Budget for "oldcomers" € 100 mill
Portugal		N/a
Spain		N/a
Sweden	2002	Refugee and newcomer reception: € 219 mill.
United Kingdom		N/a

2.2 Medium to long-term arrangements for the integration of immigrants

The Member States which replied to this question generally referred to the descriptions of arrangements for newly arrived immigrants (described above) as integration measures applying equally or partly to this group as well. Nonetheless immigrants who are no longer newcomers are generally included in mainstream services e.g. public employment or social services. Therefore policies, directed towards this group, are often project-based, targeted at specific groups and addressing special needs. Initiatives include measures in the field of education, employment, health and welfare, housing and the promotion of their participation in social, cultural

and political life. In The Netherlands special programmes have been set up to avoid ethnic minorities becoming the new underprivileged group in society. Sweden and Germany mention that since the mid-1970s they have supported language courses for all immigrants who do not speak the language properly and this service has been free of charge.

2.3 Integration into the labour market

When examining measures for improvement of integration into the labour market, it appears from the answers given that there are wide variations between the Member States due to the very different immigration patterns and labour market demands. Some Member States have a demand for highly skilled labour and others only for unskilled. At the same time many Member States must deal with a relatively high unemployment rate among immigrants, in particular those of the 2nd and 3rd generation. These differences seem to be crucial for the approach chosen to deal with this issue.

2.3.1 Planned measures

The integration of unemployed immigrants in the labour market is promoted in all Member States through either general policies or individual integration or job seeking plans. In Germany insertion pathways are developed to tackle youth unemployment especially among immigrants. In Spain programmes focusing on the exploitation of employment possibilities especially suitable for immigrants as well as the organisation of movement within the country to take up unfilled job offers is organised.

The Netherlands has in accordance with the European Employment Strategy set specific national targets concerning integration. Specific labour market policy is aiming at halving the difference between the unemployment rate of ethnic minorities and persons who are of Dutch origin, which amounts to reducing unemployment of ethnic minorities to 10%. In Finland also targets have been set concerning combating discrimination and promoting social rights in order to find additional resources for vocational training of immigrants.

A few Member States, namely Austria and Italy, have special quota systems for labour migration and the United Kingdom is intending to introduce new schemes to bring in temporary workers at the low skilled end of the labour market as a need for labour migration has emerged in certain sectors. Austria has schemes with a yearly quota to bring in workers for the labour market for both highly skilled and seasonal workers. In Italy the employers who employ immigrants via the quota system must guarantee not only a job, but also accommodation and travel costs.

2.3.2 Involvement of social partners

In some Member States, the social partners are involved at national and local level in the preparation and implementation of integration measures. In Spain for example the social partners are involved in the estimate of labour shortages in the country. In Finland labour market organisations participate at a national level in the integration of immigrants mainly through advisory bodies on which they are represented. In Denmark an agreement concerning integration measures on the labour market has

been concluded between the government and the social partners underlining the concerted responsibility for integration. According to the agreement exceptions to the Collective Agreements can be decided locally for the purpose of increasing the integration of immigrants in the labour market.

2.3.3 Co-ordination with other authorities

Generally, regional and local authorities are responsible for the implementation of integration policies concerning immigrants. In many Member States, overall guidance is given at national level and measures are carefully co-ordinated often with the involvement of the social partners.

2.4 Immigrant participation

Immigrants generally have free access to social and cultural life, including access to education and they are able to become active in the political field, in political parties, associations, societies and organisations. Around half of the Member States have granted some kind of political rights to third country nationals. After a certain period of legal residence (between 6 months and 5 years) immigrants are allowed to vote or stand for elections at local or municipal level.

2.4.1 Special advisory or consultative bodies

In some countries like there is a long tradition of involving immigrants and their organisations in the decision making processes and all Member States have established special advisory bodies for immigrants although none of them has any direct decision-making competence. The advisory bodies are very different in structure and mandates differ considerably.

In Portugal a Consultative Council for Immigration Matters has been created to ensure that associations representing immigrants, the social partners and institutions of social solidarity participate in defining the policies of social integration, and the struggle against exclusion.

In Luxembourg the National Council for Foreigners gives advise to the Government on all relevant policy proposals. The council also has to right to submit proposals, which are aiming at improving the situation of foreigners, to the Government. Half of the members of the council are foreigners elected by their own associations. At the local level municipalities with more than 20 % foreigners are obliged to set up a special advisory commission.

A similar principle is used in Denmark where all municipalities must establish an integration council if requested by more than 50 people. The integration council may give advisory opinions on the general effort of integration in the municipality. The members of the local integration councils elect a national Council for Ethnic Minorities, which advises the Minister of Integration on issues related to integration.

In Finland an Advisory Board for Ethnic Relations has been set up and has been given the task of monitoring matters related to integration and of giving expert opinions. Both the immigrants and Finland's traditional ethnic minorities as well as different ministries, the social partners and NGO's are represented on the board.

Greece does not have a consultative body as such, but the Institute of Migratory Policy has been set up recently, which besides the task of compiling information and doing research, also has the task of supervising relevant projects and activities.

In Italy there is a number of different consultative bodies. The National Organisation for the Co-ordination of Integration Policy for Migrants, which give advice on integration policies, has among its representative's local authorities, immigrants and the social partners. At local level a Special Counsellor elected by the immigrant community represents their interests with respect to local initiatives.

2.4.2 Level of participation

In almost all Member States, immigrants are represented on the advisory bodies for immigrants. In Spain around a third or a quarter of the representatives on the advisory bodies are migrants themselves. In Denmark currently all elected members of the Council for Ethnic Minorities have an ethnic minority background.

2.5 Anti-discrimination and equality

All Member States are currently in the process of revising their legislation concerning anti-discrimination or enacting new legislation in order to implement the Article 13 directive (2000/43) on anti-discrimination which must be transposed into national law by end of 2003.

In order to promote integration and combat racism, awareness raising campaigns and special programmes seem to be a part of the ongoing activities in almost all Member States. In some countries special initiatives have been taken as a result of preparations for the World Conference against Racism, held in Durban, South Africa, in 2001. In The Netherlands a national platform has been provided to give input to a National Action Plan against Racism, in Finland a National Action Plan to Combat Racism was adopted in 2001, and in Ireland an Action Plan is also on its way. Several countries ran anti-discrimination campaigns in 2001 and some countries such as Sweden and Germany have allocated money for campaigns combating racism and promoting equality in particular for children and young people.

Several Member States also have special bodies to monitor or advise on equality or discrimination matters e.g. in Ireland the Equality Authority provides information and advice to anyone who feels that he/she may have been discriminated against.

2.6 Successful integration

2.6.1 Official definition

No Member State has a uniform definition of integration, however they do to a certain extent agree that integration is composed of different elements and that it must be a two-way process involving both immigrants and their local community. In those countries where specific legislation for integration exists, integration may be defined within the framework of the act, but also in these cases integration is referred to as a process, which has some core elements.

The elements, which are mentioned in the replies of the Member States, could generally be summarised as including:

- respect for fundamental values in a democratic society
- the right to maintain his or her own cultural identity
- rights comparable to those of EU citizens and corresponding obligations
- active participation in all aspects of life on an equal footing (economic, social, cultural, political, civil).

2.6.2 Key factors in successful integration

In most countries there exist no instruments for measuring integration or an established standard for successful integration. According to the replies, integration takes place gradually and proceeds differently in each individual case.

In The Netherlands the key factor for successful integration is when the immigrant is self-supportive. Both the United Kingdom and Austria highlights that becoming a citizen is significant and indicates a successful integration.

2.6.3 Main barriers to integration

The vast majority of Member States emphasise that a major barrier for successful integration is the lack of sufficient language skills. The lack of education or formal skills is also mentioned as a barrier together with the difficulties in assessing and approving immigrants qualifications e.g. recognition of foreign exams and diplomas. Some countries also mention that one of the major barriers to successful integration is the fact that the immigrant is unemployed and thereby implying that employment is one of the key ways of integrating immigrants in society. The Netherlands recognises that poor knowledge of the language can also leave the children of ethnic minorities in backward positions. Finland mentions that the attitude of the population has a strong impact on how welcome the immigrants feel as members of Finnish society and that racism and discrimination plays an important role when it comes to integration. Austria mentions that religion may also constitute a barrier to integration, particularly for women.

2.7 Monitoring integration models

2.7.1 Special monitoring bodies

In almost all Member States monitoring plays an important role and special schemes for monitoring have been set up. All Member States have, one way or the other, been monitoring the integration process and many countries issue special yearly reports, which are discussed in the national parliaments. In those countries where national legislation on integration programmes exist the implementation progress or the revision of legislation is discussed in Parliament.

In The Netherlands a special integration monitor (research with facts and figures) gives an overview of the position of ethnic minorities on three dimensions; social-structural, social-cultural, and political-institutional. In Denmark a Think-Tank has been set up to develop benchmarks for integration. Italy issues an annual report on the integration situation of immigrants, which is presented to Parliament. Finland examines on a yearly basis the employment rates, living conditions, education, position of children, young people and women, and social services provided. In Germany, under the proposed new Immigration Act, a new special body will have the task of observing domestic capacities for reception and integration and the current trends in migratory movements.

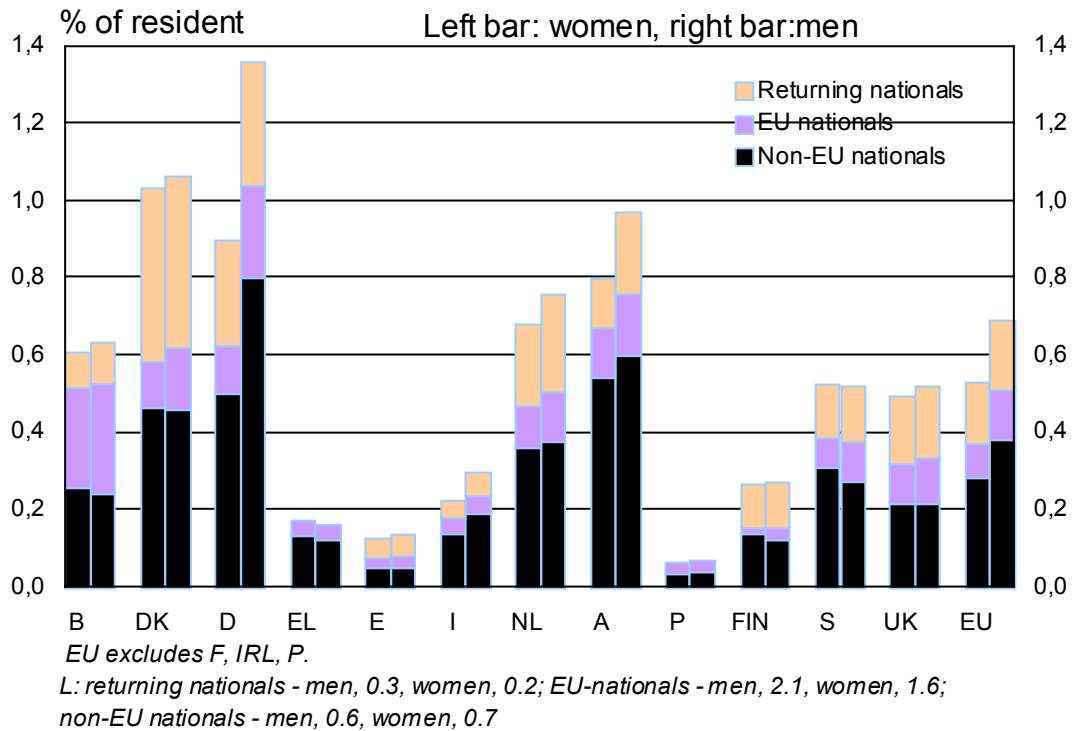
2.7.2 Responsibility for the monitoring process

In all Member States, competence to monitor the integration process is decentralised to local and regional or city authorities, as well as the responsibility for implementation of integration policies. But, as mentioned above, some countries discuss in Parliament the integration progress in their country and national ministers often have the overall responsibility for integration policies and therefore also naturally for the monitoring process and evaluation of policies to ensure the desired results are obtained.

ANNEX 2

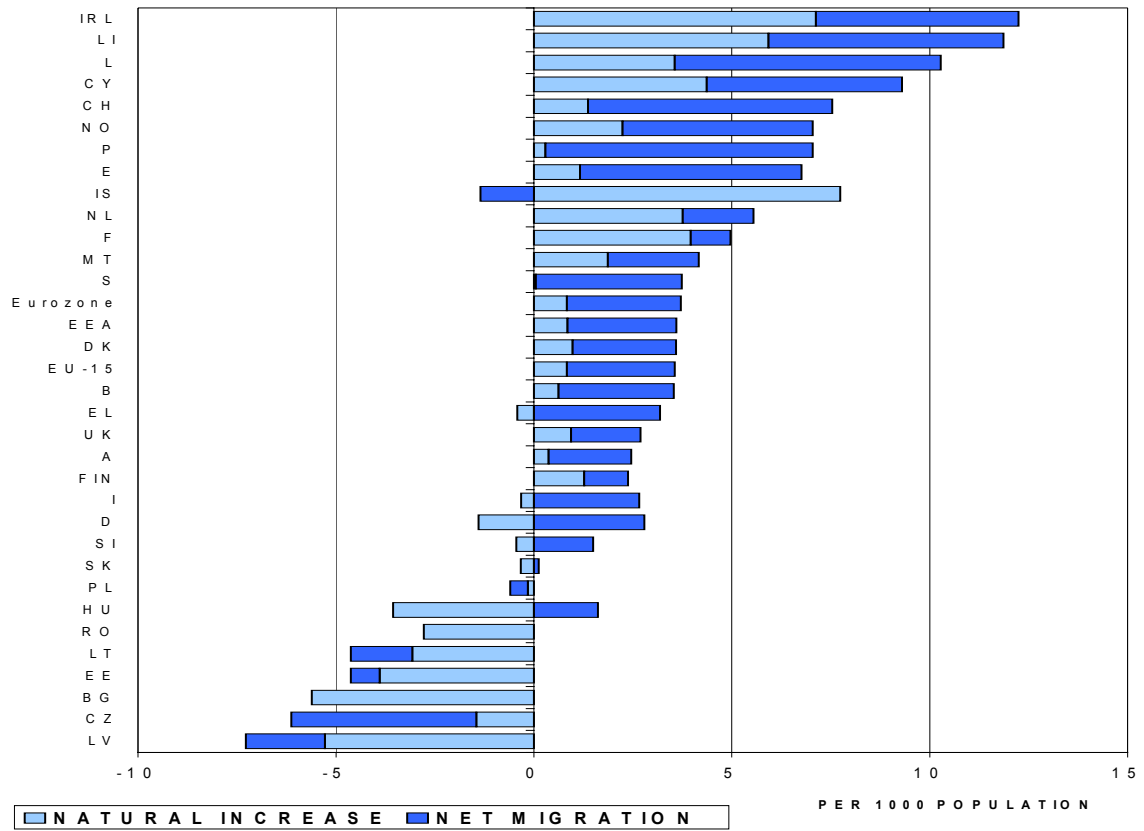
STATISTICAL ANNEXES

Fig. 1 Immigrants by nationality as a share of resident population, average 1995-1999



Source: Eurostat. This graph is extracted from Statistics in focus - *Women and men migrating to and from the EU* - Theme 3 -2/2003

Fig. 2 Crude Total Population Growth Rate 2002
Relative contribution of natural increase and net migration



Source: Eurostat. This graph is extracted from Statistics in focus - *First demographic estimates for 2002* - Theme 3 -25/2002

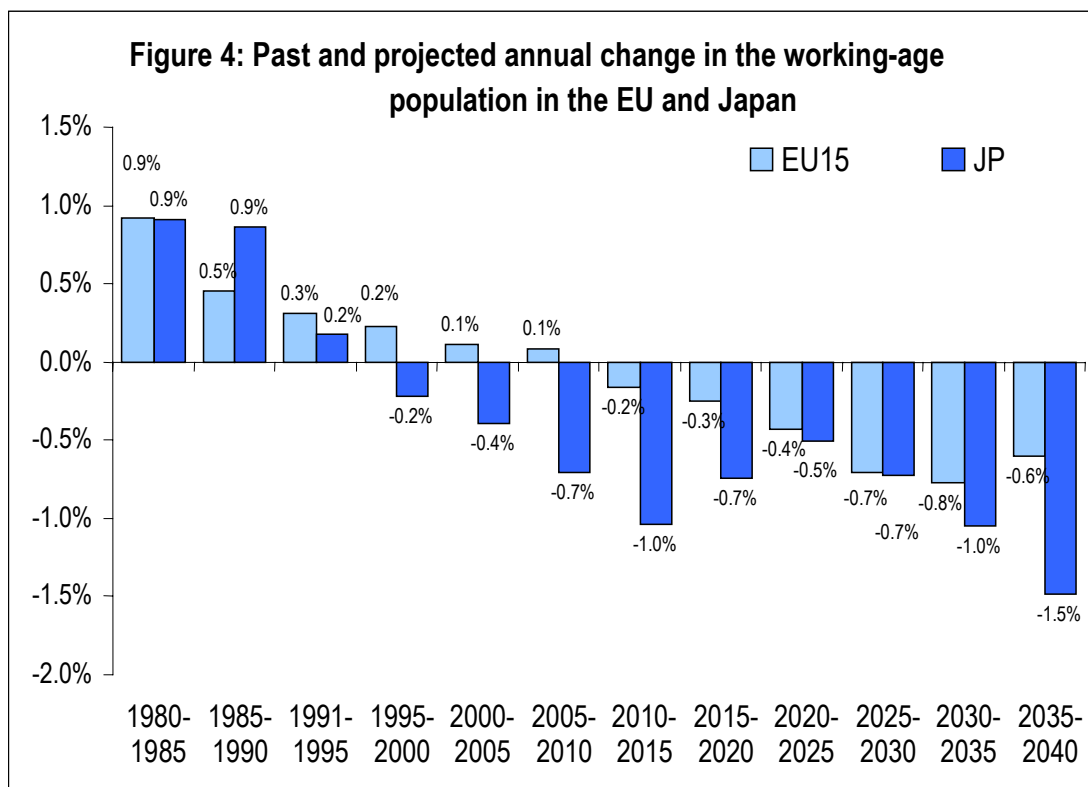
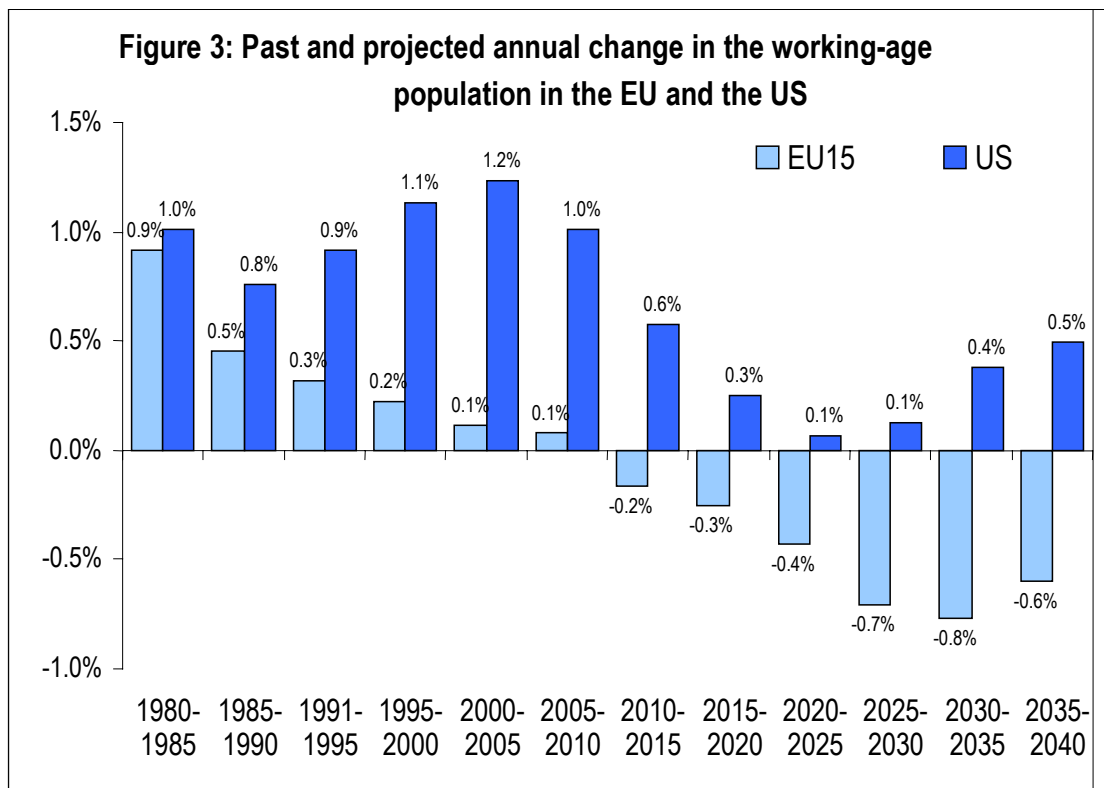
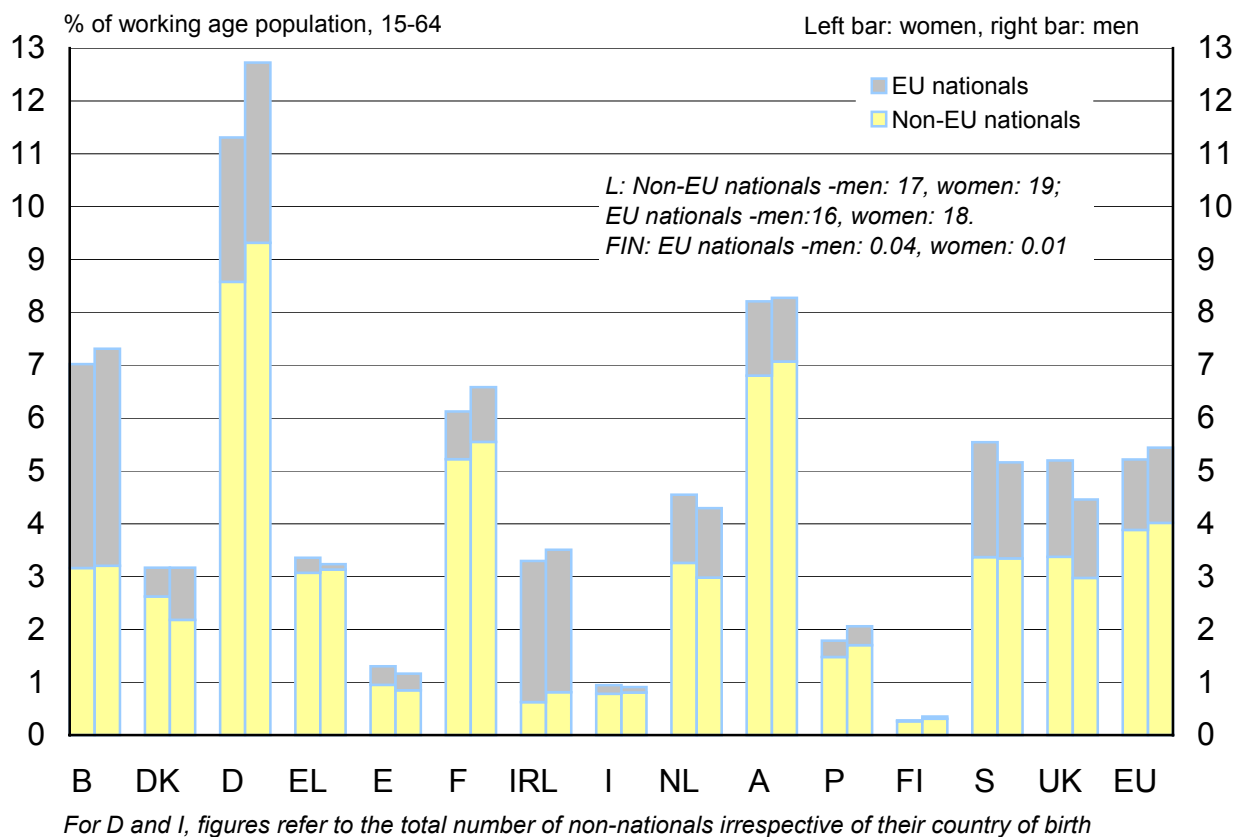


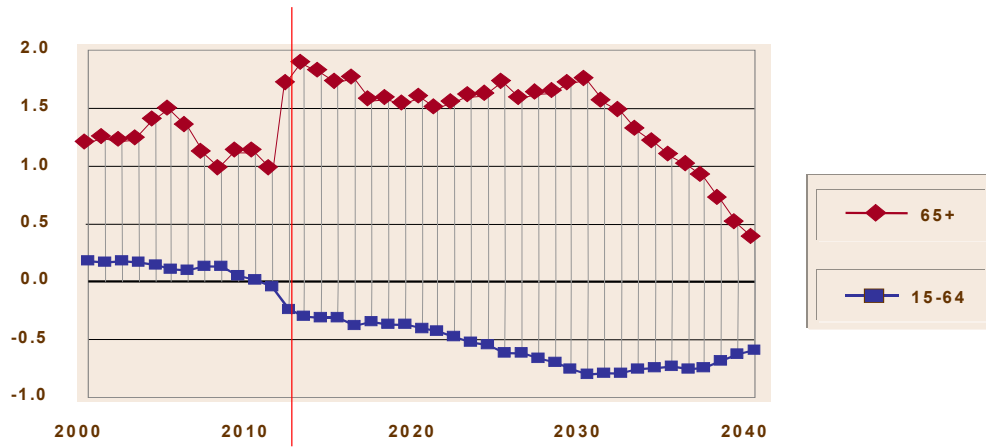
Fig. 5 The share of non-nationals in working age population, 2000



Source: Eurostat. This graph is extracted from Statistics in focus - *Women and men migrating to and from the EU* - Theme 3 -2/2003

Figure 6

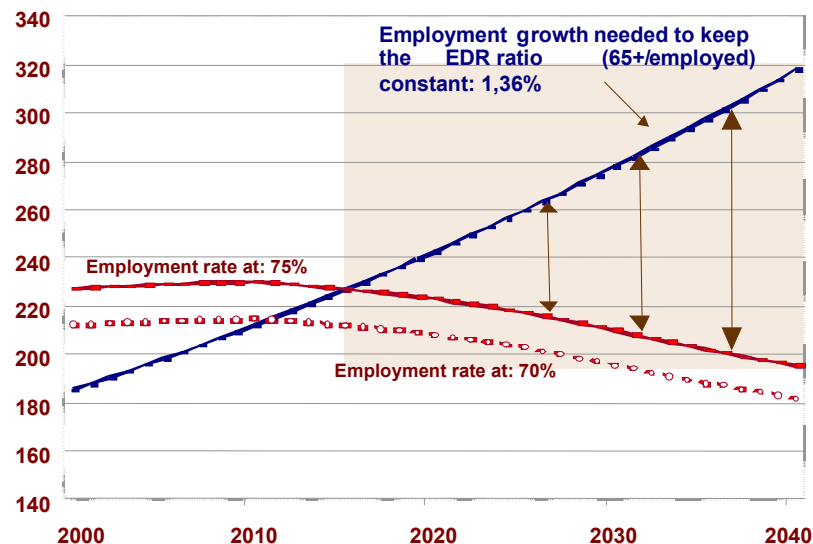
Annual rate of growth of population aged 65+ and 15-64, EU25, period 2000-2040



Source: Eurostat

Figure
7

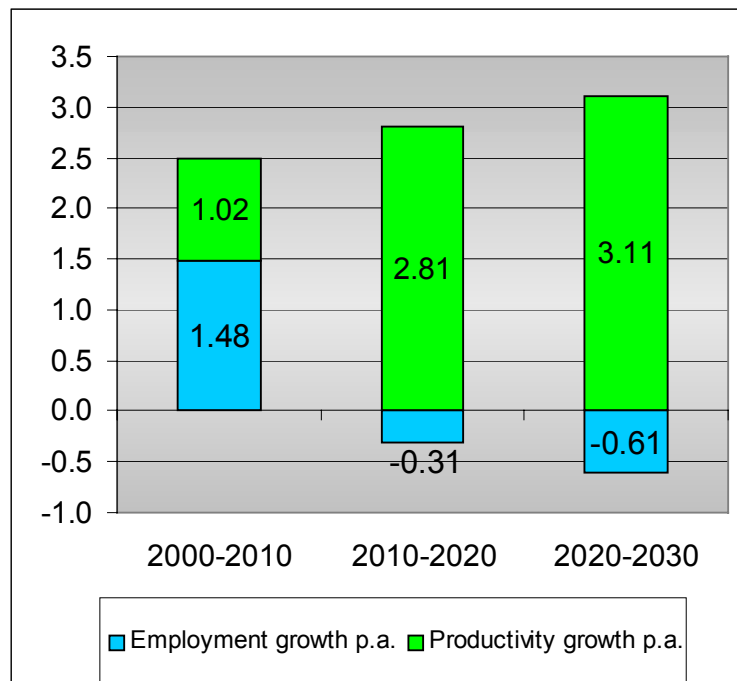
Demographic decline and the Employment growth potential of EU25 in the period 2000-2040



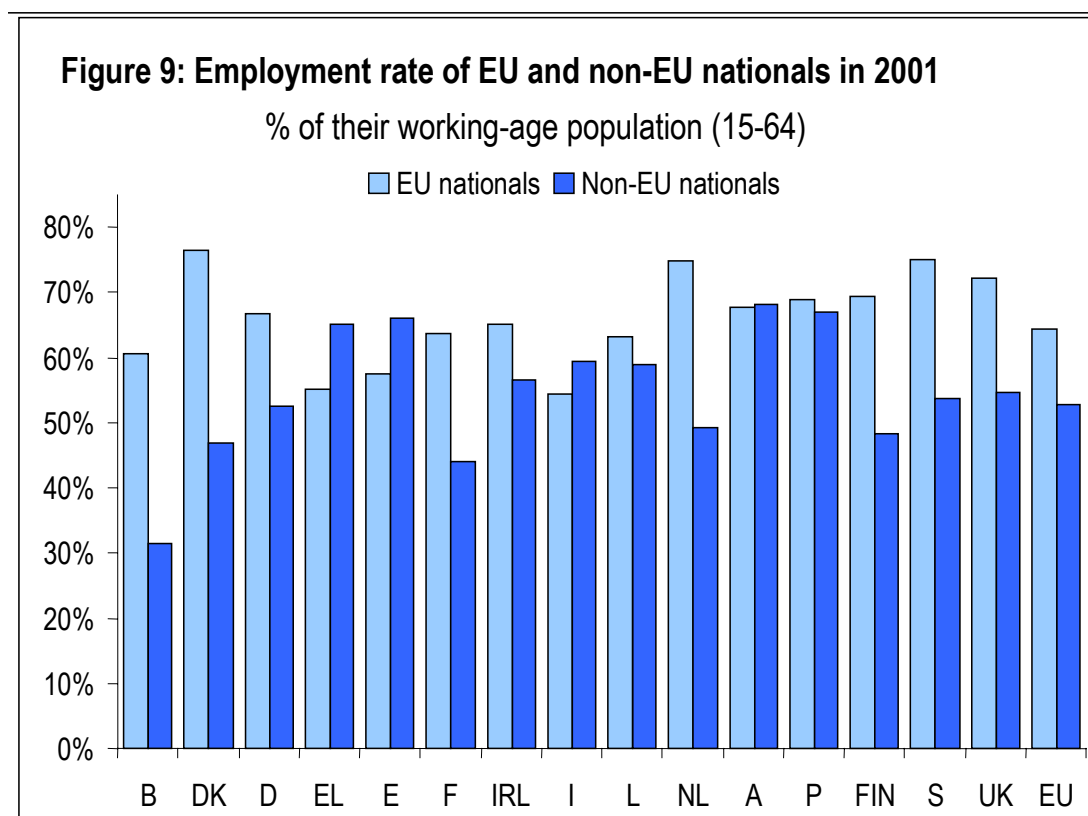
Source: Eurostat

Figure 8: Relative contributions to growth of employment and productivity
Shares of employment and productivity growth assuming an employment rate of 70% in the period from 2010 to 2030 on the assumption that annual economic growth would be maintained at 2.5% on average

EU25



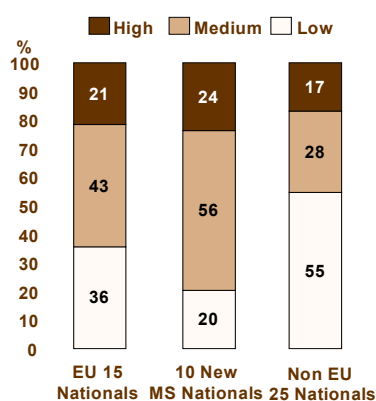
Source: Eurostat. Simulations based on Eurostat baseline demographic scenario



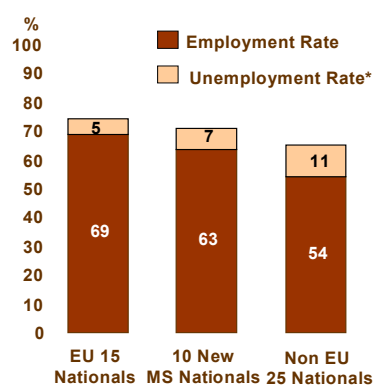
Source: LFS, Eurostat.

Figure 10 Education level and employment/unemployment rates of the immigrants in the EU15 in 2000

Distribution per educational level, 25-64 age group EU15, 2000

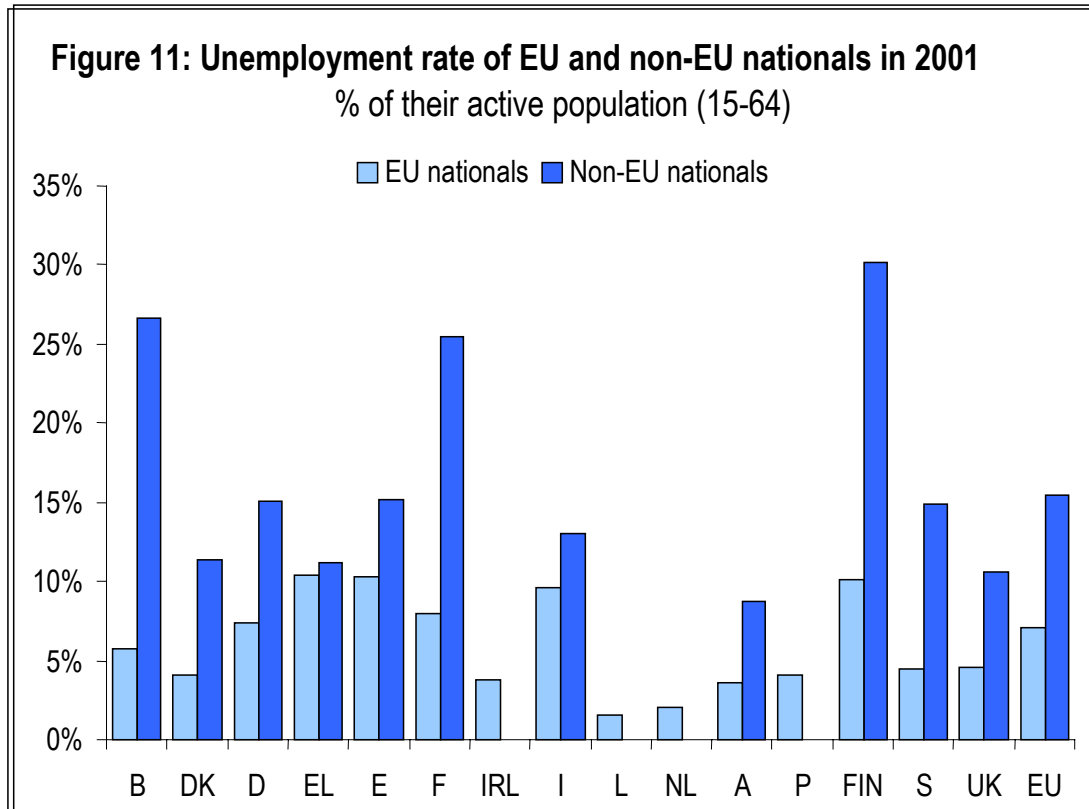


Employment rate and unemployment rate* 25-64 age group

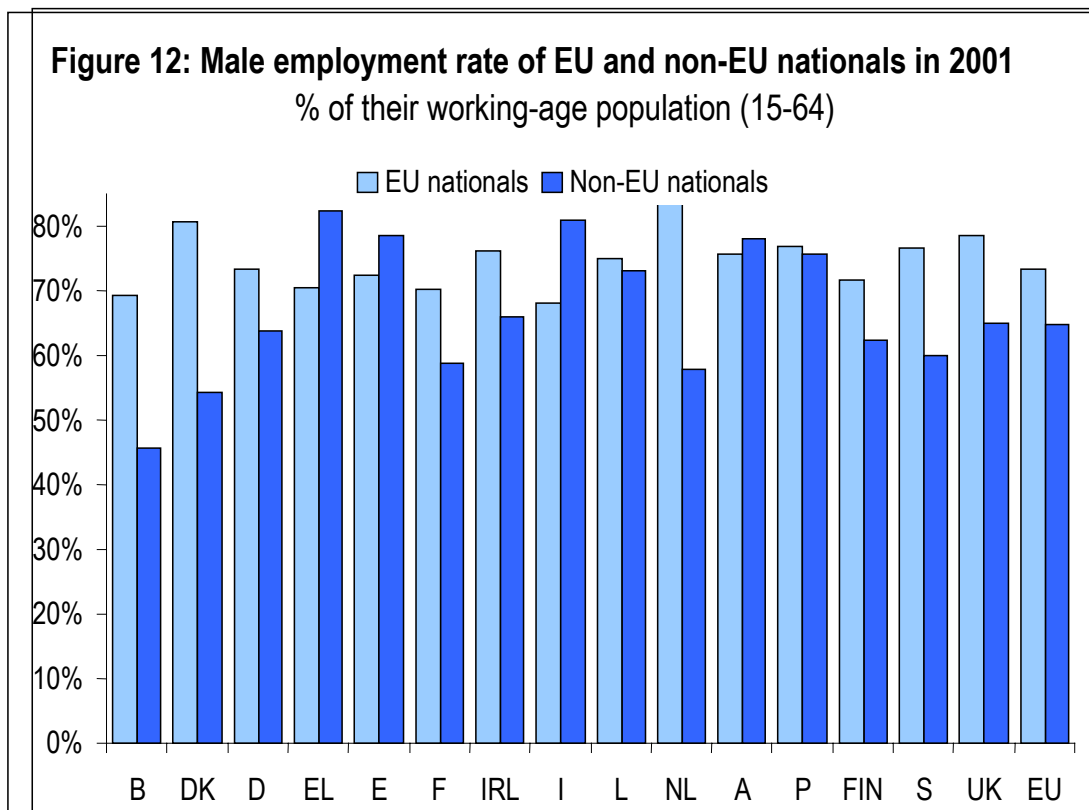


* Unemployed as % of population

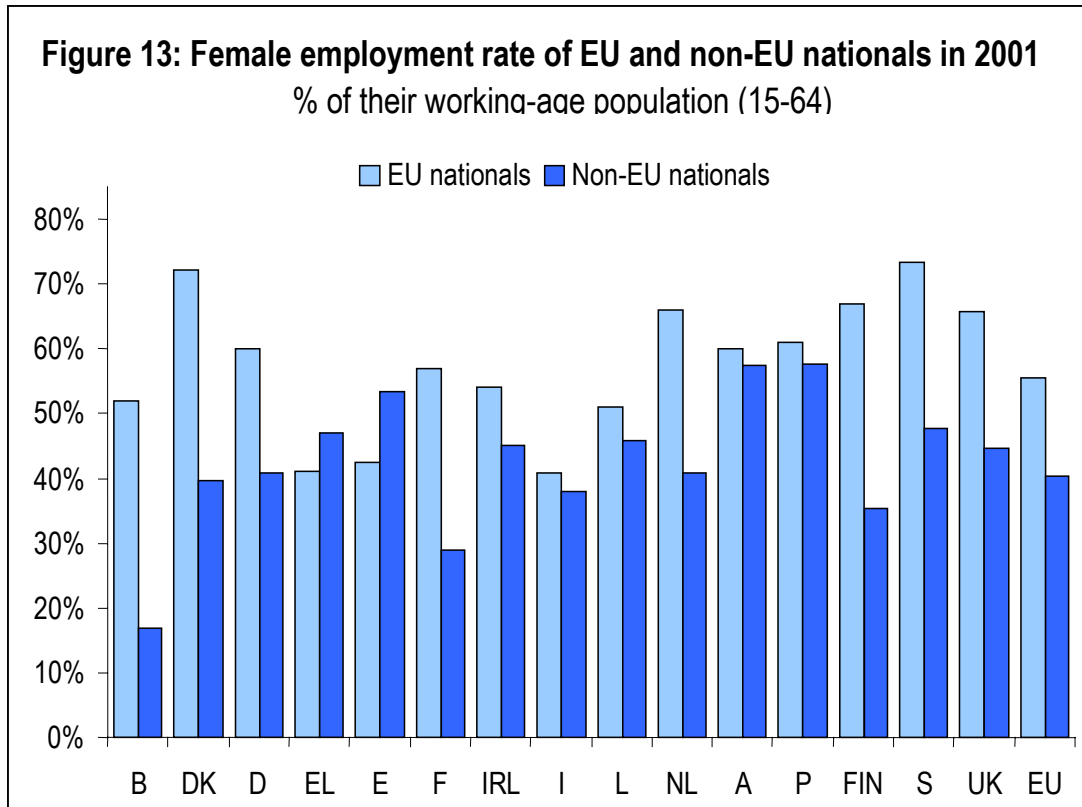
Source: Eurostat (Labour Force Survey 2000)



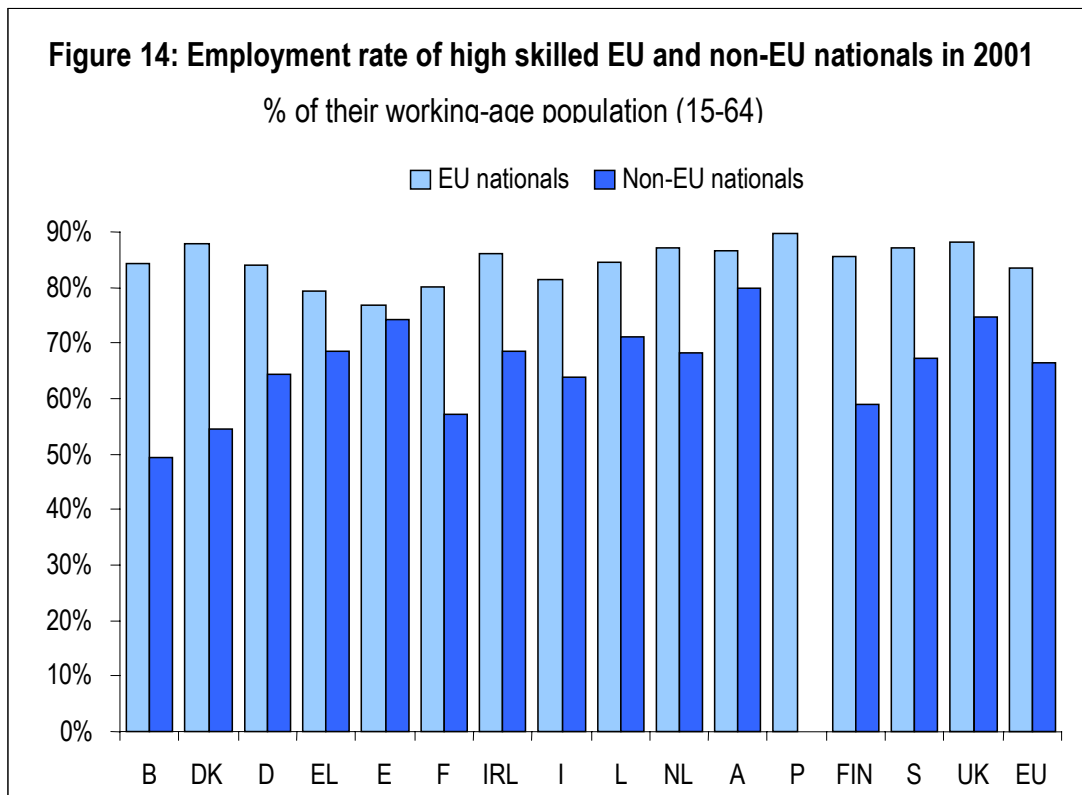
Source: LFS, Eurostat.



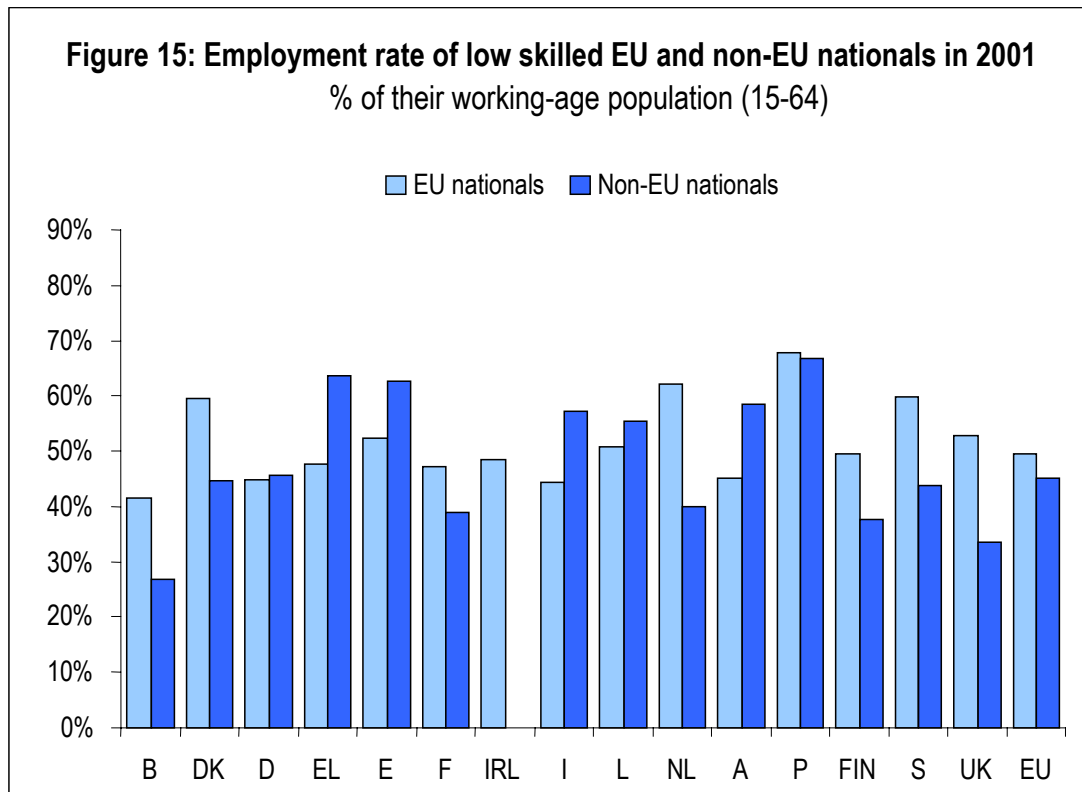
Source: LFS, Eurostat.



Source: LFS, Eurostat.

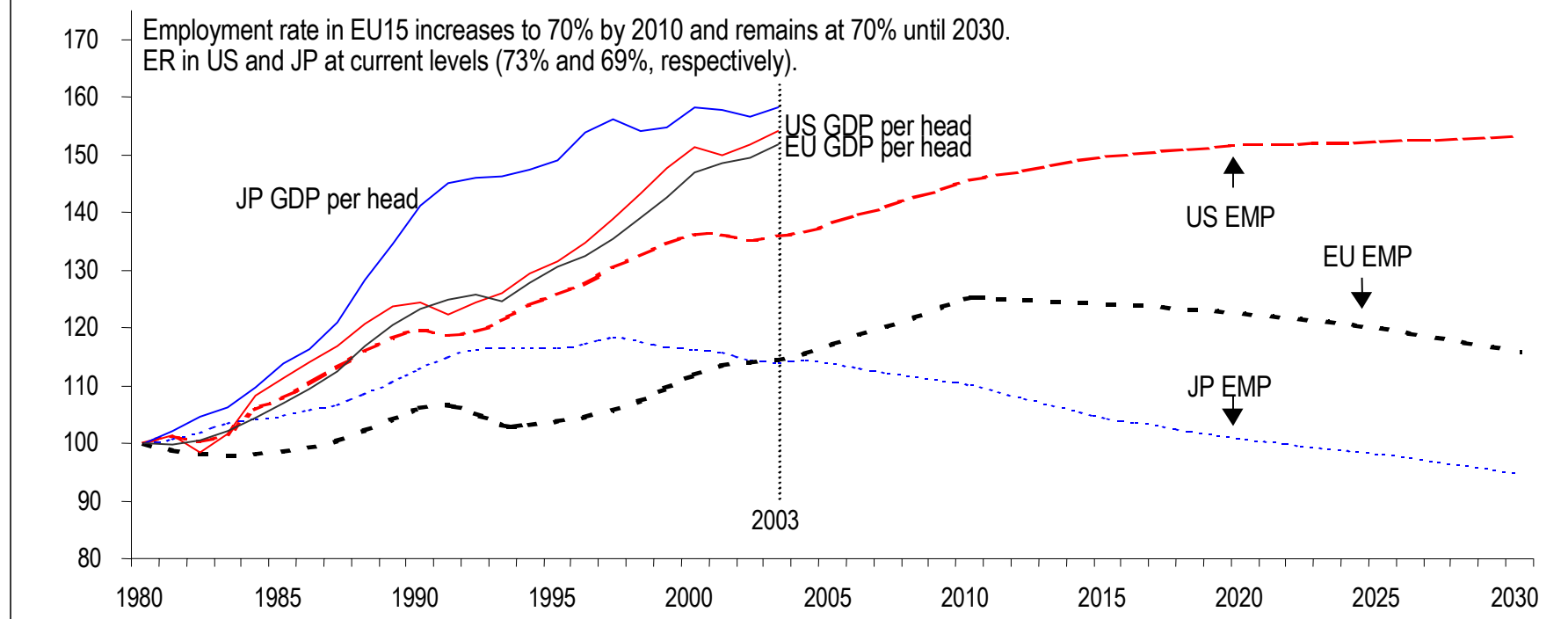


Source: LFS, Eurostat.



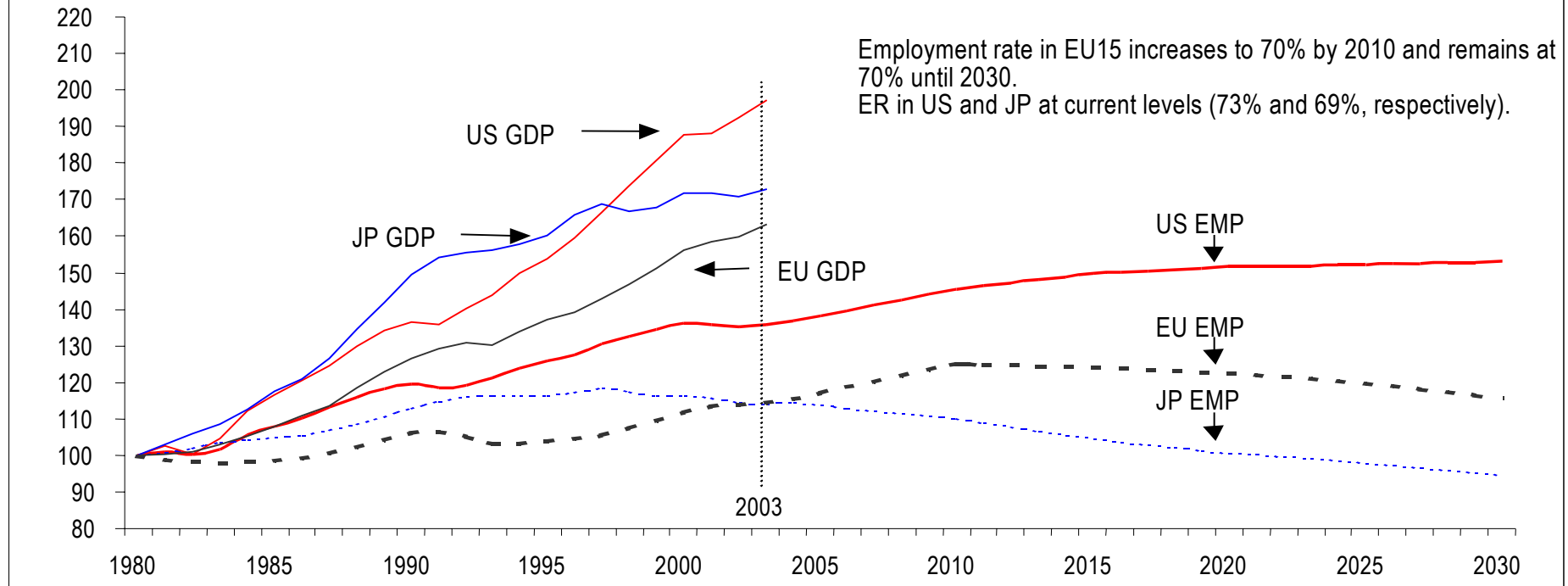
Source: LFS, Eurostat.

Figure 16: Total employment and GDP per head evolution in the EU, US and JP and demographic impact on employment from changes in the working-age population (1980=100)



Note: The employment rate in Japan and the US have been fixed at the 2004 projected level according to national accounts, Ameco database. Please note that the national accounts employment rate in Japan (74%) differs from the OECD Employment Outlook (69%). While the OECD rate is likely to be comparable to EU and US' rates, presentations on long-term trends have to be based on national accounts. This difference, however, is of little relevance for the exercise in question. *Sources:* Civilian total employment (domestic concept), national accounts, Ameco database, Commission Services. Past changes in the working-age population, Ameco database. Projected changes in the EU15 working age population, Eurostat population projections 1999 revision for the EU15. Projected changes in the US and Japan's working age population, the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects, for the US and Japan. Real GDP per head change 1980-2003, national accounts, Ameco database, Commission Services

Figure 17: Employment and GDP evolution in the EU, US and JP and demographic impact on employment from changes in the working-age population (1980=100)



Note: The employment rate in Japan and the US have been fixed at the 2004 projected level according to national accounts, Ameco database. Please note that the national accounts employment rate in Japan (74%) differs from the OECD Employment Outlook (69%). While the OECD rate is likely to be comparable to EU and US' rates, presentations on long-term trends have to be based on national accounts. This difference, however, is of little relevance for the exercise in question. *Sources:* Civilian total employment (domestic concept), national accounts, Ameco database, Commission Services. Past changes in the working-age population, Ameco database. Projected changes in the EU15 working age population, Eurostat population projections 1999 revision for the EU15. Projected changes in the US and Japan's working age population, the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects, for the US and Japan. Real GDP change 1980-2003, national accounts, Ameco database, Commission Service