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# *The future of European Migration: Aging, Channel of entrance and Welfare*

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T.wai-CICIR Workshop agenda  
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- **Europe is aging**

- ***Composition***

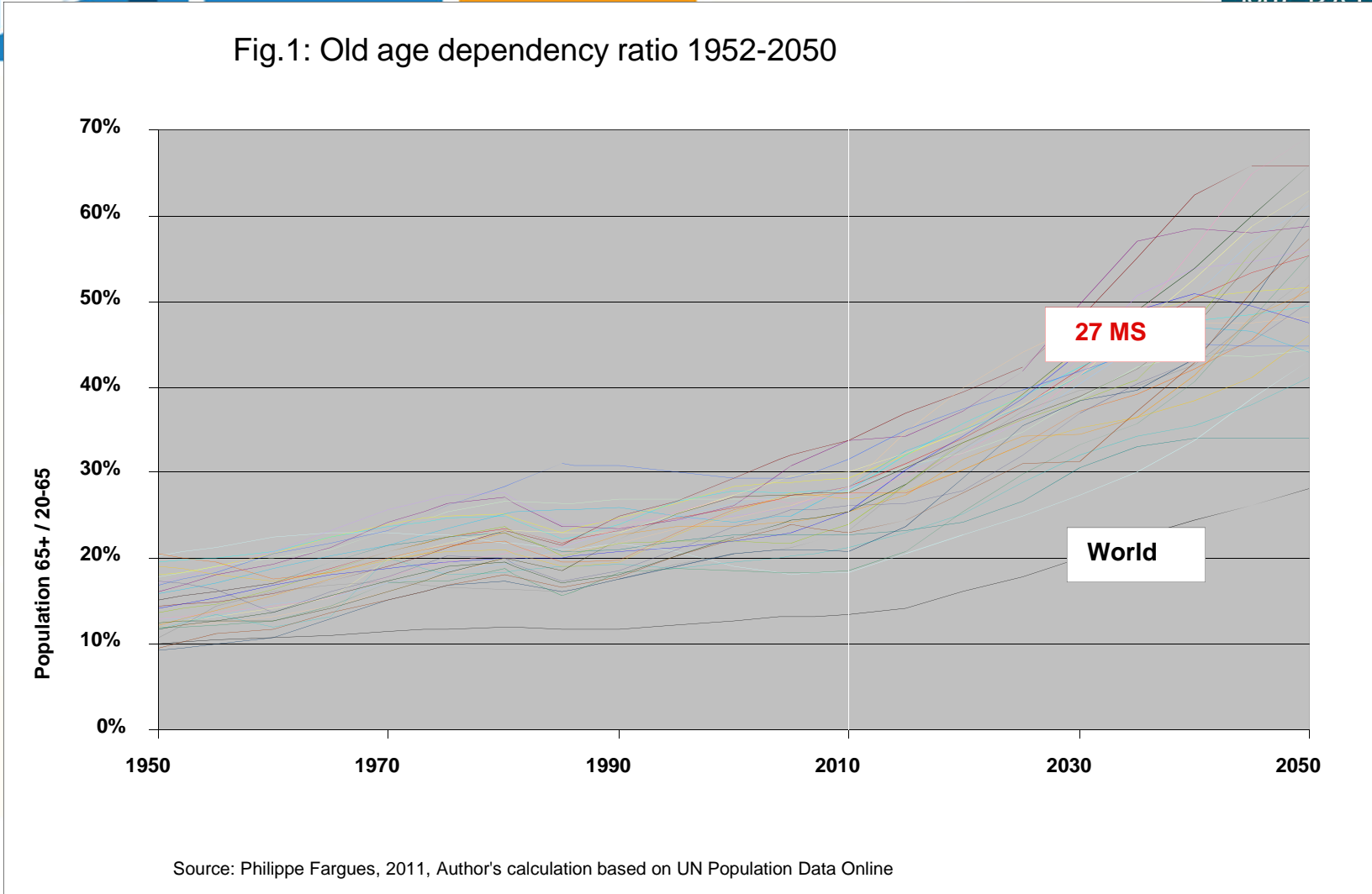
- **Increasing share of the elderly**

- Old age dependency ratio (65+/20-64) appropriate for pension studies
- Super Old age dependency ratio (75+/20-74)

-  Impact on the welfare cost and on the long term care needs of the elderly



Fig.1: Old age dependency ratio 1952-2050

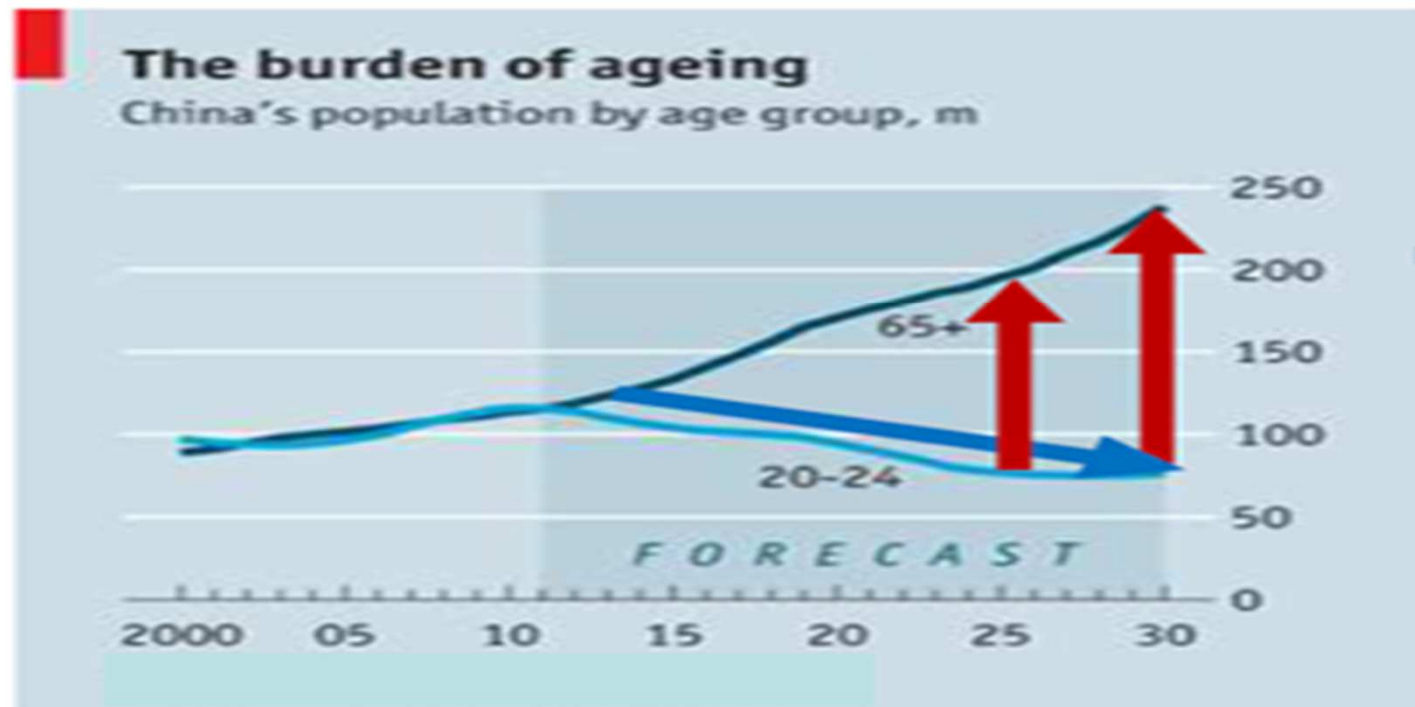


Source: Philippe Fargues, 2011, Author's calculation based on UN Population Data Online



# Also China is aging rapidly

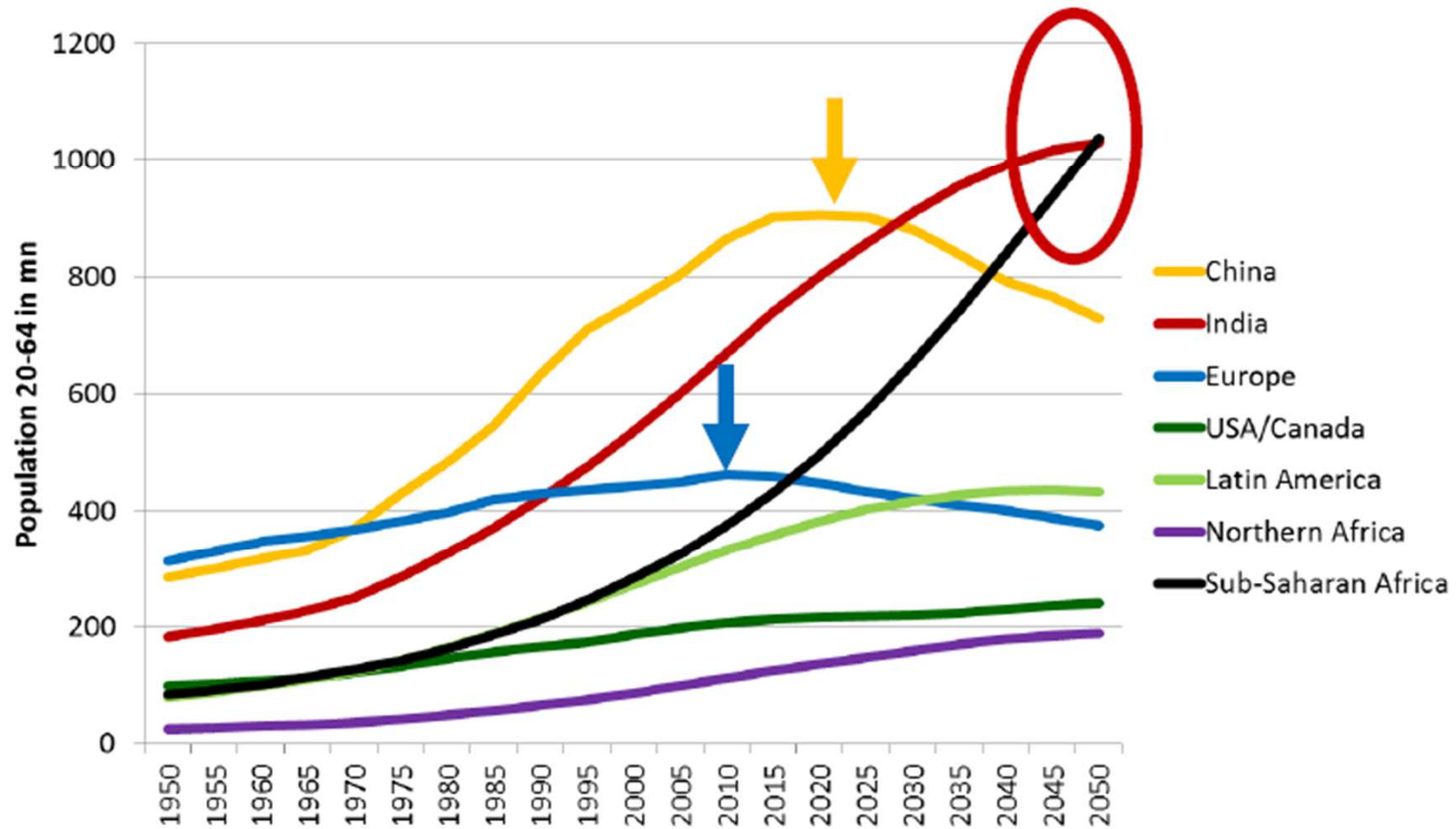
## Age groups 65+ vs 20-24, 2000-2030



Source: UN Population Division

# The working-age population will shrink in Europe and China, but not in Africa and India

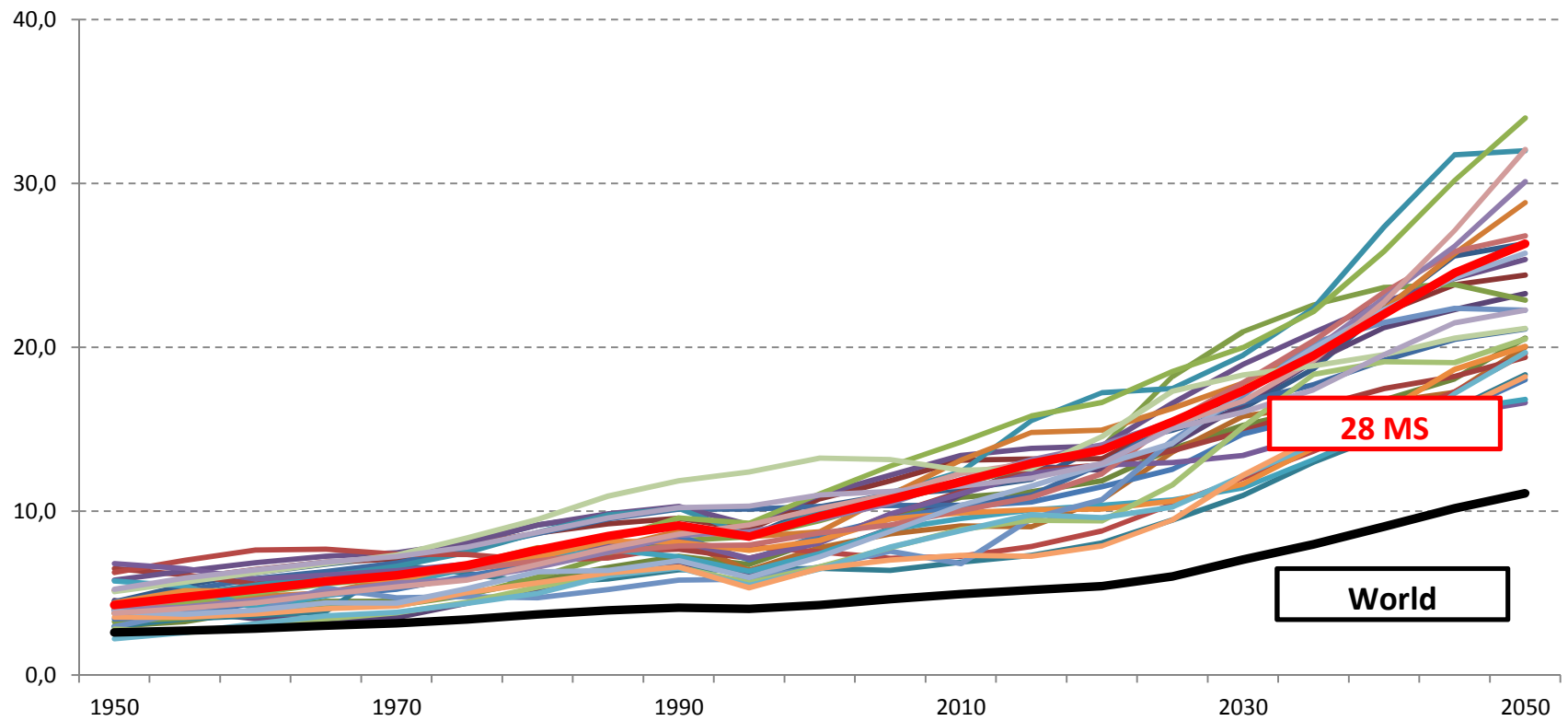
Population age 20-65 in mn by major regions, 1950-2050



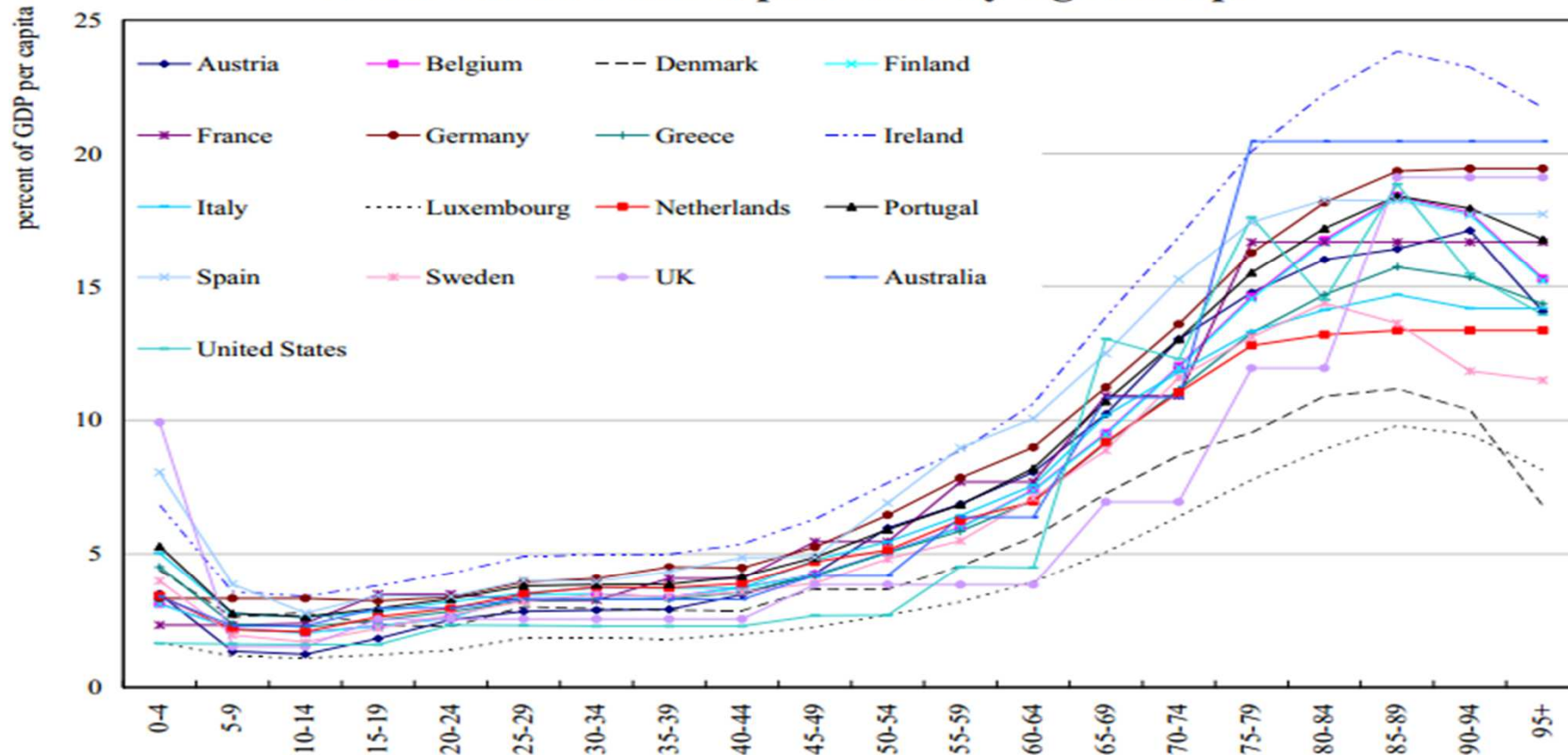
Source: UN DESA



### Population 75+/ population 20-74



### Public Health Care Expenditure by Age Groups\*



\* Expenditure per capita in each age group divided GDP per capita.  
 Source: ENPRI-AGIR, national authorities and Secretariat calculations.



➡ **The demand for care services will increase**

➡ **the demand of care givers** in the public, private and family sectors according to the type of welfare state model prevailing in the economy will increase .

➡ **Foreign workers medium and low skilled**

➡ **Temporary or permanent**

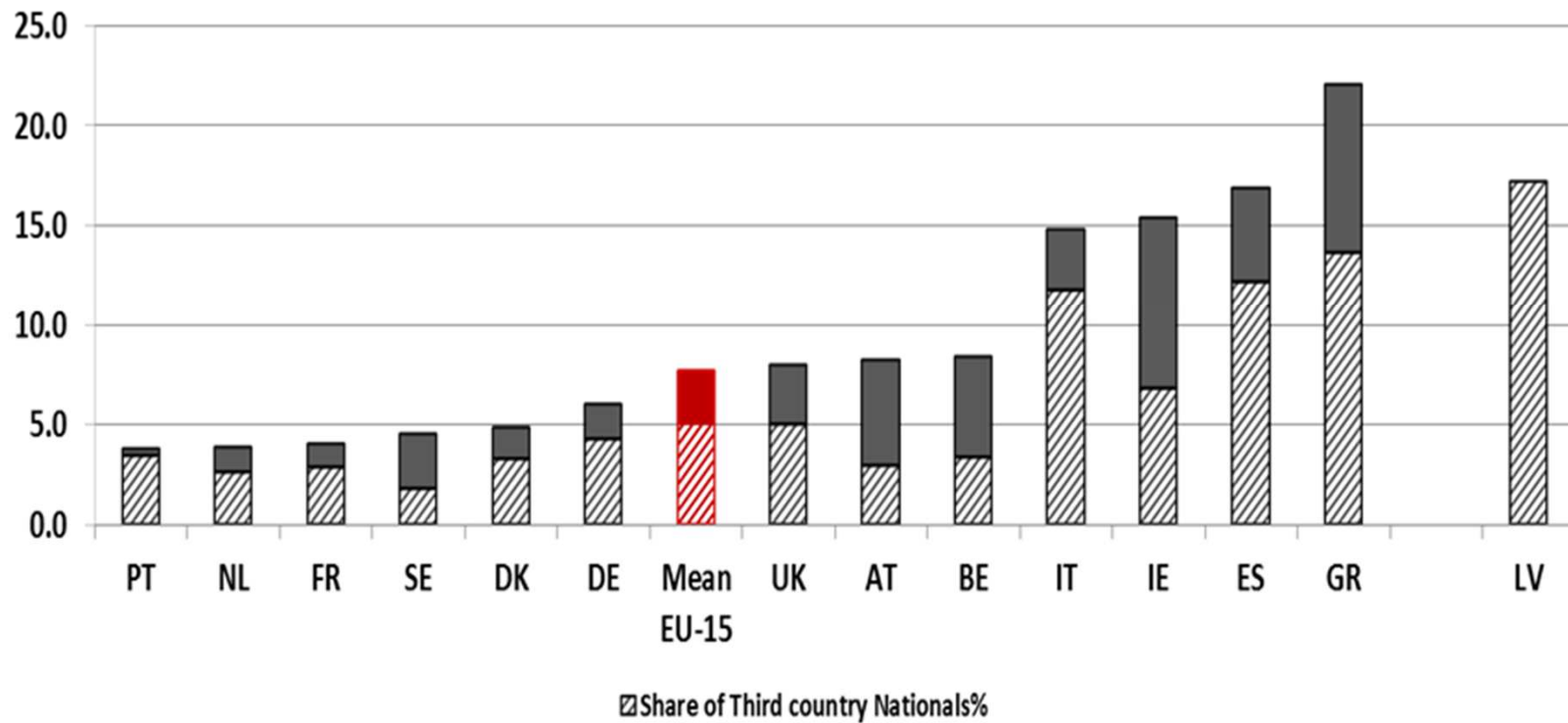
➡ **Not only young** (Ukrainen migrants in Italy average age 55)

Demand of care givers will increase **not only because the elderly persons increase but also because the domestic labour supply declines.**



### Share of foreigners in Personal care and related workers

Source: EULFS





MPC, A. Dibartolomeo, A. Venturini (2014)

Dependant variable: share of Third Country National caregivers on total caregivers (EU15)

	Coef.	Std. Err.
<b>% of unemployed and inactive native females on the total native population (aged 15-64)</b>	<b>-0.28</b>	0.12
% people aged 75+	0.60	0.23
% long-term care expenditures of the GDP	1.87	1.5
constant	-0.79	6.71

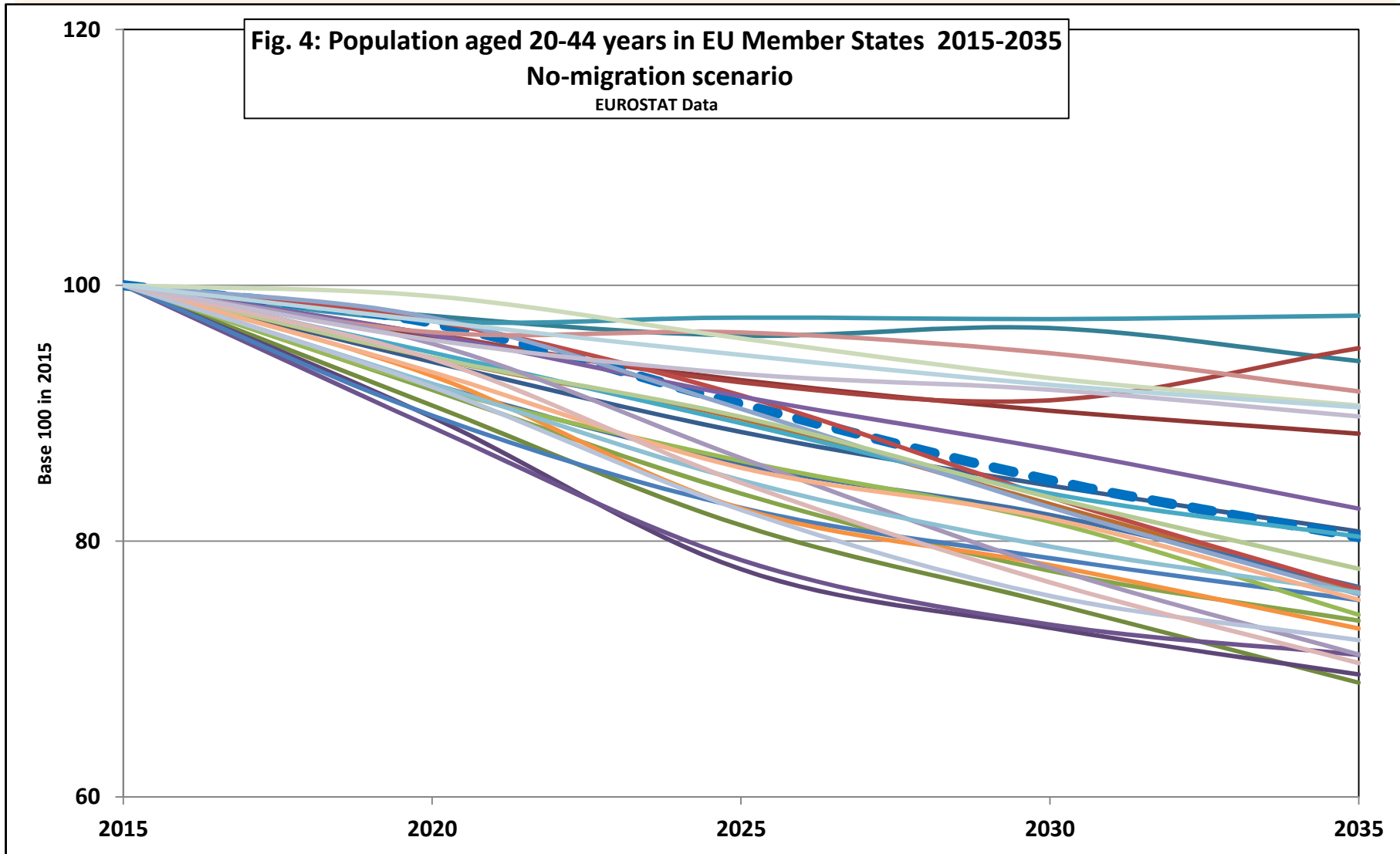


## Europe is aging

- Size
- The European Labour force (age 15-59) is 313 million in 2010 while without migration in 2050 will be 246 million or with similar migration inflows 299 million.
- The stock of EU27 working population is reducing by 9.5% every 10 years or 4.5% if the inflows continue (Ph.Fargues 2012)



**Fig. 4: Population aged 20-44 years in EU Member States 2015-2035**  
**No-migration scenario**  
EUROSTAT Data





- This evolution of the native population needs migrants
- to satisfy the **care demand** a **temporary migration** of medium and low skilled workers could also be a solution,
- the **decreasing size** of the population **permanent migrants** are needed
- as future EU citizens and thus
- **a new vision of the integration policy.**





- Aging of skills
- With the extension of working life workers has longer professional life Human Capital Theory
- Youngs not only a pleasure, consumption dimension
- Investment dimension for future growth and innovation



**Fig. 5: Distribution of the working age population by year of age in 2015 and 2035 , maintaining total numbers constant in the no-migration scenario**

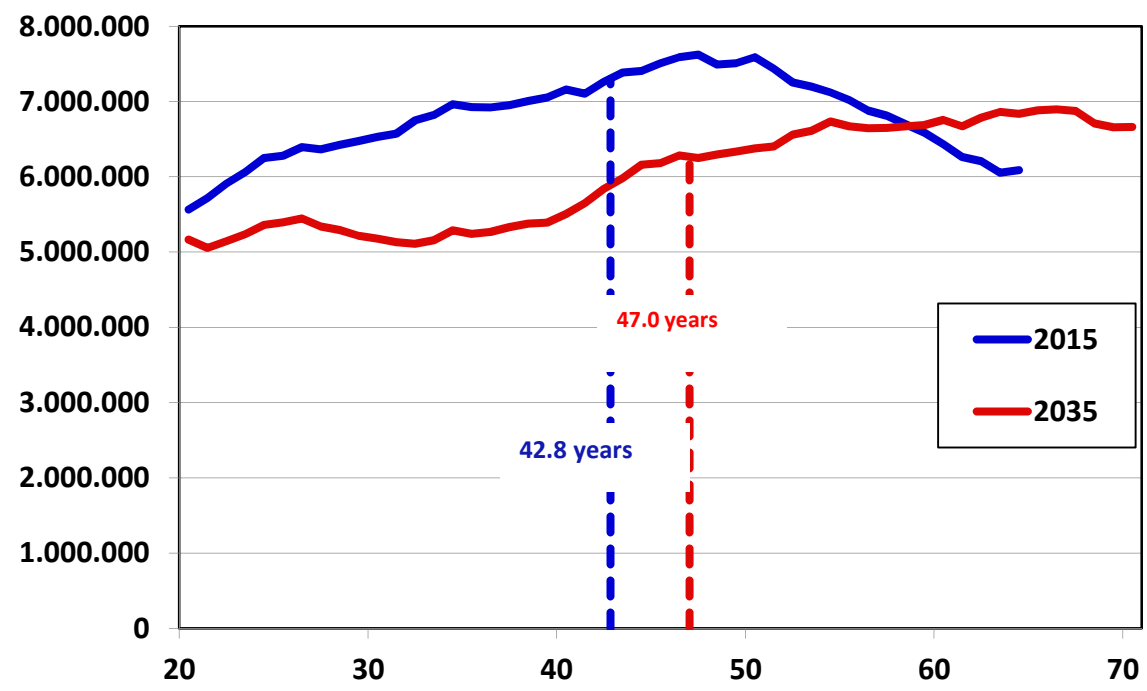
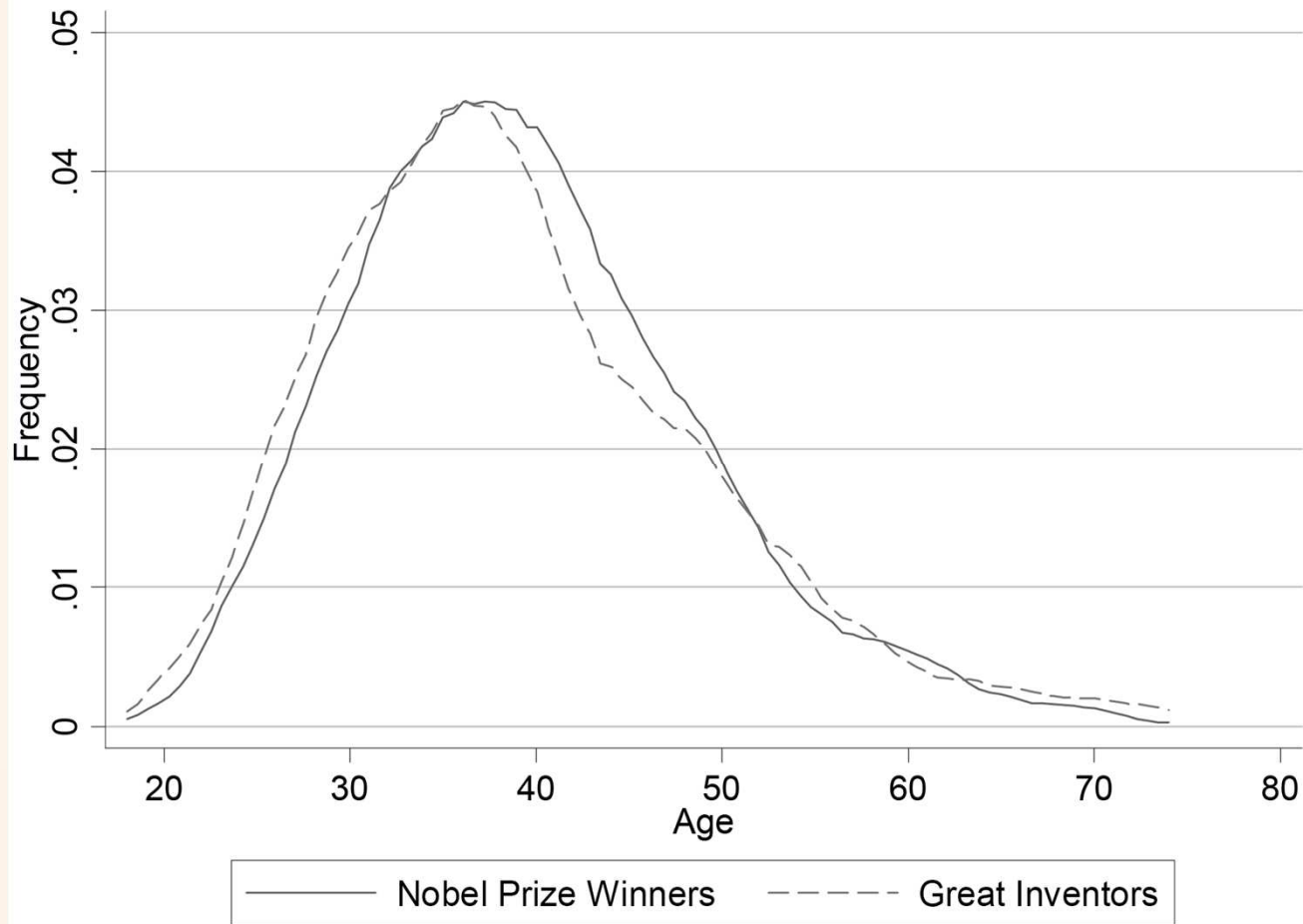




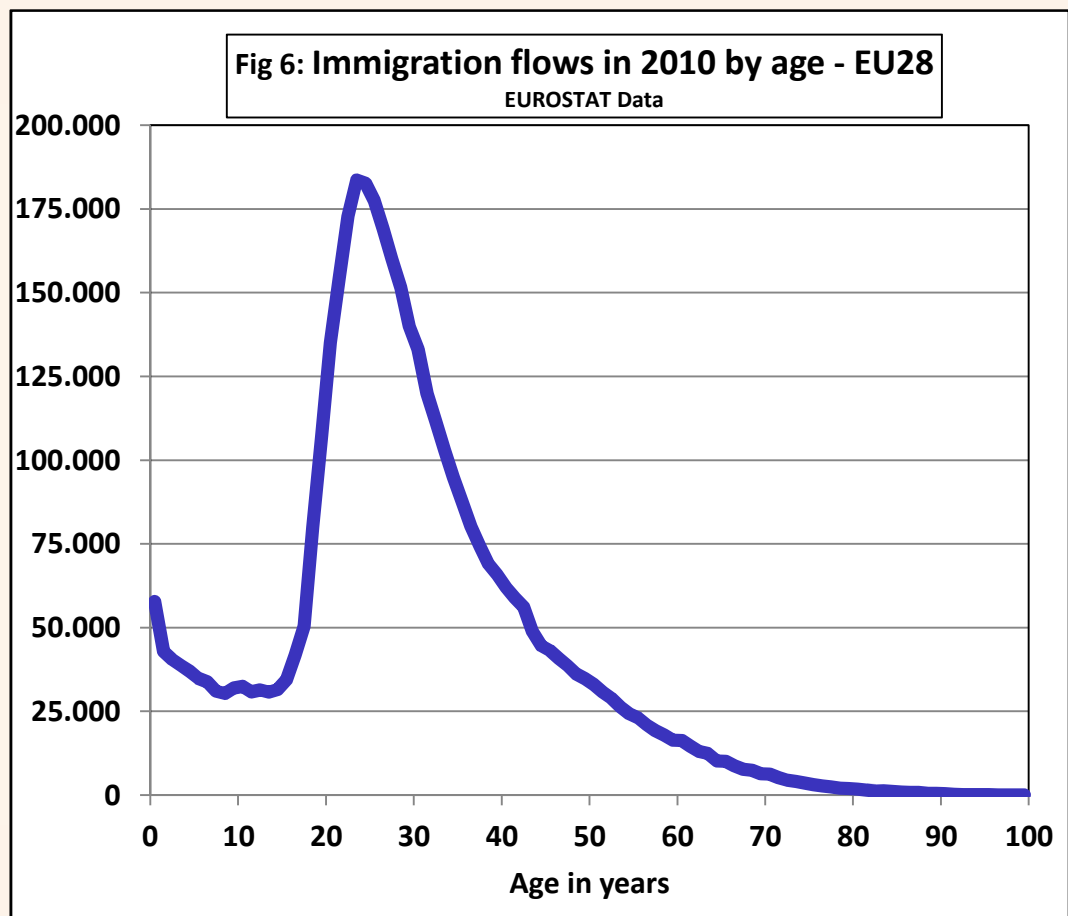


FIGURE 1.—AGE DISTRIBUTION OF GREAT INNOVATION



Note: Data are pooled across time.

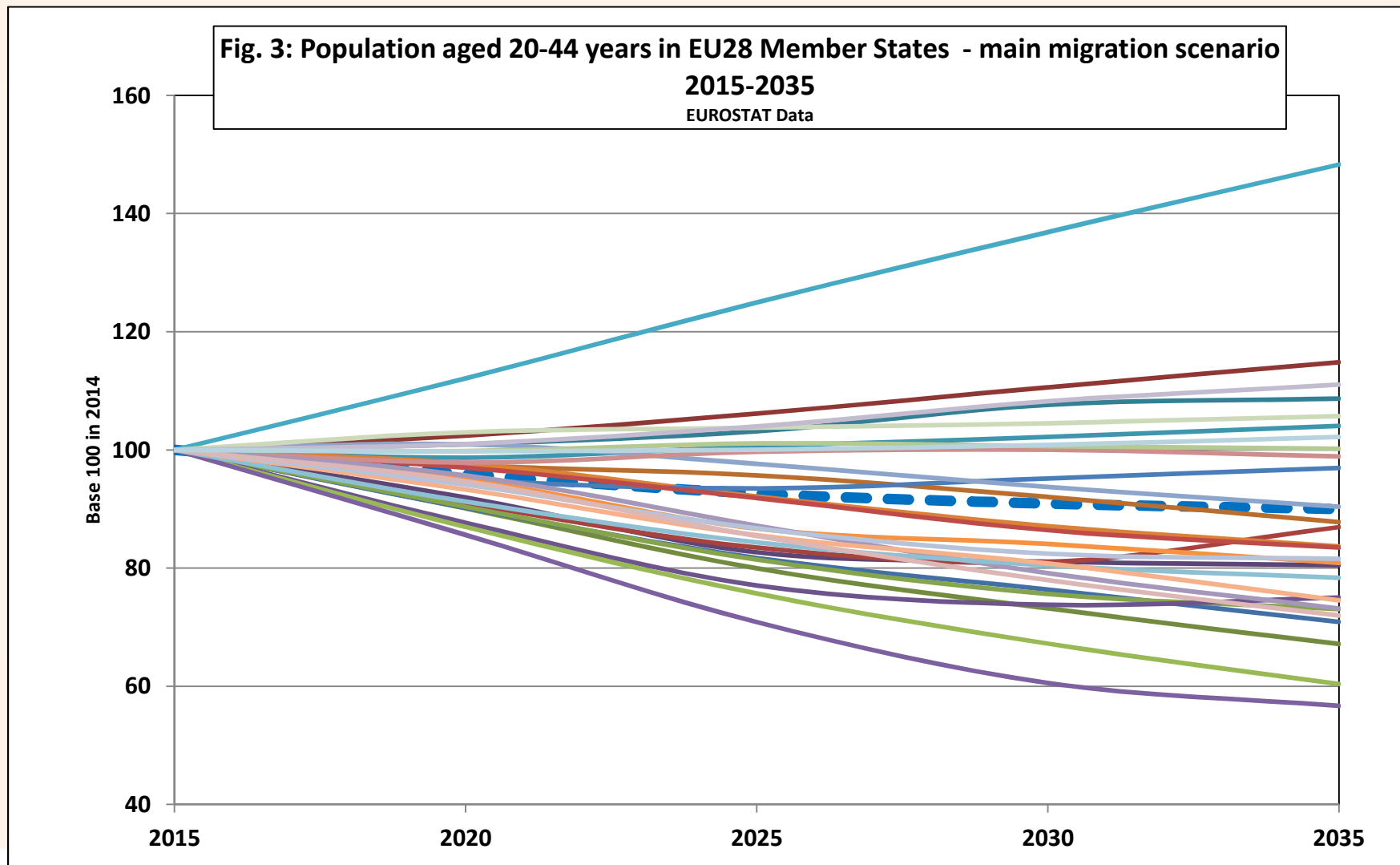






- the research has shown a **very strong young age dividend**, both among **foreigners**, especially among the **high educated** (MPC, Venturini, Fassio, Montobbio 2015)
- **Thus Europe needs also highly skilled permanent migrants for innovation**







- **Multi level governance of migration**
- Europe
- National legislation
- Regional or local legislation

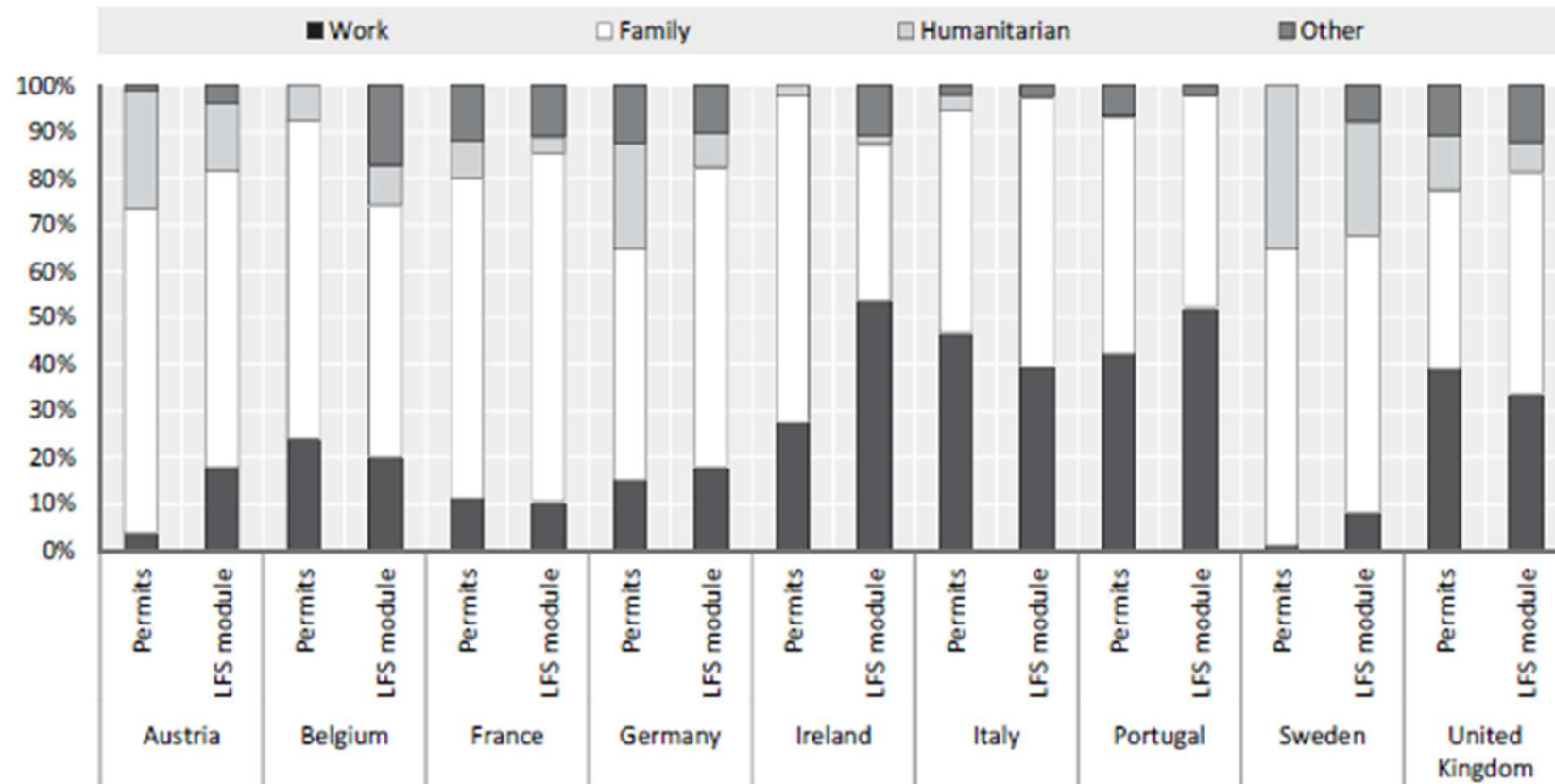




# European Migration policy

- Family reunification directive
- Refugees directive
- European preference
- **Global migration approach**
- Blue Card
- Circular Migration
- **Neighbourhood Policy**
- Partnership agreements





Source: Eurostat Labour Force Survey ad-hoc immigrant module and OECD standardised immigration.

Source: Lemaître G., 2014, Migration in Europe, in Matching Economic Migration with Labour Needs, OCDE and EU, p.351







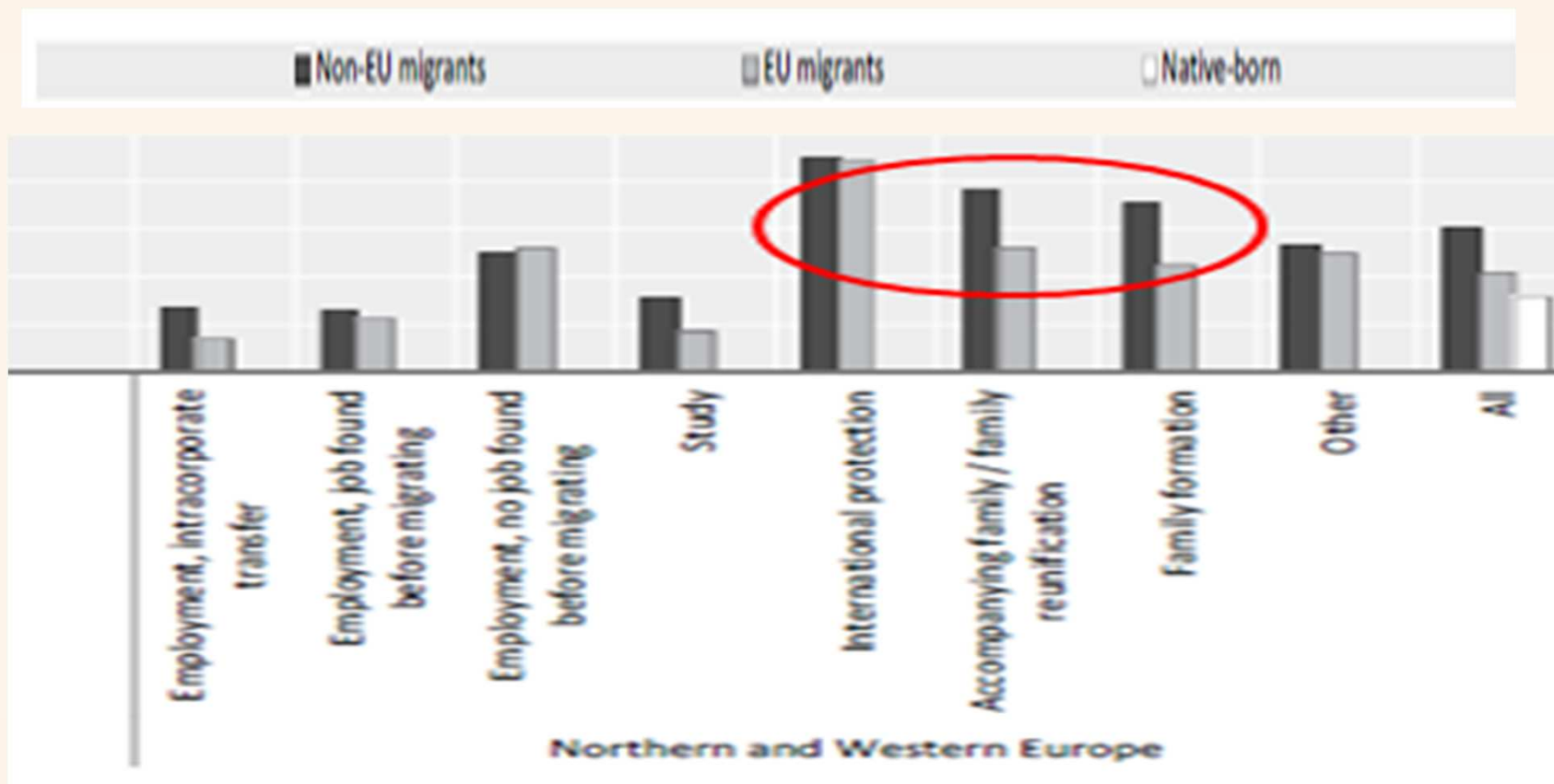
*Different doors of entrance*

*Different legislations*

- Family reunification 50%
- Labour 30%
- Refugees 20%

*Back door*





ISCO: International Standard Classification of Occupations.

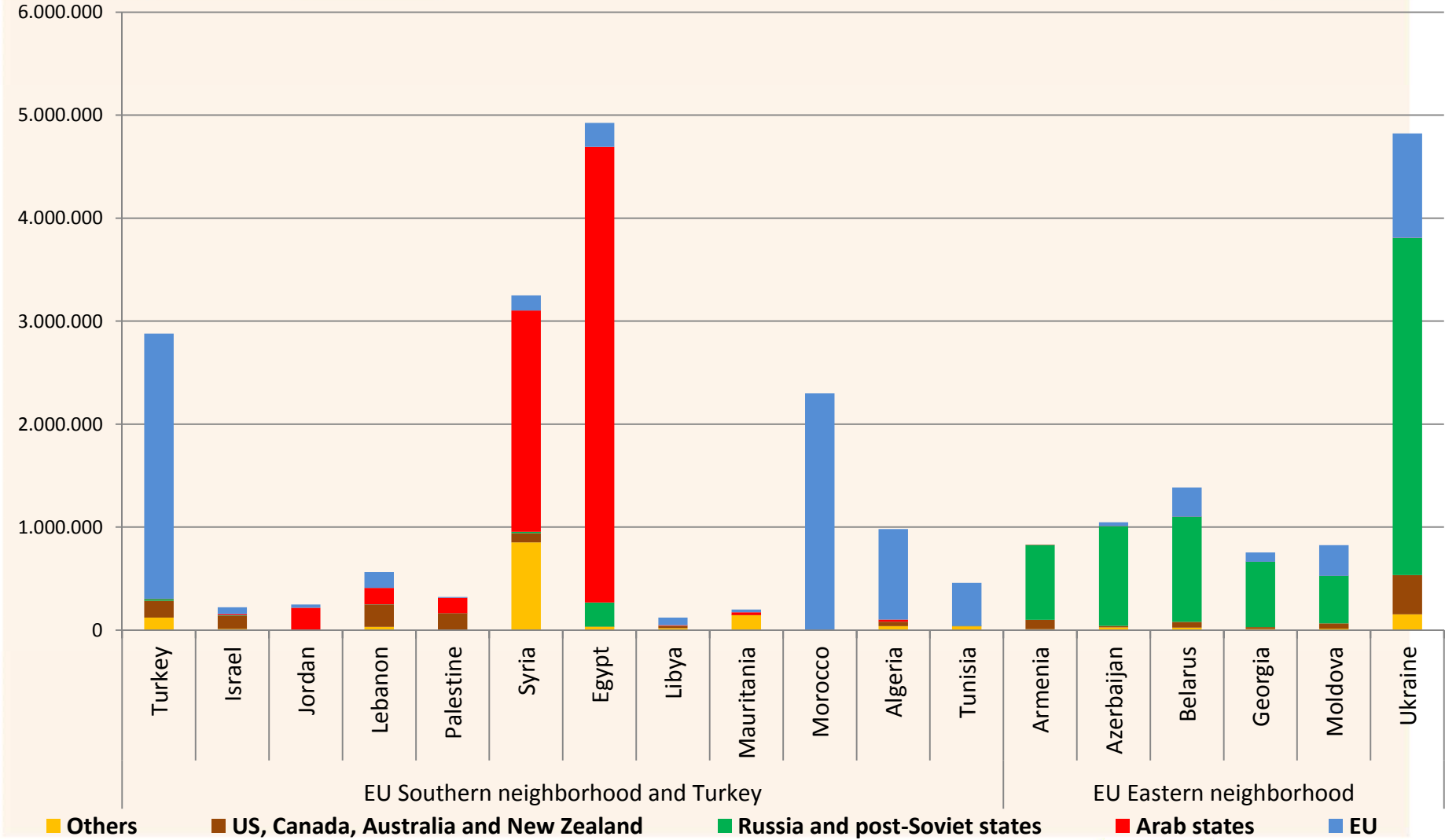
Note: A worker is deemed to be overqualified if holding a tertiary degree and working in a job classified as medium or low-skilled (ISCO 4-9).

Source: Eurostat Labour Force Survey ad-hoc immigrant module.

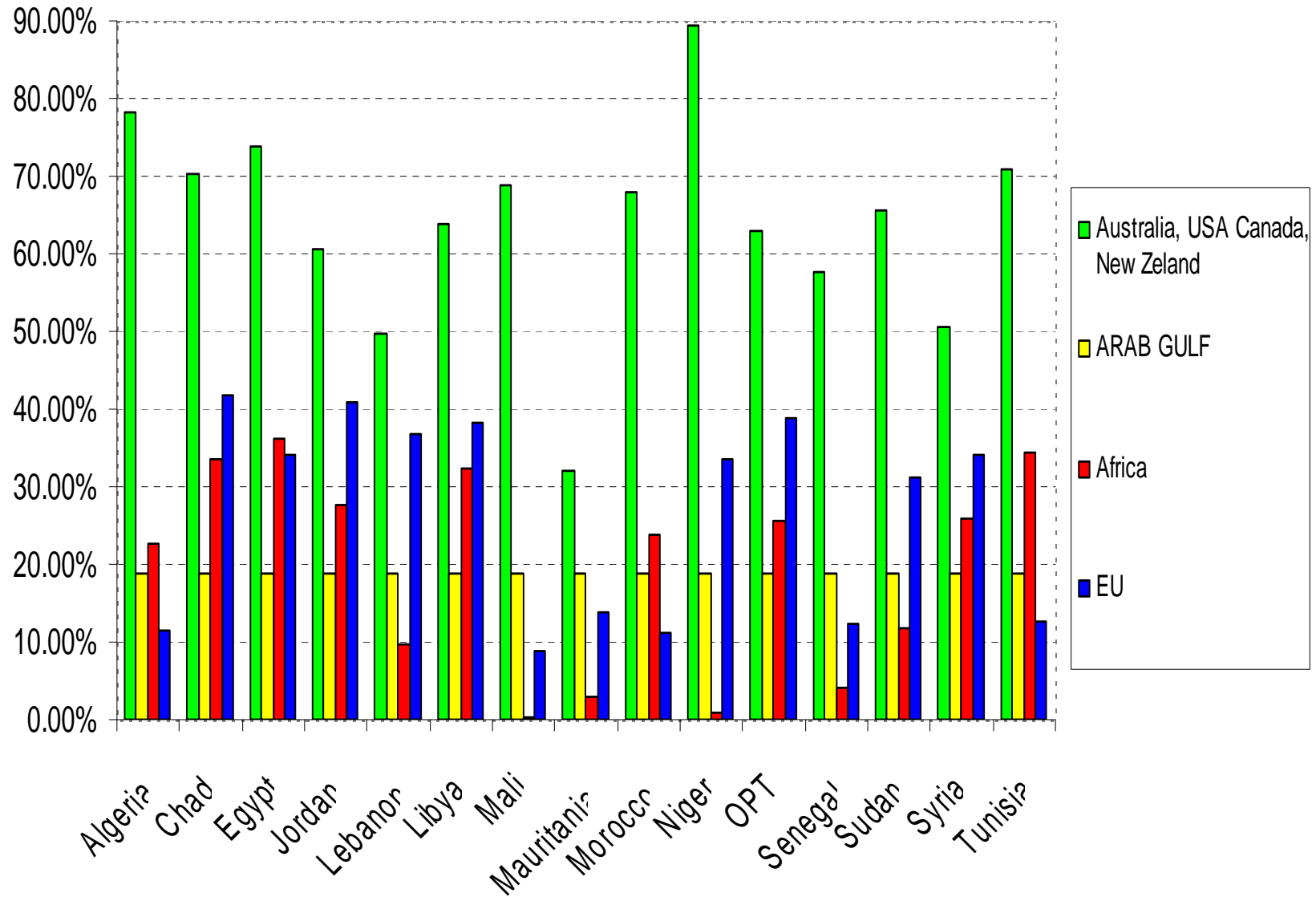




### 3-The Neighbor countries have different attractors



### Share of highly skilled migrants by country of origin to main destination areas in 2000 (Source: Docquier & Marfook)



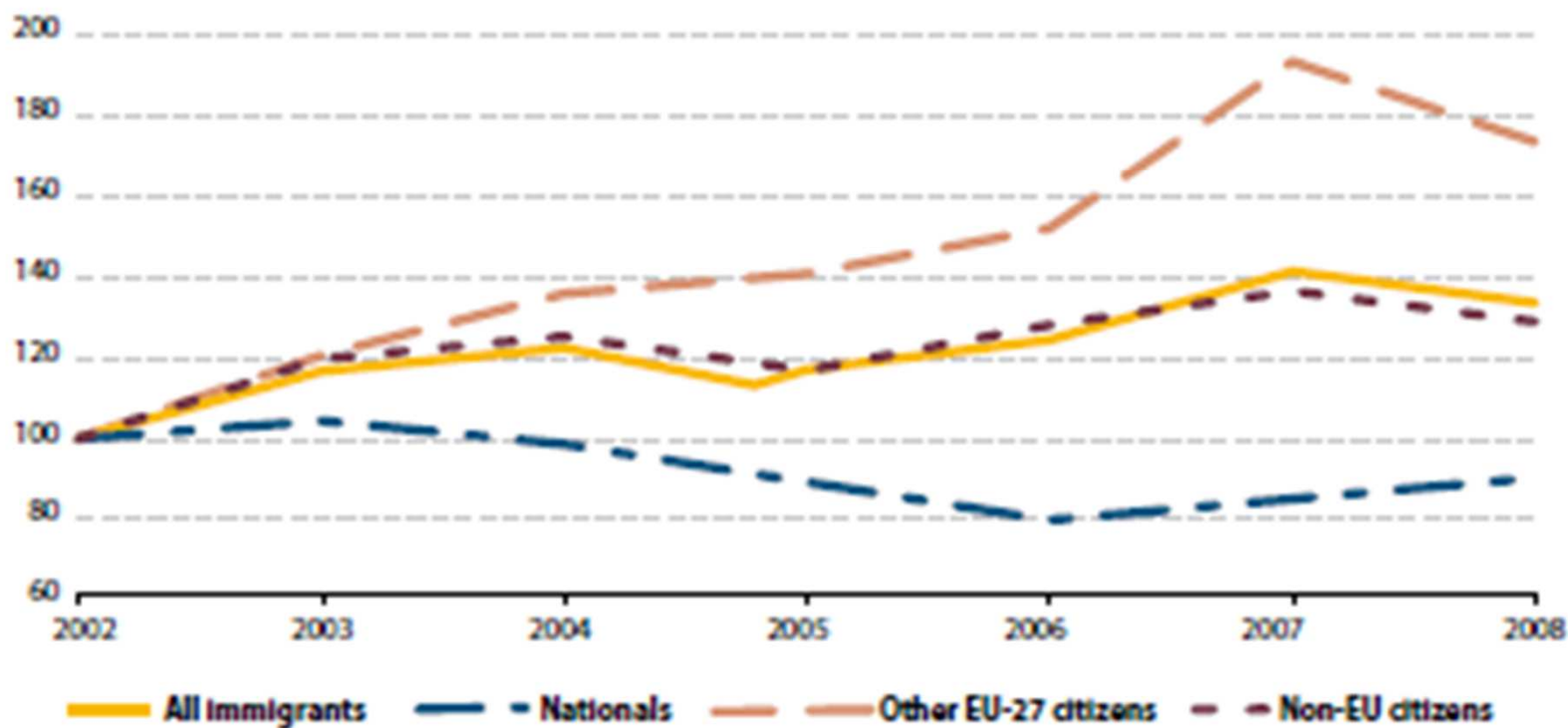


- The focus on the labour migrants creates a distorted vision of the effect of the labour migration policy on the integration of migrants and use of the welfare state
- And an impossible demand of efficiency by one single instrument.





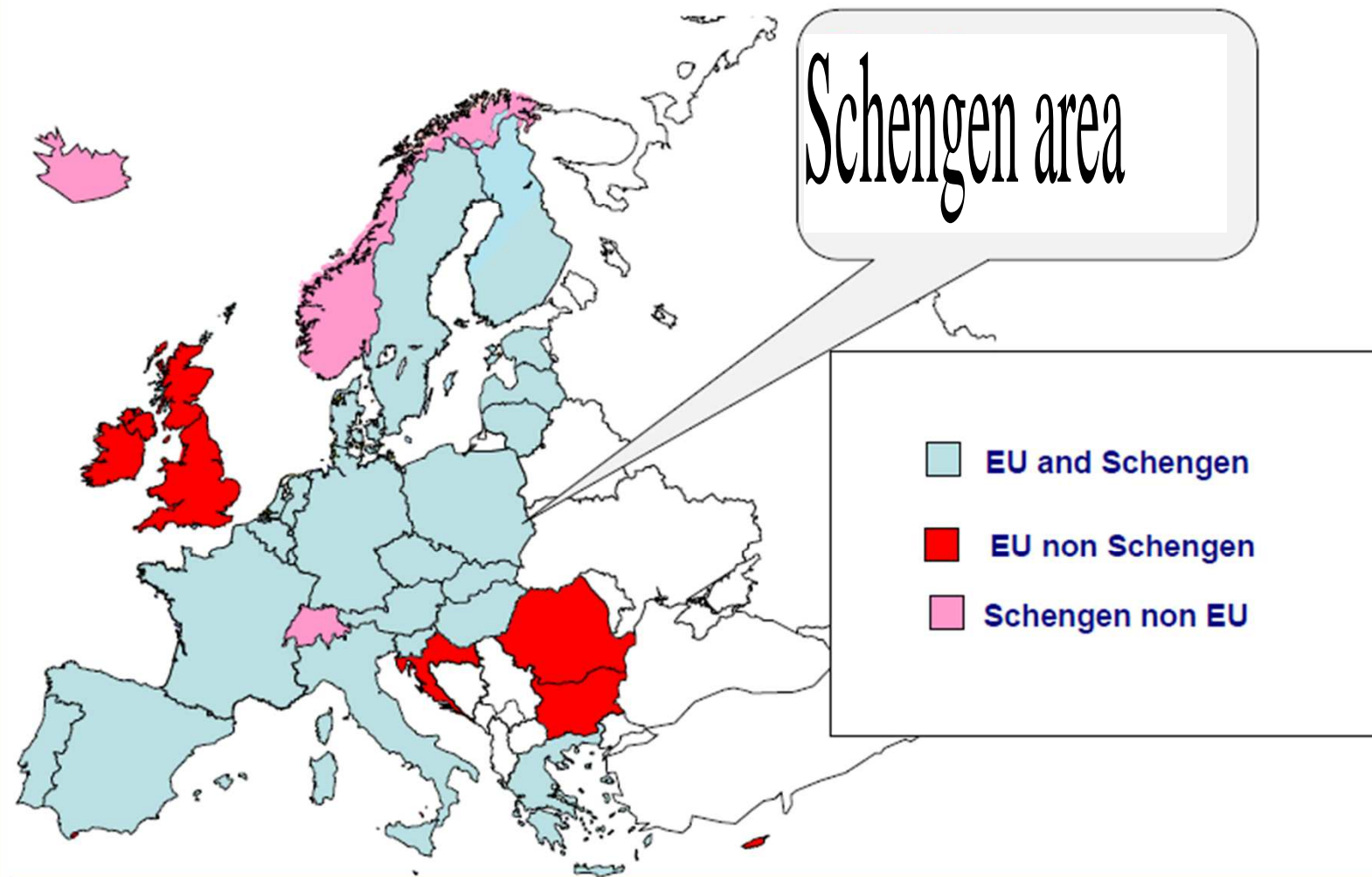
Figure III: Relative change in migration inflows to EU Member States by citizenship groups, EU-27, 2002-08 (%)



Source: Eurostat (online data code: migr\_imm1ctz) and Eurostat estimates



# European border control and visa regimes







Continental Europe is part of the Schengen Agreement which implies free mobility, no visa needed to enter UK as EU Citizens.

- Equal rights to native citizens
- Access to welfare services
- In the UK this issue creates problems



## Conclusion

- Very little attention has been devoted to the demographic effect of migration
- The Commission should push for more data on migrants by reason of entrance and more research on the transition to work of the foreigners.