

EU immigration plans rest on a huge fallacy

Immigration is no fix to the problem of an ageing society because of the simple truth that immigrants age too

By Anthony Scholefield

On 23rd October, the EU Commissioner for Justice, Franco Frattini issued a Directive on the admission of skilled migrant workers to the EU which is likely to have lasting and widespread implications. The Directive reflects the Commission's belief that immigration provides an essential key to solving the problems which arise from the falling birth-rates in nearly all EU countries. A detailed analysis of the Directive will appear in a subsequent issue, but enough is known about the Frattini approach to be fearful about its consequences since it is evident the assumptions on which it is based are fatally flawed. Overall, these are likely to be far more damaging than the problems which the Directive is intended to solve.

Frattini's speech at Lisbon on 13th September which sets out the core elements of his thinking is so much at variance with economic logic that it should be termed the 'flat-earth theory of replacement migration'. Frattini declared:

"In spite of the recent enlargement, which has pushed the EU's total population up to some 490 million, the number of people living in the EU is set to decline in the next few decades. By 2050 a third of them will be over 65 years of age. Labour and skill shortages are already noticeable in a number of sectors and they will tend to increase. Eurostat's long-term demographic projections indicate that the total population is expected to decline by 2025 and the working age population by 2011'.

He makes three related points:

- *Solutions to compensate for the negative impact of demographic ageing on the labour market can be found in the context of the Lisbon Strategy".*
- *Migrants are a crucial part of the EU's comprehensive strategy".*
- *The aim of the proposal for a Directive on the admission of highly skilled migrants is therefore to put*

forward more attractive entry and residency conditions for highly skilled migrant workers to come to Europe".

In passing it is worth pointing out, that Frattini understands there is no decline in the working population at present: he is keen to bring in migrants before this occurs. However, it is clear he has a very shaky grasp of economics since, like the British government, he believes that migration will fill skill shortages. It is true that individual workers from Eastern and Central Europe have recently been filling vacancies which British workers have been unwilling or unable to fill. The problem is, of course that migrant workers not only contribute to supply but also to demand and consequently shift 'skill-shortages' elsewhere in the economy or increase imports.

Useful Advocates

The idea of replacement migration - that is that Britain and the EU need immigrant workers to compensate for an ageing society - has rightly been described by Anthony Browne, Director of the Policy Exchange think-tank, as *'one of the most widespread and comforting self-delusions since humanity believed the sun went round the earth. It is the triumph of wishful thinking ... over elementary demographics: immigrants are no fix for an ageing society because they age too'*. George Borjas, the distinguished American demographer is among those who have noted the tendency of many of those taking part in the immigration debate to treat myths as established truths even when their falsehood has been amply demonstrated. He refers to *"the resilience of some factoids in the immigration debate ..."* adding, *"driving a stake through the heart of these factoids will not annihilate them (they are much too useful to advocates)".*

The reality is that immigration offers an immense area for bureaucratic and

legal expansion of the EU's activities. It was hardly likely therefore that EU officials would pass up such promising opportunities for self-aggrandisement.

However, it is clear Frattini's proposals have the support of the vast majority of MEPs.

Martin Schulz, Leader of the Socialists, declared *"Europe is a land of immigration and it will be for many years to come"*. Lily Grubner, an Italian Socialist and rapporteur on legal migration, said *"Our economies will not be able to survive without immigrant workers. By 2050 one third of the 490 million Europeans will be aged over 65"*.

Gruber's report demanded: *"Politicians at both EU and member-states' level must be able to act by going beyond purely electoral considerations and must adopt a comprehensive, integrated approach to immigration policy and emphasise the responsibility of the media in the dissemination of an accurate image of immigration and in countering stereotypes."* Stereotypes indeed!

Any serious discussion of the issue should begin with some basic questions. Is the EU population ageing? Is this a new phenomenon? Can the workforce support an increasing number of pensioners? What is the effect of replacement migration? Why have nearly all authoritative bodies rejected the idea of replacement migration?

It is true the population of the EU is ageing and will continue to age, but this is hardly a new discovery since it has been going on since the middle of the nineteenth century.

Consider the rise in the number of those living beyond 65 years of age. Broadly speaking the percentage of over 65s in the total population doubled in France between 1901 and 2005 and nearly trebled in the UK. During this period there was no requirement for immigration to fill 'skill gaps'. The economy and society adjusted to the change. The rate of

Continued on p.4

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change is forecast to be slightly greater over the period 2005 to 2050. The change means that some of the economy's extra growth is diverted to increasing the amount transferred to the over 65 non-workers as it was between 1901 and 2005.

The statistics show that the great surge in the number of over 60s in western countries has already taken place and that Western societies and economies have adjusted to this fact (see Table 1).

Of course, all countries must age at some point as life-expectancy increases. Otherwise we would end up with the constant-fertility scenario as portrayed by the UN study 'World population in 2300' where the world population is ten thousand times what it is now (134 trillion) and in some countries the population of human beings must stand on each others' shoulders.

In fact, countries as diverse as China, Turkey and Bangladesh are all ageing faster than the UK although from a lower age level. None of them are planning 'blue cards' to attract 'highly skilled' immigrants.

So the conclusion is that if the EU is ageing, much of the ageing has taken place and has already been adjusted to.

The support ratio (of working age to over 65s) has already dropped dramatically and in the UK is now 4.09:1. Without immigration, the support ratio in the UK is projected to be 2.36:1 by 2050.

Is this a problem? What are the solutions? Can replacement migration help?

If no over-65s worked, there would plainly be a greater burden on workers. In the same way, Britain would have a smaller burden today if it still had the ratio of pensioners to workers as it did in 1901.

However, there are plenty of other ways to improve the ratio of workers to pensioners. One source is to encourage the over 65s to carry on working.

Then there are problems arising from the 5 million of unemployed and non-workers and social security claimants in the UK. The pernicious effect of the welfare state has encouraged the idea

	1936	2005*	2050*
Japan	7.4%	26.2%	42.3%
Italy	10.9%	25.2%	42.3%
USA	9.1%	16.7%	26.9%
Germany	11.9%	24.8%	38.1%
France	14.7%	26.8%	32.7%
UK	12.9%	21.4%	34.0%
* UN estimates			

that the current workforce will be supported in retirement by a future workforce whereas accurate inter-generational accounting would make the current workforce provide for its own pensions in its working lifetime. Such a state of affairs led to the tremendous savings of pre-welfare state Britain and to the current Far-East economies. In Europe the attitude of the population has been aptly described by Mark Steyn: "It's not my problem. Call me when I get back from the beach".

Almost all reputable authorities have pointed out that replacement migration

	France	Germany	UK
1851	6.7%	-	-
1901	8.5%	-	5.5%
1950	11.4%	9.7%	10.7%
1974	13.2%	-	-
2005	16.4%	16.7%	16.1%
2025*	21.2%	24.6%	21.9%
2050*	26.7%	31.0%	27.3%
*Forecasts			

will not work because immigrants also age. Chris Shaw, the government actuary, writing in *Population Trends* in Spring 2001, states:

"Despite rfiuch recent attention being focused on migration, it is clear that this is not a long term solution to the 'problem' of population ageing."

"The single reason why even large

constant migration flows would not prevent support ratios from falling in the long term is that migrants grow old as well. Although a steady large flow of migrants would continue to boost the working age population, before long it would also start adding to the retirement-age population and a four-to-one (say) potential support ratio would not be maintained."

Anthony Browne in his book "Do we need Mass Immigration?" points out: "The UN calculates that to keep the UK dependency ratio at 4.09:1 (as in 2000) the UK would need to have 59,775,000 immigrants by 2050, increasing the population to 136 million. At the end of that period, immigration would need to be running at 2.2 million a year, and still growing exponentially. To carry out this strategy of replacement migration, the UK would thus need to import another 130 million by 2100, doubling the population to about a quarter of a billion!" And so on, ad infinitum.

As for the EU, the UN has calculated that to maintain the present ratio of pensioners to the working population, it would need to import 674 million migrants by 2050. Nor is that a solution because the 674 million would in turn retire and need further migrants to support them.

The many organisations which have looked at and rejected replacement migration include the Home Office. This has stated:

"The impact of immigration in mitigating population ageing is widely acknowledged to be small because migrants also age. For a substantial effect, net inflows of migrants would not only need to occur on an annual basis, but would have to rise continuously."

Despite this and other findings, debate about the link between changing demography and a migration 'fix' refuses to go away.

Of course, even Frattini admits migration is only part of the solution - a partial 'fix'. His twenty million immigrants will be three per cent of the 674 million that the UN calculates are needed to maintain the support ratio

Continued on p.5

Boring for the European Union

Stylistic changes in the composition of EU press releases may reflect the growing arrogance and power of the Commission

A defining characteristic of the EU press release is that it contains no real news and performs no useful purpose other than as a possible aid to insomnia. Headlines are evidently chosen to dampen rather than to arouse curiosity ("*Waste: Commission opens infringement case against Bulgaria over inadequate waste infrastructure in Sofia*", is one of the catchier headlines of the last few weeks).

As a guide to the interplay of political forces within the Commission the turgid statements that emerge from the EU press office may hold some interest for Brussels insiders. But such interpretations require the kind of finely honed analytical skills displayed by Kremlinologists when deciphering the proclamations of the Soviet Politburo during the Cold War. Sadly, such skills are seldom possessed by the news editors of British newspapers, still less their readers.

Recent research by Maria Lindholm, a Swedish economist, casts some interesting light on the editorial processes through which EU press releases pass, even if she brings a

touching naivety to her task. In tones of mild indignation she reports that EU press releases "*serve political as well as informative purposes*" and that they are often used to justify the existence of the Commission. Sometimes, she says, "*references to national governments are deleted while references to the Commission are inserted*". Surely not!

She also reports that EU press releases are longer as well as less readable than those of national governments - last year the EU produced 1,920 of them (i.e. an average of more than five a day).

A PR man working for a commercial company may be called on to knock up half a dozen press releases before his coffee break, but Ms Lindholm reveals that the average EU press release takes days to produce and goes through multiple drafts. And it is not just readers who fail to understand the leaden prose in which they are couched: it seems that even their authors have this problem.

"One particular press release

involving two commissioners saw 15 drafts and caused chaos because different groups of people were seeing different texts" she reports, adding: "*The drafting of this text was not transparent for those directly involved.*"

Miss Lindholm may not win plaudits for the penetrating quality of her investigative research, but she deserves praise for noting a revealing stylistic change. In previous years press releases made considerable use of the conditional mood with terms such as "could" and "should" appearing frequently. Nowadays EU spokesman use the conditional mood less often.

"Does [the Commission] want to look more confident or was this an unconscious decision?" she asks.

The probable explanation is that the decision was an unconscious one reflecting the growing power and arrogance of an unaccountable elite. If Commission press releases switch to the imperative mood this will presumably signal that the European project is nearing its completion date.

Sound advice from a Labour patriot

"There is no doubt in my mind that Mr Brown has opened himself up to charges of hypocrisy by forcing this treaty through and, coming so soon after his dithering over whether to hold a General Election, he has made himself even more vulnerable. I am not

sure he realises quite how damaging this could be, not just to his own reputation but to the Labour Government... The overwhelming majority of the people of the United Kingdom demand a referendum. If Gordon Brown refuses, his failure to

keep his promise will haunt him throughout the rest of his time as Prime Minister. Think again, Gordon, and do the right thing."

Kate Hoey writing in the *Mail on Sunday* on 21st October.

EU immigration policy based on a huge fallacy

Continued from p.4

and would change the UK support ratio from a projected 2.36:1 in 2050 to 2.43:1 - a tiny change. Replacement migration is regarded with contempt by every expert and has the ability to entail massive cultural and social costs throughout the EU. But it has one great advantage for the Frattinis and Grubners - it is all part of Europeanisation. Or to use Mr Frattini's words: "*If managed well, immigration is one*

area where our citizens will clearly see the added value of a European approach".

More sensibly, the UK government actuary states: "*measures such as raising the workforce participation ratio or discouraging early retirement are likely to remain a more practical tool for increasing the working population*". He also states: "*A long term TFR [Total Fertility Ratio] of 2.0 children per woman would produce*

much the same support ratio at 2100 as would annual net migration of half a million people a year (to the UK) but with a total population of 75 million rather than 120 million".

There are, of course, important policy implications to be drawn for the UK in the ageing of the EU workforce but these are to do with the re-orienting of British trade away from the EU rather than participating in the dangerous 'fixes' of the eurocrats.