# SKILLED AND CONTROLLED IMMIGRATION - A SOLUTION TO KEEP SUSTAINABLE ECONOMIC GROWTH IN EUROPE?

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#### **Abstract**

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Europe's population decline compared with the demographic explosion in Africa and Asia is a potential threat to sustainable economic growth and global competitiveness in Europe. Europe is currently facing two major problems-lack of population growth and migration pressures. The solution could provide a targeted management of migrations flows. Prerequisite for sustainability of the system is not only a skilled migration, but some form of integration and acceptance of Western values as well. In connection with the deepening of integration of the common EU immigration policy, Czech immigration strategies have to be complementary with the EU strategies. Czech Republic had to already undertaken many reforms of Aliens Act and also tries to launch its own strategies favourising the skilled immigration, to reinforce the main trends in the European immigration policy.

Common Immigration Policy, immigration, integration, EU 2020, Czech Immigration Policy, Aliens Act

The paper aims to highlight a current growing problem in the EU, which is the gradual decline in the labor force on the one side and migration pressures on the other side. The European Union faces the risk of stagnation of economic growth and the danger that growing economies, especially in Asia, may soon overtake it. The European Union has long declared the importance of highly skilled migrants, but it is approaching adequate measures very slowly, which of course is related to the reluctance and concerns of the Member States. This is expected to be more dynamic upon implementation of the Lisbon Treaty. Immigration policy gained a larger supranational character and communitarisation was extended to the conditions of legal immigration. Member States retained their sovereign right only in determining volumes of admission of third country nationals and integration policies.

Czech immigration policy as a part of the common immigration policy can only be shaped within its constraints. Like the EU, the Czech Republic also notes the importance of skilled migration of third country nationals, and prior to the approval of the European blue cards, it had unveiled its own green card initiative.¹ The Czech and EU economies, both bound in the common internal market economy, need skilled migrants. However, low qualified migration and family reunification still notably prevail in the modes of migration in the EU.²

The main materials and methods for this paper are the analyses of primary and secondary documents.

<sup>1</sup> See below

<sup>2</sup> DOOMERNIK, J. and JANDL, M. (ed.), 2008: *Modes of Migration, Regulation and Control in Europe*, Amsterdam: Amsterdam University Press.

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### The new global environment

The European Union issued in March 2010 a new "Strategy for Smart, Sustainable and Inclusive Growth"<sup>3</sup>, shortly Strategy 2020 or EU 2020. Strategy 2020 replaced the former Lisbon Strategy, which was evaluated as a failure.<sup>4</sup> EU in this new strategy paper acknowledges that the aging population is accelerating. Already in the years 2013–2014 should the share of the EU's working population start to decline. The number of people aged over 60 is now increasing twice as fast as it did before 2007 – by about two million every year compared to one million previously.<sup>5</sup> Shrinking working population and a higher proportion of retired people, this is a combination, which will place additional strains on national welfare systems.

Another phenomenon is intensifying of global challenges. The world is moving fast and our economies are increasingly interlinked. Competition from develop and emerging economies intensifies, world powers with billions of citizens, India and China are investing heavily in research and technology. Another risk present climate problems and problems with resources. The sharp increase in world population from 6 to 9 billion by 2050 according to projections by Eurostat and the United Nations will enhance the global competition for natural resources and create pressure on the environment.

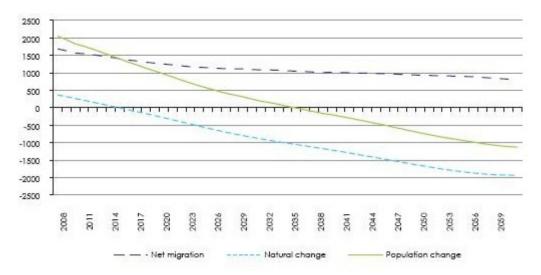
These are the main challenges facing the Union in the early 21st century. Prerequisite for positive results is a rapid and uniform reaction of the Union as a whole, because in today's globalized world individual state can not resolve global problems alone.

# Skilled and managed immigration as one of the prerequisites for sustainability

According to the reports and projections of the Eurostat and the European Commission's study<sup>6</sup> as of 2015, the population for the EU as a whole will no longer grow due to natural change, as the number of deaths per year will outnumber the births. As natural change becomes negative, positive net migration is the only factor driving population growth. As of 2035, net migration flows, although positive, would not be sufficiently large to compensate the natural decrease of the population and the population is expected to decline.

The role of migration in population growth is already predominant today: in many Member States, the size of net migration determines whether the country has a growing population or has entered a stage of population decline. Assuming zero net migration, the EU labor force would gradually fall, in 2030 by 10%.

According to the demographic prospects for the EU in a global context, based on the 2008 UN pop-



1: Change in overall population: natural change and net migration, EU27, in thousands Source: Eurostat, EUROPOP2008

<sup>3</sup> EUROPEAN COMISSION, 2010: Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth, Brussels.

<sup>4</sup> One of the main reasons is called an unwillingness of the Member States to take concrete meseaures. For details see. TAUSCH, A., 2009: *Titanic 2010? The European Union and Its Failed Lisbon Strategy*, New York: Nova SciencePub Inc.

<sup>5</sup> EUROPEAN COMISSION, 2010: Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth, Brussels, p. 7.

<sup>6</sup> DIRECTORAT GENERAL ECONOMIC AND FINANCIAL AFFAIRS, 2009: Ageing Report. Economic and budgetary projections for the EU 27 Member States (2008–2060), Luxembourg: Office for Official Publications of the European Communities.

<sup>7</sup> DIRECTORAT GENERAL ECONOMIC AND FINANCIAL AFFAIRS, 2009: Ageing Report. Economic and budgetary projections for the EU 27 Member States (2008-2060), Luxembourg: Office for Official Publications of the European Communities, p. 47.

ulation projection<sup>8</sup> the share of the population of what is the EU today halved from about 15% of the world population in 1950 to 8% in 2000, and it is projected to shrink to close to 5% in 2050. The share of populations of Japan and the US has also declined over the last five decades. In contrast, the share of the population in Africa, Asia or Latin America has risen. Over the period 2000 to 2050, the share of the population in Asia is projected to account for close to 60% of the world population, The population in Africa is projected to increase much faster than during the period until 2005 and is expected to account for close to 22% of the world population in 2050. Latin America, Northern America and Oceania will roughly keep their share in the growing world population.9

Another problem is aging of the population. In 2060, the number of elderly would more than double the number of children in EU. Those aged 65 and over would account for a much larger share in 2060 (30% of the population), and among the elderly, those aged 80 and over would account for 12% and become almost as numerous as the children (14%).<sup>10</sup>

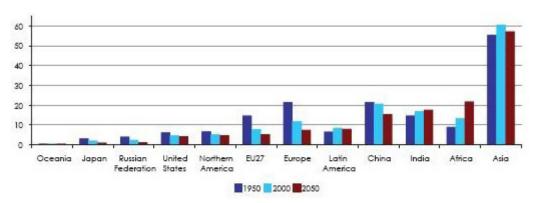
The gradual decline in the working-age population and aging of population will have a huge impact on economic growth, the functioning of the internal market and competitiveness of European enterprises. The European Union is trying to deal with problems with new strategy of intelligent, sustainable and inclusive growth<sup>11</sup>, which does not exclude any society groups from the labor market.

Strategies of immigration policies go hand in hand with the EU 2020 strategy. The main objective is the

targeted management of migration flows and the effort to attract highly skilled migrants. Immigration is not a panacea to resolve demographic changes and population aging, but it can help to satisfy the needs of the labor market and contribute to the future European prosperity. These principles include the Green Paper on an EU approach to managing economic migration, Commission's Communication on A Common Immigration Policy: Principles, Actions and Resources, European Pact on Migration and Asylum and the latest Council Directive 2009/50 EC on the conditions of entry and residence of third country nationals for the purposes of highly qualified employment, so-called Blue Cards.

At the end of the first decade after the gradual unwinding of the economic crisis, in many EU countries the economic issues of immigration are restored. Member States are gradually becoming aware of the need for skilled professionals. Two examples are the fields of information technology and healthcare. However, there is broad consensus that Member States do not desire immigrants who will become a burden on the social system, work illegally, pose a security risk or will cause integration problems. For these types of migrants, a number of directives and regulations have already been adopted at the European level to enable their fast and efficient removal. Discussing directives with these issues, the Member States easily reach an agreement, especially if the legal standards are very low and the general attitude is restrictive.12

The current position of the EU and most Member States can be summarized as the communication by



2: Population of main geographical areas and selected countries as percentage of the world population Source: UN World Population Prospects: The 2008 Revision

<sup>8</sup> The United Nations Population Division produces global population projections revised every two years. The 2008 Revision was released on 11 March 2009.

<sup>9</sup> The UN projects an increase in the world population from 6.1 billions in 2000 to 9.1 billions in 2050.

<sup>10</sup> DIRECTORAT GENERAL ECONOMIC AND FINANCIAL AFFAIRS, 2009: Ageing Report. Economic and budgetary projections for the EU 27 Member States (2008–2060), Luxembourg: Office for Official Publications of the European Communities p. 41.

<sup>11</sup> Strategy EU 2020.

<sup>12</sup> See the comparison of the Commisional Proposal on the Return Directive (KOM (2005) 0391 and the approved Directive 2008/115/EC on common standards and procedures in Member States for returning illegally staying third-country nationals in: DVOŘÁKOVÁ, D., 2008: *The New Approaches in Immigration Policies in France and Czech Republic*, Masaryk University, Master Thesis.

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the former Commissioner for Justice and Home Affairs, Jacques Barrot, migration is a "wealth for our society and the economy... if it is properly managed." <sup>13</sup> This approach represents the current dominant strategy in the EU, namely to maximize the effectiveness and ensure that migration brings considerable benefits to the economy.

Family reunification and immigration based on humanitarian reasons now exceed that of the economic immigration in EU countries in terms of priority. This means the admission of immigrants based on criteria other than education and skills. Seriously intentioned immigration reform should also examine the links between existing and target structure. This aspect is lacking in certain EU documents.

### The importance of good managed integration

Ineffectively managed immigration presents a risk. This is particularly obvious in cases where the Member States fail to combat illegal immigration effectively, where the integration options are not sufficient or in cases where migrants are hostile to the host country.

The sociologist Robert Castel's analysis showed that migrants in France are in most cases marginalized and the institutional support for their integration is not sufficiently developed. Castel use the term "deconversion" to explain the riots in French suburbs.<sup>15</sup> The term used in French sociology refers to the situation, when a part of society becomes redundant and useless. Those surviving in the suburbs, are not interesting in terms of the labor market, or even in terms of their purchasing power, and in many different ways the society makes this clear to them from their earliest youth. Economic selection criteria according to living at a good address, membership of ethnicity, religion etc. prevail and determine the position in the society. The sociological analyses of the situation of immigrants in the Czech Republic showed very similar characteristics. Foreigners are in most cases at the margins of society and the labor market and the integration strategies are insufficient. 16

Management of migration flows can only succeed, if in accordance with the priority 3th of the EU 2020 strategy, the new economic growth will be inclusive as well. Only a successful social integration of third country workers will be synonymous with the successful immigration strategy. Otherwise we can not

avoid the impacts, which are observable in many countries of Western Europe today. Immigrants did not integrate enough for a variety of reasons, they create their own communities, often with a hostile attitude towards the host country. It is necessary to analyze why the concept of multiculturalism had failed and if it was really completely filled and met with an open and non-discriminatory attitude of locals and employers.

# The Czech immigration policy as a part of the common immigration policy

Prior to its entry in the European Union, the Czech Republic had to significantly change its existing legislative arrangements. There was a complete transformation of earlier immigration policies, institutions, actors and processes to the new European model.<sup>17</sup> Decision-making of immigration policy was derived from the sovereign powers of the Czech Republic to be shaped together with other countries at the European level.

The first significant alignment with the requirements of the Community law occurred with the adoption of Act No. 326/1999 Coll., on the Residence of Aliens, which came into force in 2000. In the following years, legislators adopted further necessary amendments, the main purpose of which was to ensure the incorporation of received and accepted immigration directives and regulations.

The common immigration policy was introduced with the Treaty on European Union, it was not until the Amsterdam Treaty, adopted in 1997, that its gradual communitarisation was introduced. In the late 1990's and the beginning of the 21st century, the first directives and the regulations of the common immigration policy also appeared. The Lisbon Treaty brought further deepening of the integration process. With its adoption, the European Union gained considerable control over immigration policy with the objective of the progressive unification of rules for entry and residence of third country nationals. The co-decision procedure was extended to the whole agenda of immigration policy. The power of nation states remains only in the integration policy (Article no. 63(a)(4), TEC (Article 79 TFEU)) and to determine the volumes of admission of third country nationals (Article no. 63(a)(5 TEC). Member States has lost their sovereign power to determine important entry conditions for third

<sup>13</sup> PRESSS RELEASE, 2008: Taking forward the common immigration and asylum policy for Europe, IP/08/948.

<sup>14</sup> DOOMERNIK, J. and JANDL, M. (ed.), 2008: *Modes of Migration, Regulation and Control in Europe*, Amsterdam: Amsterdam University Press.

<sup>15</sup> CASTEL, R., 2007: La discrimination négative: Citoyen ou Indigènes? Seuil: La république des idées.

<sup>16</sup> RÁKOCZYOVÁ, M. and TRBOLA, R., 2009: Social Integration in the Czech Republic: long-ignored issue as an emerging social problem. *Public economics, public management and public policy, ICSS international conference on social science,* Izmir: SoBiAD-SoSReS, 2009.

<sup>17</sup> After entry into the Union, we became citizens of the EU and we gained new rights and obligations. Citizens from countries outside the Union became the third-country nationals, visa requirements were introduced according to the EU's list, extensive preparations for accession to the Schengen Area have been made etc. For details see DVOŘÁKOVÁ, D., 2008: The New Approaches in Immigration Policies in France and Czech Republic, Masaryk University, Master Thesis.

country nationals within their own territory, but the opportunity to determine volumes of admission should serve as a regulatory mechanism for protecting the internal market against undesirable flood of foreigners. The competence of the Union is now to determine the conditions for long-and short-term stays, including family reunification and defining the rights of legally staying immigrants. These procedure should be gradual same in all Member States.

Further amendment is that The Charter of Fundamental Rights and Freedoms became legally binding under the powers defined by the Treaties, (new Article 6 TEU). Furthermore, the Union under Article 6(2) TEU acceded to the European Convention on Human Rights and Fundamental Freedoms, which should form the general principles of Union law (Article 6(3) TEU).

After having reached the basic necessary complementarity, a new space for concepts and strategies has opened. In the Czech Republic this space is filled rather sporadically and there lack strategies

reflecting geopolitical, economic and demographic factors. In the formulation of immigration policy a shift is seen from liberal politics to the restrictive views, however they are complementary with the view of many especially "old" Member States. <sup>19</sup> Secondly, the Czech Republic is trying to promote interests in the complicated structure of the European multi-level governance system. <sup>20</sup>

The Czech Republic is trying to advance the main EU strategies concerning skilled and controlled immigration. As an example of a recent independent initiative, one may mention the project of green cards. A limited selection of countries, greater administrative burden and bad timing in the peak time of the economic crisis, however, condemned the project to failure. Since 2009, when the cards were introduced, there are only about dozens of cases where foreign nationals obtained a green card. Recently, the project was overtaken by the implementation of the Council Directive 2009/50 EC.

#### **CONCLUSIONS**

The challenges facing the European Union today are greater than before the economic crisis. The economic and political power of developing countries are increasing. The pressure on resources and international interdependence is intensifying, in Europe a demographic decline and aging population problems are emerging. It is important to begin to resolve the problem of how to ensure a productive labour force. Intelligent growth will certainly reduce the demands on quantity, in terms of sustainability, however, managed migration is essential. It is necessary to distinguish carefully between economically beneficial migration and migration, which is becoming a social burden. Inefficient and unmanaged migration and integration are already undermining the stability of individual states, dividing society and spreading xenophobia. The division of society and a hostile atmosphere on both sides can also become one of the high risk factors. A necessary condition for sustainability of the system is also the successful integration into a mainstream society and tolerance, ideally internalization of European cultural values.

The European Union and individual Member States had to face these challenges collectively, as a Union and take joint measures, so the Union can successfully continue in its role as a global player and spread the principles of democracy and rule of law.

Given that the integration in immigration policy has further deepened, the Czech Republic has to adapt its strategies to new conditions. |This means learning to form coalitions and seeking allies on the multinational, national and subnational level with understanding the concept of multi-level governance of the EU and also to enhance own strategies reflecting economic, demographic and geopolitical factors.

<sup>18</sup> PÍTROVÁ, L., 2008: *Když se řekne Lisabonská smlouva*, Praha: Odbor informování o evropských záležitostech, Úřad vlády čp

<sup>19</sup> For details see: DVOŘÁKOVÁ, D., 2008: The New Approaches in Immigration Policies in France and Czech Republic, Masaryk University, Master Thesis.

<sup>20</sup> For example the creation of targeted coalition with the objective to postpone the blue cards into force to 2011 (when also for the Czech Republic and some other states end the transitiv periods in cetain labor markets in the EU) or to enforce that Council Directive 2009/50 EC will not harmonize the amount of wages and social instance for third-country nationals.

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