European Union employment objectives for 2010 and international labour migrations

1. INTRODUCTION

The 70% employment rate objectives fixed by the Lisbon employment and growth strategy are considered, examining whether this objective is achievable, under what conditions, for which countries and what role a labour migration increase could play in meeting this target.

An analysis is presented of the contribution made by labour migrations to demographic projections and employment objectives in the 15 European countries (before the June 2004 enlargement).

Firstly, an assessment is made of these countries’ labour force. The part played by the migrant manpower flow is determined.

At a second stage, an estimation is made of the gap between the fixed employment-rate objective and the expected employment-rate for each country as a function of demographic trends, unemployment levels and participation-rate trends.

An essential distinction is then made between employment volume to be reached and employment-rate.

The first objective is easily obtainable and the number of migrant workers required is calculated.

On the other hand, concerning the achievement of a ratio of 70% rate of employment, it is clear that for countries still far from this objective, the recourse to higher levels of immigration is out of the question. It is impossible for them to consider this option since it involves a very high multiplying factor which would mean in practice very considerable immigration flows. It is then shown that very wide divergences exist between situations in different European countries. Certain countries will achieve this objective without further immigration, some with moderate immigration levels, but half of them will be unable to meet the Lisbon program objectives whatever the migratory input.
2. PREDICTING INTERNATIONAL MIGRATIONS?

Of the three components of demographic trends, international migration is the only one where the action of public authorities is preponderant, whereas birth and death rate trends cannot reasonably be strongly or rapidly influenced by political decisions.

Concerning migration projections, several types of procedure – methodological, theoretical and empirical – will be mentioned for each of the problem areas considered.

Generally speaking, when predicting population size at a given horizon, the birth and death rate hypotheses bracket is determined and then combined with migratory flow hypotheses.

The latter are based on the continuance of past trends weighted according to estimations of socio-economic trends\(^1\). A problem of method arises as to whether it is preferable to calculate the overall flows of arrivals and departures or rather the net migratory balance. In spite of insufficient means of measurement and problems of international statistical comparability, which has, however, recently seen substantial improvement, three observations can be formulated.

Firstly, the net balance for the last few years cannot be determined for a large number of European countries since the emigration flow has not been assessed at all or only after considerable delay.

Secondly, an identical level of net balance may cover flows of very different sizes: there may be large numbers of inflows and outflows or there may be very few. If the total population size is not affected, the social and economic effects are very different. Thus, a very high turnover of migrants makes it difficult to set up integration policies for them and far more expensive to recruit and train them as foreign labour.

Thirdly, along the same line of thinking, it needs saying that a zero net migratory balance is not synonymous with zero immigration. It has been demonstrated (Bouvier & Poston, 1997) that, contrary to the case of zero immigration, \textit{i.e.} a closed population, a zero migratory balance involves significant direct and indirect consequences.

The direct effects result from the fact that ages of arrival and ages of departure of migrants will present variations which may prove significant in the estimation of the labour-supply. Indirect effects result from differences in gender and \textit{TFR} ratios in the migrant flow and the “national” population,

\(^1\)It is also possible to include factors of a political nature in the assessment of these projections, for example the time elapsing before the complete opening-up of the labour market in the European Union’s 15 countries to workers from the new member-countries of the European Union.
influencing the birth-rate. Thus, zero net international migration resulting from various levels of overall flow will react differently on the size and future structure of the population. Taking these effects into account would considerably enhance the elaboration and choice of migratory scenarios but makes the procedure a very complex exercise.

In a theoretical approach, migration scenarios have been elaborated to produce simulations of the preserving of or return to a stable or stationary population level. There is abundant literature on these questions of demographic theory. Only the main sources will be cited here.

A first line of study concerns the conditions determining the volume and structure of immigration necessary to raise a population with a birth-rate below replacement level to a stable or stationary level (Coale, 1972; Espenshade, 1982)

A second approach is concerned with calculating either the immigration flows that guarantee a constant proportion between nationals and foreigners or the hypotheses allowing consideration of different objectives for modifying this proportion. (Office fédéral de Statistique, 1987; Kuijsten, 1990; Espenshade, 1986; Feichtinger and Steimann, 1992).

A third approach estimates the immigration levels necessary to compensate for the decrease in total population or its aging.

In a more pragmatic approach, the choice of immigration flow hypotheses depends on decisions of a political nature. It is therefore essential to define the objectives fixed by the public authorities in the host country. Although their importance is not overlooked, the political and humanitarian aspects that may influence host countries are not dealt with here in order to concentrate on demographic and economic criteria.

In the demographic perspective, two general but opposite orientations become apparent.

The first consists in proceeding with projections in order to determine as exactly as possible the state of the population at a given horizon. In this case, the main approach consists in pin-pointing the most reliable hypotheses. This is what international bodies such as the United Nations and Eurostat regularly try to do, as do national statistics institutions, each at its own level. Aware of the likeliest variations in their country’s population trend, governments are able to provide for the resulting socio-economic adaptations.

Secondly, it may be of interest to fix objectives such as avoiding total population decline, slowing or allowing for its aging, stabilising the working-age population or preventing the deterioration of certain ratios such as the proportion of over-65’s as against the potential working population. This operation was carried out by the UN, with the results appearing in the
report entitled “Replacement Migration” (United Nations, 2001) which was largely misunderstood: it was, in fact, a “reduction ad absurdum” showing the impossibility of maintaining certain parameters and consequently suggesting the necessity of large-scale economic and social changes.

Insofar as these criteria bear mainly on population structure ratios, they finally concern, above all, financing problems for pensions and health-care.

Taking only Western Europe, it may be admitted that the potential migrant supply is almost infinite elasticity and that, in consequence it is essentially the demographic and economic priorities of the host country that adjusts the in-coming flow.

Economic migration concerns essentially labour-market “imbalances”. These imbalances can be dealt with according to either the demand for or the supply of labour. Predicted immigrant labour migrations based on demand analysis are relatively rare and unreliable. They suppose a high capacity for forecasting variations in the level of job-offers from businesses and in the various sectors of activity. One tendency consists in making the migratory input a function of “deficits” in certain occupations. This notion of “deficit” appears ambiguous: its definition is uncertain and the reality behind it is liable to extreme fluctuations. Research is therefore mainly oriented towards labour-supply. From this standpoint, an attempt is made to measure the possible risk of a labour-force decline in volume or, if employment level objectives cannot be attained, to determine what sort of migratory input, in quantity, structure and duration, would be needed to cope with it.

This is the perspective presented here. An attempt is made to find out if labour immigration can, under what conditions, and for which countries, substantially increase the labour force and the actual working population. Also examined is the question: with which hypotheses could immigration contribute to the realisation of the objectives fixed by the European Union at the 1999 Lisbon Summit aiming to achieve an overall 70% employment rate by 2010?

Is this a realistic option and what should the migrant employment rate be?

3. LABOUR FORCE, EMPLOYMENT LEVELS AND IMMIGRATION IN THE 15 EUROPEAN UNION COUNTRIES

The European Union is noted for the lowest employment levels of all industrialised countries. In order to make the economy more competitive and also to cope with social security financing, the 1999 Lisbon Summit fixed objectives of a 70% overall employment rate and 60% for women by 2010. The Stockholm Summit on March 21 2001 added a 50% objective for the 55
to 64 year-old potential working population. This program also corresponded to the widespread preoccupation with labour force decline leading to a labour shortfall for which only massive immigration would be able to compensate.

In order to estimate labour force trends, the Eurostat “baseline” demographic hypothesis (see Annex 1) was combined with the “median” scenario with a slight rise appearing in the labour-market participation proposed by Eurostat (Feld, 2005). The data are drawn from a consistent source and follow a methodology common to all the countries (de Jong and Broekman, 2000). These data have been broken down according to gender and yearly age categories. The choice of these two median combinations may be debatable but it allows the presentation of a range of sufficiently reliable probabilities thanks to which alternative hypotheses can be formulated.

3.1 Labour force

Table 1 (column 5) provides the main results. In 2010, all of the 15 European countries will see a rise in labour-force size with a minimum of 0.8% in Finland and in Sweden and a maximum of +15.3% in Ireland and an average rise for the EU as a whole of +3.9%. This upward trend starting from an unprecedented labour force level will continue for nearly half of these countries up to and beyond 2025 (Ireland, Luxembourg, Portugal, The Netherlands, The United Kingdom, France and Denmark). The fear of European labour force decline therefore appears to be largely premature (which is not the case in the long term, fixed at 2050).

This upward trend appears with the hypothesis of the Eurostat median scenario which presents a net migrant inflow of 660,800 in 2000 falling to 662,000 in 2010. This results in immigration contributing to the achievement of this labour force level through an annual inflow of 335,000 immigrant labour in 2000 and in 2010 an inflow of 320,000.

It should be noted that the annual working migrant flows expected represent only a marginal proportion of the total labour supply in the host countries.

2Germany: 200,000 immigrants, Austria: 20,000, Belgium: 15,000, Denmark: 10,000, Spain: 60,000, Finland: 5,000, France: 50,000, Greece: 25,000, Ireland: 5,000, Italy: 80,000, Luxembourg: 2,000, The Netherlands: 35,000, Portugal: 25,000, United Kingdom: 70,000, Sweden: 20,000.

3The average for the whole of the European Union will be 0.18% (the lowest percentage is in Germany and Greece, the highest in Ireland and Luxembourg). Of course, a complete calculation of the total contribution of immigration to the labour supply means taking into account the cumulative effect of the immigration flows in all the preceding years.
While, by 2010, the outlook is positive for the labour force, this is not true for employment-rates. The activity rates measure the 15 to 64 year-old working-age population and the hypothesis is that this will rise slightly during this period according to Eurostat projections whereas the employment rate measures the proportion of individuals actually in work out of the 15 to 64 year-old working-age population.

Concerning the years remaining up to 2010, the data are, of course unavailable. These data have therefore been estimated from certain hypotheses presented in section 4.

3.2 Employment levels

Before any consideration of what role immigration might be able to play, there appears in the left-hand part of Table 1, a panorama of the situation prevailing in 2000 for all the countries as to their employment-rate and the progress to be made in order to meet the Lisbon objectives.

There are three distinct groups of countries:

Firstly, four countries, Sweden, Denmark, The Netherlands and the United Kingdom are already above the Lisbon criteria both for men and women as well as for older workers.

The second group includes countries which are nearing the target.

In the third group, however, there is a majority of countries which are still very far from these objectives. Column 4 in Table 1 shows the annual growth rates that would be necessary (particularly high for Belgium, Greece, Italy and Spain).\textsuperscript{4} It should be noted that the countries which have the worst results with regard to the Lisbon objectives are also those that will, on account of demographic factors, see the greatest decline in their working population after 2020. The only notable exception is France where the labour force will continue to grow in spite of poor performance as to the employment rate.

The question that arises is how the migratory contribution is to be positioned beside this general plan for mobilising large sections of potential manpower.

Growth in labour supply results from a combination of social, economic, family, fiscal and legislatlative measures. Maintaining the status quo or increasing labour force volume is possible with more intensive recourse to immigrant manpower.

The choice was made to analyse the 2000-2010 period, but data is already available for 2004 and shows, on the whole, a rise in rates. On the other hand, the fact that the target was met in 2000 does not guarantee that this result will still hold in 2010. Here, data published by Eurostat were used. Our own calculations are presented in § 4.
TABLE 1
However, it can be seen below that the employment rate in most countries will not be able to show improvement through immigration.

4. EMPLOYMENT RATES EXPECTED IN THE LISBON PROGRAMME AND IMMIGRANT LABOUR VOLUME

Every year, the official European Union reports have announced that the Lisbon objectives are well on the way to being achieved. These declarations, however, seem decidedly over-optimistic seen against our own simulations that show that the overall European Union employment rate will be only 65.3% in 2010. Our scepticism has been corroborated by the recent evaluations carried out half-way through this programme. The W. Kok report “Facing the Challenge” presented by the former Prime Minister of the Netherlands invalidates the assessments of the programme so far carried out.

Estimation of the effort to create “national” or “immigrant” posts involved in the “Lisbon strategy” is based on a projection which, even if it does not claim to provide the most exact figures for every country, still gives clear enough indications as regards certain trends that appear indisputable5.

4.1 How many jobs will have to be created to meet the Lisbon targets?

It is first necessary to make a precise distinction between the employment volume desired by 2010 and the employment rate target which has been decided on. This distinction is fairly similar to that observed between the immigration scenarios which maintain the number of individuals in a given category and those whose aim is to preserve a constant ratio (with the further constraint, in this case, of not simply maintaining a ratio but achieving it).

In order to produce the volume of labour corresponding to a 70% employment rate in the whole of the EU, it will be necessary to considerably increase the number of persons employed.

To succeed in this, there are 3 possible means: increase 15 to 64 year-old male and female labour-market participation, decrease the unemployment rate or drastically increase labour immigration.

Nevertheless, in order to determine the number of jobs to be created, the labour-force volume and employment rates for 2010 have first to be known and compared with those for 2000.

5This projection rests on simplifying hypotheses imposed by the absence of certain important data. The methodology here presented thus brings out the constraints inherent in these calculations.
This requires the availability of employment rate trends by gender and age, unemployment-rate trends by gender and age and their evolution over this 10-year period.

In the absence of these data, aggregate data has been used, i.e. the overall unemployment rate (gender and age taken together) in the total labour force.

Note that:

\[ P = U + E + I \]

with  
\[ P = 15-64 \text{ year population} \]
\[ U = \text{Unemployed} \]
\[ E = \text{Employed} \]
\[ I = \text{Inactive 15-64 year population} \]

\[ U+E = \text{Labour force} \]

The procedure is in two stages.

1) **Employment rates calculated for the base year 2000 for each country**

Based on Eurostat demographic and participation-rate projections, 15-64 total number of individuals in labour force and total 15-64 population are calculated.

The Eurostat Unemployment Rate (UR) in 2000 is then maintained at a constant up to 2010.

Since the Unemployment Rate \( UR = \frac{U}{U+E} \), \( U \) total number of Unemployed.

As \( U+E \) = active population, deduct total number of Employed=number of active population - number of Unemployed

Since Employment Rate \( ER = \frac{E}{P} \), \( ER \) is calculated.

The \( ERs \) for 2000 are thus calculated.

2) **The ER for 2010 is calculated by proceeding in the same manner with the figures for 2010 but the Unemployment Rate for 2000.**

The results presented in Table 2 show that the gap between the volume of employment to be reached according to the Lisbon Summit program and this projection of the number of persons who will actually be employed is about 13 million. The explanation, of course lies in the fact that we foresee employment rates for many countries and for the EU as a whole well below 70%.
If this deficit had to be made up by labour immigration alone, it would involve annual inward flows of 1,300,000 employed migrants, i.e. four times more than the annual flows of labour force migration resulting from the Eurostat “baseline” scenario (see Table 1). A wide disparity between two groups of countries among the EU15 must be stressed.

The first group includes the countries that will meet the Lisbon target, i.e. Austria, Denmark, The Netherlands, Portugal, the United Kingdom and also Sweden (whose employment rate has fallen since its 2000 level but is close to 70%). In consequence, the issues here presented will not concern these countries.

For the second group, the annual number of jobs to be created is very high and recourse to immigration alone, even if this option is “theoretically” possible, is an impracticable solution. It would need labour immigration to be multiplied by 10 or 20 according to which country is considered, with the sole exception of Germany for which the increase would be at a relatively low level.

These countries can of course take action to a varying extent on the determinants of labour supply increase: it is possible to mobilise latent or marginal manpower, try to reduce unemployment rates or else increase immigration.

The feasibility of this third option is examined in the analysis below.

4.2 Number of migrants and employment rate

4.2.1 Objective

It is here demonstrated that a program consisting not only in obtaining a total volume of persons actually in work in view of a 70% objective, but including the further constraint of trying to meet this target solely by recruiting foreign labour would be largely impracticable. Any increase in the size of employed immigrant manpower means the same increase in the numbers of 15-64 year-old workers. Obviously, any increase in the numerator of this ratio inevitably involves an identical increase in the denominator. To attain this ratio and then maintain it at a constant level, it is necessary to calculate the total number of immigrants that should be accepted by 2010.

The constraint imposed here is the following: let us suppose that all the migrants take up employment on arrival in the host country. There is therefore no unemployment among migrants; furthermore, no dependents or non-working population arrive with these flows. Of course, if a more realistic hypothesis is adopted, assuming that the migrant employment level
is lower than that of “national” manpower\(^6\), it is clear that recourse to immigration will be unable to raise the national employment rate.

It can, moreover, be demonstrated, as proposed here, that even if it is assumed that all migrants find employment on arrival in the host country, i.e. the migrant flow employment level is 100\%, these flows will not suffice to guarantee achievement of the Lisbon objective for countries whose employment level is far below the 70\% objective.

This issue raises two very different types of fundamental problems.

The first concerns social integration and cultural difficulties and the setting-up of the necessary infrastructures as a result of this considerable increase in immigrant numbers on top of the flows already expected in the Eurostat scenario.

The second problem is the question of how far Western economies are capable of creating such a quantity of work. It is obviously not enough to reason strictly in terms of employment. There must also be the capital necessary for making the investments to absorb this extra manpower. Will host countries be able to invest on such a scale and will they see strong enough growth in domestic and export demand?

Since the beginning of the Industrial Revolution, economic history shows that no western European country has ever seen an annual employment growth-rate higher than 3\%.

4.2.2 Method

The calculation of this very high number of immigrants needed to meet the target fixed at Lisbon is based on the following schema:

\[
P : \sum_{i=15}^{64} \text{Total 15-64 population in 2010}
\]

\[
E : \sum_{i=15}^{64} \text{15-64 employed in 2010}
\]

\[
WP : \sum_{i=15}^{64} \text{15-64 working population in 2010}
\]

\[
Eo : \sum_{i=15}^{64} \text{15-64 employed to meet target}
\]

\(^6\)Whereas for the working-age population projections it is assumed that migrants had the same employment rate as “national” manpower, for the additional migrants foreseen in this hypothesis, it is assumed that they are all employed, so that their activity rate is equal to their employment rate, i.e. 100\%.
$U : \sum_{i=15}^{64} 15-64 \text{ unemployed in 2010}$

$ER_{2010} : \text{Total employment rate in 2010}$

$UR : \text{Unemployment rate in 2000 and 2010}$

$M : \text{Migrants}$

\[
ER_{2010} = \frac{E + M}{P + M} = 0.7 \text{ (Lisbon objective)}
\]

$\Rightarrow E + M = 0.7 \times P + 0.7 \times M \Rightarrow M - 0.7M = 0.7 \times P - E \Rightarrow 0.3M = 0.7 \times P - E$

\[
\Rightarrow M = \frac{0.7 \times P - E}{0.3}
\]

Where $E$ is obtained as follows:

$Wp \times UR = U$ and $Wp - U = E$

BUT since $Eo - E = GAP \Rightarrow Eo - GAP = E$

\[
\Rightarrow M = \frac{0.7 \times P - (Eo - GAP)}{0.3} \Rightarrow M = \frac{0.7 \times P - Eo + GAP}{0.3}
\]

$Eo$ has been obtained in order to respect the equality:

\[
\frac{E}{P} = 0.7 \Rightarrow E = 0.7 \times P
\]

\[
\Rightarrow M = \frac{GAP}{0.3} \Rightarrow M = \frac{1}{1 - r} \times GAP
\]

where $r = \text{Employment Rate fixed by Lisbon objectives (70%).}$

Thus, for each country the number of migrants needed to meet the target of a 70% overall employment rate appears\(^7\).

\(^7\)Let us keep in mind that this calculation rests on the hypothesis that all migrants are employed and not simply of working age.
4.3 Hypotheses and main trends

4.3.1 Hypotheses

The method used rests on many simplifying hypotheses likely to partly prejudice the results in figures without, however, calling into doubt the general tendencies. The choice of these hypotheses is of course explained by the lack of certain important data.

It is essential to fully explain our way of proceeding in order to highlight its limitations and improve the attempts to palliate the inadequacy of the data.

In the first place, the estimations are drawn up with a fairly high level of aggregation whereas it is always better to calculate at the most disaggregated level. Although there exist projections for population and activity level by yearly age category, each year and for the two genders thanks to the Eurostat scenario, this is not the case for employment and unemployment rates. This is why only overall unemployment rates (men and women in all age-groups) for 2000 have been used and maintained at the same level up to 2010 (see annex 2 for overall unemployment and activity rates, country by country).

This gives the overall employment rates for the whole of the working-age population instead of employment rates by age and gender.

This supposes that, with the evolution of the economic situation and economic policies, the various countries will not be able to significantly reduce unemployment in any age category.

It also supposes that social or financial incentives for increasing labour-market participation beyond the “baseline” forecasts will be ineffective.

Also required are very strict selection procedures for the immigrant flow in respect of age since the under 15s and over 65s will be excluded.

There is, in addition, the hypothesis that all the migrants are employed.

Equally important is the fact that these calculations made with employment rates that do not distinguish gender are unsatisfactory. Appreciable differences can be seen at the European level between male and female employment rates. In certain countries, the discrepancies are considerable (Southern Europe) while in others (Scandinavia) they are far less marked. This means a more or less different capacity for mobilising female manpower in each country. Then there is the question of the gender-ratio in the migrant flow.

Lastly, neither immigrant aging problems nor the age structure of the flows has been taken into account.

Another question not considered in this analysis should be mentioned. Immigration conditions for meeting the employment-rate target have been
TABLE 2
examined, but once this rate has been achieved, another type of analysis should evaluate all the demographic and economic parameters for maintaining it in the long term.

4.3.2 General trends country by country

The figures are impressive. For the EU as a whole the total number of additional migrants needed to achieve the Lisbon objective, if it is decided to rely on the immigration option alone, comes to about 43.4 million. This volume corresponds to a total employment increase of 26.1% compared with the number of working-age adults actually in work in 2010.

This additional input of working immigrants represents a highly variable proportion from one country to another, situated between a minimum of 2% in Sweden, 4% in Germany and a maximum of 82% in Italy.

An initial trend is immediately apparent: employment-rate and immigrant manpower issues are far from being common to all the EU15 countries.

Situations in different groups of countries show very wide divergences and therefore raise questions as to the coherence of a harmonized European policy. This conclusion, which could already be drawn from the examination of the figures concerning the volume of manpower in work at the rate of 70% of employed working-age adults, is even clearer when it comes to guaranteeing this rate.

For one group of 5 countries, these objectives will be easily achieved, as some of them had already fulfilled these conditions by the start of the program in 2000 (see Tables 1 and 2). Other countries will definitely not meet the target and, for these, the recourse to massive immigration is utopian in view of the size of the flows concerned, the cadence at which new jobs would have to be created and the proportion of foreign labour that would result in comparison with “national” labour.

The situation in 3 of the countries will be briefly set out.

The United-Kingdom already had an over 70% employment rate in 2000 and the ratio is still improving. Consequently, this issue does not directly concern this country.

Germany is in an intermediate position: it is not far from the Lisbon objective and should be able to create about 500,000 jobs in 10 years. It could, in part, have recourse to a moderate immigration increase in comparison with the Eurostat projection trend.

The situation in France is very different. The working-age population will continue to increase up to 2015 but this trend will be supported solely
by the dynamism of demographic factors since a slight decline in activity rates is expected and, in addition, it is generally assumed that the particularly high unemployment rate will remain at the same level throughout the period. This low employment rate is characteristic of France.

4.3.3 Regional imbalances

The Lisbon program which commits member-states to raising employment rates considers this at national level. These levels are therefore weighted averages of employment levels in the various regions of each country. Greater or smaller regional differences according to the country are thus concealed by the aggregated figures. In many countries, certain regions enjoy high employment rates, close to or higher than the objectives while others have extremely low levels. How can labour immigration solve these regional imbalances in employment and is it the best step to be taken in order to increase employment rates in the regions that lag behind?

Through a detailed analysis of the European regions, a foreseeable tendency can clearly be seen. In countries with typically high or very high employment rates, regional differences are very small while the widest divergences occur in countries with a low employment rate.

Two indicators can be presented here: firstly, the widest employment rate disparity between regions in one country and secondly, the maximum divergence between the highest rate for men and the lowest rate for women. The data is drawn from the Eurostat 2004 regional statistics at NUTS 2.

In table 1 we see the two countries with the lowest rates – Italy and Spain – and the two with the highest rates – the Netherlands and Sweden.8

Concerning the first indicator, in Italy, the maximum difference is between the Bolzano region (69.4) and Sicily (43.1). The divergence reaches 54%. In Spain, the maximum divergence between Catalonia (67.0) and Andalusia (52.8) is 28%. When the situation in countries with the highest employment rates is examined, the divergences are far less. In Sweden, between the Stockholm region (76.4) and Millesta Noorland (68.0), the divergence is only 12%. Similarly, in the Netherlands, the difference between Utrecht (75.7) and Groningen (68.5) is only 10.5%. For these two countries, these small differences with the generally high employment level are the sign of a well-integrated labour market and the absence of geographical imbalances.

8 Denmark, a country where the highest rate includes only one region. Furthermore, the Spanish territories of Ceuta and Melilla have not been taken into account.
The regional analysis does not come into contradiction with national level observations on the uselessness of labour migration for increasing employment levels. For the countries in the worst situation, what can stimulate the employment level and reduce imbalances? Weakness of employment is naturally always accompanied by a very high unemployment level.

Other characteristics deserve mention.

The second indicator shows more highly contrasting results. The difference between the highest male regional employment rate and the lowest female regional employment rate is particularly wide in Italy (between 62.5 and 23.3, i.e. a divergence of 168%; in Spain, it is between 66.6 and 30.3, i.e. a divergence of 118%, whereas in Sweden, the difference is small, between 73.4 and 55.4, i.e. 33%. It is the same in the Netherlands, between 70.6 and 55.4, i.e. 37%. The obvious conclusion is that efforts should be concentrated on the socio-economic determinants likely to increase the participation of women in the labour market. The set of other measures composing national employment programs should be activated more efficiently. Finally, in order to reduce regional disparities, the most appropriate measures consist in pursuing and accentuating the European Union structural programs such as objectives 1 and objectives 2 and the other policies targeted towards specific aid for regions where production per head is below the EU average.

5. CONCLUSION: A MIGRATION MULTIPLIER?

From the figures shown in paragraphs 4.3, a few simple and indisputable conclusions can be drawn. Firstly, generally speaking, the volume of active population and also of the occupied will be rising in these countries up to 2010. From the gap between the objectives and the foreseeable employment rates one can see how many jobs are to be created in each country, underlining the wide disparities between them. It also shows the feasibility of the various social and economic policy measures proposed for increasing the volume and especially the rate of employment in these countries. Of course, no policy rests explicitly on the instrument of migratory policy on its own in order to meet this challenge. It is, nevertheless, useful to estimate what role it might be able to play in the range of measures to be put to work in order to achieve the 70% employment rate.
Thus, the aim here has been to present the role that might be played by labour immigration in the 15 countries of the European Union in the light of the Lisbon strategy for employment and growth.

An important initial conclusion is immediately apparent: the division of the EU15 into 2 groups of countries.

The first group includes those countries that will have no difficulty in achieving the objective of a 70% employment rate. For these countries, there is no need for an increase in migratory flow.

For the second group, the achievement of this objective is seemingly impossible. For these countries, recourse to massive additional migrant flows will not provide a solution. It has been shown that even with 100% of the migrant flow actually employed, the size of the flows needed is too great for them to be economically and socially absorbed.

These disparities between countries and, in consequence, the difficulty of drawing up a coherent policy, which is in general demand, can be conveniently measured by what could be called “the migration multiplier”, somewhat by analogy with the Keynesian employment multiplier. Its use could clearly be extended to other objectives than that of meeting the Lisbon Summit targets.

The formula proposed below needs further refinements.

\[ M = \frac{1}{1 - r} \times \text{DEV} \] where \( r \) is 70% employment rate fixed by Lisbon objectives and the deviation measures the number of posts to be created (gap between posts foreseen for 2010 and jobs necessary for reaching the 70% target).

A weighting coefficient should be added to take into account the migrant employment rate in order to find the total number of immigrants needed in inward flows.

In résumé, the main figures are as follows:

**Table 3 – Main figures for meeting the Lisbon objective**

<table>
<thead>
<tr>
<th>Description</th>
<th>UE15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employment in 2000 calculated according to the projection (millions)</td>
<td>160.30</td>
</tr>
<tr>
<td>Total employment in 2010 calculated according to the projection (millions)</td>
<td>166.24</td>
</tr>
<tr>
<td>Total employment needed to meet the Lisbon objective of 70% according to projection (millions)</td>
<td>178.08</td>
</tr>
<tr>
<td>Total employment to be created between 2000 and 2010 (millions)</td>
<td>18.80</td>
</tr>
<tr>
<td>Jobs shortfall 2010 (millions)</td>
<td>13.03</td>
</tr>
<tr>
<td>Number of migrants by 2010 needed to achieve the 70% rate with recourse to immigration only (millions)</td>
<td>43.43</td>
</tr>
</tbody>
</table>
Sectorial labour shortages do not fall within the scope of this analysis. The regulations in force in each country concerning labour market access are capable of coping with the necessary adjustments in each country.

Admittedly, the countries in the worst position are also those where unemployment is typically above average.

This factor is to be taken into consideration. But even supposing a sudden 50% drop in the unemployment rate, the figures quoted, although lower, would not fundamentally alter the size of the migratory flow necessary.

The determining factor, as has been shown, is the weakness of rates by age for male adults and especially for women and for workers over 55. All fiscal, economic and social obstacles should be lifted for the purpose of increasing participation in the labour market.

The Lisbon objective is obviously not an end in itself but represents the necessary changes resulting from demographic trends. Short-term recourse to immigration in order to cope with a low employment level runs the risk of obscuring the necessity of long-term in-depth reform.

Acknowledgements

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References


EUROSTAT (yearly), Labour Force Surveys, Luxembourg.

EUROSTAT (2005), Employment rates by Sex and Age at NUTS Level 1 and 2, LF2EMPRT, General and Regional Statistics.

http://ec.europa.eu


Annex 1
Main demographic hypotheses of the projection “baseline” Eurostat

Hypotheses are:

$TFR_{(2000-2025)}$: Austria (1,31-1,47), Belgium (1,54-1,75), Denmark (1,77-1,80), Finland (1,73-1,70), France (1,73-1,80), Germany (1,40-1,50), Greece (1,34-1,54), Ireland (1,89-1,82), Italy (1,22-1,45), Luxembourg (1,72-1,80), Netherlands (1,71-1,78), Portugal (1,53-1,70), Spain (1,19-1,45), Sweden (1,50-1,74), United Kingdom (1,72-1,80).

$E_0 \text{ males }_{(2000-2025)}$: Austria (74,98-77,86), Belgium (74,82-79,23), Denmark (74,19-77,91), Finland (73,92-78,09), France (74,80-78,82), Germany (74,74-78,70), Greece (75,91-79,69), Ireland (74,02-77,78), Italy (75,50-79,56), Luxembourg (74,39-79,38), Netherlands (75,49-78,75), Portugal (72,04-76,13), Spain (74,89-77,55), Sweden (77,33-79,54), United Kingdom (75,21-78,87).

$E_0 \text{ females }_{(2000-2025)}$: Austria (81,17-83,52), Belgium (80,94-84,38), Denmark (78,97-81,61), Finland (81,10-84,03), France (82,83-85,88), Germany (80,82-83,94), Greece (80,96-83,97), Ireland (79,42-82,78), Italy (81,95-84,96), Luxembourg (80,81-84,16), Netherlands (80,86-83,63), Portugal (79,19-82,57), Spain (82,10-84,52), Sweden (82,02-83,94), United Kingdom (80,03-83,61).
### Annex 2
Unemployment rate in 2000 and activity rate in 2000 and in 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2010</th>
<th>Unemployment rate(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>71.5</td>
<td>74.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Belgium</td>
<td>64.2</td>
<td>64.2</td>
<td>6.9</td>
</tr>
<tr>
<td>Denmark</td>
<td>80.3</td>
<td>79.9</td>
<td>4.4</td>
</tr>
<tr>
<td>Finland</td>
<td>71.3</td>
<td>70.7</td>
<td>9.8</td>
</tr>
<tr>
<td>France</td>
<td>69.8</td>
<td>70.7</td>
<td>9.3</td>
</tr>
<tr>
<td>Germany</td>
<td>71.3</td>
<td>75.0</td>
<td>7.8</td>
</tr>
<tr>
<td>Greece</td>
<td>64.1</td>
<td>66.8</td>
<td>11.0</td>
</tr>
<tr>
<td>Ireland</td>
<td>64.3</td>
<td>67.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Italy</td>
<td>60.2</td>
<td>62.7</td>
<td>10.4</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>62.4</td>
<td>62.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>71.2</td>
<td>72.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Portugal</td>
<td>70.7</td>
<td>73.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Spain</td>
<td>63.8</td>
<td>66.0</td>
<td>11.3</td>
</tr>
<tr>
<td>Sweden</td>
<td>76.3</td>
<td>73.8</td>
<td>5.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>75.6</td>
<td>76.2</td>
<td>5.4</td>
</tr>
</tbody>
</table>

**Notes:**
\(^a\) Calculations according to labour force projections by age and by sex.
\(^b\) L’emploi en Europe 2003, Evolution récente et perspectives, Commission Européenne.