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"2050: Implications of Demographic Trends in the OSCE Region."

A CHANGING WORLD MAP

The OSCE nations came together to realize the principles of openness, cooperation, and mutual security, grounded in the protection of basic human rights for all of its member nations and their citizens. At the closing of the cold war, it was clear that these principles were necessary to overcome the legacies of racism, nationalism, and abuses of state power that had caused so many deaths and so much suffering over much of the twentieth century.

Unfortunately, the specters of racism, nationalism, and state power trumping human rights are again being raised in regard to immigration issues in the OSCE region. While most countries in the region have been open to immigration to varying degrees, and many have generous asylum policies for refugees from violence elsewhere, we are seeing calls by some politicians that say 'enough.' A new wave of demographic changes, with birth rates plummeting while immigration rises, has raised fears that some European nations are committing slow suicide, or that foreign cultures and legal practices will somehow displace core European legal and cultural values.

It is difficult to overstate the degree to which such fears, while understandable – especially in times of economic crisis – are misplaced. Indeed, they are not only based on

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misunderstandings, they are positively destructive for the future prosperity of Europe as well as for the OSCE region and even the Old World as a whole.

Simple arithmetic, applied to current demographic trends, shows unambiguously that the OSCE nations will need more immigration in the future. While many of the labor needs in the OSCE region are currently being satisfied by migration within and among OSCE countries, mainly from the eastern portion of the region to the west, this will not suffice in the future. Rather, the OSCE region will need immigrants from outside, including not only the adjacent regions of northern Africa, but also parts of Asia and sub-Saharan Africa.

This statement of course raises fears of an imminent "Eurabia" or "Londinistan" that will be foreign to its own historic inhabitants. But these fears should be recognized to be similar to those fears of the "yellow peril" and other xenophobic creeds. These fears are based on racism and the worst form of hostile nationalism, and imply nothing less than the belief that non-European peoples are unable to appreciate and acquire the benefits of freedom, equality, and liberty under the law.

Let us grant two truths that make the absorption of immigrants difficult in Europe. First, for most of the last five hundred years, Europe has been a country that sent immigrants OUT, to the rest of the world. From the 1500s up through the 20<sup>th</sup> century, Spanish and Portuguese, English, Irish and Scots, Germans and Swedes, Italians and Poles, even Dutch and French colonists, spread out and established communities in the Americas, Africa, and Asia. However, we may feel today about the mixed results of these imperialist and colonial efforts, it is difficult to imagine what Europe would have looked like – overrun, impoverished, deprived of skills and products gained abroad – if the rest of the world had been able to close its doors and prevent Europeans from leaving their own countries. It has thus been difficult for Europeans to readjust

their mental map and realize the world has changed, so that their numbers are stagnating rather than expanding, while the rest of the world has become more numerous, richer, and better able itself to undertake large-scale migration. Some Europeans react to this change, as many people react to any change from past patterns, as a threat, as if reversing the past patterns of global population movement will inevitably bring them harm.

Second, precisely because they have not been able to conceive of foreign immigration as a permanent, long-term shift in their very circumstances, European countries have treated foreign immigrants as temporary guests, often relegated to roles in unskilled labor and housed in neighborhoods separate and often poorly served in regard to social services. Rather than aggressively working to seek integration and assimilation of their migrants, many countries have left them to fend for themselves, so of course they turn inward to their own communities, reinforcing impressions of being closed-off and separate. It is often the very resistance to immigration that breeds the segregation, mutual hostility, and behavioral problems that are blamed on immigration itself.

The best way to overcome the hostility toward migrants within the OSCE region is twofold. First, the U.S. should lead the way as a country where welcoming and absorption of
migrants has been a way of life, and where every economic study shows the benefits of
immigration outweighing its costs. Of course, the U.S. still must work on its own
misconceptions – for example, the false belief that illegal immigrants 'pay no taxes.' This is
simply untrue, as anyone in the U.S who pays rent is indirectly paying property taxes, anyone
who purchases products pays sales taxes, and anyone on a legal payroll is paying social security
taxes. However, the U.S. can show the way forward as a country where immigrants from every
region of the world have made crucial contributions to science, sport, business, the arts, and

politics.

Second, the OSCE should strive for standards for the active integration of legal migrants into societies. This includes provisions that make it easier to acquire language training, formal education, job training, health care, and quality housing. These investments, as I shall show in a moment, are simply vital to the self-interest of OSCE countries to sustain their own economies and finances. These must also include legal protections against discrimination and defamation of migrants and their cultures.

At the same time, the OSCE countries must make it clear that immigration is not intended to create enclaves of foreign culture and distinct legal practice – rather all immigrants are expected to follow the existing laws and respect the public practices of the countries to which they have come. Where issues of minority rights and religious practice are concerned, boards of minority and religious leaders must work with local governments to arrive at clear understandings of the limits of separate and distinct immigrant practices. Just as Mormons cannot claim polygamy as a right in the United States, certain religious practices from abroad that contravene prevailing laws and practices in destination countries will also be denied by host countries. However, the presumption in the OSCE countries should always be that the values of equality, freedom, liberty, and protection of basic human rights will prevail, and forms a foundation that immigrants themselves are eager to accept as a reasonable price for the privilege of immigration.

## THE ARITHMETIC OF DEMOGRAPHIC CHANGE

Demographic projections can often seem to produce a wall of numbers, and be subject to a wide range of uncertainty and dispute. But this need not be the case. The number of people who will be over 60 years old in forty years is pretty clear, because all of them are already alive today. The number of people who will be born in the next twenty years is more subject to dispute; but patterns of births have been fairly stable for the last few decades, and so reasonable projections based on recent patterns can be made.

To show why immigration patterns are changing, and will change in the future, let us focus on one simple number – how many people in a country are of prime working age, from 15 to 59, compared to how many who are 60 years and older. In the United States today, that number is just over 3. That is, there are just over 3 people of prime working age for every person 60 and older. That is a reasonable ratio to sustain pension and health care costs for the seniors, by taxing the work of those who are still in the prime working years.

However, the U.S. today faces a fiscal crisis in the future because that number is set to decline to about 2 over the next forty years. At a level of only two workers for every older person who still needs income and health care support, taxation and state debt become a problem. Rising health care costs, and shifts in the population toward a larger number of elderly persons, threaten to overwhelm and bankrupt state pension and health care systems. This is why reforms of the US system are needed to avert problems in the future.

But things can get worse. At levels below 2, as one approaches a situation where there is almost one person over 60 for every person aged 15-59, the relationship indicates a crisis in the shortage of prime workers. And that is precisely where many OSCE countries are headed.

Let me ask you to examine Figure 1. This shows that even today, a few countries in Europe have already dipped well below the US level of 3 workers for every senior – some countries such as Germany and Italy are already approaching the problematic level of only 2 workers per senior. By contrast, countries such as Romania, Russia, Poland, and the US are still

at a reasonable 3 workers per senior, and countries further East, such as Turkey and Kazakhstan, have plentiful workers. Their ratio of workers to seniors is 6 to 7 or higher! Thus, it is not surprising that at the present, the major trend of migration within the OSCE nations is from the eastern part of the OSCE region to the west.

However, by 2050, things will change dramatically. Over the next four decades, almost all the countries of Europe will see their senior populations soar while their working age populations remain stable or decline. As a result, their numbers will drop. Italy, Germany, Spain, Romania, and Poland will ALL be coming close to a level of only 1 working age person per senior; even the U.K., France, Hungary, and Russia will drop well below 2. Thus there will be a widespread shortage of workers needed to support the senior population and contribute to keeping economies growing. Even Turkey, alongside the U.S., will drop to around 2 workers per senior, and even Kazakhstan, where birth rates are converging toward those in Europe, will have dropped from labor-rich condition to a reasonable level of 3 workers per senior. Thus by 2050, no regions of the OSCE will be nearly as rich in young workers as they are today. To keep its population growing, and to cope with need to support an older population, OSCE countries, especially those in western Europe, will need to draw on more immigrants from outside the OSCE nations.

Some have pointed to a slight rise in recent births in Russia, France, and the U.K. as evidence that the recent 'birth dearth' is ending. That may be true. But the gains are very small. Moreover, for the next twenty years, any increase in births only results in dependent children who will themselves pose a burden on state and personal finances for health and education, so that they will only begin to contribute to the labor force in significant numbers after 2030.

In short, there is no alternative for Europe but to accept that the world has changed, and

increased immigration will be part of the mix of policies needed to cope with demographic patterns that will prevail in the future.

But that should be a cause for celebration, not alarm. Throughout history, the most fruitful and innovative societies have been those that mixed peoples from varied culture, and held to pluralist and open societies. This was true of the United States, but also of the periods of greatness in India, the Ottoman Empire, and China. During the Roman Empire – when Europeans were arguably the most powerful nation in the world – the peoples of north Africa and Europe from Scotland to the Danube were united under one set of laws, despite their varied religions and languages. The foundational values of the OSCE, if applied with regard to immigration, can offer an era of continued growth, innovation, variety, and prosperity for Europe and the OSCE nations as a whole. The alternative – nationalist closure, hostility, covert racism – by contrast offers only a return to the horrors of the early 20<sup>th</sup> century. The choice should be clear.

There should be no illusions that the assimilation and integration of migrants from outside the OSCE to its member nations will be simple or without effort. Many complex issues will need to be addressed with energy and dedication, and much effort will be needed to implement policies designed to manage and smooth immigration. But what projects and gains of great value are achieved without some effort? The gains from a more open and welcoming system of immigration in OSCE countries will be so great, and so necessary, as to more than justify the efforts requited to achieve them.

Figure 1. Workers per Senior in selected OSCE countries 2010 and 2050



