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# FACTS & FINDINGS



PROSPECTS FOR GERMAN FOREIGN POLICY

## Global Megatrends (II): Demographic Change

The Working Group of Young Foreign Policy Experts

The ageing population and associated lack of skilled workers present a serious challenge to Europe's competitiveness and to the sustainability of European welfare systems. Demographic change means that migration is no longer simply a security issue or a humanitarian challenge but has also become a significant economic factor. Targeted migration management also makes it possible to create closer and more extensive networks involving global growth centres. For this to happen, the European Union needs to create a common migration regime. This will help to make Europe more attractive to foreign skilled workers and make it easier to maintain links with migrants who have returned to their home countries.

For more information on the Working Group of Young Foreign Policy Experts, go to: <http://www.kas.de/wf/en/71.6391/>

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## THE SIGNIFICANCE OF GLOBAL MEGATRENDS FOR GERMANY'S FOREIGN POLICY

International politics is increasingly determined by long-term developments that can be bundled together under the buzz phrase "Global Megatrends". The most significant of these trends include demographic change, the advance of urbanisation and the supply and demand of certain resources. The much-debated issue of global power shifts is a part of this, and indeed to some extent it can be viewed as a combination of all these trends.

Germany is an influential player on the world political stage, and as an export-oriented economic power which heavily relies on raw materials, it is – at least indirectly – affected by all these trends. Whether Germany experiences them as an opportunity or as a problem depends largely on its political approach.

The Konrad-Adenauer-Stiftung's Working Group of Young Foreign Policy Experts has produced three interrelated reports that it hopes will stimulate discussion on how Germany's foreign policy should approach some of these megatrends and their effects: Global Power Shifts (I), Demographic Change (II) and Global Demand for Raw Materials (III). These papers identify priorities for German foreign policy and make concrete proposals on how our country can be equipped for the future in the legislative period that is now underway.

## DEMOGRAPHIC CHANGE IN EUROPE AND THE IMPORTANCE OF MIGRATION

Global political changes have resulted in a need for Germany to expand its networks, both within Europe and around the world. Today, the ability of a country to determine its own political destiny is largely dependent on the degree to which it participates in global developments in innovation, knowledge and trade and its ability to build and strengthen close and extensive links with global growth centres ("the power of networking"). Access to people who can provide the necessary knowledge, skill and ability to innovate is essential if a country is to succeed.

In a world that is undergoing significant demographic changes, combined with other megatrends such as global power shifts and urbanisation, it is the ability to manage migration that will be of fundamental importance to these networks. While the populations of Europe and Germany in particular are ageing rapidly, they are actually becoming younger in many of the world's emerging regions. In Europe this is like-

ly to result in a reduction in economic productivity and the ability to innovate in the medium term. In contrast, large emerging countries are benefiting greatly from having a surplus of younger skilled labour and are successfully expanding their global networks. The demographic window has already closed in Europe, migratory pressures from developing countries continue to grow. Against this background, targeted migration management would seem to offer the best opportunity to strengthen our competitiveness and ability to innovate, to stabilise the European social model and especially to maintain and strengthen Europe's influence in the long term. It all comes down to Europe's ability to network.

Although many of Europe's crisis-struck countries are currently afflicted by high youth unemployment, many EU Member States are still in considerable need of skilled workers. Europe's overall prosperity could be at risk if there is a lack of appropriately qualified employees and taxpayers to fund the welfare systems of Europe's growth drivers. Targeted migration management could also help to resolve existing asylum problems and release new powers of innovation. Building special relationships with policy shapers in this important area of policy could help to strengthen Germany's ties with emerging countries that have a surplus of skilled labour. If we examine this issue in terms of circular migration, then countries of origin, whether they are emerging or developing nations, could also benefit from people returning home better-qualified than when they left and acting as multipliers. The countries of origin would also benefit from money sent home by those still working abroad.

Migration is also multi-dimensional. It cannot be regarded as merely an internal security issue, as it is also an important economic factor and a humanitarian challenge. A more flexible migration regime could help to remove some of the causes of illegal migration and therefore help to alleviate the humanitarian crisis in the Mediterranean region. The refugee tragedy off Lampedusa in early October 2013 once again served to underscore that resolving the refugee question is not only a common concern for all EU countries but also a moral obligation. Migration must thus be seen as a key component of an overall foreign policy strategy. This should ensure that Europe develops ties to new global and regional power centres and hence avoids these centres' networks passing them by. These foreign policy issues cannot be tackled by individual countries on their own, but urgently require joint European solutions.



## JOINT APPROACHES TO DEMOGRAPHIC CHANGE AND IMPROVING EUROPE'S GLOBAL NETWORKS

In reacting to migration pressures, the EU must not make the mistake of choosing between the two extremes of "impregnable fortress" and "uncontrolled movement". Intelligent management of migration is not only an important component of global networking but it also serves German and European interests. We would like to put forward three specific proposals in this respect:

**1. The EU should create a common migration regime that will make Europe more attractive to skilled workers from outside Europe.** Adapting this regime to the challenges posed by current foreign policy issues is something that should be addressed by Europe as a whole. In order to ensure that common long-term migration policies can be put in place, it is important that Germany leads the way on this issue over the next four years. Together with other Schengen countries, the Federal Government should introduce appropriate initiatives within the framework of enhanced cooperation. The German-French initiative of 2006, which addressed the issue in an overly defensive way using national instruments, needs to be overhauled. The aim must be to establish migration as a foreign policy tool that Europe can use to react to global power shifts and demographic change. This will require a change of perspective within the migration debate, which until now has been too focused on domestic political issues. The "Global Approach to Migration and Mobility (GAMM)" published by the European Commission in 2011 could act as a useful starting point, but needs to be enhanced by providing more incentives for partner countries and skilled workers.

**2. In developing a common migration policy, the Member States of the Schengen Convention should set up joint visa application centres.** The growing numbers of national visa application centres, including those that have been in part outsourced to commercial service providers, are not compatible with the change in perspective needed to achieve a common European migration policy. While visa applications can continue to be processed by the relevant Member States in the short term, visa application centres should eventually be combined and centralised, so differences in visa application processes among Member States can be ironed out through better coordination. Joint visa application centres also offer the potential for significant cost savings for the Member States involved, while embassies will benefit from a reduction in administrative tasks, allowing them to focus on their political activities. However, at a time of significant demographic change, the real benefit is that Europe would be sending out a clear signal that it is adopting a common

approach and that it perceives the issue of migration in terms of a joint strategic plan. In the long term, such joint visa application centres could be used by all EU Member States and not just those that are signatories to the Schengen Convention. In the future, EU visa application centres in countries of origin should be set up with appropriate systems in place to provide both a link to national immigration authorities and effective legal protection. This could be piloted by processing visa applications from migrants that are of particular interest to Europe. The visa application process itself should also reflect the fact that migration is an important plank of European strategic foreign policy. As part of a general culture of making people feel welcome, every effort should be made to make the process as professional as possible, so the skilled workers Europe needs to attract perceive the system as being fair and not subject to undue delays. Where this is not already the case, communications and applications could, for example, be sent electronically and in more than one EU working language.

**3. Europe needs to undertake greater efforts to maintain contact with migrants who have returned to their home countries and bring them into existing networks.** In order to make the best use of existing networks of students and skilled workers who have studied or worked in Europe and who have subsequently returned to their countries of origin (or a third country), it is necessary to keep in contact with these people. As cultural ambassadors, they can build bridges to Europe in their own countries but may also be persuaded to move back to Germany or Europe in the future. German language news services, such as those offered by *Deutsche Welle*, can provide an important link to Germany for skilled workers who have already worked in the country for a period of time and can help them maintain the language skills they have developed. The Goethe Institut, the *Institut français*, other European cultural institutions and the chambers of foreign trade also have valuable experience in building suitable networks.

The efforts made by German diplomatic missions abroad to re-attract highly qualified individuals who have returned home tend to be too focused on skilled workers in the research sector. In reality, workers with portable qualifications from other professions, such as those in the medical and healthcare sectors, should also be seen as ideal candidates for a potential return, especially in light of demographic change. It might be possible to link free study opportunities to gain additional qualifications to a requirement to work for a certain period of time in the country paying for the additional training or education. In this way a percentage of the return on investment of the training or education would remain in the donor country.



Orienting development cooperation work and foreign cultural and trade policies more strongly towards the concept of circular migration will require greater coordination at ministerial level and close cooperation with many intermediary organisations. With regard to the internationalisation of science and research, this type of coordination is already well underway in Germany in the form of regular discussions between federal states and strategic processes developed between the Federal Ministry for Education and Research (BMBF) and the Federal Ministry for Economic Cooperation and Development (BMZ), even though some relevant ministries are still not involved. The German government's Strategy on the Internationalisation of Science and Research from 2008 shows the kind of direction the country needs to be

moving in. However, this approach needs to be extended to other sectors such as business, the civil service and vocational training with a view to putting an internationalisation strategy in place under the auspices of the federal government. There also needs to be more focus on the needs of those people who return to their home countries after working in Europe and with whom Europe has a strategic interest in keeping in touch. This is for the simple reason that they have the potential to become important contacts in the fields of administration, business and science. As is the case with the migration debate in general, it is important that Germany and Europe stop being on the defensive and begin to truly exploit the foreign policy opportunities offered by migration.