

Integrating Cities II
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Round table on: Territory, enterprise, job, community: the answers to
integration needs

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Social inclusion and social aspects of migration

Introduction

I would like to thank the Comune di Milano for their warm welcome and for the invitation to this conference, which is of great interest for the community institutions. And I would also like to convey the best wishes from Mr Jérôme Vignon, who at the last minutes had to stay in Brussels for pressing reasons.

He has asked me to represent the Directorate General for Employment and Social Affairs of the European Commission in this round table, which intends to review and clarify the role of various institutional and non institutional actors in providing answers to the integration challenge.

We have received very strict instructions as regards the length of our interventions. So I will focus my intervention on the following points:

1. How the issue of migration is shaping the European Union agenda in the social field.
2. Which instruments and policies are being made available at EU level to address the integration challenge
3. The potential of the open method of coordination in the social area to bridge between social policies and migration policies

1. How migration is shaping the European Union agenda in the social field

It is increasingly clear that the issue of migration is becoming a test case for the European model of governance, for the capacity of this model to respond to the concerns and to the needs of its citizens. The model is being tested both on the method and on the substance.

On the method, because managing migration and succeeding integration requires an unprecedented capacity of mobilising and coordinating the efforts of all different layers of government – the European level, the national level and the regional and local levels.

Member States have different needs and constraints, due to different economic, social and demographic conditions. They also have to cope with different regional and local demands and pressures. Therefore, their policies to manage migration also vary greatly. However, given the existence of a single market with free movement of labour and no internal borders within the Schengen area, national migration policies also have an impact beyond national borders. In this context, **close and effective coordination is not only a desirable option, but a condition to succeed and to preserve the EU *acquis* in terms of free movement.**

The European model of governance is also been tested on the substance, because migration flows have wide-ranging economic and societal implications. The key question here is whether and under which conditions migration can help or undermine the sustainability of the European economic and social model.

We know by know that large inflows of migrant population can result in diametrically opposed consequences: vibrant, cosmopolitan cities with well-integrated migrants can prosper thanks to the richly-diversified cultural life and increased consumer-choice they offer their citizens, and attract for that reason the most productive workers. However, when things go wrong, the result can be the formation of a permanent underclass of socially excluded people; an outcome that is unacceptable for both economic and social reasons.

One lesson we have learned from various experiences of successes and failures, is that **migration policies must be closely linked to social policies**: migrants are a major social issue in today's Europe and no credible migration policy can be framed that does not include a well developed social policy.

The need for a comprehensive, holistic approach to migration is clearly stated in the Communication that the Commission adopted just one month ago, ahead of the October Meeting of the Heads of State and Government, on “*The European interest: succeeding in the age of globalisation*”. The

Communication states “*in a Europe with no internal borders, the changing demands of an ageing society and a labour market in constant evolution have challenged established assumptions about migration... A new global approach is needed so that migration strikes the right balance between the risk of labour market shortages, economic impacts, negative social consequences, integration policies and external policy objectives...* ”.

2. Which instruments and policies are being made available at EU level to address the integration challenge

As stated in a recent OECD publication, **the scale of the integration challenge financially, politically, and in terms of ideas is far greater than the resources currently allocated to it.**

This is probably true for all levels of governance. And the perception of this gap becomes more and more acute when we read the newspapers, when we look at the statistics, or when talk to local administrators....

Nonetheless, a number of developments at EU level in the last few years indicate that there is a clear willingness to narrow that gap.

In November 2004 the Council adopted *Common Basic Principles* to underpin a coherent European framework for integration. In 2005, the Commission put forward a proposal for a “*Common Agenda for Integration*”, that is monitored on an annual basis. Integration of migrants in the labour market is central element of the European Employment Strategy. An EU network of National Contact Points on integration has been set up to promote the exchange of information and best practice in this area.

As regards financial support, the European Social Fund – with a total budget of €75 billion in the new financial framework 2007-2013 - is the most important Community instrument that can intervene in the domain of integration and employment of migrants.

Actions aimed at promoting the integration of migrants into the labour market were eligible already in the previous programming period, and data from evaluations confirm that Member States have used for this purpose significant shares of the social inclusion part of the ESF. But the new regulation places a much greater emphasis on the issue and refers to migrants in various instances. The ESF budget for the social inclusion priority represents some 12.4% of the total funding available, and is almost €10 billion for the whole period 2007-2013.

The new financial framework has also introduced a programme for “Solidarity and Management of Migration flows”, that covers borders, return, asylum and integration. The Integration Fund – which is one of the four funding mechanisms under the Programme - has a budget of €825 million for the seven years - (some 118 million per year) and will co-finance actions in Member States up to 50% (75% in the cohesion countries). The Integration Fund has to be complementary to actions financed under the European Social Fund.

I shall also mention the Community Programme for Employment and Social Solidarity (PROGRESS), that supports the implementation of the objectives of the European Union in the employment and social affairs area. The Programme is designed to finance analysis, studies and development of statistics, monitoring and evaluation activities, exchange of good practices, awareness raising and dissemination of information. It is divided into five sections: 1) Employment; 2) Social Inclusion and Social Protection; 3) Working Conditions; 4) Antidiscrimination and diversity; 5) Gender equality. The issue of integration of migrants is mainstreamed in the various sections of the programme.

3. The role and the potential of the open method of coordination for social protection and social inclusion.

A policy tool that has a great potential to bridge social policies and migration policies and to help succeeding integration is the Open Method of Coordination for social protection and social inclusion.

As you know, the open method of coordination is the policy tool that allows member states to coordinate their actions and exchange best practices on issues of common interest while fully maintaining their competences and prerogatives and in full respect of the principles of subsidiarity.

Let me remind its main objectives:

- a) Defining reform strategies on the basis of common objectives;
- b) Strengthening the knowledge basis of the issues at stake, including through statistical capacity building;
- c) Establishing monitoring mechanisms on the basis of common indicators and benchmarks;
- d) Facilitating mutual learning and exchange of good practices;
- e) Raising awareness and promoting the involvement of key actors;

As you know, the so called social OMC is a relatively young policy instrument. It was the Lisbon Council in Spring 2000 who decided to extend the coordination among member states to the area of poverty and social inclusion. Since then, it has considerably evolved and matured.

Similarly to other coordination processes with a longer history, the social OMC can now rely on well-established supporting structures and tools – the Social Protection Committee and the Subgroup on indicators. The PROGRESS programme, which I have just mentioned, finances the various activities that support the OMC.

One of the merits of the social OMC is to have brought new issues to the fore – for example, the need to fight child poverty to break the intergenerational transmission of exclusion; the need to embed minimum income schemes into a comprehensive active inclusion agenda. Another added value has been to make clear the multidimensionality of poverty and social exclusion and the consequent need for full, joined-up policy responses.

All recent debates within the social OMC have consistently pointed to social impact of migration: in areas such as housing, health, education, child poverty, gender equality, and community cohesion in a broad sense. And they inevitably lead to the conclusion that the **European agenda for social inclusion in the era of large migration flows, need to be substantially re-thought and re-modelled.**

The OMC in social protection and social inclusion is structured in 3-years cycles. While we are working at the preparation of the new cycle 2008-2011, **there is an emerging consensus that the social aspects of migration should be a central theme for the years to come.**

I have already exceeded my speaking time, but before concluding I would like to come back to what I said in the beginning: **succeeding integration is a test case for the European model of governance.** But I would like to make clear that this test is not confined to the European institutions, because we are all part of that model. Integration of migrants is an area where we urgently need to work together, because local failures will inevitably become common failures and **because success can only result from the virtuous interaction of all players.**