

# Africa & Europe Different Demographic Trends Seeds for a Smart Partnership.

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Len Ishmael

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# **Africa & Europe Different Demographic Trends Seeds for a Smart Partnership**

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## About the Author, Len Ishmael Ph.D.

Dr. Len Ishmael is the former Ambassador of the Eastern Caribbean States to the Kingdom of Belgium and European Union, and past President of the seventy-nine-member African, Caribbean & Pacific (ACP) Committee of Ambassadors in Brussels. She is a former Director for the United Nations Economic Commission for Latin America & the Caribbean; Director General for the Organization of Eastern Caribbean States, Alternate Governor for the World Bank and Director for the Foundation - Leadership for Environment & Development of the Rockefeller Foundation in New York City. She is a German Marshall Fund Fellow (GMF) and Distinguished Visiting Scholar, and a Senior Fellow at the Policy Center for the New South (Morocco). Dr. Ishmael is also The Fletcher School Tufts University GMAP Endowment Fellow and is a member of The Fletcher School of Law and Diplomacy GMAP Advisory Council. She was an expert witness for the House of Lord's inquiry into Commonwealth efforts post Brexit to lift countries out of poverty through trade. She is also the Special Advisor (Europe) to the Vice Chancellor of the University of the West Indies. Dr. Ishmael was conferred a Doctoral Degree in Development Planning/Development Economics from the University of Pennsylvania, in 1988 and Global Master of Arts from the Fletcher School of Law and Diplomacy, Tufts University in 2018. Her other degrees include a Master's in Urban Planning from City University, New York City, and a Bachelor's Degree in Economics & Geography from the University of the West Indies, Jamaica. Dr. Ishmael operates her practice from Brussels specializing in European affairs, the EU-ACP partnership, EU-Africa relations, EU-USA TransAtlantic relations, China in Europe, Latin America and the Caribbean, political and corporate diplomacy, and international development corporation. Her latest publication: *Soft Power & Global Ambition: The Case of China's Growing Reach in Europe* was published by the Fletcher Forum's World Affairs Vol.34:1 Winter 2019 print edition.

## Summary

In Africa's impending demographic dividend and the looming threat posed by Europe's aging, lie the seeds of an agenda with the possibilities to generate win-wins for both continents. Might Europe's future labor market requirements hold the key for a smart partnership around investments in Africa's greatest asset – that of its people?



# Africa & Europe

## Different Demographic Trends Seeds for a Smart Partnership

### 1. Context

In 2015, the year of the ‘European refugee crisis’, an unprecedented 1.82 million irregular crossings took place across the European Union’s (EU’s) external borders.<sup>1</sup> Migrants moved across the Mediterranean and Aegean Seas through the western, central and eastern Mediterranean in flimsy boats packed tight by human traffickers. They also came across Albania into Greece; they moved overland, through the Western Balkans as well as across the Eastern European border.<sup>2</sup> Among them were a mix of refugees and economic migrants desperately in need of humanitarian care and support, fleeing countries torn apart by war, other acts of armed conflict, famine and poverty. They shared a common vision of finding safe haven in Europe. While the majority came from Asia and the Middle East, significant numbers also came from Africa.<sup>3</sup> In the months-long push towards the ‘promised land’, they also died, in their thousands.<sup>4</sup>

While several initiatives since then have dramatically reduced the number of illegal crossings across the Aegean Sea, the numbers from Africa attempting the dangerous central Mediterranean crossing from Libya - aided by that country’s current state of chaos and war - as well as other points along the southern Mediterranean, continue apace, with waves of migrants crossing into Italy, Spain, Malta, Greece and Cyprus.

The presence of a steady pipeline of potential migrants in its nearest continental neighbor is, understandably, a source of concern and disquiet for the EU. The latter has long negotiated the transfer of development aid in return for efforts to stem the flood of migrants to European shores via bilateral agreements with neighboring African states,<sup>5</sup> as one in a mix of modalities. These include regular discussions between the two continents via EU-African Union (AU) mechanisms, negotiations currently underway between the EU-Africa, Caribbean and Pacific Group of Countries (ACP), and upcoming EU Parliamentary debates (Fall 2019) with respect of the bloc’s 2020-2027 Multiannual Financial Framework (MFF), all of which provide opportunities to examine the full range of European and African interests and priorities, and cater for these in future arrangements.

The sheer numbers involved in the migration push into Europe in the course of 2015 and the winter

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1. <https://www.europarl.europa.eu/thinktank/infographics/migration/public/index.html?page=intro>

2. In 2017 a total of 7146 migrants came across the Western Mediterranean, while 153,946 and 885,386 came across the Central and Eastern Mediterranean respectively. Some 8932 migrants came via Albania and Greece, 764,0388 travelled overland through the Western Balkans, and 1920 crossed over the Eastern European border.

3. Many migrants from Africa to the EU have come from Nigeria, Ghana and Kenya, but other sending countries have included South Africa, Somalia, Senegal, Angola, the Democratic Republic of Congo and Cameroon, among others. At Least a million Sub-Saharan Africans moved to Europe since 2010. Pew Research Center. March 22, 2018. <https://www.pewresearch.org/global/2018/03/22/at-least-a-million-sub-saharan-africans-moved-to-europe-since-2010/>

4. International Organization for Migration. Data Analysis Centre (GMDAC) <https://missingmigrants.iom.int/over-3770-migrants-have-died-trying-cross-mediterranean>.

5. Negotiations took place between the EU and Libya’s former President Gadhafi, and more recently between the EU and Turkey. Morocco has recently requested additional emergency resources to handle the flow of migrants flowing north from Sub-Saharan Africa.

of 2016 also brought with it a backlash, unleashing waves of populism and anti-migration sentiments across many parts of the union, making political discourse and accommodation on the issue of migration a vital, yet difficult one on the Africa-EU agenda, with implications for their future relationship.

The situation is compounded by a series of other compelling issues, one of which in particular is set to present challenges for both Africa and Europe. This is one of demographics. By 2050, Africa will be home to the world's largest and youngest labor force, yet the continent will face significant challenges in harvesting the so-called demographic dividend. Given the significant gap in the numbers of jobs created currently relative to the numbers of young people entering the labor force annually, both Europe and Africa have reason for concern. Europe faces its own demographic challenge. The continent is aging, and doing so rapidly. At stake is the continued viability of the European way of life, and the union's future economic and social security, and stability. The 'twin continents,' side by side, thus face very different trajectories: one aging and contracting, the other bursting at the seams with youth in need of jobs. This policy paper focuses on the differing set of demographics facing Africa and Europe, and how the challenges in each present opportunities for an agenda of cooperation around the labor market with potential to unlock future benefits for both continents.

## 2. The European Refugee Crisis & Aftermath

The events of 2015 and the winter of 2016 pushed normal EU resources devoted to migration to the breaking point and, in the process, unleashed sharp division and discord among EU member states, particularly over the responsibilities of countries on the front line of the migrant waves, and the sticky matter of resettlement. Several EU member states refused to implement an EU decision regarding allocations for migrant resettlement. Some like Hungary, responded by erecting physical barriers at their borders, despite being Schengen members.<sup>6</sup>

Internationally, the processing of migrants is guided by the Dublin 111 Regulation which requires that points of first entry be responsible for processing migrants and their claims.<sup>7</sup> At the height of the refugee crisis, this requirement placed heavy burdens on the resources of the southern European states of Italy, Greece, and Spain as well as countries such as Hungary, along Europe's eastern border. All of these were among those states hardest hit by the international financial collapse of 2008; several are still struggling to recover.

In the wake of stiff disagreement among EU member states on the matter of refugee and migrant resettlement and an atmosphere of heightened citizen anxiety and concern, German Chancellor Merkle's decision to resettle one million migrants and refugees in Germany, would later prove to come at a high political cost to her chancellorship at home. Migration is now a critical fault line in the arena of EU politics and was cited as being at the heart of the United Kingdom's (UK's) decision to trigger Article 50 on March 2016, in the decision to leave EU membership.<sup>8</sup>

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6. The Schengen Area comprises 26 EU member states which provide for the free movement of persons across their borders without passport and other normal border control checks.

7. Ammirati, Annapaola. What is the Dublin Regulation? Open Migration. December 8, 2015. The Dublin 111 regulation (regulation 604/2013) came into force on January 1, 2014. It establishes the criteria and mechanisms by which an EU Member State takes a decision with respect of a request for international protection presented by a national of a third-party state, or a stateless person in an EU country. <https://openmigration.org/en/analyses/what-is-the-dublin-regulation/>

8. Article 50 of the Treaty on European Union enacted by the Treaty of Lisbon on December 1, 2009, covers procedures and processes which govern the withdrawal of a country from membership of the European Union.

## 2.1 The EU Response to the Crisis

The EU response to the migration crisis has been multi-pronged and includes a mix of elements around three different types of initiatives: those taken outside the EU, at EU borders, and within the EU space.<sup>9</sup> Outside the EU, initiatives relate to programs aimed at resettling refugees within the EU and others to address the underlying causes of irregular migration, focusing on transit and origin countries.<sup>10</sup> At the EU's borders, initiatives include search and rescue operations in the Mediterranean while engaging with Libyan authorities to intercept and return potential migrants to Libyan detention centers for processing. Other actions include the dismantling of trafficking networks, the creation of hotspots in Greece and Italy, as well as offering protection to eligible asylum seekers.<sup>11</sup> Inside the EU, the focus has been on migration policies aimed at reallocation of refugees within EU member states and simplification of the EU asylum process - though the latter is still lengthy and time consuming.<sup>12</sup>

In March 2016, the EU negotiated the EU-Turkey Statement which is credited with a dramatic reduction in flows of migrants and refugees across the Aegean Sea in exchange for €3 billion, paid in two tranches.<sup>13</sup> This initiative together with deployment of the new European Border and Coast Guard Facility, has reduced daily crossings from Turkey to Greece by as much as 98% since March 2016.<sup>14</sup> Success in the central Mediterranean portal, the main transit point for African migrants, however, is proving much harder to resolve. The chaos and instability in Libya since the removal of President Gadhafi from office is being exploited by operatives involved in various forms of illicit activity including human trafficking. In the process, the country has been transformed into the most important gateway for migrants attempting to get to Europe from the east, south and western parts of Africa as they flee destitution, famine, violent conflict and the effects of failed and fragile states.<sup>15</sup>

Migrants from Senegal and the Ivory Coast flee north through Mali, Algeria and Tunisia. From Ghana, Nigeria and Chad they move through Niger and Libya; from South Sudan, Kenya, Ethiopia, Eritrea, they cross into Sudan and Libya.<sup>16</sup> All roads lead to Tripoli and its environs, creating a complex and tangled web with very few clear policy options and solutions. The civil war ravaging Libya has allowed illegal trading networks to thrive, resulting in more than a four-fold increase in migrants across the central Mediterranean since 2013.<sup>17</sup> The country's 1,100-mile coastline has now become an open border co-opted by smugglers. Reports allege that President Gadhafi was paid \$500 million by the EU in 2008 to keep migrants away from Europe's shores. The deal was extended to cover 20 more years with an additional \$5 billion over that time,<sup>18</sup> but unraveled with the death of President Gadhafi, in 2011.

It would seem that the push factors behind much of African irregular migration through Libya into Europe results from an array of different factors. Eritrea is said to produce the largest wave of migrants,

9. European Commission. The EU and The Migration Crisis. July 2017. <http://publications.europa.eu/webpub/com/factsheets/migration-crisis/en/>

10. Ibid.

11. Ibid.

12. Ibid.

13. EU-Turkey cooperation has been successful in stemming the tide of illegal migration from a high of more than 10,000 per day, to less than 74 on average, per day, as of March 2016. European Commission. The EU And The Migration Crisis. July 2017. <http://publications.europa.eu/webpub/com/factsheets/migration-crisis/en/>

14. Ibid

15. Sakuma, Amanda. Damned For Trying. MSNBC. May 19, 2016. <http://www.msnbc.com/specials/migrant-crisis/libya>

16. Ibid.

17. Ibid.

18. Ibid.

with close to 40,000<sup>19</sup> fleeing in the face of human rights abuses.<sup>20</sup> Somalians have been escaping years of instability and armed conflict amid the destabilizing presence of the rebel al-Shabaab group and their regular incursions into neighboring Kenya. Rebel groups in Nigeria – including Boko Haram – have created instability in the eastern part of the country. As the Sahel plunges even deeper into chaos as a result of the activities of armed insurgents around an ideological war, desperate people are on the move searching for peace and hope of a better future.<sup>21</sup>

The EU is currently engaging with Ethiopia, Mali, Nigeria, Niger and Senegal in the hope of reducing the flows of illegal migration through the Sahara. Initiatives include funding for employment related activities and migrant centers,<sup>22</sup> but these need to be anchored within a wider framework if stability is to be assured across the continent, and prospects for both Africa's development and Europe's security, enhanced.

## 2.2 The Refugee Crisis and its Fallout

Apart from the significant political divisions between and within EU member states which flowed from the events of 2015, the refugee crisis resulted in other effects. It fed into populist and nativism sentiments across many parts of Europe and contributed to changes in political leadership in several countries including the UK, Italy, Austria among others, and a pronounced growth in right wing political parties.

While this rising tide of populism did not translate into the complete routing of the traditional center-left socialist and center-right parties as feared in the most recent European-wide elections to the EU Parliament of May 23-26 2019,<sup>23</sup> the traditional European parties have lost seats in the new parliament, with significant gains for both far right and Green parties, as well as pro-EU centrist, liberal and Eurosceptic parties, leading to a much-fragmented EU Parliament. This fragmentation contributed to the heated horse trading which ensued in the battle for the top EU jobs, and will no doubt pose a challenge to the ability of incoming EU President, Germany's Ursula von der Leyen, to push through her legislative agenda. With Brexit looming, traditional parties in the UK fared much worse than their continental counterparts with both the Conservatives and the Labor parties losing significantly in the face of a thumping victory for Nigel Farage's Eurosceptic Brexit Party, formed in January 2019.

## 3. Africa's Development Gap

Africa is important to Europe. There are compelling reasons why this is so. These go beyond those

19. Belloni, Milena. Why Young Eritreans are going to keep risking deadly migration crossings to Europe. Quartz Africa. July 27, 2019. The UN estimates that over 500,000 Eritrean refugees have fled their homeland by the end of 2018, a large number given the population base of 5 million. <https://www.google.com/amp/s/qz.com/africa/1676254/young-eritreans-are-still-migrating-at-alarming-rates/amp/>

20. Sakuma, Amanda. Damned For Trying. MSNBC. May 19, 2016. <http://www.msnbc.com/specials/migrant-crisis/libya>

21. The Sahel includes parts of 10 African countries including southern Mauritania, northern Senegal, central Mali, northern Burkina Faso, southern Algeria, south-western Niger, northern Nigeria, central Chad, central Sudan and northern Eritrea. <https://www.opendemocracy.net/en/north-africa-west-asia-/dangerous-ideological-battle-africa-sahel-arena/>.

22. European Commission. The EU and The Migration Crisis. July 2017. <http://publications.europa.eu/webpub/com/factsheets/migration-crisis/en/European Commission>.

23. The ninth EU parliamentary elections took place across the EU filling upcoming vacancies for the Union's 751 elected parliamentarians representing the interests of 512 million people across the EU's 28-member countries. The UK participated in the elections as a result of an extension of Article 50 up to October 31, 2019.

bundled up in security concerns and the fact of Africa's proximity to Europe, and the ties, starting from the 1870's, which dictated the terms of their historical engagement. Africa is an important source of the world's stock of vital ores and minerals, as well as an important and growing market for European goods and services. The EU has a vested interest in Africa's development for more reasons than one, but Africa's development requirements and deficits, are significant.

By 2050 the continent will hold 20% of the world's population with a projected 830 million young people.<sup>24</sup> An estimated 10-12 million young Africans enter the labour market annually against the creation of 3.7 million jobs, many of which are in the informal sector.<sup>25</sup> Chronic, systemic problems related to inadequate levels of skills and job creation will significantly constrain the continent's ability to fully harvest the potential benefits of the impending demographic dividend.

Africa also faces a number of other challenges all poised to constrain its development prospects. The investment gap in meeting the sustainable development goals (SDGs) of Agenda 2030 is estimated at USD 2.5 trillion/annum over the period 2015-2030.<sup>26</sup> A recent article notes that as many as 60 million children across the continent face persistent hunger leading to their 'stunting and wasting;' one in three children is said to be stunted, a phenomena estimated to have reduced Africa's gross domestic product (GDP) by as much as 10%.<sup>27</sup> As many as half of Africa's population live in extreme poverty with minimal access to basic human needs; two in five adults are illiterate and 47% live on \$1.90 per day.<sup>28</sup> Between 1990-2015, while the numbers of the world population living in poverty fell from 36% - 10%,<sup>29</sup> the number of those living in poverty in Sub-Saharan Africa actually rose, from 278 million in 1990 to 415 million in 2015.<sup>30</sup> Today, most of the world's poor live in Sub Saharan Africa which holds 27 of the world's 28 poorest countries.<sup>31</sup>

However, Africa is not homogenous. It is a continent of tremendous scale with significant variations in social and economic wellbeing and economic prospects. While some countries are amongst the world's poorest, Africa is also home to countries which are among the fastest growing and richest economies in the world, with eight classified as high income.<sup>32</sup> However, even among the wealthiest countries, issues of inequality are significant. While GDP per capita in Equatorial Guinea of \$34,865 makes this the wealthiest country in Africa, the country ranks 136th on the UN Human Development Index (UNHDI) due to the extreme rates of income inequality which exist.<sup>33</sup>

Together these deficits pose enormous challenges to the continent's ability to unlock its development

24. Siddharth Chattenjce, John Dramani Mahana. Promise or Peril? Africa's 830 million young people by 2050. UNDP in Africa. August 12, 2017. Cited in Ishmael, Len. Africa-EU Relations Post Cotonou. Carving Space for the Business Sector. Konrad Adenauer Stiftung. March 2019. In Publication.

25. Ibid.

26. Ibid.

27. Machel, Graca. Child Hunger Must be a Priority for African states. Financial Times. May 27, 2019.

28. <https://borgenproject.org/15-facts-about-poverty-in-africa/> April 6, 2018.

29. Patel, Nirav. Figure of the Week: Understanding Poverty in Africa. Brookings. November 21, 2018. <https://www.brookings.edu/blog/africa-in-focus/2018/11/21/figure-of-the-week-understanding-poverty-in-africa/>

30. Ibid.

31. Ibid.

32. Equatorial Guinea, Seychelles, Mauritius, Gabon, Botswana, Algeria, South Africa and Egypt are all classified using World Bank data as high income with GDP/capita levels in excess of \$12,055. Thirteen African countries are listed as upper middle income with GDP/capita rates of \$3896-\$12,055; thirty-three are classified as lower-middle income with GDP/capita of \$996-3895, with four countries, Liberia, Burundi, Democratic Republic of Congo, and the Central African Republic classified as Low income. There were no figures for Somalia. <https://www.worldatlas.com/articles/the-richest-countries-in-africa.html> and <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2018-2019>.

33. <https://www.worldatlas.com/articles/the-richest-countries-in-africa.html>

potential. They also have grave implications for Africa's stability, and raise concerns in Europe about the bloc's security. While the creation of Africa's Free Trade Area (AFTA) in 2018 is a much-needed step in the right direction, building the continent's internal market, breaking down regional barriers to trade and delivering the transcontinental infrastructure required to implement the AFTA, will require significant investments of resources, and political will. In the meantime, armed conflicts, acts of terrorism, the internal displacement of large numbers of people, the effects of climate change, drought and famine, crises in the health sector in the form of Ebola and other epidemics, poor systems of governance and weak institutions, plague the continent, and place brakes and obstacles on its long-term developmental prospects.

## 4. The EU-Africa Relationship

There seems to be a positive correlation between Africa's development and aspects of European border security. A stable and more prosperous Africa is better placed to meet the needs of its growing population, and secure their livelihoods. More stable and prosperous African communities and countries will reduce the flow of Africans fleeing abroad in search of safety, security, and prospects for better lives. Somehow the current cycle of debilitating poverty, conflict and instability must be broken and prospects for growth and development enhanced.

Western European countries have played a significant role in Africa's affairs, first, as colonial powers. Today, there is a growing realization that Africa and Europe share more than just a neighborhood and history, and that their future is also linked. Developing closer relations between the AU and the EU has been a stated priority of the two sides,<sup>34</sup> as is the need, expressed more recently, to fashion a future relationship based on a more equal partnership around jointly determined interests and priorities. The EU's relationship with Africa is articulated at different levels and in various configurations, most notably, at the continental level, via the multilateral framework of the ACP,<sup>35</sup> and the Joint Africa-EU Strategy (JAES) adopted at the second EU-AU Summit of 2007, as well as through a variety of regional frameworks and bilateral relationships. The JAES seeks to promote a partnership "among equals"<sup>36</sup> and provides the road map for the future relationship.

These institutional mechanisms are complemented by a number of EU public and private sector initiatives dedicated to the relationship with Africa. These relate to development cooperation in both economic and social spheres, as well as initiatives to promote peace and stability across the continent. The Pan-Africa program provided through the EU's Development Cooperation Instrument (DCI) provides support to the JAES to the tune of €845 million over the 2014-2020 period,<sup>37</sup> and the EU and its member states provided an additional €21 billion in development aid to Africa in 2016. EU companies invested €32 billion across the continent in 2015, representing one-third of overall foreign direct investment.

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34. European Commission. International Cooperation and Development. Building partnerships for Change in Developing Countries. [https://ec.europa.eu/europeaid/regions/africa/africa-eu-continental-cooperation\\_en](https://ec.europa.eu/europeaid/regions/africa/africa-eu-continental-cooperation_en)

35. Northern African countries are not members of the ACP group, and engage with the EU in the configuration of the 21-member MENA Group which includes the Middle East.

36. Ibid.

37. ibid

The EU has also provided over €2.7 billion to the African Peace Facility since 2004, some of which was provided through the mechanism of the ACP. A total of €592 million was provided during the period 2017-2018.<sup>38</sup> In the Fall of 2017, the European External Investment Plan (EIP) was launched “as part of the EU response to the perceived migration crisis and needs to address the root causes of migration by promoting investment and job creation as a means to achieving the SDGs.”<sup>39</sup> The EIP also aims to deliver greater development impact especially to the Least Developed and Fragile States in Africa.<sup>40</sup>

The European Investment Bank (EIB) is another important mechanism in the EU toolkit of support to Africa’s development. EIB lending aims to “improve lives, create opportunities for people and businesses and support sustainable economic development in keeping with objectives framed in the EU’s Consensus for Development (2017) and Agenda 2030 and the SDGs.”<sup>41</sup> In 2017, the Bank provided €1.14 billion to the African private sector, including industrial investments in Egypt, Morocco, Tunisia and Nigeria, and credit lines to support business development through local banks in many different parts of the continent.<sup>42</sup> These funds were augmented in 2018 with new financing of €3.3 billion for private sector and infrastructure investment in twenty African countries, billed as the largest annual support offered by the Bank to Africa, in 54 years of its operations.<sup>43</sup>

Over the last few years, however, there has been a push to do more in support of Africa, with calls, within EU circles, for the appointment of a Commissioner for African Affairs to ensure policy coherence with respect of African matters when the new EU leadership assume the reins in November 2019. This renewed focus on Africa is also reflected in the EU’s Multi-Annual Financial Framework (MFF) for 2020-2027<sup>44</sup> which recommends a 23% increase in funding for Sub Saharan Africa to €32 billion, from the current €26.1 billion.<sup>45</sup> The EU’s other instruments in support of the continent are included under the African Trust Fund (ATF) as well as the ‘Junker Plan’ for Africa<sup>46</sup> (seen by some as Europe’s attempt to counter China’s growing influence in Africa), which seeks to mobilize €44 billion through mostly private sector leveraging of blended and guaranteed funding.<sup>47</sup> Northern African countries will also benefit from the EU’s Neighborhood Area Mechanism.

Though illegal migration to Europe has decreased by 80% in 2018 when compared to 2017,<sup>48</sup> the issue of migration continues to be wrapped in contentious debate at both the bloc level, as well as within individual EU Member States. As this paper is being written, stark divisions over migration continue to be exposed as the EU’s interior ministers attempt to flesh out a temporary accommodation to the resettlement of asylum seekers recently disembarked at Italy’s ports in the face of vigorous Italian resistance.<sup>49</sup>

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38. Ibid

39. Ibid.

40. <https://www.euractiv.com/section/africa/news/junker-offers-eu-africa-trade-deal-in-new-partnership-of-equals/>

41. EIB Investment Report 2017.

42. Ibid.

43. EIB. Press Release. February 11, 2019. <https://www.eib.org/en/press/all/2019-045-record-eur-3-3-billion-eib-engagement-across-africa-supports-private-sector-clean-energy-transport-and-water-investment.htm>

44. The EU’s new Multi-Annual Financial Framework will be debated and approved by the new EU Parliament in November 2019.

45. <https://www.euractiv.com/section/africa/news/for-tomorrow-eu-will-spend-more-on-border-and-migration-control-than-on-Africa>

46. In his State of the Union address of September 12, 2018, outgoing European Commission President Jean-Claude Juncker proposed a new alliance with Africa, to deepen economic relations, and create 10 million jobs over a 5-year period and a continent-to-continent free trade agreement. <https://www.google.com/amp/s/www.bbc.com/news/amp/world-africa-45496655>

47. <https://www.euractiv.com/section/africa/news/for-tomorrow-eu-will-spend-more-on-border-and-migration-control-than-on-Africa>

48. Ibid.

49. <https://www.bloomberg.com/news/articles/2019-07-21/salvini-takes-on-france-germany-as-coalition-hangs-in-balance>

Given the current sensitivities around issues of migration, it is no surprise that the new MFF proposed by the EU Commission allocates a significant increase in funding to protect the EU's external borders, of up to €30.83 billion, with increases in the allocations to border management, the European Border and Coast Guard Agency and to migration management.<sup>50</sup> This includes support to countries such as Morocco who have made requests for further emergency assistance to tackle the surge in migrant arrivals.<sup>51</sup>

For the first time, however, more EU resources are being allocated to fortifying the EU's external borders, than to development initiatives.<sup>52</sup> This is raising alarm within the development wings of the EU with advocates stressing the need to devote more resources to tackling the underlying causes of illegal migration arguing for an even greater focus on Africa's development. Advocates point to the contributing factors of conflict and instability and the added pressures of climate change, drought, famine and poverty across large swathes of the continent.<sup>53</sup> They also highlight the growing African population on the European doorstep. However, the hard line regarding migration, particularly clear in the stance of the Visegrad Group<sup>54</sup> and other member states such as Italy and Greece, combined with the rise in populist sentiment across Europe, makes a more nuanced approach to migration a particularly difficult political proposition at the moment.

## 5. Europe's Future: The Case of Shifting Demographics

Issues pertaining to Europe's security are expected to sit at the core of the EU's strategic agenda over the next five years. The EU's security with respect to the integrity of its borders combined with aspects of the bloc's economic, digital and climate security are all at the heart of initiatives designed to enhance and safeguard Europe's future.<sup>55</sup> The reality of Europe's rapid aging, however, looms large as an emerging threat to Europe's economic and social stability, and security.<sup>56</sup>

While the EU's total population is projected to increase from 511 million in 2016, to 520 million in 2070, the working age population<sup>57</sup> is projected to decrease significantly, from 333 million to 292 million within this period.<sup>58</sup> This translates into an increase in the dependency-ratio<sup>59</sup> which will rise from 29.6% in 2016, to 51:2% in 2070. Simply put, the number of workers for every person retired, will move from 3.3 to only two.<sup>60</sup>

50. <https://www.euractiv.com/section/africa/news/for-tomorrow-eu-will-spend-more-on-border-and-migration-control-than-on-Africa>

51. Ibid.

52. Ibid.

53. Ibid.

54. The Visegrad Group comprises Eastern European Countries: Poland, Czech Republic, Slovakia and Hungary.

55. Leffler, Christian. Deputy Secretary General European External Action Service. EU Commission. Discussions during the EU's Development Days 2019, ECDPM breakfast meeting, June 19, 2019.

56. Bodewig, Christian. Europe is Aging: It is High Time to Invest in Youth. Brookings Institute. July 25, 2018. Data suggests that since the 1960's, life expectancy at birth in the EU has increased by 2 years for every decade, to ages of 78 and 84 years for men and women respectively by 2016. At the current time, while the share of those aged over 65 is 20 percent, it will rise to 30% over the next 50 years as life expectancy increases to 84 and 91 for men and women respectively, over the ensuing period.

57. The working age population is classified as those between the ages 15-64.

58. European Commission. 2018 Ageing Report: Policy Challenges for Ageing Societies. May 25, 2018. <https://ec.europa.eu/info/publications/economy-finance/2018-ageing-report-economic-and-budgetary-projections-eu-member-states-2016-2070-en>

59. The dependency ratio is described as being the ratio of those over age 65 who must be supported by those in the labor force and aged 15-64.

60. European Commission. 2018 Ageing Report: Policy Challenges for Ageing Societies. May 25, 2018. <https://ec.europa.eu/info/publications/economy-finance/2018-ageing-report-economic-and-budgetary-projections-eu-member-states-2016-2070-en>

While the total contraction in the EU's labor force is projected at 9.6% over the period under review, labor force participation is expected to increase slightly, from 77.5% to 80.7% by 2070 as more women enter the workforce, and some older people continue to work,<sup>61</sup> but this will not be enough to offset the fact that there will be insufficient births to replace workers who retire. In 2017 Japan ranked first as the country with the highest percentage of population older than 65 years of age (27%), followed in quick succession by Italy, Portugal and Germany which are second, third and fourth placed, with 23%, 22% and 21% of their populations older than 65 years of age respectively.<sup>62</sup> Indeed, twenty-four of Europe's member states are on the listing of the top 25 countries with the world's largest proportions of aging population.<sup>63</sup>

Europeans today enjoy a quality of life enviable by much of the world. However, the growth in numbers of those no longer productively engaged in the work force, together with falling birth rates, raises legitimate questions about the future of the European way of life and the ability of smaller cohorts of younger generations to support future living standards. This also raises questions about future rates of productivity, economic growth and the guarantees which pension systems will offer. In this respect, Brookings raises a pertinent question regarding the ability of Europe to "age in prosperity."<sup>64</sup> Someone needs to work to pay the taxes on which social benefits are dependent and economic prosperity assured. But Europe's increasing dependency ratio will come at a high economic cost as birth rates decline, and the elderly continue to live longer demanding increases in services devoted to elderly health and care.

The extent of the problem is already manifest in different parts of Europe. A clear example lies in Eastern Germany which is said to be in the "grip of population collapse due to falling birth rates and an exodus of workers."<sup>65</sup> Studies by the Berlin Institute for Population and Development suggest that the district of Elbe-Elster in rural east Germany will lose as much as 25% of its population by 2035, and experience a decline in the working age population by as much as 40%.<sup>66</sup> Reunification of eastern and western Germany after the fall of the Berlin Wall in 1989 resulted in a movement of young workers from east to west, and a dramatic collapse in the birth rates of sending communities, resulting in populations which today are too small to engineer demographic recovery.

By 2035, a majority of Eastern Germany's 77 districts will lose at least 30% of their work force making issues around demography and economic vitality among the most difficult to contend with in the region.<sup>67</sup> Already investments are being targeted according to the viability of communities based on their demographic trends.<sup>68</sup> The political ramifications and policy responses are complex. Germany's far right party, the Alternative for Germany (AfG), has gained much of its support from rural regions such as these, where populist tendencies and anti-immigration sentiment are on the ascendency, especially so in the aftermath of the refugee crisis which resulted in many, mainly Muslim migrants, seeking new lives in Germany.

Eastern Europe, which includes a group of twenty countries straddling Europe's eastern boundaries

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61. Ibid.

62. <https://www.worldatlas.com/articles/countries-with-the-largest-aging-populations-in-the-world.html>. April 25, 2017.

63. Ibid.

64. Bodewig, Christian. Europe is Aging: It is High Time to Invest in Youth. Brookings Institute. July 25, 2018.

65. Buck, Tobias. Eastern Germany in Grip of Population Collapse. Financial Times. June 10, 2019.

66. Ibid

67. Ibid.

68. Ibid

from the Baltic Sea to the Balkans, face a situation at least as bad, with expectations of a 12% decline in their populations by 2050.<sup>69</sup> The International Monetary Fund (IMF) reports suggest that Eastern Europe's workforce may shrink by as much as 26% by 2050 as the population contracts and ages at a faster rate than the richer, western part of Europe.<sup>70</sup> This will double the retiree to worker ratio creating heavy burdens for the younger generation. Reports of the European Centre for the Development of Vocational Training (Cedefop) warn: "as the EU moves to the next decade the shrinking labor force in many Member States is likely to impede economic growth."<sup>71</sup> This reality of the lower productivity of an older, and contracting workforce, compounded by the migration of workers from eastern Europe to the west, in search of jobs, is expected to cost Eastern Europe as much as 1% of GDP per year<sup>72</sup> effectively reducing the hope of countries to catch up with the west.

The fact of this aging population raises a series of difficult policy issues at both the level of the EU, and its member states. For many of the latter, retirement and age-related pensions are already the largest items on their social security budgets.<sup>73</sup> While several approaches to this new normal are being advocated including raising the retirement age, creating incentives for retirees to go back to work, work-sharing, higher wages, education and skills re-training programs and ensuring that Europe's youth are ready to participate effectively in the labor market, these can only go so far. If Europe is not producing sufficient workers in the numbers needed to safeguard its economic productivity and social stability, these will have to come from elsewhere. Outside of specialist skills, migrants tend to move from poorer to richer countries. A system of labor-linked, managed migration, will be needed to complement internal responses to constraints within the European labor market. Such a response is enormously challenging giving the wide-ranging negative attitudes to immigration and increasing populist and nativists sentiments sweeping Europe today, making the pros and cons of such an approach one of far reaching social, economic and political dimensions.

## 5.1 The Flip Side of The Migration Coin

There is a dimension to the conversation around migration which is usually not discussed in rich countries, and this is the tendency to view the conversation solely through the lens of the receiving country. However, migration has significant effects on the sending countries, not all of which are positive. When the most able, brightest and better schooled leave a developing country in search of work, they diminish the pool of skills and leadership available at home to build a productive state. And while remittances sent home are important, they usually contribute towards consumption, as opposed to investments in productive enterprise.

When trained teachers, nurses and doctors are actively recruited from the Caribbean by UK and American interests, for example, these countries lose the significant state investments made in human resource skills and development which become unavailable as inputs into the development process at home, quite often leaving gaping deficits. Training programs which allow countries to be adequately compensated for the investments made in their people, while providing a pipeline of skills to service both export and local requirements, provide a modality which allows labor market requirements in both sending and receiving countries to be satisfied, under terms which are advantageous and fair, to

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69. Kuzmanovic, Jasmina. Aging Population to Cut East Europe Deeper Than West, IMF Says. Bloomberg. July 15, 2019.

70. Ibid.

71. Cedefop (2016). Future skill needs in Europe: critical labor force trends. Luxembourg: Publications Office. Cedefop research paper: No 59. <http://dx.doi.org/10.2801/56396>

72. Ibid

73. [Ec.europa.eu/employment\\_social/soc-prot/ageing/intro\\_en.htm](http://ec.europa.eu/employment_social/soc-prot/ageing/intro_en.htm)

both. Any long-term initiatives which aim at shoring up Europe's labor deficits, should operate on this principle of collaboration for mutual benefit, and not just contributing to the brain drain of sending countries.

## 6. An Opportunity for the Taking

Development cooperation between the EU and Africa will continue to be tailored to the priorities which each group brings to the negotiating table. At the bilateral level, countries will cooperate on the basis of their own domestic interests. Measures which support the building of Africa's internal markets, facilitate technology transfer, introduce and support initiatives relating to good governance and international standards to inspire greater investor confidence and allow businesses to flourish, are all vital. Room must also be found to expand the scope of trade as a tool of development, to assist African countries to trade out of poverty. At the current time, the EU imports as much from Switzerland as from across all of Africa.<sup>74</sup>

Opportunities exist to do much more. The European refugee crisis of 2015, though testing of Europe's capabilities on several fronts, doubled the resolve to protect its borders and focus on the matter of its own security. That event can also provide an opportunity for Europe to reflect on Africa's long-term development prospects and the fragility which underscores much of it, and explore initiatives supportive of that continent's growth and prosperity which will also support, not only the integrity of Europe's borders, but also its future economic and social security and stability. In Africa's impending demographic dividend, and the looming threat posed by Europe's aging, lie the seeds of an agenda with the possibilities to generate win-wins for both parties.

### 6.1 Africa-EU Labor Market Coordination

What might such an agenda look like? It is built on the premise that both Africa and the EU have much to gain by collaborating around initiatives which plan for, and support Africa's ability to harvest its upcoming demographic dividend in a manner supportive of both Africa's need for job creation and skilled workers, and Europe's need to augment labor force capabilities in response to imbalances in its labor market, which are expected to accelerate and deepen.

Many developed countries deploy immigration policies which cater to the entry of skilled and unskilled persons in various capacities. Within the EU, a program earmarked for Africa would be considered as part of a wider policy mix of options to address the growing labor shortage which is forecast for Europe. It will need to be informed by a solid understanding of the gaps and needs of Europe's labor market and the education and training requirements to meet the expertise and skill sets at the standards of proficiency demanded in the future. Manpower audits to model the mix of skill requirements of both continents, complemented by identification of European regions and sectors in which shortfalls are forecast, will be vital.

The Cotonou Partnership Agreement (CPA) between the EU and the ACP group in which Africa is a

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74. Africa is the EU's fourth largest trading partner, after the USA, China and Switzerland. <https://ec.europa.eu/Eurostat/web/products-eurostatOnews/-/EDN-20171129-1?inheritRedirect=true>.

major actor, identifies a role for the private sector which has never been successfully implemented. With negotiations underway with respects of a successor treaty, this is an opportune moment to bring the private sector of both continents together around an exercise to map the future skills and expertise required in both continents, and pending shortfalls in Europe. The private sector can engage in joint action and actively participate in the establishment and management of training hubs and centers in Africa supported by both private and public, EU and African funding.

Training hubs can be modelled against prototypes of the Technical and Vocational Education and Training (TVET) systems perfected in Germany.

In Europe, demand for labor is expected to outstrip supply in several sectors, including those related to tourism and hospitality, nursing and elderly care. Training centers to cater to those and other sectors can be established to supply a steady pipeline of workers for the European as well as African markets. Curricula in specially earmarked schools and centers of higher learning in Africa can be harmonized with those of Europe to expedite processes of standards and accreditation, and include language training to facilitate ease of entry into the European job market. European schools could establish satellite operations in Africa which would assist in raising education standards, enhance choices in the education sector while also introducing EU standards of proficiency and certification.

## 7. An Agenda for Joint Gains

The benefits for both continents of an EU-African collaboration around the matter of human resource development and managed migration, based around labor market requirements,<sup>75</sup> would be significant. In Africa, training in both basic and critical skills would be developed at a faster rate; the removal of surplus labor from areas of high supply in Africa, to regions and sectors of high demand in Europe, would raise wages for those left behind, as greater equilibrium is reached between supply and demand in the labor market. Africans moving to Europe legally, would have prospects of good work and decent pay. As skills in Africa improve, the continent would attract outsourcing enterprises not just from Europe, but elsewhere, while also having access to a pool of skilled labor available for its own endogenously driven development.

Europe's investments in the development of human resources in Africa and the establishment of training centers would provide one element in the menu of policy options with which to tackle deficits in the labor force, and contribute to guaranteeing Europe's high-value productivity and competitiveness, and its economic and social stability. Importantly, the CPA has long identified the business sector as the engine of economic growth, but businesses in both Africa and Europe have felt peripheral to its implementation.<sup>76</sup> They see no reason to believe that the status quo will change under a successor treaty. But there is room for improvement. This proposal envisages engagement of the private sector in both Africa and Europe in the future relationship, in a meaningful and constructive way. EU funding, coupled with private sector investments would support the development of human resources in Africa - the continent's biggest asset, while addressing the gap in the labor market predicted for Europe.

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75. The author is not advocating that the only basis for immigration from Africa to the EU should be that based on labor market requirements.

76. Siddharth Chattenjce, John Dramani Mahana. Promise or Peril? Africa's 830 million young people by 2050. UNDP in Africa. August 12, 2017. Cited in Ishmael, Len. Africa-EU Relations Post Cotonou. Carving Space for the Business Sector. Konrad Adenauer Stiftung. March 2019. In Publication.

The author acknowledges that the current mood in Europe is one which makes it a difficult moment to consider far-reaching discussions on migration. It would be naïve to think otherwise. The current waves of antipathy which exists around the subject, and the fact of racism, are readily evident. But Europe will need to engage its citizens in honest debate and introspection with respect of its future. If it is to retain the quality of life which its citizens have enjoyed and continue to expect and demand, migration into Europe will, of necessity, find a place on the menu of options available. Outside of highly specialist skills, it is unlikely that significant numbers of immigrants will move to Europe from other rich countries. That leaves the option of closing the labor shortfall with immigration from the developing world – including Africa.

In the new EU-Africa relationship currently being negotiated under the ACP-EU framework, Africa should not allow the EU to cherry pick the options for cooperation which neatly fit only Europe's needs. Europe has long had a complicated relationship with Africa. It has benefited by harvesting the spoils of colonialism, and today exploits the geographic proximity which renders ease of mineral and ore extraction and market and investment penetration - all countered by a desire to curb the potential for illegal migration from Africa and elsewhere.

Africa, on the other hand, is already hard pressed to create jobs for all of the young people entering the labor market annually. EU public and private sector support in skills development combined with the option of a managed outlet for labor, while ensuring that the continent retains sufficient skills for its own development, will provide vital social and economic safety valves. By 2030, the average age in Europe will be 44 years, more than double that of Sub-Saharan Africa with its average age of 21 years.<sup>77</sup> If a structured approach to harnessing the energies of the new entrants to the labor force is not seized, the numbers of those trying to flee Africa will increase dramatically, and Europe's borders will once again be under siege.

On September 12, 2018, European Commission President Jean-Claude Juncker spoke of an EU-Africa Trade Agreement as a "partnership of equals," and Africa and Europe as "twin continents,"<sup>78</sup> noting: "Africa does not need charity, it needs true and fair partnerships. And Europe needs this partnership just as much." He dismissed the model of donor-recipient relations as "a thing of the past."<sup>79</sup> The proposal presented here provides an opportunity to remove the long-standing asymmetry in the relationship between Africa and Europe in search of one based on real partnership, dignity, respect and mutual gain. "Without immigrants to replenish its ranks, pay taxes and work, Europe runs the risk of dying off."<sup>80</sup> The stakes, indeed, are high.

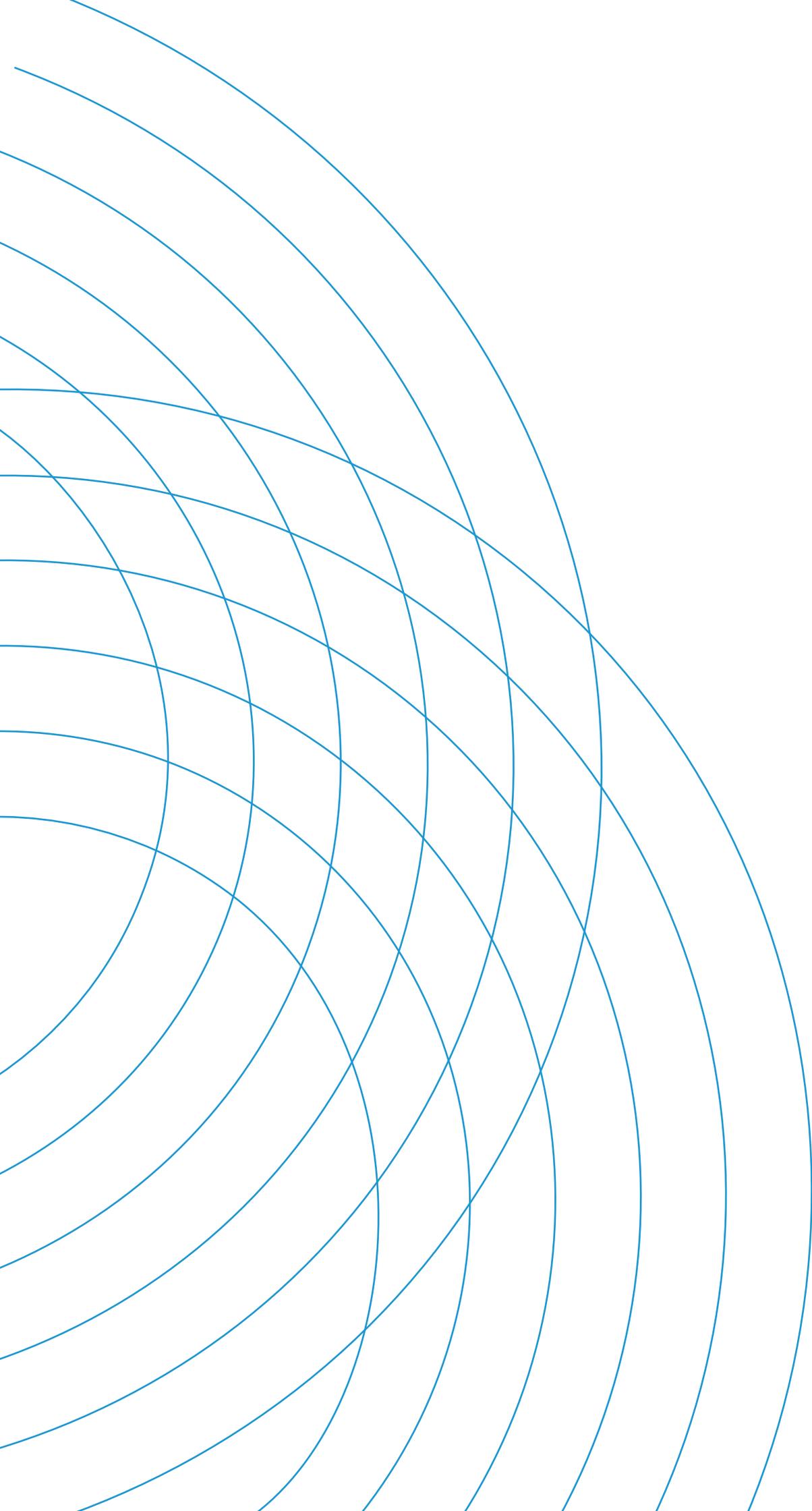
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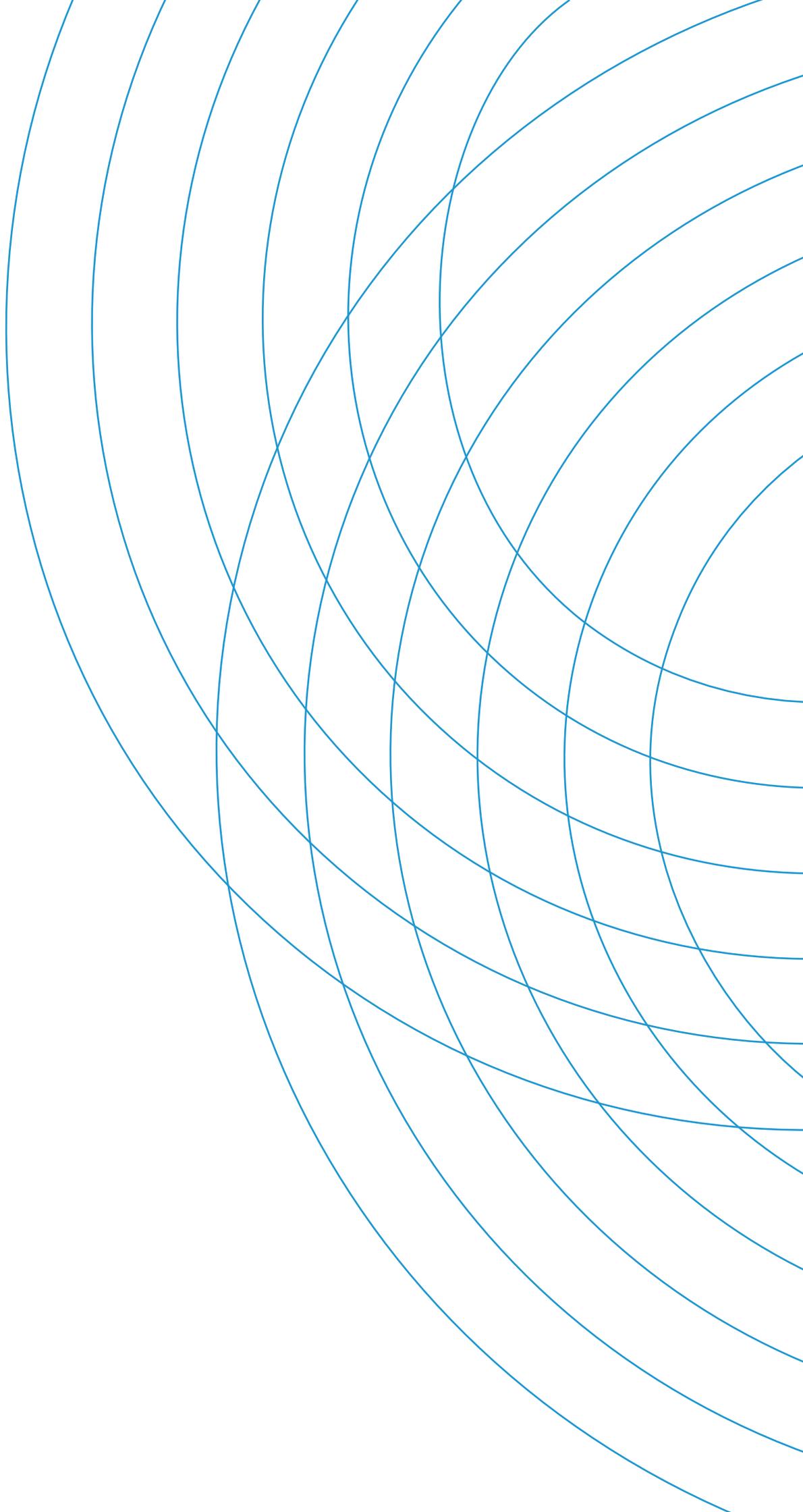
77. ESPAS. Global trends to 2030: Can the EU meet the Challenges ahead? 2015. <https://ec.europa.eu/epsc/sites/epsc/files/espas-report-2015>.

78. <https://www.euractiv.com/section/africa/news/junker-offers-eu-africa-trade-deal-in-new-partnership-of-equals/>

79. Ibid

80. Chrysoloros, Nikos. European Union Needs Immigration or it will Age and Die Off. Bloomberg. March 13, 2019 [https://www.bloomberg.com/news/articles/2019-03-13/european-union-needs-immigration-or-it-will-age-die-off-chart?cmpid=BBDO72219\\_BRUS&utm\\_medium=email&utm\\_source=newsletter&utm\\_term=190722&utm\\_campaign=brussels](https://www.bloomberg.com/news/articles/2019-03-13/european-union-needs-immigration-or-it-will-age-die-off-chart?cmpid=BBDO72219_BRUS&utm_medium=email&utm_source=newsletter&utm_term=190722&utm_campaign=brussels)







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