Institute of European Right

COMMENTARY

Navigating Demographic Shifts: Migration, Borders, and the European Workforce

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A memo based on the roundtable organised by the Institute of European Rights titled “Navigating Demographic Shifts: Migration, Borders, and the European Workforce.” The event convened policymakers, migration experts, and industry leaders to explore strategies for developing a sound approach to migration while fostering economic growth and social well-being. This memo is based on the key insights and recommendations presented during the event, with Chatham House rules in place.

Introduction

Europe’s demographic landscape is undergoing a profound transformation. Falling birth rates and rising longevity have led to ageing societies, with fewer young people entering the workforce and more older individuals retiring. This trend is especially pronounced in countries like Lithuania, which, since regaining independence in 1990, has seen its population decline by over 820,000 people due to a combination of low fertility and large-scale emigration. As of 2024, Lithuania’s population stands at 2.9 million. Similar patterns of demographic decline are observed across much of Central, Eastern, and Southern Europe. The EU’ s official statistics agency, Eurostat, projects that by 2050 the working-age population will shrink significantly and old-age dependency will nearly double, meaning there will be fewer than two working- age persons for every person aged 65 or older. Such shifts portend profound implications for Europe’s economy and its social contract.

At the same time, Europe finds itself grappling with contentious debates over migration and borders. Immigration—both from within the EU (free movement) and from third countries—has become a flashpoint in politics, often pitting economic needs against cultural challenges. On one hand, many businesses and policymakers acknowledge that migration is needed to offset workforce shortages and support the tax base as societies age. On the other hand, public concerns about jobs, wages, security, and cultural identity have fueled the rise of anti-immigration sentiment in various member states. The intersection of these issues—demographic decline and migration policy—lies at the heart of this paper.

Lithuania offers a microcosm of the broader European challenge. Historically, a country of emigration, it is now cautiously turning to immigration to replenish its workforce. The government and society are debating how to attract and integrate foreign talent, from high-skilled professionals to truck drivers, without disrupting social cohesion. These debates echo across Europe: How can countries maintain their economic dynamism amid population decline? Can immigration be managed in a way that is beneficial, sustainable, and publicly acceptable? What governance frameworks are needed at the national and EU levels to support this endeavour?

1. The Demographic Imperative

Europe’s demographic trajectory is clear and sobering: populations are ageing and, in many cases, shrinking. Fertility rates in most European countries have long been below the replacement level of ~2.1 children per woman, resulting in small, younger cohorts. Meanwhile, improved healthcare and

longevity mean more people are living into their 80s and 90s. Together, these trends increase the proportion of the elderly while the share of working-age adults declines.

The economic implications of these demographic shifts are far-reaching. A shrinking labour force can lead to slower economic growth and productivity, as fewer workers are available to drive industries and innovation. At the same time, an ageing populace pushes pension systems and healthcare services to the brink, with relatively fewer contributors supporting more beneficiaries. While not all nations face population decline (some Western European countries maintain replacement-level migration and slightly higher fertility), nearly every country faces rapid ageing. By 2050, people aged 55 and above will make up over 45% of the population in Lithuania, Portugal, Greece, and Latvia, among others, effectively meaning that almost half the population will be at late working age or retired.

Crucially, immigration has emerged as a key lever for mitigating these trends. In recent years, net migration has become the primary source of population growth or a slowdown in decline in many EU countries. Migrants tend to be younger on average, often in their prime working years, thus bolstering the workforce and contributing to fertility, as migrants may have children in the host country. However, migration alone cannot fully reverse ageing; it can only delay and soften the impact of demographic decline. As experts caution, the scale of immigration needed to offset ageing completely would be extensive and is neither politically nor logistically feasible. Migration should therefore be viewed as part of a broader strategy, alongside policies to encourage higher labour force participation (such as engaging more women and seniors in the workforce), reforms in retirement and pension systems, and incentives for higher birth rates.

For Lithuania and similar countries, the demographic imperative is acute. Massive emigration over the past three decades – driven by EU free movement, higher wages abroad, and historical ties – has hollowed out the working-age population. Rural areas, in particular, have been experiencing depopulation as young people move to cities or go abroad. The country's total fertility rate remains around 1.5 children per woman, which is well below replacement, resulting in a negative natural increase. This situation leaves immigration as a key policy option for filling jobs and sustaining communities. Indeed, there is growing recognition among Lithuanian policymakers that attracting foreign workers may be necessary to support economic growth and fund the pension system in the coming decades.

2. Rethinking Migration Policy

To address the demographic imperative, European countries must rethink their migration policies and narratives. Traditionally, migration has often been managed in a reactive or securitised manner, focusing on border control, asylum crises, and short-term political pressures. In recent years, governments have toughened asylum rules and external border enforcement, partly in response to public concerns about uncontrolled inflows. The mainstream political calculus has been that by appearing tough on irregular migration, leaders can gain public consent for the regular immigration that economies need. For example, proposals in the EU's New Pact on Migration and Asylum emphasise fast asylum processing and returns, hoping to prevent a repeat of the 2015 migrant crisis

scenario. The EU has also struck deals with neighbouring countries, such as Turkey in 2016, to act as gatekeepers, effectively outsourcing border management. As one expert noted, Europe is "basically paying [third countries] to act as live borders" – a "shaky balance" that has to be maintained lest migration pressures worsen. Indeed, the EU-Turkey agreement, while imperfect, succeeded in sharply reducing irregular crossings into Greece and is considered untouchable from Greece's perspective, since even a flawed cooperation is better than none.

Emphasis on defensive measures is prudent, though, at the same time, Europe needs a proactive strategy that harnesses migration for demographic and economic benefits. This means expanding and promoting legal pathways for targeted immigration, especially for work and skills, in a controlled and targeted manner. Some progress has been made (for instance, the EU Blue Card scheme for high-skilled workers, and bilateral labour agreements for seasonal workers). Still, these channels remain underutilised relative to Europe's needs. Labour migration policy should be evidence-based, identifying sectors experiencing worker shortages (e.g. healthcare, agriculture, logistics, tech) and aligning visa quotas or recruitment programs accordingly. Several European countries are already facing acute shortages of nurses, caregivers, engineers, and IT specialists due to ageing and emigration. Opening doors to foreign professionals in these fields can fill immediate gaps.

Another element of rethinking policy is broadening the geographic scope of recruitment. Many EU countries have traditionally drawn migrants from specific regions, such as North Africa and the Middle East for Southern Europe, Latin America for Spain and Portugal, South Asia for the UK, and Central Asia for Eastern Europe, among others. Given the competitive global market for talent and labour, countries like Lithuania are exploring new source regions. For example, migrants from countries like Venezuela, Colombia, or Argentina could fill jobs and settle. While innovative, this approach faces practical challenges. Migrants will compare opportunities across destinations: why would a Latin American choose Lithuania over Spain or Germany, which offer larger established diaspora communities, higher salaries, and milder climates? Lithuania lacks obvious competitive advantages to attract significant numbers from those distant regions. This underscores that policy must be realistic about incentives: it's not only what Lithuania (or any country) wants, but what prospective migrants want and decide.

In rethinking policy, addressing economic anxieties and local pushback is vital. A common refrain in countries like Lithuania, when officials argue for more foreign workers, is "Why not just pay our people better so they don't leave, and so those abroad come back?". Indeed, Eastern European economies have seen millions of their citizens emigrate to higher-wage countries; telling the public that they "need" immigrants can ring hollow if domestic wages and working conditions remain poor. Policymakers must therefore pair migration strategies with efforts to improve job quality and retain local talent, to avoid the perception that employers are simply importing cheap labour. It should be emphasised that immigration is intended to complement, not undercut, the domestic workforce.

3. Labour Market Integration: Beyond Numbers

Opening the door to more immigrants is only the first step — how well immigrants integrate into the labour market and the society itself is even more important. Migration can help address workforce decline only if migrants take needed jobs and contribute productively. Simply counting increases in the working-age population is not enough – policymakers must look "beyond the numbers' to ensure that migrants' skills are effectively utilised and that they become active participants in the economy.

One key consideration is the employment rate of immigrants. In several European countries, a significant gap exists between the employment levels of native-born citizens and those of foreign-born residents. Barriers such as language, non-recognition of qualifications, or discrimination can leave many immigrants underemployed or unemployed. As economist Alan Manning notes, "For immigration to help, it's got to be that immigrants are actually in work". If migrants arrive but remain jobless or work far below their skill level, the demographic benefit is wasted, and social strains emerge. Europe has learned this lesson in the past – for instance, the "guest worker" era of the 1960s and 1970s brought millions of workers who often ended up in low-skilled jobs, and whose children then faced integration difficulties. To avoid repeating such patterns, today's migration strategies must be accompanied by robust integration services. These include language classes, perhaps even classes about the cultural and societal customs of the country, vocational training, mentorship programs, and assistance with credential recognition. That would help an engineer from abroad to become licensed in the host country or for a nurse to quickly meet local certification requirements. Some EU initiatives, like the European Qualifications Framework and various pilot programs, aim to streamline these processes, but implementation on the ground is uneven.

A positive example can be seen in the healthcare sector. Many EU countries, facing a shortage of doctors and nurses, have actively recruited medical professionals from abroad, such as Filipino nurses in the UK and Ireland, or North African doctors in France. Immigrant healthcare workers now form the backbone of hospitals and elder care facilities across Europe. The critical factor is that these workers are allowed and able to practice their profession. In countries where bureaucratic hurdles are high (e.g., requiring lengthy re-training or exams without support), skilled migrants may end up driving taxis or working in lower-skilled jobs – a waste of talent. Conversely, countries that have adapted their integration policies (offering intensive language-for-specific-purpose courses, bridging programs, supervised practice opportunities) reap the rewards of having highly skilled migrants fill urgent vacancies.

In Lithuania's context, labour market integration is a relatively new challenge, as significant immigration is a recent phenomenon. The country has seen an influx of people from Ukraine (mostly war refugees), Belarus, and, rather recently, from Central Asian states. Employers have been able to hire Ukrainian or Belarusian technicians, drivers, or IT specialists with minimal communication barriers. However, questions arise: relying on one language (Russian) is a vulnerability, especially

given geopolitical tensions (e.g., concerns about loyalties to the Minsk regime or Russia's or Belarus' influence). For medium to longer- term integration, these migrants will need to learn Lithuanian to advance in their careers and fully participate in society.

Another aspect of "beyond numbers" is monitoring and preventing labour market abuses. If thousands of work permits are issued, authorities should ensure that permit-holders are indeed working in the sectors and under the conditions intended. An example from Lithuania highlighted a lapse: a check revealed that between 3,000 and 6,000 people from Central Asia who had received work permits were not paying any taxes for months, suggesting they either left the country, were working informally, or were potentially involved in illicit activities. Such gaps point to administrative shortcomings – perhaps a lack of coordination between migration, tax, and labour inspectorate databases. Strengthening the inter-agency data system (for instance, by linking entry/exit records with tax IDS and social security) would allow for early flagging of discrepancies. By doing so, governments can crack down on any unscrupulous intermediaries who exploit work visa schemes, and also address public safety concerns. Moreover, maintaining good data on immigrant employment helps evaluate whether migration programs are meeting their goals (e.g., are the truck drivers who were hired by Lithuanian companies still working there, or have they gone somewhere else?). Transparency and accountability in these programs build credibility, showing the public that migration is managed.

4. Social and Cultural Cohesion

Immigration and demographic change are not just about economics and numbers; it has profound social and cultural dimensions. The arrival of new people – often with different ethnic, religious, or linguistic backgrounds – can spark public anxieties about identity, community, and security. Successful policy, therefore, must ensure that social cohesion is maintained and strengthened. People's feelings of safety and cultural comfort are fundamental political factors, even if not always grounded in statistical reality. Policymakers must take these perceptions seriously: ignoring them can fuel backlash and empower extremist voices.

Language and cultural orientation are pivotal. Providingaccessible language courses for immigrants is a key tool for integration. It enables newcomers to communicate with neighbours and colleagues, understand local customs, and feel part of the society. Conversely, if language barriers persist, it can lead to isolation. Lithuania has begun offering free Lithuanian language classes to Ukrainian war refugees, recognising that those who stay will integrate faster with language proficiency.

Security and trust represent another facet of social cohesion. It is not uncommon for people to conflate immigration with insecurity, despite data often showing no direct link. Addressing this requires both responsive policing and public reassurance. Oversecuritizing the issue can stigmatise communities. A balanced approach is needed: community policing that builds relationships with migrant communities can improve safety for everyone. Policymakers should acknowledge public concerns without endorsing them, by clearly communicating that they understand safety issues and are making sure all newcomers are properly vetted and employed, not loitering.

In societies with existing ethnic or geopolitical sensitivities, cohesion can be extra delicate. There are Russian-speaking minorities in the Baltic states, some of whom expressed loyalty to Russia (even praising Putin) despite living in EU/NATO countries. This is a reminder that integration is a long-term, multi- generational process, and that national security concerns can intertwine with integration. It is no surprise that a country like Lithuania prioritises national security concerns. Screening and orientation can mitigate risks. For Lithuania, ensuring that immigrants from Belarus who fled a regime do not import authoritarian sympathies or back Russian imperialism is a task for both the government and NGOS working on civic integration.

5. Governance, Institutions, and Public Sector Capacity

In many European countries, migration management spans multiple agencies, including ministries of the interior (borders and visas), labour (work permits and employment rights), social affairs (integration programs), education (language and schools), and local governments (housing and community services). Ensuring these actors work in concert is a major governance challenge.

One fundamental requirement is efficient administrative processing for migrants. Lengthy, opaque bureaucratic procedures for obtaining visas, residence permits can undermine policy goals. If an IT specialist from abroad has to wait a year for paperwork, they might choose another destination. Streamlining these processes – through digitisation, clear guidelines, and adequate staffing – is essential. However, success also depends on post-entry support. As noted earlier, monitoring of migrants' employment is patchy in places; this is partly a governance issue. In the Lithuanian case, where thousands with work permits disappeared from tax records, it appears no single agency was accountable for follow-up. Clarifying institutional mandates (e.g., requiring the labour inspectorate to verify that companies employ the permit holders they sponsor on a regular basis) can close such gaps. Investing in an integrated data infrastructure that connects immigration databases with tax, social security, and criminal justice systems would enable better oversight and evidence-based adjustments to policy.

Public sector capacity is also tested during migration surges or crises. The 2015 refugee crisis exposed how unevenly prepared EU countries were – frontline states like Greece and Italy were overwhelmed at entry points, while destination countries like Germany had to scramble to scale up reception centres and processing for hundreds of thousands of asylum claims. In 2021, Lithuania and Poland faced a smaller- scale but stressful situation when Belarus's regime organised a hybrid attack and facilitated migrant crossings. In both cases, having contingency plans, trained personnel, and support from EU agencies, such as Frontex or the European Asylum Support Office, proved crucial. Building resilience into institutions means planning for different scenarios, such as a sudden influx, a need to evacuate and resettle people, or unexpected secondary movements. The EU has been moving toward more collective preparedness, but national systems remain the first line of response.

At the EU institutional level, there is also room for improvement. Agencies like Frontex (the European Border and Coast Guard Agency) have expanded but also faced criticisms over accountability and effectiveness. Notably, Frontex is headquartered in Warsaw – a choice made when

eastern land borders were expected to be the primary concern, yet the migration pressure shifted to the Mediterranean. The EU has since bolstered operations in the Central and Western Mediterranean with joint efforts. Going forward, the EU might consider a more integrated migration and asylum agency that can dynamically allocate resources, such as support teams or return specialists, where needed, much like EU Civil Protection mechanisms deploy in disasters. Additionally, common databases such as Eurodac (for asylum fingerprints) and ECRIS (criminal records) help with coordination, but expanding information could improve security screening and prevent individuals from exploiting loopholes by moving between states.

Recommendations

Below are key recommendations that emerge from the analysis, aimed at policymakers in Lithuania, similar member states, and EU institutions. These recommendations seek to balance economic needs with public concerns, and national actions with European cooperation:

1. Develop and Communicate a Demographic Strategy:

Governments should craft a clear strategy that links demographic objectives, such as stabilising the working-age population, with policy tools like prudent migration, family policy, and labour market reforms. This strategy must be communicated transparently to the public. For example, Lithuania could publish targets for the number of workers needed in key sectors by 2030 and how it plans to meet them through training locals, encouraging returnees, and recruiting foreign talent. By framing immigration as part of a solution to a well-defined problem (ageing and workforce gaps), the public discourse can be shifted from reactive to proactive. It is crucial to explain the numbers in simple terms, for example: “In five years, 100,000 Lithuanians will retire, but only 70,000 young people will enter the labour market; we need to make up for this difference.”

2. Strengthen Legal Migration Pathways and Talent Attraction:

Expand and streamline the pathways for immigrants who meet labour market needs to come to the country legally. This includes revising visa regimes to be more agile and targeted, for example, creating fast-track permits for occupations in short supply and reducing red tape for employers hiring from abroad. Talent attraction should not be limited to high-skilled tech workers; mid-skilled trades (such as plumbers and electricians), healthcare staff, and labourers should also have facilitated pathways if shortages exist. Lithuania might establish recruitment agreements in countries that have a surplus of such workers, possibly via EU-supported frameworks. Tools like this can expand the pool of potential migrants beyond irregular routes and ensure Europe attracts a fair share of global talent in the coming decades.

3. Invest in Integration Programs and Local Capacity:

Governments should allocate robust resources to integration services – language and culture courses, orientation classes, job placement assistance, and community integration projects. Given that integration happens locally, channel funds to municipalities and NGOs who can implement

programs on the ground. Measuring integration outcomes, such as employment rates, language acquisition, and school performance of immigrant children, will help adjust programs for better results. The EU can support this by sharing some of the best practices via the European Integration Network. The overarching principle is to enable immigrants to become self-sufficient, contributing members of society as quickly as possible.

4. Address Public Concerns and Shape the Narrative:

Governments should acknowledge concerns about national security and cultural change. Officials shouldn't dismiss worries about crime as ignorant; instead, they should demonstrate the steps being taken to keep communities safe, such as rigorous vetting of immigrants, ensuring they have jobs, and implementing effective policing strategies for any trouble spots. Emphasise that some immigration is a national necessity that can be addressed sustainably and safely.

5. Enhance Governance and Coordination:

Refine the institutional setup to manage migration smartly. One recommendation is to create a high-level Demographic and Migration Task Force or Commission that brings together different ministries, such as labour, interior, and social policy, to ensure a holistic approach. Upgrading IT systems to track migration data in real-time and share information across agencies will enable the quick identification of issues, such as detecting unused work permits or any rise in irregular stays. On the EU front, push for the completion of the Common European Asylum System reforms, so that responsibilities are shared and no country is left alone during influxes. Also, consider EU-wide programs for labour migration that would reduce irregular migration.

6. Safeguard Social Cohesion and Security:

Implement policies that ensure migration does not compromise safety or social harmony. Vet immigrants appropriately (background checks, security screenings) to alleviate public fear of importing crime or extremism. Simultaneously, crack down on any exploitation or criminal networks (like traffickers or unscrupulous employers) that only harm migrants. Increase support for local law enforcement in areas experiencing rapid immigrant influxes. Where there are historical political, cultural and ethnic tensions (like those involving Russian-speaking minorities in the Baltic states), invest in outreach and integration for those communities too, to prevent any sense of alienation that migrants could aggravate.

Institute of European Right

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