

1. Executive Summary

As far back as 2001, the **Círculo** proposed arguments and ideas for reflection on immigration¹. Since then, the phenomenon has taken on enormous economic, political and social importance, prompting us to expand on that proposal in order to consider the events of the past five years, the combined experience of other nations and the perspectives for the future.

Immigration has injected dynamism into the Spanish economy, and we have benefited from this in several ways: population growth, the creation of jobs, sustained real growth, a surplus in the Social Security system, etc. This phenomenon has also contributed to substantial changes in Spanish society in a relatively short period: Spain is now a country with a degree of diversity hitherto unknown, with all of the positive and negative consequences that this entails.

In coming years, immigration-related policies will continue to face major challenges, as migratory pressure is not going to let up. One need only point out the flows that will automatically and inevitably be generated through family reunification, or as a result of the European Union's new expansion. Added to these channels is the constant pressure of potential illegal immigration, intensified in the case of Spain by its geographic situation and the characteristics of its economy.

There are two **specific conditioning factors in Spain**. Firstly, the **rate at which the immigrant population has entered the country**, much faster than in other countries in the same milieu, has very quickly changed the social reality and the perception that Spaniards have of this occurrence, given the very short time they have had to adapt to this new situation. This fast pace has made it difficult to generate reliable statistics—a lack that should be urgently remedied. Secondly, **the immigrant population as a whole is exposed to the risk of a possible cycle change**, as the

¹ See the document published in that year by this institution: "The immigration phenomenon: Contribution to a debate" (Círculo de Empresarios, 2001).

strong growth in immigrant employment has mostly been concentrated in construction and certain services, all very cyclical sectors.

Indeed, these increased immigration flows **have taken place under an economic model that cannot be sustained indefinitely** and that will encounter increasing difficulties in maintaining its capacity to absorb new immigrants (and to fully integrate those who are already living in Spain). To a certain degree, immigration can be said to have extended the life of a competitive model that must evolve towards a more modern one. If this modernization does not take place, then during the downward phase of the cycle, immigration might go from being a partial remedy to an aggravating circumstance for some of the latent problems that already exist in our economy.

Therefore, **the urgent need to undertake the structural reforms** that the Círculo de Empresarios has been advocating for some time now **must be emphasized**. A more dynamic, flexible and competitive economy can generate prosperity for all, both immigrants and the Spanish population. Adopting the reforms that the Spanish economy needs in order to be more competitive would reduce the pressure immigration policy will face in a not-so-distant future.

Naturally, the immigration policies themselves can and should contribute to this. International evidence shows that **the economic consequences of immigration tend to be positive, especially if the entry and integration of immigrant workers in the medium term is managed through a model coherent with the needs and capacities of the receiving society**. Immigration policy must regulate the incoming flow of immigrants and facilitate their integration by adopting a vision that is **realistic**—the difficulties must be acknowledged, as Spain, the same as any other country, can only take in a limited number of immigrants—but **forward-looking**, in that it should aim to contribute to creating a scenario of true prosperity for all.

While **recognizing both the right to emigrate and the personal and social drama that immigration often entails**, but acknowledging the conditioning factors mentioned above, it seems clear that **immigration policy must seek to balance three elements that are not easy to reconcile: openness, control and integration**. Openness, so that immigrants whose work and talents will promote the sustained growth of the economy can arrive in Spain; control and firmness, so that immigration is an orderly process, in which neither illegality nor irregularity are permitted; and

finally, integration, so that social cohesion in which all citizens can participate, both Spaniards and immigrants, is achieved. **Balancing these three elements will result in a more prosperous and cohesive society.**

In order to achieve this three-fold aim, immigration policy must deal with two major fronts: **managing immigrants who are already in the country**, promoting their integration into society and the economy, and **managing future immigration flows**, i.e., number, origin, education/training, etc. Both of these aspects are heavily conditioned by **illegal immigration**. This must all be achieved while taking into account the considerations that arise from Spain's membership in the European Union and the Schengen group.

In light of **international experience**, including a large **dose of realism** (there is no one perfect formula in any country in the world), a **combined model for achieving the right blend of openness and control** is proposed. This model would combine mechanisms to effectively attract skilled immigrants with others that would make it possible to better manage the entry of less skilled immigrants, discouraging illegal entry.

Attracting skilled immigrants is very important for the Spanish economy, which needs a change in model that would strengthen the development of sectors with higher added value (and which can take over from construction and certain services as drivers of growth). To this end, a variety of measures can be taken, such as **making the administrative procedures** for hiring this type of immigrants more flexible (in a way similar to the points system used in several Anglo-Saxon countries) or introducing systems that give them **access to universities** (as professors or researchers).

In the case of **unskilled immigrants**, it seems evident that the actual figures far exceed the quotas established. Thus, it would be advisable to **improve the management** of this immigration and make **special efforts in the coordination and internal control of temporary workers**.

More flexible systems for hiring immigrants before they arrive in Spain, together with internal control mechanisms, greater pursuit of those involved in the underground economy and specific repatriation measures, are ways to help deal with one of today's most complex challenges: **illegal immigration**.

In addition to openness and control through the management of immigrant flows, immigration policy **should aim to integrate those who are already living in Spain**. In other words, this policy must go beyond the initial stages of immigration into the next phase. Related to the need for these policies to mature is the acknowledgment of the multi-dimensional nature of immigration, which should lead to the creation of a single structure to coordinate the different immigration-related responsibilities that are currently so dispersed.

In general terms, it seems evident that the difficulties that the immigration policy will have to face in coming years will not decrease compared to those of the past. However, they will be different, with special emphasis on the importance of and need for successfully integrating the people who arrive in Spain so that immigration will not be perceived as something negative and dangerous, because we are quickly **advancing towards a multicultural society whose stability will depend on our ability to live together in harmony**. Therefore, every effort must be made in the areas of education (to improve the integration of the second generation) and training (to increase the adaptability of those who are already working and might be affected by a cycle change). Along these same lines, education must become the primary tool for overcoming one of the most persistent difficulties in achieving true social integration: the stereotypes and prejudices by which both Spaniards and immigrants judge each other.