

## MIGRATION: CHALLENGE OR OPPORTUNITY?

Welcome Address by

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Ladies and Gentlemen,

I am pleased to welcome you to the 15th Munich Economic Summit on behalf of the City of Munich. We are proud that Munich regularly serves as the venue for this conference that has become an important forum for exchange between science, the industry and politics regarding key issues of economic development in Europe and the world. I would like to use this opportunity to thank the organizers of the Munich Economic Summit – the BMW Foundation Herbert Quandt and CESifo.

‘Migration: Challenge or Opportunity?’ is the title of the 15th Munich Economic Summit. Hearing this, I still have the images of Munich Main Station in mind, the refugees arriving and the volunteers welcoming them. The solidarity and helpfulness of Munich residents, showed on this occasion, attracted worldwide attention. Since then, many things have changed in the assessment and in the social perception. In the fall of 2015, the protection of refugees was still the most important task taking centre stage, but the public and political discussion of recent months has slightly changed.

Different levels get time and again mixed up in the political and social debate – whether voluntarily or involuntarily – and blend, even though a clear distinction would be necessary here: I mean the blending of humanitarian asylum policy and qualified immigration policy. Regarding the first point, Germany committed itself within the framework of its Basic Law and by having acceded to the Geneva Convention relating to the Status of Refugees. The second point, a qualified immigration policy, is demographically necessary in Germany, economically advisable and is already – to a lesser or greater degree of success – practiced. Particularly economically successful locations such as

Munich need immigration. I would like to prove this based on several developments in Munich.

*Munich is an international city.*

The Bavarian state capital is one of the large German cities with the highest proportion of foreign nationals. Last year alone, the number of foreign Munich-residents rose by around 26,000 – rising to 27.6 percent of the population. The proportion of people with a migration background is now 41 percent. In total, people from 180 countries live here. They make Munich a city characterized by diversity and tolerance. The well-known saying ‘Weltstadt mit Herz’ (Global City with Heart) becomes increasingly true also in terms of ‘global’ city.

*Munich is a growing city.*

Munich’s population is growing significantly. On the one hand, this is due to migration from within Germany and from abroad, and on the other hand, due to a birth surplus. The birth surplus is directly linked to migration, because particularly young people come to Munich and start a family here. In May 2015 Munich’s population exceeded the 1.5 million mark. In 2018 already 1.6 million people will live in Munich and the population will likely rise to 1.7 million by 2028. Newly added last year, was the large number of migrants due to humanitarian reasons. In Munich, at the beginning of 2016, more than 9,000 asylum-seekers were housed in accommodation. In addition, there are unaccompanied minor refugees as well as more than 10,000 recognized refugees and tolerated persons. In total, currently around 25,000 refugees live in the city. Presently, the Munich-based refugees come predominantly from Syria, Eritrea, Nigeria and Afghanistan.

*Munich provides jobs.*

But for this growing population there is also an increasing number of jobs available. This is the result of the current gainful employment forecast for Munich and the region. For the City of Munich, an increase of the number of employed people of 17.5 percent is expected by the end of the forecast horizon in 2030. This corresponds to 180,000 additional people in gainful employment. In this regard, particularly well-educat-



ed workers are in demand on the labour market. On the one hand, these are of course university graduates. But additionally, especially skilled workers with a completed apprenticeship are needed. Especially for this group of skilled workers a high demand is expected on the labour market. Should it not be possible to meet this demand, then this can become a decelerating bottleneck factor for companies.

Munich is an attractive location for companies and therefore also for workers. Compared to today, in the future, the Munich economy will be even more dependent on migration of skilled workers from within Germany and from abroad. In order to activate the potential associated with migration, the City of Munich has started diverse initiatives, measures and projects. Already many years ago, Munich has created a Foreign Qualifications Advisory and Support Service and established a Service Center for International Professionals in the Foreigners Office. Additionally, there are numerous other initiatives and advisory and support services by the Free State of Bavaria, the universities and the chambers.

These are predominantly initiatives that are based on the qualifications the migrants already possess from their countries of origin. However, especially regarding the currently increasing number of migrants due to humanitarian reasons – refugees – the qualifications they already possess differ greatly. Therefore, I am of course not that naive to believe that we can solve our need for skilled workers ‘just like that’ by receiving refugees. On the contrary, the project ‘integration of refugees into the labour market’ is a Herculean task which is, on the one hand, a worthwhile task and, on the other hand, there is no alternative either. We must not be discouraged by it and sit back and take things easy. This would be the worst of all solutions.

Whether political asylum or targeted migration, the integration into the labour market is the most important component of integration into society. Work is the key to participation. Work makes it possible to use existing knowledge and to acquire new skills and qualifications. Work creates contacts with colleagues and lets social networks emerge – here in the concrete and not in the virtual sense of the term. Furthermore, work facilitates learning German, provides the opportunity to have one’s own income and to shape one’s life independently, and work provides self-esteem and recognition.

Of course, the integration of refugees into the labour market is much easier in economically successful locations such as Munich than in regions and cities with less economic development potential. On the other hand, the shortage on the housing market, characteristic for booming business locations, will in turn present the cities with significantly greater challenges regarding housing for refugees. For this reason, we in Munich set up the housing program ‘Housing for Everyone’ (*Wohnen für alle*) in addition to the most comprehensive municipal housing program in Germany. With that, in a record time, the provision of housing for low-income groups will be promoted, also paying special attention to recognized refugees.

Against this backdrop the following is valid: this integration is not for free, it will cost money. It is not only the accommodation of refugees during their asylum procedures that entails costs. Another challenge begins, when refugees will become permanent city residents after the positive decision regarding their application for asylum – and therefore the real, the lived integration needs to follow. Here, the municipalities require even more financial support by the state and the federal government than before.

The title of this event ‘Migration: Challenge or Opportunity’ already includes the answer. Migration is both – a great political and social challenge and, if successful, a great opportunity for our society. The key to success is for sure the successful integration of people into work and society. Especially from this point of view, I wish you a successful and exciting conference, interesting conversations and discussions.

Thank you for your attention.