

**ПЕТЕРБУРГСКИЙ МЕЖДУНАРОДНЫЙ ЭКОНОМИЧЕСКИЙ ФОРУМ**  
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**МИГРАЦИЯ В СОВРЕМЕННОМ МИРЕ: ВОЗМОЖНОСТИ ДЛЯ**  
**ЭКОНОМИКИ ИЛИ СТИХИЙНОЕ БЕДСТВИЕ?**

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**P. Lavelle:**

Welcome to our presentation here, "The Economic Impact of Migrant Crises." And this is all over the world, not just in Europe and not just in the Middle East, including the United States and elsewhere. My name is Peter Lavelle, and I am the Host of RT's political discussion programme, *CrossTalk*. So, let us get the formalities out of the way, and I would like to introduce my very esteemed panel. Frank, if I can start with you?

**F. Schauff:**

I am the General Director of the Association of European Businesses, which is the main representation of foreign investors in Russia.

**S. Schaible:**

My name is Stefan Schaible. I am the CEO of Roland Berger for Central Europe, Roland Berger being the only strategy consultancy of the European region.

**X. Moreau:**

My name is Xavier Moreau. I am a Cofounder and Director for LinkiT Vostok, which is mobile services, as well as a Founder of the website STRATPOL.com, which is a geopolitical website.

**J. Rogers:**

My name is Jim Rogers. I am from Singapore, but I am here mainly or partly because I am a Director of a Russian company, PhosAgro.

**A. Xie:**

My name is Andy Xie. I am an independent Economist based in China.

**A. Mercouris:**

I am Alexander Mercouris. I am the Chief Editor of *The Duran*. I am a Writer on international affairs and economics with a special emphasis on Russia.

**P. Lavelle:**

I would like to introduce the two gentlemen in the front row. We have Ben Aris, who is the Editor-in-chief of *Business New Europe*, and we have Yaroslav Lissovolik, Chief Economist with the Eurasian Development Bank. I will be turning to these two gentlemen as a bit of a reality check to make sure we do not go down the wrong path here.

All right, a very general question we can start with here. Now the world is experiencing the worst migration/refugee problem – and I want to stress the “refugee” also, because it is kind of watered down in the description. Over 20 million, up to 55 or 56 million, depending on how you want to count. The last time we had a situation like this in the world was the end of the Second World War, and the Second World War was a catastrophe for the world. Now we have lots of little wars going on that are just as catastrophic if you are on the receiving end of it. And if you look at some of the mainstream coverage of this multifaceted story, you come across these two words all the time: *burden, opportunity*. Now, Frank, if I can start with you: is that watering it down a lot? Because this is something that is only getting worse, and I look particularly – because I live in Russia, watching Europe – and I see it only getting worse, not better.

**F. Schauff:**

Well, let us put it like this. Certainly the refugee crisis in Europe is difficult; that is not a question. But on the other hand, certainly we have to take the opportunities which are linked to this. Generally, migration occurs for different reasons, be they economic reasons, be they reasons of conflicts which are in the world, and they certainly have to be handled in a proper manner; they have to be managed. And

certainly the European Union is trying to manage this currently, and if I may say this from a German point of view, because I am a German citizen, I have to say that in spite of all the media coverage, which I think also has a tendency to dramatize the situation, it is properly managed at the moment. The question is, what is coming then? Because, certainly, as we have already experienced in past decades, the people who have come to Germany or other European countries as refugees will stay for a long time, and some of them will stay forever. And this certainly has to be done, let us say, in a proper manner, and something has to be done about education, integration into the labour market, et cetera.

**P. Lavelle:**

It is interesting that you mention that, because, mentioning the European Union, these are political, state structures. Stefan, how is the business community looking at this, under the rubric of *burden* and *opportunity*? States are not always efficient in doing these kinds of things. Do the business community and private businesspeople have a different way of dealing with or perceiving this problem?

**S. Schaible:**

I think, having a look from a purely economic perspective, there are more people coming. We have – if I talk for Europe – the demographic challenge. So, even on a short-term perspective for countries like Sweden, Austria, and Germany, the economic impact is positive; there is higher public spending, and there is already a little labour market effect. The key challenge for the future on an economic level is how to get the right immigrants, through a certain dimension, qualification questions, and the people that are here ready to qualify them, because that takes much too long. And so they are always attackable by, let us say, prejudices and so on.

I think the real problem also for the economy is that the politicians and also we as businessmen did not manage to explain to the people that we have a democratic

challenge, that we are in a more unstable world, and what that means, and to discuss openly how we position ourselves to avert Orient versus Occident things. We do not really have the debate about what political role and diplomatic role or the military level are going to play in these countries in the Middle East and so on. And so I think economically the answer is very clear for me, but the question is how to support the political field, not to open up right-wing debates that are really dangerous, and economy...

**P. Lavelle:**

I think you find that difference there. Alex, there seem to be two different realms when you look at this problem, because you have this economic/business/GDP – we can go all through the other initials there – and then there is the political, social and cultural. And not too many people want to talk about both simultaneously. And let us be honest here: If you talk about those issues, people get very tense; it can be a very emotive conversation. But it is also an important conversation to have, because you cannot talk about business and politics without talking about the social and cultural.

**A. Mercouris:**

Absolutely, and if I can say, I have just come from Britain, where we are having a referendum on whether or not to remain part of the European Union, and it is very striking how immigration has to a very great extent taken over that discussion. Of course, staying in the European Union is an economic question too. So the two are very interconnected with each other. What I would say is this: If we are looking at economies and immigration and people coming to them, people tend to be more accepting of this when an economy is dynamic, fast-growing, where there is not pressure on living standards, where all of these things are working well. If you have an economy which is under pressure, where living standards are stagnant or falling or where there is a perception that they

are, then things become more complicated. And that seems to be the situation in much of Europe at the moment.

**P. Lavelle:**

Jim, if we can focus in on Europe: A lot of these economies are experiencing enforced austerity, and in some parts of the European Union, scraping by is something that you can at least dream for, hope for. But then you have these huge waves of immigration coming in. It is very difficult to have a coherent policy. Germany *needs* immigrants, as skilled as possible. But a lot of other countries experiencing austerity – think of poor Greece. Can the European Union have some kind of coherent European-wide policy? Because some economies need more labour and some of them have huge unemployment.

**J. Rogers:**

First of all, you call this a crisis, and I would point out to you and remind you that Europe caused this crisis, if you will. They went in and invaded Libya, they invaded Iraq, they invaded Syria, they bombed them all; what do you expect to happen when you blow up...

**P. Lavelle:**

Did you read my notes before the programme?

**J. Rogers:**

I did not, but if we blew up Britain, I suspect a lot of people would flee from Britain, and then the French would be yelling or whatever. So let us not forget: we are the cause of this game. Now your point is very good, that when you have economies under attack or under pressure, people throughout history always blame the problems on the foreigners. Now Germany needs labour. Most of Europe needs labour. They have a horrible demographic problem. But they are

having an economic problem, so you blame the foreigners, and therefore you have a political problem and a social problem, even though economically they all desperately need labour. And this is too sudden, and it is too fast, but it should be good for Europe. Had they managed it, it would be good for Europe.

**P. Lavelle:**

Xaivier, this has happened relatively fast, and I do not see a coherent reaction. Because – what we just heard here – depending on where you are living, the reaction could be different. And obviously, no one saw this coming. They should have, because I completely agree with Jim – if you bomb someone's country, and they are close by, they are going to go there. But we can talk about that a little bit later.

**X. Moreau:**

I could not agree more. But I would like to underline that what happens now is only the beginning. Because we know that the demographic growth of Africa will be stronger only with economic growth, so these massive waves of migration are going to continue with or without war. That we have to understand. And the question is, is the European Union ready? In my opinion, we are not. Is France ready?

**P. Lavelle:**

Well, let us not just talk about the European Union. There is a group of immigrants in the world, over a million of them, that almost never get any Western press coverage whatsoever, and that is the people from the Donbass who have come to Russia. Russia also has to deal with this issue, the difference being, of course, that these are already Russian-speaking people, most likely of the same religious background if they have one; ethnicity is the same here. It is a very, very different mix here.

**X. Moreau:**

Actually, what is interesting is that in France, the rules and the law concerning immigration are 70 years old. They were voted on after the Second World War to manage tens of thousands of immigrants coming from mostly communist and Eastern European countries over a short time. And I am sorry – it is not politically correct – but it was European, and it was not so odd to interrogate these people, and it was not so massive. So of course we have to improve our rules, we have to improve laws, and we have to understand on our own how to do it, inside the European Union, or the European Union will collapse, actually, because of that.

**P. Lavelle:**

Some countries have a better tradition of understanding. I am an American, obviously, and when I was in high school, there were two massive waves of immigration into California, and that was from the “boat people” from the American failed war in Southeast Asia, and then very quickly after that, another wave from Iran after the revolution there. And I will tell you, for a country like the United States that has a tradition of immigration, for the state of California, it was a *huge* shock, because it was two massive groups of people that showed up almost at the same time. Go ahead, Andy.

**A. Xie:**

I think that people tend to look at the negative side of this crisis a lot, but throughout history, refugees have turned out to be very good for the economy later on. What is going on is small compared to what happened, for instance, in East Asia 60 years ago, as you alluded to earlier. The refugees from mainland China to Taiwan and Hong Kong really contributed 20% to 30% of the local population, and from North Korea to South Korea. By looking at where the entrepreneurs came from, who now own big companies – they came from this refugee population. So I think that the key is a flexible economy. And if you have

a rigid economy like in Europe, then it is very difficult to accommodate a sudden influx of people. I think that, if you only look on the negative side, this is going to be a vicious cycle. But in Europe, I think this is an opportunity. Refugees are self-selected, and they are entrepreneurial people. They have come so far, spending money, and have gone through such hardship that they must be very good people.

**P. Lavelle:**

At least they are surviving!

**A. Xie:**

But this is a self-selecting process. So if you have a good economy, they can contribute.

**J. Rogers:**

That it is a very good point. Usually, people who pack up and leave their own country are ambitious, farsighted, talented. Those are the people I want in my country. I would much rather have them than some of the people who stay home. And so it is very good for most economies.

**X. Moreau:**

It is not a good idea for African countries, for instance, to lose the best people.

**J. Rogers:**

That is a good point as well.

**X. Moreau:**

I think we have to find a viable solution, and there is, of course, a negative solution, and that is to put up borders. That has to be done sometimes. But the

positive solution is to organize the development of this country, because, again, as long as demographic growth bypasses economic growth, it will continue. And it will be massive migration, and even if they are good people, the European economy is not ready for them, and there are some countries inside the European Union who will refuse, as they are already doing in Poland, Hungary. So, the question is, are we willing to do it? It could be a collapse for the European Union, if the European Union cannot manage this problem.

**J. Rogers:**

Now that is a good point. It may well be the collapse of the European Union, because it is turning it into a crisis – to use your term, a burden. The European Union is already stagnant. They all have huge debt. You talk about austerity. There is no austerity in the European Union. Every country has higher debt every year. They talk about austerity, and they keep spending other people's money. So the European Union is facing a lot of problems, and (you were talking about the UK) this could be one of the things which causes the European Union to have very serious problems.

**P. Lavelle:**

Yaroslav, if you want to go first here. Again, the binary: *burden and opportunity*.

**Y. Lissovolik:**

Yes, I think that the question at this stage of the discussion is, what makes it a problem and what makes it a blessing with regard to migration? What is the differentiating factor? What type of policies are the ones that make it a success? Sweden, here, was termed as one of the success cases. I would probably agree with that. But within the European Union, there are some differences in terms of what this picture looks like. Is the success of Sweden attributable to the fact that it is growing at around 4% per annum, as was the case last year simply because,

as was mentioned, the economy is doing well, so hence the migration factor is less of a problem; or is it because they are pursuing a policy of integration of the labour resources that are coming in, integrating them into the labour force, into the labour resources, in such a way that they are employed and they contribute to growth and development? Because my sense is that one of the key problems for Europe right now is what I would call migration without integration. That is when the migration factor becomes problematic. So I think, from the experts here, the point that would be most interesting for me is to hear what they think about what types of policies make it a success.

And I completely agree with one point that was raised here, by the way, that policies with regard to the developing world, and with regard to integrating them into the world economy and to trading with them and to giving them more opportunities and doing away with protectionism vis-à-vis these countries, is very important to alleviate this migration problem as well.

**P. Lavelle:**

Also, one of the issues is the term *integration*. There is a cost there, and it is a steep cost in the beginning. Because I look at the Southeast Asian people who came to California in the 1970s and 1980s, and you know what? Amazing entrepreneurship. And that is their sense: family businesses. And my point is that giving them a head start, a help, can pay off huge dividends in the end. But the problem is that politics is about now and not about through time, and this is what faces a lot of people. If you live in California, you live in Texas, you live in Arizona, I can understand a lot of the sentiments of people here, feeling overrun. But if we look at the demographics, Latino demographics, they are remarkably successful, and they are good taxpayers.

**A. Mercouris:**

Can I just say something about this? Because this, of course, goes directly to some of the problems we have in Britain. A lot of the immigration to Britain is in fact internal immigration from within the European Union. It is educated young people, dynamic, entrepreneurial. They are coming to Britain, and they are perceived by people in some communities as being *too* successful in competing with them on the labour market and on the housing market and in all sorts of fields. And that of course creates political problems. So the economic benefits may be clear. The immediate social problems which give rise to political issues are also very evident, and they are working themselves out at the moment.

**P. Lavelle:**

Investment is the opportunity side, but that is a political issue as well – how much do you want to involve the economy, with state spending, to give people an initial start? Like, speaking the local language for the first place. Those are the kinds of young people you are going to want to have here. Is there that kind of political will? Because if you go all the way through the European Union, it is very different from one place to another.

**X. Moreau:**

Yes, of course, and we can add that it is not only people who want to work, for instance, who are coming to France. They come with a family; so of course you have one worker, but you also have one, sometimes two or three wives, to speak clearly. And many children. So it is very difficult for the French economy now, which is very weak, to integrate these people. For instance, we have a presidential election within one year, and I can guarantee you that every candidate will say that we have enough immigrants. So of course we can have this economic analysis, that it is a chance for them, it is a chance for us, but really in one year, if a candidate will claim that it is a good thing, that we need more immigrants, he will have no chance to be elected.

**J. Rogers:**

And that is part of the problem. America was built by immigrants, massive amounts of immigrants, but it was a huge country, and it took a long time for most of them to get there. You had a problem in California, but it was an isolated problem.

**P. Lavelle:**

Oh, it ended up being a success story.

**J. Rogers:**

No, no, now they are a great success, but at the time, everybody was saying, “Who are all those Vietnamese?” you know? “Their food smells bad. They smell bad!”

**P. Lavelle:**

No, no, no, the issue was – I can remember very well – that there was a very large underclass in California. Irrespective of what you see on TV and in Hollywood, there are a lot of poor people there as well. And these immigrants came in and they were given temporary housing and they were given bank accounts and credit cards, and that was politically *explosive*, because a lot of the underclass said, “Well, what about temporary housing for us and what about credit cards for us?” That is where it gets problematic.

**J. Rogers:**

But just one other point about immigration. I come from Singapore. Singapore is a nation of immigrants. Singapore had half a million people 40 or 50 years ago. And it has got over 5 million now, mainly from immigration. But it was controlled. It was selective immigration. They took in people they wanted.

**P. Lavelle:**

Those policies are very controversial.

**J. Rogers:**

That is a different point. But I am just saying, it was controlled, and they selected who they wanted, et cetera. These guys do not have time to select, and it is a massive wave of people in two years.

**S. Schaible:**

But to take up the point, I think, also in many countries in Europe, we can be proud of successful immigration history. The point is that we do not have the attitude you describe, and so there is always the risk, if it is a tougher economic situation, then you can go back on these national arguments, and I think in the short term, somehow we have to give some signals to the population that people are not supporting in a broader sense, and so we have to reduce. But the task will be in a globalized world, if we want to survive, from a European level, we will have to set up a debate, that our demographic situation also counts for Italy, for Greece, that in 15 years they have a problem, that we have to open up and have a re-immigrant continent, Europe, and how to manage it. Also selecting people, having some human basis for that, and we did not do that in the last 10 years, and that is a mistake we are now paying for. We have a history we can be proud of, but we have to really discuss it in an open way. And it was not popular.

**P. Lavelle:**

And also you have to discuss the cultural issue, too. It is very, very sensitive for a lot of people, particularly if there is a large influx of people very quickly. Frank, go ahead.

**F. Schauff:**

I think it is very important what you said, that it takes time. It takes time for, let us say, the state structures, it takes time for society to handle this problem which we currently see certainly in the European Union, but we have also seen migration crises before. I still remember in Germany at the beginning of the 1990s, we had a wave of several hundred thousand refugees coming to Germany; you had Germans from Russia coming to Germany, and this certainly was also a critical situation. I agree that it was not as critical as now, but it was possible to handle this, and it takes time. It takes only three, four, or five years, and now, for example, you can see that those migrants who came in the 1990s, for example, have successfully integrated into the society. But this certainly is not a process which goes in one direction. There is a big discussion going on in societies; we see it in France, now in Germany, for example: You have also the right-wing populist party, which takes up this issue, and certainly it has to be discussed. But in the long run, I think that if we look at it from a point of view of rationality, certainly migration can be handled, even though it is a problem now at the moment.

**A. Xie:**

I think that there is an exaggeration of this crisis. The EU has 500 million people. It is a relatively small inflow. For Germany, maybe the inflow is relatively large, relative to the German population, but overall, it is not so big. So I think the issue is not really that the problem is so huge. It is really about European inflexibility to deal with the refugee inflow. The most important thing is not the help you give to refugees; it is really about a labour market.

**P. Lavelle:**

To be fair, I agree, if you look at the entire population of the European Union and you look at the number of refugees, migrants. But they tend to be very concentrated as well, and I think that is an issue for some people; because if you

move to a foreign country and you do not speak the language, you are probably going to want to be close to people that you can understand, culturally, linguistically, even in terms of faith.

**X. Moreau:**

Of course. And the question is, it is one million this year, but will it be one million the next year, two million, three million? I myself think that the best way is to include, for instance, the African countries, because massive immigration will come from African countries more than from Eastern ones, for instance. So we have to include them in the global economy and help them to develop to give them this economic growth, and so they will develop themselves inside their own country, and because their country needs, again, guys who are educated or voluntary migrants, to stay in Africa and develop their own country. I think it is the best and fairest way to help them and to help ourselves.

**P. Lavelle:**

Ben, when you look at Russia's demographics here – because there has always been, in the Western media, "Russia's dire demographic crisis," which is not true anymore. In 2008, they turned the corner and have much more natural growth. As a matter of fact, Russia actually has a birth rate that is higher than that of most European countries; it is really amazing. Go down the streets of Moscow and St. Petersburg, and you see young women with children; it is a very common sight. It was not always that way when I first moved here. What is Russia learning as far as best practices, in your mind, from the European Union, or maybe what is different from what they see elsewhere?

**B. Aris:**

Russia, like America, has always been a country of immigrants. There are well over 200 nationalities living within the borders of what was the former Soviet

Union, and today is Russia, and its neighbours. And it has underpinned the economic growth, too. The remittances from Russia to the other countries in the CIS are significant. In Tajikistan it is half of GDP, guest-workers here sending their money back. And in terms of the population problems, you know, you had this huge dip when average life expectancy fell to 56 years in the 1990s, and the Kremlin has put in place a series of policies to support childbirth and families, which have been enormously successful. You made the point that the Russian demographics have actually outperformed even the most optimistic expectations from the 1990s, although we have now reached peak. That 1990s dip is now coming into the workforce, and that is going to cause economic problems. And so this has spurred the government to change the pension laws, and they are going to raise retirement age. And the 4.5 million people that are being injected into the workforce as a result of that will more or less counterbalance the dip from the 1990s low birthrate. So they have actually become quite sophisticated about this. But I have been listening to this discussion, this whole thing with immigration, and it strikes me that the economics of it are clear; from all the studies I have read and the surveys I have read, the influx of immigrants is a net positive to any economy. You have competitive, hardworking people who want to make a new life. In Britain, we saw that keep the inflation down with the Polish influx. Germany has a horrible demographic problem; they have a replacement rate of something like 1.2, and you need 2.1 in order to just maintain the economy. So, economically, all of Europe needs these immigrants. So the problem is entirely political, and it is made worse by – it is one thing to accept European immigrants. I am actually British, but I live between Russia and Germany, and I can just turn up there and no one has any objections to me being there whatsoever. But as the immigrants come from further and further away and their cultural differences are bigger and bigger, and they bring their religion, and sometimes they do not want to speak the local language because they make communities and do not integrate – these all come as political problems insomuch as we as Europeans,

our values are to help our fellow man, and when they are in crisis, the right thing to do is to help the Syrian refugees or the “boat people” or whoever it is. But the upshot of that is that they can come and live in your country, they live in your home. They move upstairs and take a room. But then they have got their praying to Allah five times a day or their curries that stink, as Jim said – I am not saying that! And then they have big families, and they take over the upstairs room and then they move next door and then they come down. And the issue at the bottom of this is – I do not think that this is globalization, because these massive moves of population have really been going on for three generations.

This is a new problem, and it has been made worse by the end of the Cold War, because you had three billion capitalists and three billion communists, and suddenly all of the communists can travel. And with rising incomes in Asia, people are travelling. And it is like water flowing from the low-income countries to the high-income countries. In Eastern Europe, we see a massive flood of immigration, first to Germany, which is the popular destination unless you live in the Baltics, and then it is London, but everybody else wants to go to Germany. And we have to decide how we can organize this. It is one thing to help people in need, but you see the rise of right-wing nationalism, and that is basically people objecting to these people who are living in their upstairs bedroom. They are saying, “We are a white Christian nation. This is our country.”

**P. Lavelle:**

Let us get to that point. But first I want to graphically show here some of the things that are going on right now, with numbers. One of the things is very interesting here. You said Germany is the most popular destination where people want to go. Take a look at the top-hosting countries here. What is the main country that is hosting many of these refugees? Well, it starts out with Turkey, with 1.5 million; Pakistan – not the richest country in the world – 1.5; Lebanon. Anyone been to Lebanon? It is a tiny little place. If you are in the car and you fall

asleep, you will miss it, okay? It is a small country. They are holding 1.2 million people there. The Islamic Republic of Iran. Who knew? Almost a million right there. And a poor country like Ethiopia. So Ben brings up a very interesting point. What is the obligation? Not the need; Germany needs labour; we know that. But what is the obligation of America, Europe, Japan, China even now as the most powerful and biggest economy in the world? What obligation is there to take in refugees here?

**J. Rogers:**

Peter, I first would say I am not sure your chart is completely explanatory, because most of these countries, people are going *through*. I mean, they are on their way *through* Ethiopia.

**P. Lavelle:**

No, you can look at every single number there, Jim, and you can get two different other numbers from other places. This is the more general one that we came across, but I agree.

**J. Rogers:**

I mean, I do not think many people who wind up in Ethiopia plan to stay in Ethiopia. They are on their way to Germany.

**P. Lavelle:**

Well, maybe they are stuck there, too, like a lot of people are stuck in Turkey.

**J. Rogers:**

So it is not totally wrong, probably.

**X. Moreau:**

You asked a good question. It is how to organize that, because, for instance, of course Germany needs some migrants. But, for instance, Greece does not need it, so the problem is because of the structure of the European Union. Greece did not do anything to stop the migrants, because we are talking about migrants, but they are illegal.

**P. Lavelle:**

They do not stop them as long as they keep walking.

**X. Moreau:**

Yes. I heard that even in Italy, they are given a train ticket to go to France, and after to go to England. So the question is because of the structure of the European Union, some countries like Greece are irresponsible, because anyway, people from poor countries are going to Germany. And because of that, again, we have to decide how we will manage it: inside the European Union's institutions or if we will be back on the level of the nation-state, and so it will be under their discretion. We will put up some additional borders again. I do not have the answer, but the question is very good.

**F. Schauff:**

But this confirms that the European Union is the only way you can solve it in the end, because if you let all the individual countries, like Greece, like Croatia, like Hungary, et cetera, try to solve this problem their way, there would be complete chaos, and in the end, the only thing that can regulate this, although everybody criticizes it, is the European institutions, because they can try to be the referee between these countries and try to manage the conflict, which is certainly part of this whole situation at the moment. Because if we simply leave it to individual countries, it will be like the reaction which Turkey has made: They take up two

million refugees, and at some point they say, it is enough, just let them go, and they just trigger the current situation...

**P. Lavelle:**

...blackmail Merkel in Brussels. That is a different panel discussion!

**X. Moreau:**

Within Asia, that is what they do. It was an invasion.

**A. Mercouris:**

Peter, if you look at these charts, actually, it is very interesting, because 53% of refugees come from three countries. All three of these countries, Somalia, Afghanistan, Syria – what do they have in common? War. Top-hosting countries!

**P. Lavelle:**

I would like to stress, wars of choice.

**A. Mercouris:**

Top-hosting countries, they are all, apart from Iran, perhaps, the countries that border these three countries. In other words, the biggest single cause of refugee flows – and perhaps we should separate refugee flows from immigration flows, but refugee flows – is definitely war. And these are wars which go back to what Jim was saying, wars which we have been *heavily* involved in. So when we talk about an obligation that we have, we have that obligation to the extent that we were partly responsible for the wars and the chaos in these places.

**P. Lavelle:**

But the wrinkle in that logic is that nobody voted to have these wars. These were decided by certain elites. And so, should the average European, the average

American, be obliged to take people in for wars that they never had a say in starting? Go ahead, Ben.

**B. Aris:**

Well, I was drifting towards saying no one has really thought this policy through about what our obligation is to the rest of the world, and we take an obligation when there is a crisis insomuch as maybe we feel guilty about what happened in Syria, and so we are taking refugees now. But the solution – we have been talking about immigration policies, and yes, it is good for us, but we want to select the hard workers, the best, the cream of the crop – and the implication is that you let the rest do whatever, rot someplace else.

If you take as a principle that we have an obligation to help, the obvious answer is to stop them coming or leaving their country, first by not attacking their countries, but more obviously to actually make more of an effort to balance the imbalances. They are coming because they are looking for a better life. If they had a better life at home, they would not come in the first place. But then, how do you do that? Because this is actually a huge problem, and as I say, it is only three generations that have actually started to have this mobility. No one has actually thought through this whole question of what we should do, and it is a big thing. It is the biggest thing. We are talking global government, idealism. I do not know where you would go with that.

**P. Lavelle:**

Of course we want to look at the economics, but this is the politics of unintended consequences here. They did not expect this kind of refugee problem to happen. And I want to stress here the rhetoric of it all. *Refugees, asylum seekers, migrants* – there are a lot of different terms out there. Because there is an opportunity to go to another place to start a new life, maybe as a young man. Again, what obligation do Western countries have to take these people? If you

want a better life. People that are victims of wars are refugees and need protection, and I think all of us in this room think those people need protection, but do *all* of them?

**X. Moreau:**

I am a French migrant in Russia, so I took the opportunity, so I went, and I can understand that some people want to leave. And I would like to remind you that we had an agreement with Gaddafi, especially Italy and France, and his mission was to control the access to the sea. And we lost Gaddafi, we lost the agreement, and we started a process – that we lost the control, anyway, globally. So I could not agree more with you that it is a question of local development and it is a question of having a normal, constructive relationship with the other country, especially the countries where the potential migrants are.

**J. Rogers:**

Slightly aside, there is nobody Russian on the panel. Why do they not come to Russia?

**P. Lavelle:**

Well, over a million did from Ukraine.

**J. Rogers:**

I would leave Ukraine, too. I would go anywhere to get out of Ukraine. But why do *these guys* not come to Russia?

**P. Lavelle:**

Well, that is a debate within Russia itself here. What a lot of people do not understand is that 20% of the population of Russia is Muslim. And one of the differences for Western countries, particularly the United States, is that Russia

and Islam have had a very, very long relationship. They have touched each other for a very long time. And there is – in my opinion, at least – a better understanding of the two different civilizations here.

Yaroslav, you are a Russian, so maybe you should speak instead of me.

**Y. Lissovolik:**

Yes, a Russian voice here. I would actually say that Russia is one of the largest recipients of labour migrants.

**P. Lavelle:**

Second place in the world, actually, second to the United States.

**Y. Lissovolik:**

In the world, absolutely, yes. So we are talking about more than 10 million people, and we are talking about a tremendous effect that this has on the economies of countries such as Tajikistan, such as Kyrgyzstan. Ben already mentioned the fact that remittances at times could be over half of GDP of some of these countries. And the more general point with regard to that is that, if we are talking about an obligation, the obligation is assistance for development, and if there are large countries that are aspiring to play a regional role, this is one of the roles that they need to play. And then, the implication of that is that these remittances are probably one of the best ways in which recipient countries, in terms of migration, provide assistance to development, because in a lot of these countries, remittances are greater than exports, for example; not even to mention, official development assistance coming from developed economies. These remittances are a very secure source of income for these countries, and it is very targeted. It goes directly to the people that need it. So I think that argument needs to be borne in mind, and Russia is one of the key players in that domain.

**B. Aris:**

If I could just add an addendum to what Yaroslav said: Who are the remittances going to? They are going to the family that stayed behind. And that is the solution. You actually want to develop the country, but you want the family to stay where they are, because the guy who is gone is the young son who has gone to make the money, and he will go back to his family if he can. But the refugee crisis – that is different. The entire family has left, and they are not going to go back.

**J. Rogers:**

But in this wave, are they coming to Russia? This wave we are talking about, this “crisis”?

**Y. Lissovolik:**

This wave, not as much, but if we are talking about the composition of labour migrants in Russia, primarily this is coming from the near abroad of Russia, so countries of the former Soviet Union, probably nearly 90% coming from those countries, but that in turn underscores Russia’s regional role in providing a better economic environment in its neighbourhood.

**B. Aris:**

There is a tiny route through Russia of Syrian refugees who are buying bicycles – stealing bicycles – and then riding across the Finnish border.

**J. Rogers:**

Yes, I have read about that.

**B. Aris:**

That is about the size of the impact.

**F. Schauff:**

There needs to be a differentiation. Labour migrants from Central Asia are like, let us say, Turkish migrants to Germany in the 1960s and 1970s. This is something different from the refugees that you asked about, in regard to obligation. I mean, there are obligations, certainly; at least there are international obligations like the Geneva Convention to take up refugees, for example. So, from my point of view, states like Germany or others cannot simply say they will not take them because they do not like them, because there are obligations there. And if you talk about, let us say, the German constitution as one example.

**P. Lavelle:**

Yes, what is the obligation of the immigrant?

**F. Schauff:**

The obligation of the immigrant, in the end, is to comply with the legislation that is there. But generally speaking, the countries have an obligation to deal with these refugees as different from migration which is motivated by finding labour, which is legitimate, but which is a different motivation to leave your country.

**S. Schaible:**

But it is not only that obligation has a certain moral dimension, and I would say that anybody who is really a victim of civil war has to have the right of the Geneva Convention and so on. But if we want to handle that in Europe, in my opinion, it is a necessity to play another role in foreign policy. We were just following the Americans in Libya, we were following the Americans in Iraq, and whatever the outcome, we can discuss, that the result was, in the most positive interpretation, mixed. And if we are, as we talked about regarding Russia, pretty close; so if you come from the Middle East, you will come to Europe; if you come from northern Africa, you will come to Europe; and if we do not build up the

procedures you described, not only as an obligation but also as a necessity to protect our countries, we have to play a much more active role and we have to align much more closely on the European level to get these things done. Because, actually, everybody has its own position, and we are not aligned, and we will pay a very high price, and I fear, like you described, that we are really in a situation where we can fail, where we can have renationalization. The Brexit for me is the first step, on the one hand, or we really go for a proactive foreign political agenda as Europeans, as we did in the last years.

**J. Rogers:**

Well, the irony is that all of you – France, Germany – need people. They need babies; they will not have babies, so they need *these* babies. Now they do not like these babies. That is the problem. They came too fast.

**P. Lavelle:**

Okay, I think we got it all explained.

**J. Rogers:**

Are you reproducing yourself?

**X. Moreau:**

Yes, not so bad.

**J. Rogers:**

But only for the last year or two.

**X. Moreau:**

Yes, actually, but we are one of the best, with Northern Ireland.

**J. Rogers:**

All of the European countries are not reproducing 2.1.

**X. Moreau:**

Yes, we are – one point eight, two point...

**J. Rogers:**

Well, 1.8 is not...

**X. Moreau:**

Well, you cannot tell the French people we need immigrants.

**J. Rogers:**

I know, but I said the irony is, somebody needs to say it to the French and the Germans and everybody: either you have to have more babies, or we have to have these people.

**X. Moreau:**

In my opinion, it could be true maybe in 10 years, and people would be ready to listen to that. But at this time, if you are telling the French people that they need additional migrants when we have three million unemployed, it will be...

**P. Lavelle:**

I do not want to sound like I am being a stickler for this, but where is the national debate in each country? A lot of criticism is thrown at the Hungarians. And maybe rightfully so for some of the things, and the Polish Government for different things here. But at least in Hungary they have a conversation about these issues. I do not see it in the other countries, because it brings up the issue of assimilation, of culture, definitions of being German, and how do you mix?

Because you are all speaking in terms of a civic definition of citizenship here, and there are a lot of people who think that their citizenship is more than just the law itself.

**A. Mercouris:**

Indeed. And in fact, if you look at this generally, there has to be an internal conversation, there has to be a degree of accountability within that conversation, because clearly, it is a mix of policies. There have to be intelligent economic policies, there have to be intelligent political foreign policies which we were hearing about in relation to other countries, wars. People have to be involved more than they are. You cannot have an elite deciding these questions and coming and saying, “This is what we are going to do, and people have to accept it,” because if it happens like that, it is resented. And that is what we are seeing.

**P. Lavelle:**

If we call this a crisis – and in the title it is “crises” – I would like to end on one point here. I would like to ask each of our panellists – and I would like to have Yaroslav and Ben also – what is the primary crisis? Everything that we have talked about here. Let us start out with Frank. What needs to be done most specifically, and really short.

**F. Schauff:**

The conflicts have to be stopped and regulated in the countries where the refugees come from. And certainly in the European countries, if you talk about the European refugee situation, we have to find mechanisms for dealing with such a mass of refugees, and either find a way of bringing them back into their countries when war is over or integrating them properly.

**S. Schaible:**

I think we need that debate. Alexander, what you said also on the European level about the fears and the opportunities, because it is positive in the end, but we did not explain, and we have to do it and to start quickly, and that is the fundamental problem of the European Union, that they take bureaucratic decisions, but do not communicate. That is all done on the national level, and I think that is one of the key challenges. If we do not, the European Union will break up – point one. Point two: we have to handle carefully, let us say, a mixture between humanism, economic interest, and what people can suffer, and that will be not to have too many migrants in the next two or three years, but really to define a reform that we have to be open for economic growth. I think these are the two key pillars.

**X. Moreau:**

If we are talking about immediately what we have to do, we have to stop fueling the war in Syria.

**J. Rogers:**

Which was started by the United States. And so the Europeans are paying for it. Well, philosophically, I would let them all in. I am in favour of total free immigration all over the world. Of course, if I were running one of the European countries, I would probably be assassinated for suggesting that policy, but if you are going to let them all in, you had better figure out some way...

**P. Lavelle:**

I hope you never become head of a European country.

**J. Rogers:**

Do not worry. There is no chance, no chance! But you have to either explain to the people or slow it down somehow.

**A. Xie:**

I think that labour mobility in the twenty-first century, international mobility, is inevitable. So for a nation-state, you must decide what you want to be. This is the context: Do you want to be the same nation as you were 100 years ago? Then you have to close your borders; you do not join the world. Unfortunately, I think that this refugee crisis just exposes Europe's problems in adapting to this world that will be dominated by these huge countries like China and the United States and Russia and so forth, like India. So I think Europe has to really decide what it wants to be.

**A. Mercouris:**

And, in fact, if we come to the question of crisis, it is in fact a crisis more of politics than of anything else. This is what it ultimately comes down to. Because you have to make decisions, which you have to explain; you have to involve people in those decisions; you have to look at your foreign policy intelligently.

**P. Lavelle:**

Because if you did not have these foreign policy catastrophes – because Germany and other countries need immigrants – you can be far more selective and it is not a political imperative. It is something that could be done very coolly and calculatedly. In this current situation, there is not a whole lot of choice.

**Y. Lissovolik:**

I think autarchy – to be brief, autarchy is the wrong answer. I think the right way forward is integration, both in terms of the migrants within countries and integration with the countries at the national level to provide markets and opportunities for these countries to grow and develop.

**B. Aris:**

I married a German, and we had three babies, so I have done my part.

**P. Lavelle:**

Did you give them a nationality, or dual?

**B. Aris:**

They are Germans.

And, in addition to that, set up some global agency to subsidize developed country investment into all of these countries to accelerate the investment to help lift them to the same level. And then this whole immigration thing, problem, it will disappear. End of story.

**J. Rogers:**

Could I just ask you: did you have girl babies or boy babies?

**B. Aris:**

All boys.

**J. Rogers:**

Oh, well, you made a mistake, because there is a gigantic shortage of girls developing in the world. I had girls, because I know there is a huge shortage developing.

**B. Aris:**

We will hook up after the show and sort that out.

**J. Rogers:**

Okay, I will introduce my daughters to your sons.

**P. Lavelle:**

You know, Frank, I want to go back to something you said, because I think it is really interesting. At what point will there be a national debate in the individual countries? In the United States, needless to say, Donald Trump is really fueling that debate. And you know, as critical as one can be, I think, of some of the things that he has said, I have to at least admit that it is getting a real conversation started, and he is awkward in talking about a lot of these things here. I think he is given credit, because it is a common phrase – our “broken immigration policy.” Bill Clinton was saying that, and his wife as a candidate is saying that right now. That is a pretty good span of time in politics here. When you have crisis, is that when you have a conversation? Because the democracy deficit in the European Union I only see as growing, not getting smaller.

**F. Schauff:**

Generally, there are discussions in the individual member states about migration and let us say, also questions, not only of citizenship, but also of culture, certainly. In Germany, it is done very intensively, and it is not starting now; it already started decades ago, with migration starting. If you talk about the European Union, it is a difficult mechanism. Living in Russia, I assume that most Russians do not understand how the European Union works. I cannot blame them for this because the Europeans do not know it either, because it is a very complex institutional framework. But certainly there has to be a clarification process between the member countries, how to deal with these kinds of issues as well, and not to leave countries alone as, let us say, happened some years ago with Spain and Italy. Now Germany is left alone. But it has to be clarified also with a good perspective for the next 20 or 25 years and not for the next three years.

**X. Moreau:**

Concerning Libya and Syria, in my opinion, Germany was very careful. Unfortunately, we did not listen to them. I would not say that about Ukraine, if you know what I mean, but concerning Libya and Syria, it would have paid to listen to Germany, in my opinion.

**S. Schaible:**

I would object totally to what you say, that we are not discussing it in the European countries, actually.

**P. Lavelle:**

Well, look at the criticism that Hungary is getting because they are not having the right kind of conversation when it comes to immigration. But there are very strident opinions right there, and I think there are people that have those opinions and they have to be given an airing and not be censored or pushed to the fringe.

**S. Schaible:**

I fully agree, but what is happening in France, what is happening in Germany, what is happening in every country is that the position of Mr. Orban is held by some political parties. And the question is, whether the economic rationality Jim is preaching, that all the people coming into the country are an upside; if the political power, let us say, of people that are open, gets it pushed through – and let us see what the French presidential elections will bring, let us see what the next German elections will bring, where, let us say, the classical parties will perhaps go down to 65%, which we have never had. So it is really a debate and, I think, a good thing that we have started the debate and have to discuss that very openly. That was, I think, the biggest mistake we made. We had immigration, but we never really openly declared ourselves to be immigration countries, and so we paid the price; and it is really the lower-class people that

are the losers of the technological and economic developments that we do not reach. And that will be the key battle.

**J. Rogers:**

I am not sure we are having a debate in America. I think it is a shouting match.

**P. Lavelle:**

Look at the caliber of the candidates, anyway. I agree.

**J. Rogers:**

I am not going to vote for either one of them. I am an American citizen, and I am not going to vote for either one of you. You keep sending more turkeys! If we keep voting for turkeys, we get more turkeys. So I hope you are not going to vote!

**P. Lavelle:**

I do not believe in the process.

**J. Rogers:**

It is a different conversation.

**P. Lavelle:**

Anybody else want to add anything here? Any questions from the audience before we finish up here? So we told you everything you need to know? We said all the right things, and actually had a little bit of a debate.

I want to thank all my members on the panel here, and I want to thank our gentlemen here in the first row. It was a very interesting experience and a lot of food for thought. So thank you for attending this panel discussion, and please enjoy the rest of the day. Thank you.