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Costs and benefits of immigration policy for ageing populations

(paper submitted to a poster session)

Introduction

For the last decades European countries have been facing unprecedented demographic challenges, among which the most important remains the process of population ageing. This phenomenon results from two demographic factors: a significant lengthening of life expectancy and steady lowering of fertility much below the level of generation replacement. In the long run these processes contribute to declines in the size of population and irreversible changes in the age structure. This will have its far-reaching consequences both in economic and social dimension. In particular, the competitiveness of economy of a 'grey society' and the performance of public finances, especially of pension systems, raise commonly shared concerns.

In this poster we ask whether the observed demographic processes can be reverted by some instruments of population policy. In fact, the problem of population ageing can be hampered – among other means – by intensification of young people immigration. Efficient migration policy can shape the size and patterns of immigration to the given country. It encompasses various elements of control policies directed to specific groups of migrants: economic migrants, asylum seekers and members of migrants' families (Brochmann, 1999). Integration policy constitutes an element of this policy devoted to regulations and policies that are to cope specifically with the long-term settlement of migrants and its consequences (Hammar, 1992). It relates to various aspects influencing situation of migrants staying in the receiving country such as: their legal rights, social and economic opportunities and avenues for political and cultural participation in the wider society (Brochmann, 1999).

Basing on the literature, it can be thus argued that scope of integration policy of the given receiving state can be considered as an indicator of the extent to which the state is eager to enable settlement of the migrants in the country (Hammar, 1992). At the same time, effective incorporation of migrants in the host society constitutes a precondition for migrants to set up their families in the receiving country or to bring their families from home countries. Moreover, the lack of integration facilities can deter migrants from pursuing migration to the given country (Brochmann, 1999). Assessment of effectiveness of migration policy in general, and integration policy in particular, constitutes an important field in migration studies.

Objective

In this poster we want to list in a systematic way all possible public costs of inflow, settlement and integration of foreigners. We are going to carry out a theoretical analysis of various instruments of immigration policy based on encouraging the replacement migration and increased fertility of immigrants. Given the fact that replacement migration is purely a theoretic concept (UN, 2001), we assume that a controlled inflow can effectively alleviate certain shortages at the domestic labour market and rejuvenate the population.

In this poster we present examples of different migration regimes and policies of four European countries, namely Austria, France, Italy and Poland. This analysis will contribute to the discussion about the importance of immigration to Poland – that has been for decades a net sending country – and will establish the starting point for further studies of population policy that we want to recommend to Poland.

Methods

Bonin et al. (2008) distinguish several main approaches in studies on effectiveness of migration policy: microeconomic, macroeconomic and cost-benefit approach. The latter - the most developed in the literature on the topic – ideally aims at uncovering all costs and benefits associated with immigration both economic and non-economic (for example, tensions between different migrants groups) in order to assess the net-benefit of inflow and presence of foreigners in the given country. The great part of works using this approach focuses, however, on migrants' net contributions to the public finances (Bonin et al. 2008). With regard to this aspect, empirical studies in European countries provide a mixed evidence (IOM 2005, Gott and Johnson 2002).

Net-benefits approach could be a powerful tool for guiding immigration policy formation in Europe. However, as advocated by many authors, it is difficult to implement due to complexity of necessary data and lack of adequate information in many countries that would be required in order to pursue the tasks (Münz et al. 2006). Furthermore, net-benefits of a given flow are strongly associated with characteristics of migrants (education, skills, economic activity) and the context of a given mobility, which makes the analysis even more problematic (Rowthorn 2008). Therefore, for example, Bonin et al. (2008), while discussing effects and costs of migration policy in selected European countries focused only the state expenditure on migration. The latter is defined as 'expenditure on implementing policies on legal migration and preventing illegal migration' (Bonin, 2008: 140). Though this approach seems to be limited, its advantage constitutes clearly defined goals.

We want to present such a net-benefit estimation for four European countries. Results will be confronted with the statistical data on migrants' share in the country's population and their pivotal – in this context – socio-demographic characteristics, such as age structure, fertility level, employment rate. We will use publicly available data on inflows and migration policy, and, as for fertility levels, from the first wave of Gender and Generation Programme collected for Austria, France, Italy and Poland. In the case of Italy integration policy will concern also regular amnesties that is programs legalizing the stay of immigrants in a destination country. Such programmes are particularly frequent in South Europe constituting a constant element of immigration policies in this region.

Literature

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