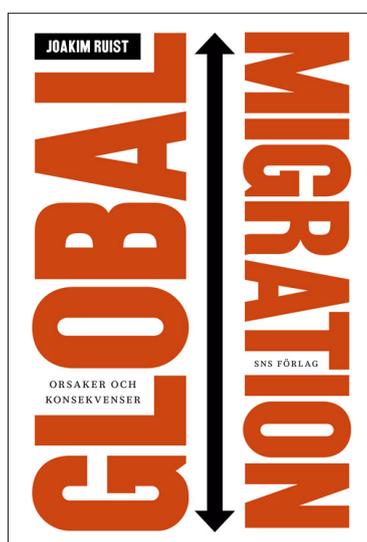


# Summary

## Global Migration – Causes and Consequences

Joakim Ruist



*English summary of a book in Swedish with the title “Global migration – orsaker och konsekvenser”.*

Migration has been a key feature of several far-reaching political events that have shaken the Western world and its political unity in recent years. Britain has decided to leave the EU. Donald Trump has been elected president of the United States. The refugee crisis has brought the EU's ability to cooperate and compromise to the brink of collapse.

How Western countries handle issues of how to regulate immigration appears critical for their future development. Many agree on this, but at the same time think they know too little about these issues. In Eurobarometer surveys from the spring of 2018, migration was the issue that most stated as the most important for the EU. At the same time, a majority did not think they were well-informed about migration and integration. This book has been written for those who want to find out more about why people migrate and what the consequences are of their doing so.

The book begins with a historical overview of migration. Focusing on the last fifty years, it looks, among other things, at what motives drive people to migrate and at migrants' economic outcomes in their destination countries. It also describes the state of knowledge about the economic and social consequences of migration for the communities that receive the migrants. Finally it discusses what scope there is in the West for increasing the level of control over migration.

A common theme throughout the book is that migration is a very different phenomenon from one situation to another. Groups of people who are over-represented among migrants include the world's most successful technical developers as well as its most vulnerable war victims, and many things in-between. The conditions of different groups in their countries of destination can differ widely, and their immigration have different consequences for these countries. Some of these differences may also persist for several generations. Therefore, referring to migration as a single phenomenon often does not result in a very useful description. Instead, we should get used to portraying the diversity of migration, and exercise care when making comparisons between different groups of migrants.

The economic consequences of migration for receiving societies are sometimes predominantly positive and sometimes predominantly negative, yet most often small. The effects on other workers' wages and unemployment are most likely non-existent in the normal case of quite stable and predictable migration. In this case, the economy adjusts to the inflow of migrants as it happens, creating the conditions necessary for migrants to find employment without detriment to other workers. In the less common case where migration comes as a surprise, and migrants also quickly find employment, the effects may be more negative, for as long as it takes for the economy to adjust



SNS, the Centre for Business and Policy Studies, is an independent think tank that brings together the worlds of academia, business and government for knowledge-sharing and dialogue on key societal issues. SNS provides a steady flow of independent research and analysis. The research takes a solution-focused approach to important policy issues. SNS mobilizes the best academic expertise from universities and research institutes in both Sweden and around the world. The quality, integrity and objectivity of SNS research are among our principal assets. Responsibility for the analysis and the conclusions in the research reports rests with the authors alone.

to the new situation. The best studies of exactly how adverse the consequences may then be have reached quite different conclusions. Some point at modest, others at really large effects.

The effects of migration on the receiving countries' public finances depend strongly on the migrants' success on the labour market. The book organises its treatment of these effects around the questions "how good can it get" and "how bad can it get". The conclusion can be summarised as "probably not great, and probably not terrible". Some migrant groups have very positive effects per migrant. But it is unlikely that these types of migration can be increased to such an extent that it has really important consequences for public finances as a whole. The type of migration that most likely has the most negative consequences is that of refugees. But even when refugee immigration was at its peak in the Western world in modern times, and where consequences should thus have been the most negative – i.e. in Sweden in the last few years – it was possible to have public finance surpluses year after year.

Immigration often increases economic inequality, but most often only to a modest extent. What is probably often more important, is that immigration makes inequality more visible, by creating inequality between certain migrant groups and the rest of the population. Ethnic diversity has increased considerably through immigration over the last decades in the Western world – especially in Europe. This diversity is likely to persist for a long time, as is indicated not least by the strong tendencies of large immigrant groups to form families within the group. It is difficult for research to give any good answers to how and by how much ethnic diversity affects the level of social cohesion in a society, and the book explains why. But it may at least be useful to observe that the countries where immigration has been really high in recent decades, and where negative consequences should have been highest, are still highly well-functioning societies with strong levels of cohesion. At least, this appears to rule out any very large negative consequences so far.

However, something that may obviously be strongly affected by immigration is the attitudes to immigration itself, and the political mobilization of these attitudes. The public is almost always

on average sceptical to immigration, with much higher numbers wishing to see it reduced than increased. At certain times, this typically more latent scepticism may turn into strong political mobilization against immigration. The book presents the interpretation that when this occurs it is typically less due to the level of immigration itself, and more to immigration being perceived as out of control. It is then predominantly fears about uncontrolled and much higher immigration in the future, rather than the more limited immigration that is actually taking place, that creates the most negative reactions.

A key question then is to what extent migration can be controlled, i.e. what power the Western world has to decide what its future immigration will be like. Obviously it has failed repeatedly so far. Yet it is argued in the book that controlling migration is fully possible. But not through the strategy that has been the most commonly applied so far, i.e. by erecting physical or abstract walls to prevent people who wish to move from doing so. Instead, it requires removing the present strong incentives to move. In the United States, the incentive that creates the highest uncontrolled immigration is the big supply of illegal employment. In Europe, it is the right to asylum, which can only be exercised by a person who has first crossed a border into the territory of the receiving country. Getting migration under control requires a focus on reducing these incentives.

The impacts of migration on poorer sending countries are mostly positive. Small proportions of their populations (the migrants) on average get large income increases. Somewhat larger shares get smaller income increases through the funds that are remitted to migrants' relatives. However, it is emphasised in the book how the most commonly cited levels of these remittances are likely to be greatly exaggerated. It is typically stated that global remittances are several times higher than global aid, but it appears more likely that aid is in fact several times higher. Also, remittances seldom reach the very poorest, both in the sense of the poorest countries, and the poorest people within a country.

### **About the author**

*Joakim Ruist*, PhD in Economics, University of Gothenburg