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The Costs and Benefits of Migration into the European Union: Debunking Contemporary Myths with Facts

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A G D I Working Paper

WP/16/053

The Costs and Benefits of Migration into the European Union: Debunking Contemporary Myths with Facts

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The Costs and Benefits of Migration into the European Union: Debunking Contemporary Myths with Facts

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November 2016

Abstract

The purpose of this study is to dispel some myths associated with migrants in order to improve socio-economic appraisal of the consequences of the recent surge of migrants into Europe. We argue that: (i) the concern about loss of Christian cultural values is lacking in substance because compared to a relatively near historical epoch or era, very few European citizens do go to Church in contemporary Europe; (ii) the threat to European liberal institutions is falsifiable and statistically fragile because it is not substantiated with significant evidence; (iii) the insignificant proportion of the Moslem population that is aligned with Islamic fundamentalism invalidates the hypothesis on importation of radical Islamic fundamentalism and (iv) the concern about social security burden is relevant only in the short-term because of Europe's ageing population.

JEL Classification: F20; J61; J83; K31; O15

Keywords: Migration; the European Union; Development

1. Introduction

The concept of migration is not new to any culture, society or community. Many civilizations began and flourished because of migration. There are many reasons why people migrate. These include economic migrants who flee poverty, seek employment and increased standard of living as well as non-economic migrants who move for family unification, seek protection as refugees, or for adventure. Castles *et al.* (2005) consider migration as an integral part of human nature which is as old as humans themselves and dating back to the era of Homo sapiens from Africa 100 000 years ago. Although migration is a very sensitive issue in most of the receiving countries, Castles *et al.* (2005) revealed that approximately only 185 million people had been outside their countries of origin which is only about 2% of the world's population. This means that although we see and think that too many people are leaving their countries, the numbers show that it is just a tip of the iceberg. Boyle *et al.* (1998) describe migration as the crossing of a boundary of a political or administrative unit for a certain minimum period.

The International Organisation for Migration (IOM) defines migration as the movement of a person or a group of persons, either across an international border, or within a State. According to the IOM, one in thirty-five persons is a migrant from the start of the 21st century while in industrialised countries one in ten persons is a migrant. George (2013) highlighted that, industrialisation and migration are positively correlated as more people turn to migrate from rural to urban societies and from countries of low industrialisation to countries of high industrialisation. This explains why the number of immigrants into highly industrialised countries such as the European Union (EU) countries has only increased over the years.

The present inquiry has two main objectives. First, it aims to assess myths surrounding the socio-economic effects of politico-economic migrants. The term politico-economic is used to qualify migrants because migration objectives have been documented to be both economic and political (Hix & Noury, 2007, Asongu, 2014ab, 2015). Whereas political migrants flee their countries of origin for political reasons (e.g. absence of democracy, abuse of human rights and lack of press freedom), economic migrants are motivated essentially by the need to flee from poverty and unemployment. Myths that are assessed include, *inter alia*: (i) loss of Christian cultural values owing to a potential clash of civilisations with Europe's historical/contemporary Christian values; (ii) threat to European liberal institutions; (iii) import of religious fundamentalism and (iv) substantial cost to social security.

Second, we use hard stylized facts and evidence from the literature to clarify myths surrounding the socio-economic consequences of migration into the European Union. In essence, consistent with the highlighted myths, we argue that: (i) the concern about loss of Christian cultural values is lacking in substance because compared to a relatively near historical epoch or era, very few European citizens do go to Church in contemporary Europe; (ii) the threat to European liberal institutions is falsifiable and statistically fragile because it is not substantiated with significant evidence; (iii) the insignificant proportion of the Moslem population aligned with Islamic fundamentalism invalidates the hypothesis on importation of radical Islamic fundamentalism and (iv) the concern about social security burden is relevant only in the short-term because of Europe's ageing population.

The rest of the study is structured as follows. Various schools thought surrounding the debate are engaged in Section 2. Section 3 discusses socio-economic myths surrounding the recent upsurge of migrants into Europe. Section 4 debunks underlying myths while Section 5 concludes.

2. Schools of Thought and Arguments

In a bid to understand the socioeconomic effect of refugee migrants into the EU, we have briefly exploited the arguments provided by the conservatives and liberals in order to see through their lenses and separate facts from myths. The sole purpose of presenting these schools of thoughts is to give an understanding of their ideologies and how these ideologies affect people's perception of refugees/migrants. Let us get one fact clear: the migration of people: be it as a result of persecution (refugees) or for economic reasons is inevitable. In fact, Castles and Miller (2009) pointed this current period of history as an age of migration.

2.1 The Right Wing Political Spectrum (Conservatives)

The right wing ideology generalised claims to represent the people under a canopy of a homogenised ideal based on native ideologies, thus on traditional body politics (Wodak, 2015). Most anti-immigration parties in western European countries have in recent years experienced electoral lift-off (VanSpanje, 2010). They have had an increased record of success at the polls in recent years. This success comes partly with immigration from the Third world being top on the agenda (Betz, 1993). These parties seek to preserve European cultures and heritage. These nationalist parties stand for the promotion of European Christian Values and the restriction of

immigrants. They are pushing for social security benefits for native European tax payers as opposed to immigrants or non-European.

The right wing ideologies started gaining grounds from the end of the Cold war in 1989, and breakthrough came with the 9/11 terrorist attacks in the USA. The rise of Islamic terrorist organisations, the Euro crisis and global financial crisis are scenarios that have only brought fear in these regions and it is this fear that is being exploited (Wodak, 2015). Europe today as a result of these crises has seen the emergence of some far rights or extreme right parties, namely the: British National Party of Nick Griffin (Britain); Freedom Party of Geert Wilders (Netherlands); Lega Nord (Northern League) of Umberto Bossi (Italy); National Demokratische Partei Deutschlands (National Democratic Party of Germany) of Udo Voigt; Front National (National Front) of Marine Le Pen (France); and Vlaams Belang (Flemish Interest) of Bruno Valkeniers (Belgium).

2.2 Left Wing Political Spectrum (Liberals)

In an ever changing globalised world, the proponents on the left argue that Multiculturalism and integration are strengths to every great nation. This school of thought argues that multiculturalism and integration are based on the core democratic values of liberty, equality, and unity or fraternity (Modood, 2013). The freedom of everyone to be able to move and settle where he or she pleases is stipulated in the international declaration of human rights. According to EU migration data for 2012, the population of the EU is ageing. There is concern that such ageing population of EU countries will have a very significant impact on social security. The left of course sees this as a solution to recruit and integrate young labour forces into the system as part of the solution in reducing government spending in the long term.

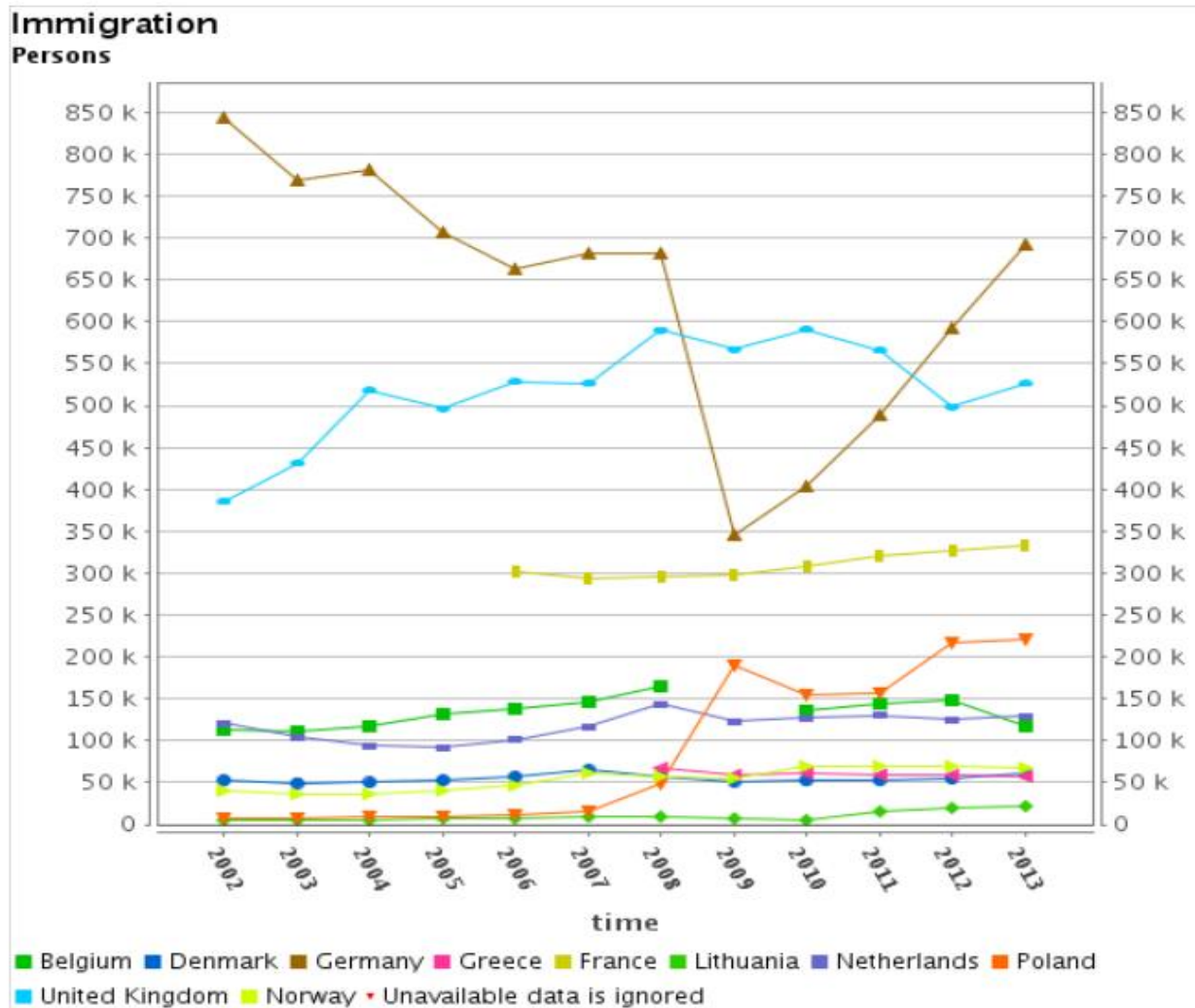
2.3 Reconciliation of the Schools of Thoughts (Third Way)

In order to appease the right wings, it is necessary that refugees/migrants coming-in should be offered language and integration programs to allow them access to the educational system. This will of course increase government spending but in the long run there are more opportunities especially in terms of contribution to social security (see Hix & Noury, 2007). In this case, they can pick-up jobs and contribute positively in the society in which these opportunities are offered them. The prolonged conflict in the Middle East is the main cause of a

huge influx of refugee into EU countries. Most of these countries absorbed a very significant number of people. In early July 2015, there were 13 837 people in the asylum procedure who were collected in the reception network while in December 16 of the same year, that number increased to 31 705.

If they are recognised after asylum, they get a refugee status which allows them to live in Belgium for an unlimited duration of time or get subsidiary protection which allows them to return to their country of origin once it is deemed safe. Either ways, they may be living in Belgium for more than five years because if it takes more than five years of subsidiary protection, they are granted a permanent stay. When a status is determined, the refugee may remain in a refugee camp for as long as two years during which a residence will be assigned or he or she may be allowed to look for a home (Vanhooren, 2015). This poses a huge challenge for the government, in terms of provision of housing and engagement of these refugees in activities that prepare them for (i) integration into the Belgian community after the five years or (ii) empower them with skills to be able to rebuild their countries upon return

Recent immigration trends in the EU have been the result of many factors ranging from the open border policy of many countries within the EU to political and economic instability in countries close to the EU. Increased sensitivity to migration in EU countries over the past couple of years may in some instances be in response to increased immigration from within and outside the EU. In other cases, increased resentment towards immigrants may not be due to increased immigration but rather the result of rising nationalism. The graph below shows immigration trends in some EU countries over an 11 year period.



Source of Data: Eurostat Last update: 09.11.2015 Date of extraction: 11 Nov 2015

3. Myths on Socio-economic Effects of Migrants/Refugees

The purpose of this paper is to critically assess the myths and facts in order to dispel misconceptions. The issue of immigration in Europe has been an ever debated issue over the years. The discussion popped-up in the late 1940s when Europe started receiving non-European immigrants. Most people feared these immigrants will not be assimilated and there was a risk of emerging subcultures. As a result, most western politicians and scholars made reference to the United States of America where immigrants from Africa, Latin America concentrate in the slums (ghettos) which is a breeding ground for criminality and riots (Lucassen, 2005). In addition, there have been many accounts of the media on clashes and social conflicts fuelled by immigrants in

Europe. Scholars suggest these clashes or conflicts are inevitable and can be expected (Smith & Krannich, 2000).

This section is engaged in four main strands, namely: loss of Christian values; threat to European liberal institutions; import of religious fundamentalism and cost in social security. First, the concern about loss of Christian cultural values has been substantially documented in contemporary European literature (Steven, 2009; Leustean & Madeley, 2009; Willaime, 2009). The literature is consistent with the concern of depleting Christian values on the continent. For example, according to the Pew Research Center (2011), recent statistics on regional distribution of the global Christian population show that the European share of Christians has decreased from 66.3% in 1910 to 25.9% in 2010. While various reasons have been advanced for this decline (e.g. decreasing birth rates, development and insurance engineering that hedges against all types of risks), some policy circles are attributing this loss to ever increasing inward migration into Europe (see Hix & Noury, 2007).

Second, concerns have also been raised to articulate the position that the influx of migrants could threaten European liberal democratic institutions (Fukuyama, 2006). This thesis builds from the fact that immigrants are from regions that are characterised by cultures that are outdated European values, notably: autocratic institutions, female genital mutilation, violence against women, and punishment of children by beating. During the 20th century, many European public figures amongst which included Belgium's Dewinter F., France's Marie Le Pen and Netherlands Fortuyn Pim expressed the fear that non-Western migrants in Europe especially the Muslims constitute a threat to European liberal democracy and suggested immigration into Europe be stopped for the protection of European culture and values (Lucassen, 2005). That is why European nations like Germany and Netherlands (for example) insist that non-European immigrants must adopt, accept and embrace liberal Western values before they can be granted residence permits (Cesari, 2009). These measures are aimed at protecting the European system of liberal democracy. Third, some right-wing political parties are viewing the recent surge in migrants as a mechanism by which radical religious fundamentalism would be imported into the continent (Mounk, 2015). Most Muslims living in Europe today migrated to Europe to work after the Second World War. They brought with them their family later. 50 years on, the population of Muslims in Europe has increased to over 15 million inhabitants (Ramadan, 2013). Recently, Cesari (2009) has put the population at 425 million inhabitants which is approximately 5% of the

European Union. Some scholars have identified Islam as an obstacle to migrants' integration process in the West (Foner & Alba, 2008) and Islam in the West is mostly associated with terrorist organisations like Al-Qaeda (Cesari, 2009). When one looks back at the September 11 2001 event in the US, one is forced to ask the question: does Europe await the same fate (Roy, 2003). It is in this light that fears of radical fundamentalism have gripped the West.

Fourth, a thorny issue is the burden on social security that the migrants would engender (Hix & Noury, 2007). This concern is motivated by the apparent evidence that migrants do not pay taxes in the first few years upon arrival. On the contrary, they are substantially reliant on health and social services that are almost free of charge in some European countries.

According to Kicinger (2004), tax payers may not be willing to pay higher taxes to support immigrants living on social benefits if they do not share a common value. One of the myths that is widespread in many EU countries is that immigrants are taking away the jobs of the citizens and helping to push the wages down. Many surveys reveal that people believe migrants are an economic burden and contribute little to the local economies. A study conducted by the Pew Research Centre shows just what Europeans think about strengths and weaknesses of immigrants.

	Are a burden on our country because they take our jobs and social benefits	Make our country stronger because of their work and talents	Neither/ Both (Vol)	Don't know
	%	%	%	%
Greece	70	19	10	2
Italy	69	19	12	1
Poland	52	24	15	9
France	52	45	2	1
Spain	46	47	6	1
UK	37	52	7	4
Germany	29	66	3	3

Source: Spring 2014 Global Attitudes survey. Q85a.

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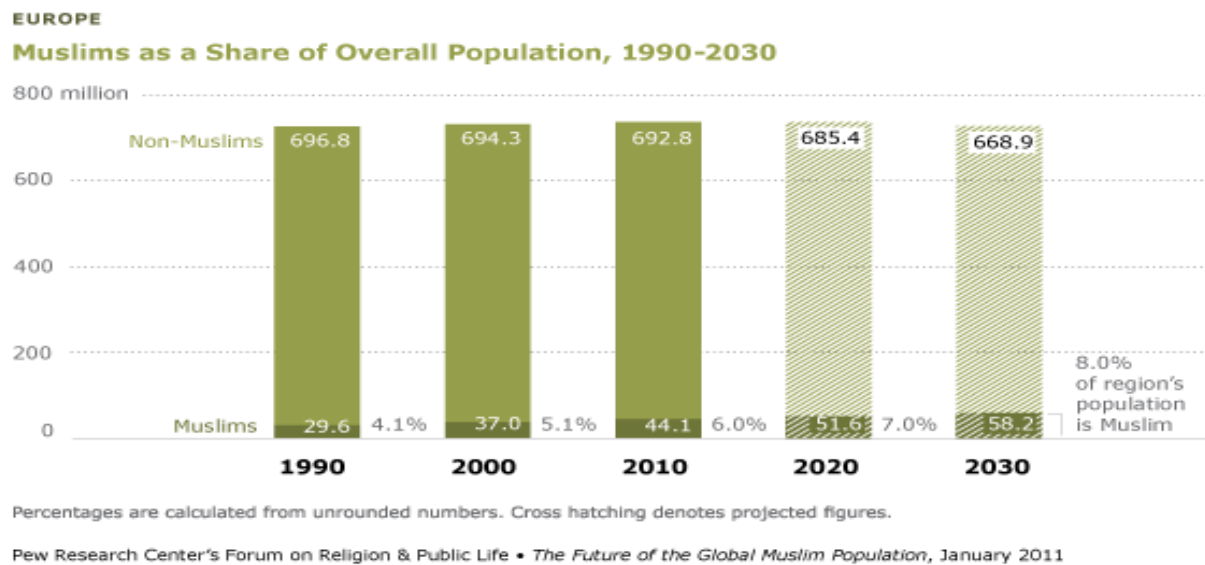
4. Facts on the Socio-Economic Effect of Migrants/Refugees

This section debunks the engaged myths in the same chronological order. In essence, we use hard stylized facts and evidence from the literature to clarify myths surrounding the socio-economic consequences of migration into the European Union. First, the concern about loss of Christian cultural values is lacking in substance because compared to relatively near historical époque, very few European citizens do go to Church in contemporary Europe (Veith, 2015). According to the narrative, immigration is not chiefly a reason for the decreasing European Christian population. On the contrary, immigrants from Africa and South America are substantially contributing to increasing the European Christian population. Hence, the use of Christianity as an instrument by right-wing political parties to lobby against immigration is lacking in substance and not substantiated with significant statistics.

Second, the threat to European liberal institutions is falsifiable and statistically fragile because it is not substantiated with significant evidence. This is essentially because some countries in the South are enjoying liberal standards that are comparable to Northern European standards: Islamic and Christian countries alike. Some secular Moslem countries with exemplary democratic institutions include: Turkey and Senegal. Moreover, few immigrants have been documented to run for political offices in Europe (Østergaard-Nielsen, 2003). Therefore, the position that immigration would potentially threaten institutions in Europe is debatable.

Third, the fact that a very insignificant proportion of the Moslem population aligns with Islamic fundamentalism invalidates the hypothesis on the importation of radical Islamic fundamentalism (Pargeter, 2006). The proportion of Muslims that are radicals is very low. The Western media plays a fundamental role in the increase of Islamophobia in the West. The media presents a one-sided view of conflicts in the Middle East to such an extent that the average person in the West feels only fear and insecurity at the mention of Muslim countries. War, Violence and Fanaticism are concepts that come to mind (Esposito & Voll, 1996). As Esposito and Voll pointed, the fear of religious fundamentalism being imported into Europe with the coming of migrants from Muslim countries has been propagated partly by the media. There is the fear that Muslim population will take over Europe and make Europe an Islamic state. Research conducted by the Pew Research Center shows that the Muslim population increases by 1% every decade. There was an increase from 4% in 1990 to 6% in 2010 and the population is

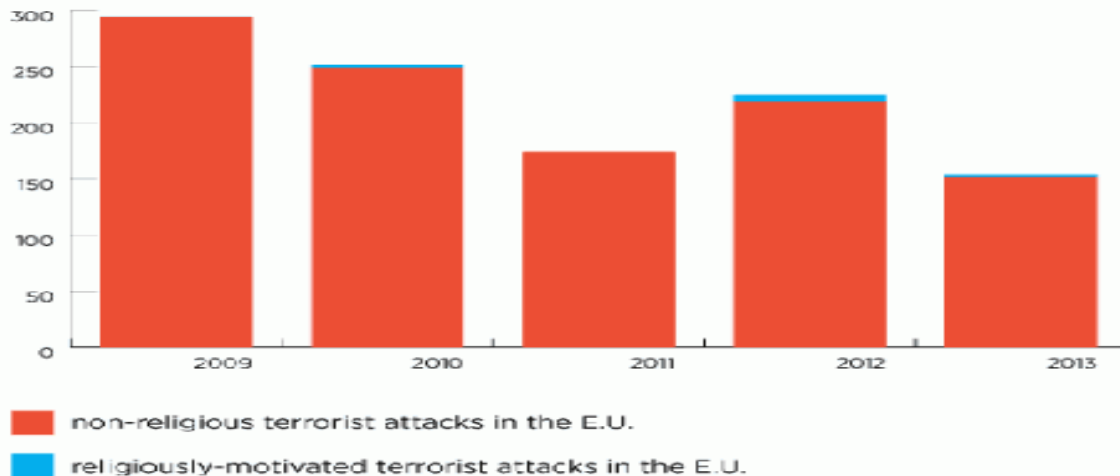
estimated to follow the same trend and increase only by 8% in 2030. This means the issue of Europe becoming a Muslim state is far from being a reality.



In addition, the number of terrorist attacks that are religiously motivated in EU countries is very insignificant. Below is a research carried out by the Pew Research Institute from 2009 to 2013 which reveals the percentage of these attacks on EU soil.

RELIGIOUSLY MOTIVATED TERRORIST ATTACKS

In the last 5 years, less than 2 percent of terrorist attacks in the E.U. have been 'religiously motivated.'



source: https://www.europol.europa.eu/latest_publications/37

THINKPROGRESS

The above study reveals that in the course of a 5-year period (i.e. from 2009 to 2013), there has been less than 2% of religiously motivated attacks. This study only reveals that there are many other motives behind these attacks which are not necessarily religious. So why are all these attacks blamed on religious grounds?

Fourth, the concern about social security burden is relevant only in the short-term because of Europe's ageing population. In essence, whereas there is apparent short term cost owing to training and integration of refugees, long-term benefits from employment and corresponding contribution to social security far outweigh short-term social costs (see Hix & Noury, 2007). According to the EU latest Ageing report, the population of the EU is projected to increase by 2060: from 506.8 million in 2014 to about 517 million by 2060. Recent studies conducted by Eurostat reveal the European population is ageing and likely to pose challenges in the coming decades. The report published in May 15 2012 offers a glimpse on to the challenges the EU is likely to face.

Firstly, it projects a decline in the working age (15-64) from 67% to 56% by 2060 and projected an increase in those aged 65 and above from 17% to 30%. Public social expenditures on the old population such as health care, pension, long term care is projected to increase by about 13% of GDP by 2060. The study identified fertility, life expectancy and migration as possible factors that may influence the speed of the aging population.

According to OECD report published in 2012, migrants have represented 70% of the work force in Europe over the past 10 years. The recent study also shows that migrants contribute more toward social security of the country and taxes than they receive in benefits. While most migrants are of the working active age group, this is not always the case with natives.

5. Conclusion

Migration has always been a sensitive issue especially when it concerns receiving countries. Being one of the issues that drive social, economic and political movements in many countries, it is important to critically assess the myths and facts behind migration in order to disperse misconceptions. These misconceptions are sometimes propagated and pushed forward by right wing political parties for political gains.

As many continue to flee violence in Syria, Libya, the Horn of Africa, Pakistan, Iraq and Afghanistan for security purposes on the one hand and many countries South of the Sahara for politico-economic reasons on the other hand, the common denominator is that these immigrants are coming to search for better living standards. The purpose of this study has been to dispel some myths in order to improve socio-economic appraisal of the consequences of the recent surge of migrants into Europe. It is important to bear in mind that Europe is a continent with an ageing population and with the ever-increasing burdens of public pensions and public finances on the continent are coming under increasing strain. Many migrant workers are more likely to take jobs that resident workers would be reluctant to take. Therefore, from an exclusive economic perspective, European countries stand to gain from more migration. We have also shown that other associated myths do not withstand factual and empirical scrutiny, notably: (i) loss of Christian cultural values owing to a potential clash of civilisations with Europe's historical/contemporary Christian values; (ii) threat to European liberal institutions; (iii) import of religious fundamentalism and (iv) substantial cost to social security.

Evidences provided in this paper are based on data from published articles and documents from different organisations. Theoretical myths have been confronted with hard facts from exploratory and empirical scientific sources. In summary, the research found that the myths surrounding migrants are inconsistent, statistically fragile and lacking in empirical validity.

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