

Immigration Policy
and
the Welfare State

June 23, 2001

Europe vs. US: Facts and Perceptions

- In Europe more opposition than in the US to accept more migrants (majority for zero migration scenario while in the US for keeping migration *flows* constant)
- In Europe there is proportionally more *illegal* migration (+25%) than in the US
- there is also less *regular* migration (-25%) than in the US....

Illegal migration: US lessons

- Unrealistic restrictions to regular migration (especially temporary) may generate illegal migration
- More than weak border controls, lax enforcement of laws against irregular work generates illegal migration
- Strong opposition of employers and local lobbies to stricter monitoring of employers



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D B



Double Face of Migration and time consistency problem

- Ex-ante: perceived only costs
- Ex-post: perceived both costs and benefits
- Happy to have them, but no more, “the boat is full”
- Status-quo bias

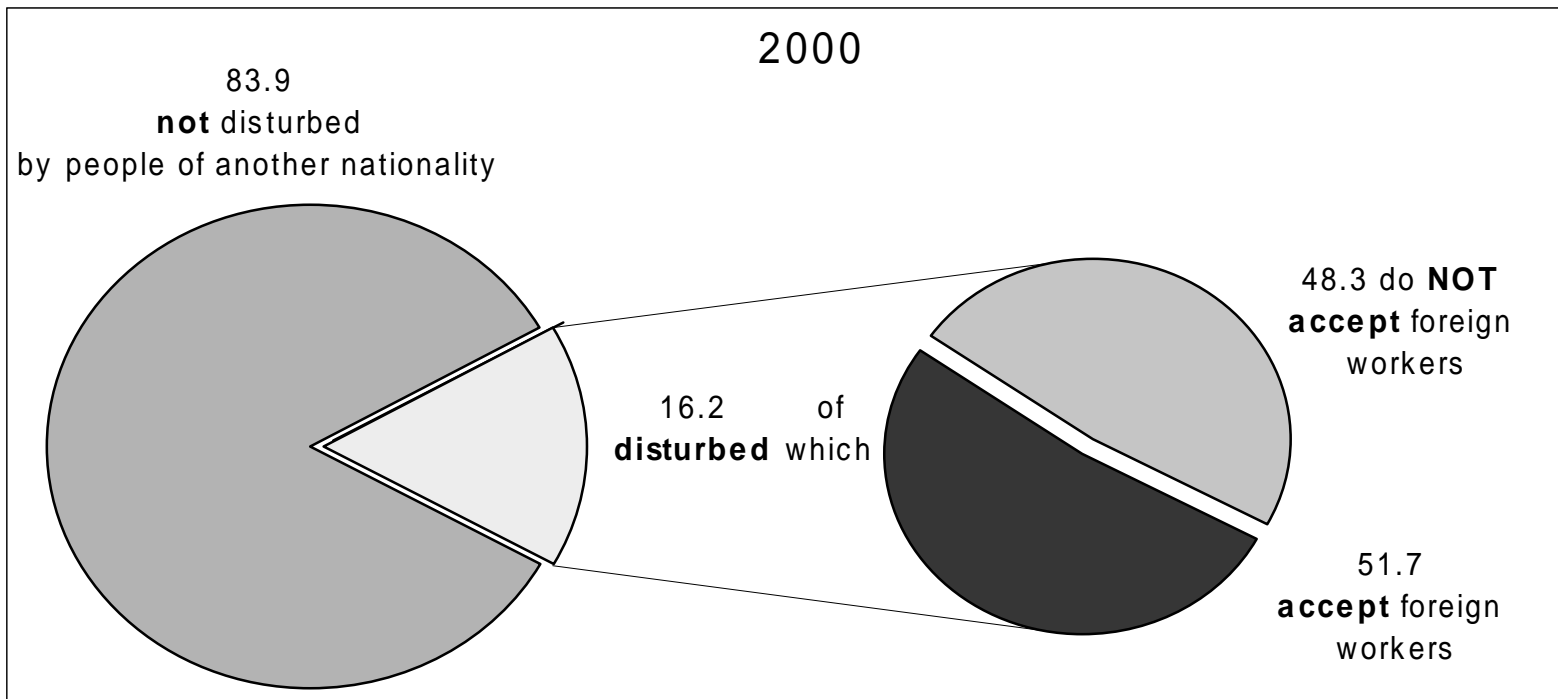
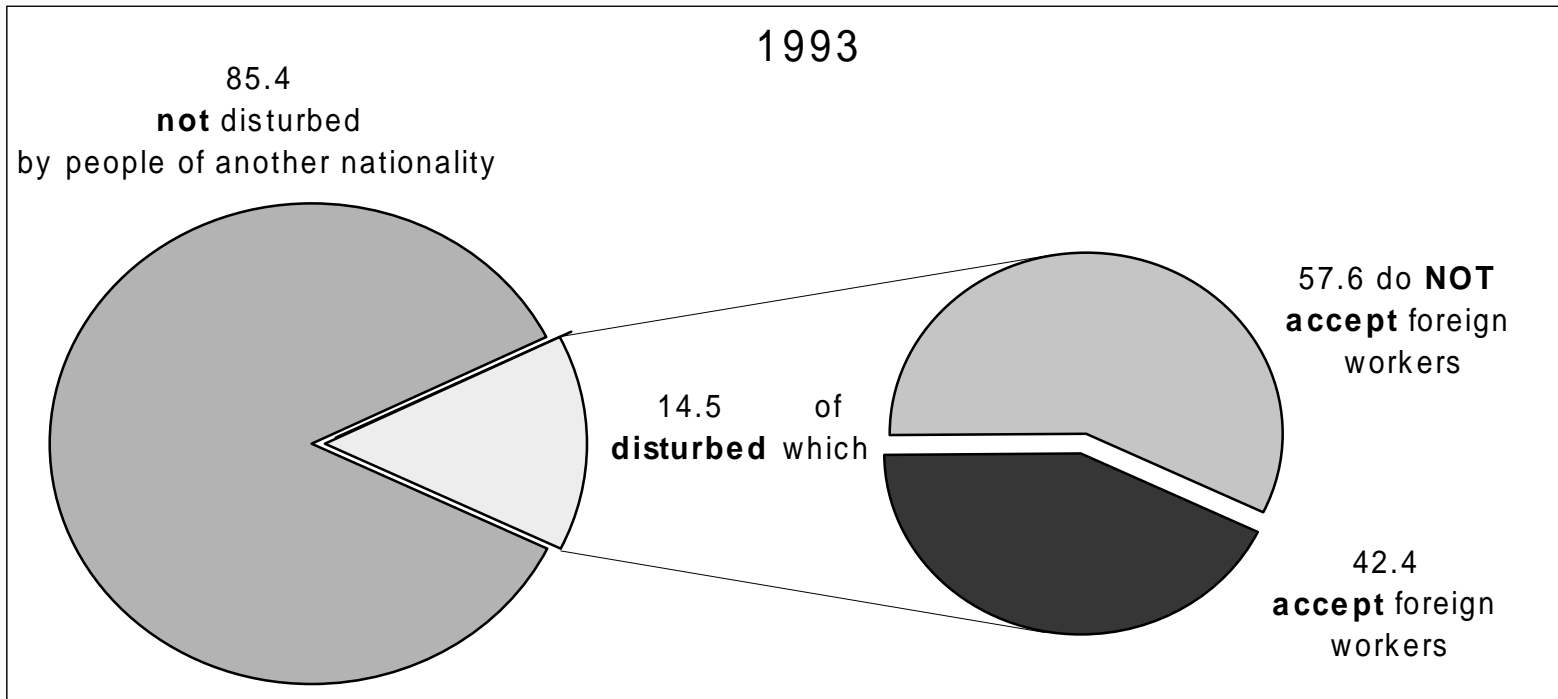




Capturing the double face of migration among Europeans

- *Eurobarometer Survey*
- Do you personally find the presence of people of another nationality, *disturbing* in your daily life?
- If migrant people *wish to work* here in the European Union, do you think that they should be (or not be) *accepted*?







Disturbed but accepting more migrants working

change in the
probability of accepting foreign workers
with respect to a 1 percent change of

foreign legal popul. (as a % of total pop.) \longrightarrow **12%**

unemployment rate \longrightarrow **-1%**

Controlling for age, political preferences, education, gender,
profession, position wrt. labour market and country fixed eff.





Solving the time inconsistency problem...

- Contracted temporary migration
- Selective (skilled) migration
- **Delegate authority over migration policies to supra-national bodies**





4 additional reasons for a EU migration policy

1. Enforcement (Schengen, pan-European labour market)
2. Potential Free-riding on border controls and underprovision (and borders will shift Eastwards...)
3. Agreements with sending countries
4. Supra-national authorities can better resist to lobbies opposing repression of illegal employment-migration (internal controls)



But there is a limited window of opportunity

Do you think that decisions about immigration policy should be made *jointly* within the EU or by national governments?

