

Why Immigration Policy is Hard And How To Make It Better

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XX RDB Lecture

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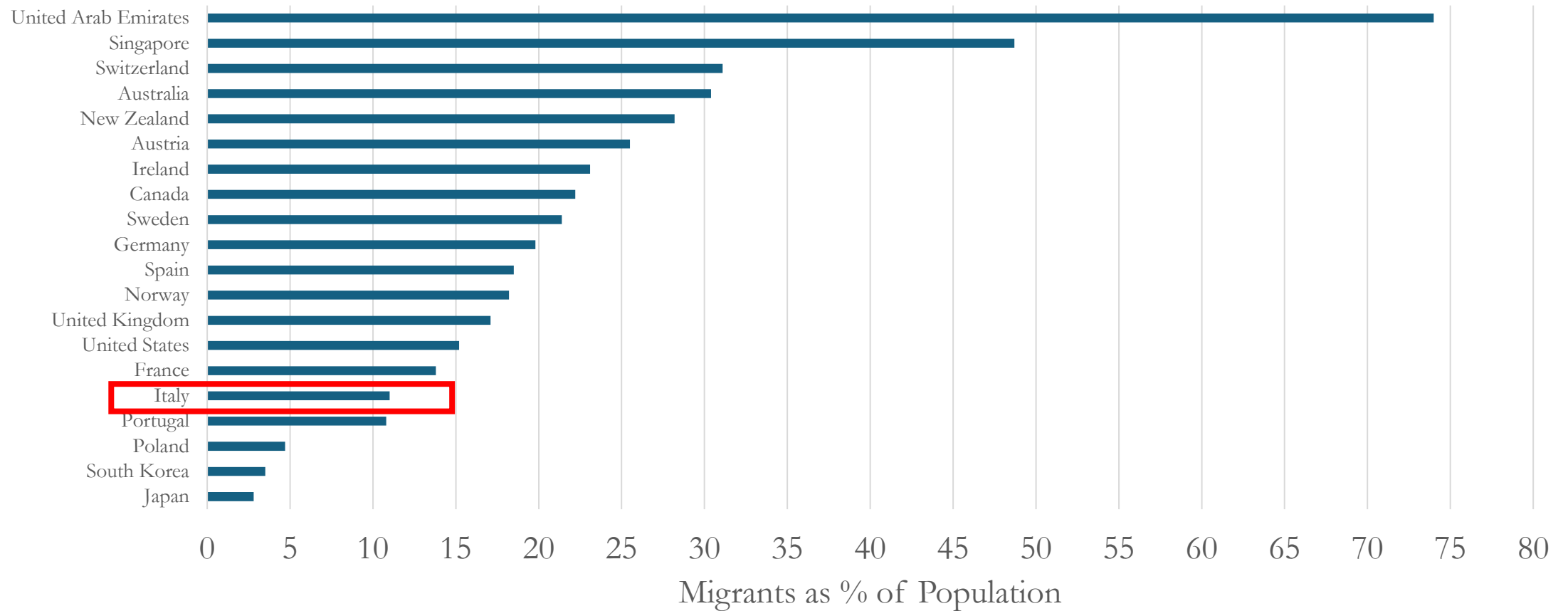
You might have noticed that immigration is a prominent divisive issue in the politics of many countries now

- Brexit and the rise of Reform/Restore in the UK
- Trump in the US
- Meloni in Italy, now Vannacci
- Populist parties in most high-income countries draw much of their support from voters anxious about migration
- Populists increasingly close to or in government
- Voters anxious about immigration influence the policies of more mainstream parties

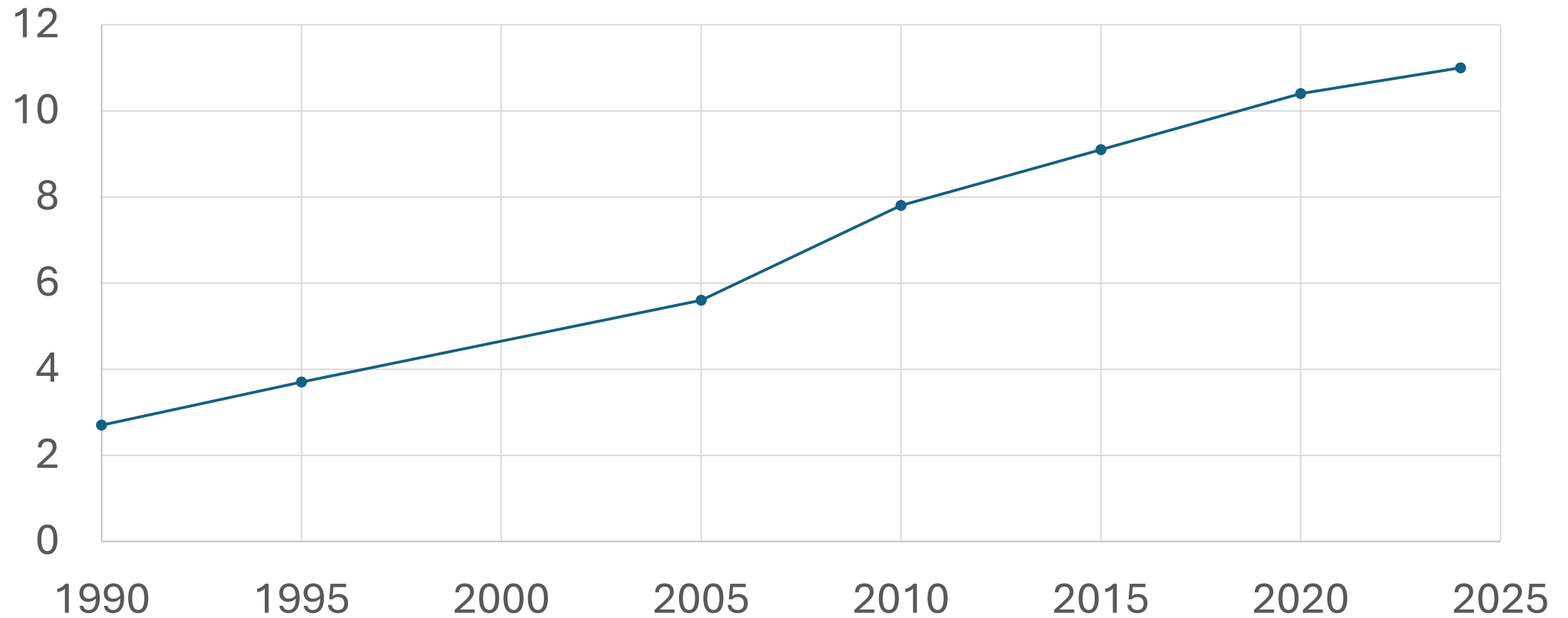
Plan of this lecture:

- Why we are where we are
- Why Immigration Policy is Hard
- Why we make it harder than it needs to be
- And how to make it better
- To get back to situation where immigration is not so salient

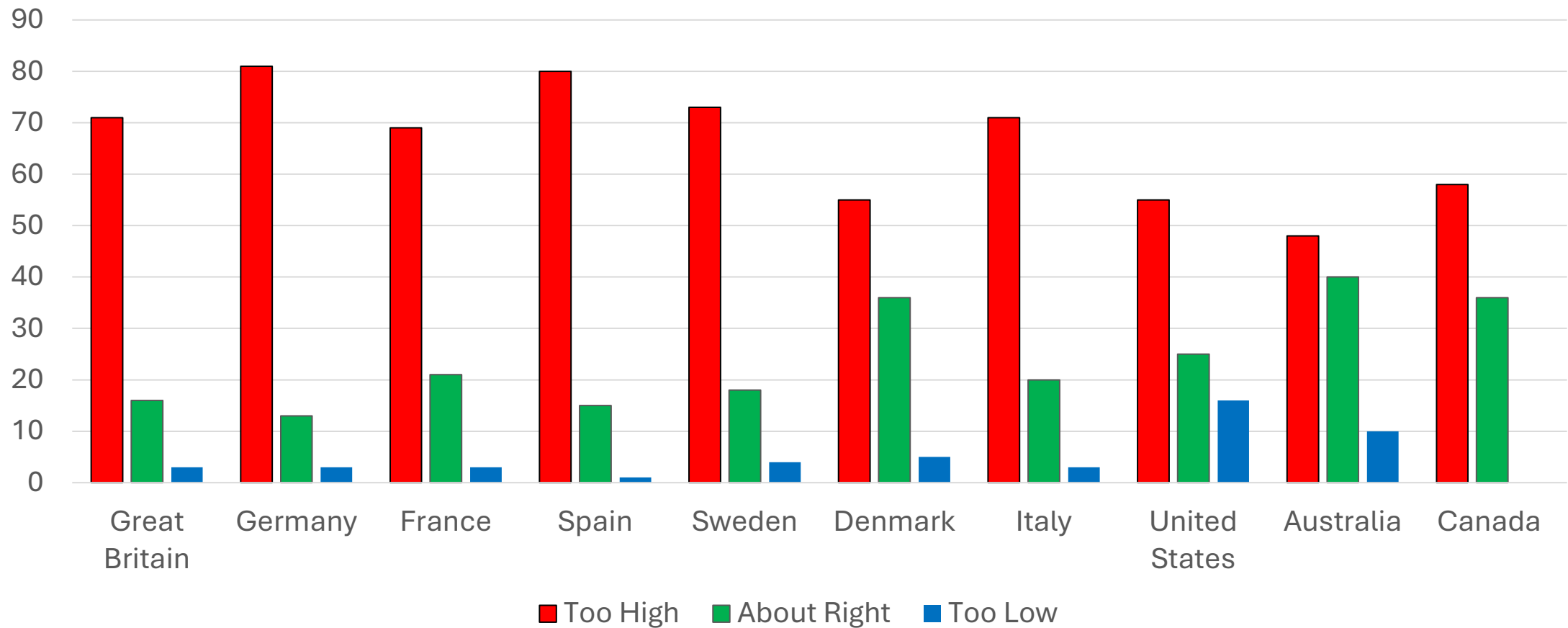
Italy has a relatively low share of migrants among high-income countries.....



But migrant share of population in Italy has been rising



For the most part, rises in migration have not had public consent – most people say migration is too high (2024/25) – and have said this for a long time



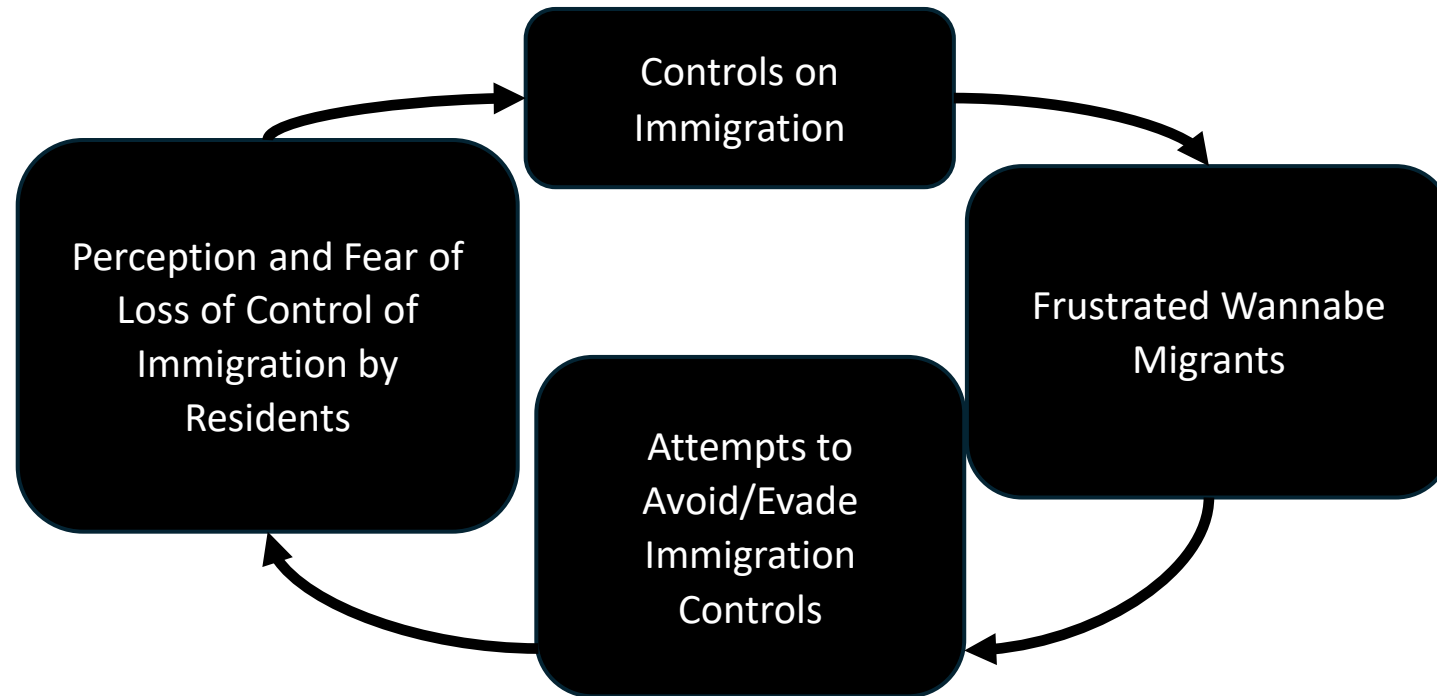
Immigration policy is hard because our world is very unequal

- Where you live is the most important determinant of your quality of life
- An example of the extreme differences in life chances
- In 2025 66,000 people crossed the Central Mediterranean from North Africa to Europe
 - Each paying more than a business-class airfare (\$1500)
 - It's dangerous – almost 1% chance of death in 2025
- But life expectancy almost certainly goes up by getting in the boat
- How is this?
 - If aged 25 and remain in West Africa can expect to live another 42 years – crossing risks losing 1% of 42 years = 5 months
 - In Western Europe can expect to live another 55 years i.e. 13 years more

Why world inequality makes immigration policy hard

- More people want to move to high-income countries like Italy than are realistically going to be admitted
- Our migration policy is going to say 'no' to far more people than we say 'yes' to
 - Decreto Flussi slots allocated on first come first serve basis are often filled within minutes
- In economist jargon, we are in a permanent state of 'excess supply' of potential migrants
- Which leads to the infernal circle of migration policy

The Infernal Circle of Migration Policy makes immigration policy hard



Immigration Policy Is Hard But We Make More of a Mess of It Than We Need To

- Discussion of migration is too binary and too polarized – are you for or against migration?
- Those who are Pro- often believe:
 - there are big economic gains from migration for locals – we need migrants to deal with ageing, to fill labour needs and solve shortages
 - only ignorance/prejudice (undoubtedly some) can explain opposition
- Those who are Anti- often believe
 - There are costs to much of migration, some economic, some cultural
 - they have been betrayed by out-of touch elites who at best are indifferent to people like them and at worst are seeking to replace them with migrants

This adversarial style of debate serves us badly

- Both sides cannot understand why arguments they find so convincing don't persuade the other side
- Both sides free with their criticisms of the other side but perhaps not enough self-criticism (probably me included!)
- End up thinking the other side are beyond reason – this is a very bad idea if you want to persuade other people
- Both sides are guilty of cherry-picking, exaggerating, misrepresenting and (sometimes) making up evidence
- The debate ends up not only very binary but also very polarized

Escaping the binary, polarized discussion: How we can make migration policy better

- Recognise we will have immigration but also controls on immigration (completely open borders now is not a realistic policy)
- A migration policy means saying 'yes' to some people who want to migrate but 'no' to others - Migration policy involves selection
- Migration just changes the size and mix of our population
- We need to understand the trade-offs involved – and there normally are trade-offs. Will sketch 3 issues
 - Migration and ageing
 - Migration and labour shortages
 - Asylum and refugee policy

Migration can help a bit with ageing but not as much as often believed

- The challenge of ageing is one reason to have migration – the alternative is population decline
- Italy is more extreme than many other countries
- But impact of migration on ageing is bigger in short- than longer-run so less effective than often claimed at dealing with long-run challenge
 - Migrants tend to be young when they first arrive but age at the same rate as everyone else
- EU Report by demographers “Higher fertility or more immigration are not enough to cope with the challenges of population ageing”

For Italy..

- Level of net migration of non-Italians required to keep population stable is not especially high by international standards
- But even that level would mean a slow but steady and inexorable rise in the share of population that is migrant – not impossible but need to be ready for it
- Levels of migration to maintain size of working age population higher but possible
- Levels required to maintain share of population of working age so large as to be unrealistic
- Bottom line: Higher levels of migration can slow ageing but not avoid it

Do We Need Migrant Workers to Deal With Shortages?

- A shortage of workers can occur for two reasons
 - Not enough people in the country able to do the job – ‘skills’ shortage
 - Not enough people in the country who want to do the job – poor pay and conditions (e.g. agriculture, caring...)
- For skills shortages solutions are training (which may take time) or migration
- Where the cause is poor pay and conditions then the choice is improve pay and conditions or use migration.
- This is more common in low-paid sectors (migrants in Italy tend to be low-paid) so I will discuss that

Improve pay and conditions....

- In this case you probably don't need a visa for these jobs just as you don't need a visa for shop-workers
- But required pay increases may be large which increases labour costs and prices
- This is bad for the producers or consumers of those services (though good for the workers)
- If you don't want to improve pay and conditions then you will have to use migration (or allow sector to decline)

But there are risks to using migration....

- Increasingly, the sectors will detach from the rest of the labour market, becoming increasingly dependent on migrant labour
- If you give those migrants permanent residence after a while then:
 - They will be free to change jobs and many will (for the same reason the locals don't want to work there - poor pay and conditions)
 - If they then have access to welfare state and they remain low-paid they may receive more in benefits than they pay in taxes
- What is an effective way to provide cheap labour in the short-run may be more expensive in the longer-run
- To avoid this places like Dubai/Singapore do not offer these migrants routes out of the sector or to become a full member of society

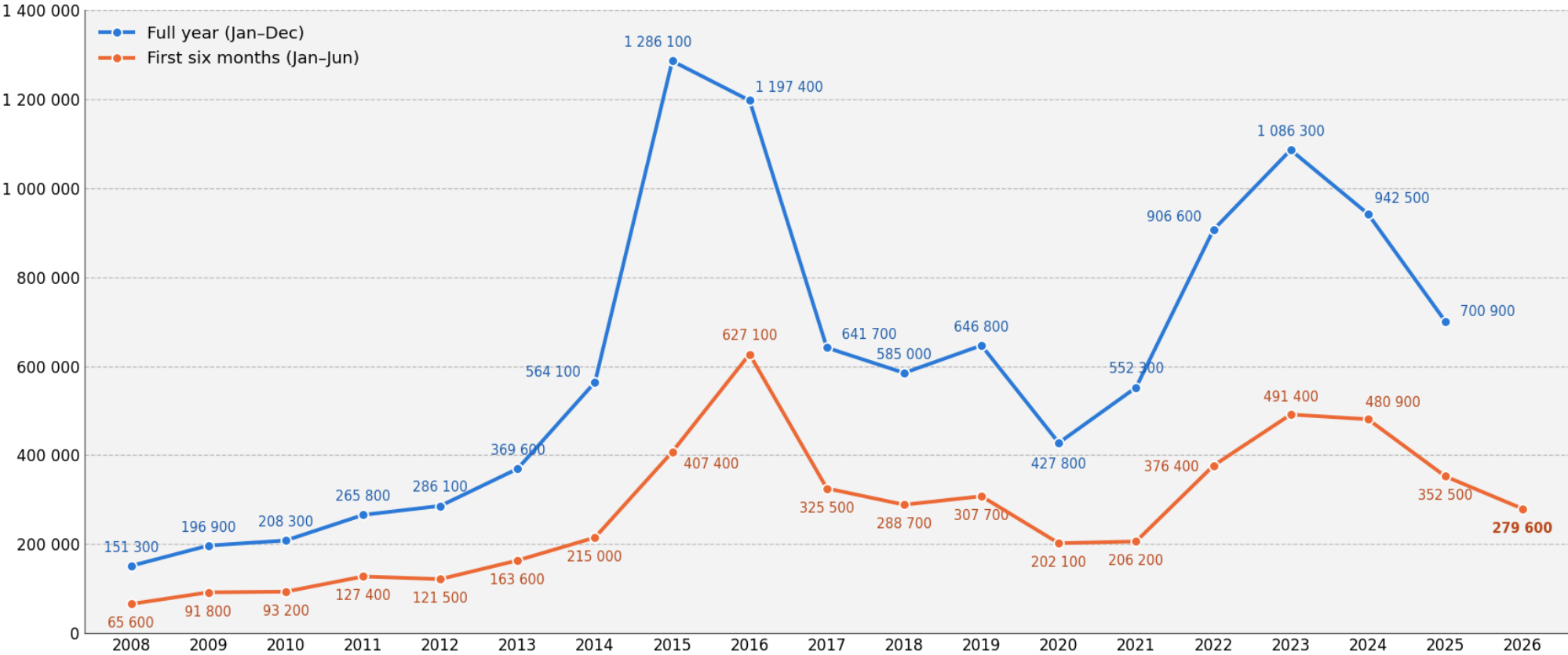
I would use 'shortage' and 'need' arguments sparingly

- If a firm says, 'I'm struggling to sell my product and I'm short of customers', we might say:
 - Perhaps your product is priced wrongly
 - Or (politely) perhaps it's not a very good product.'
- Few people think the government should provide customers
- But when employers complain of labour shortages - 'nobody wants my jobs' - many think we should provide them with migrants who will work under the terms and conditions employers view as appropriate.
- But perhaps we don't have to in many cases

Asylum-Seekers/Refugees/Humanitarian

- This is probably the most difficult part of migration policy.
- It is the part where the public think control has been lost the most
- And the type of migration where public opinion is most negative
- But it is also the part where it is harder to deliver control

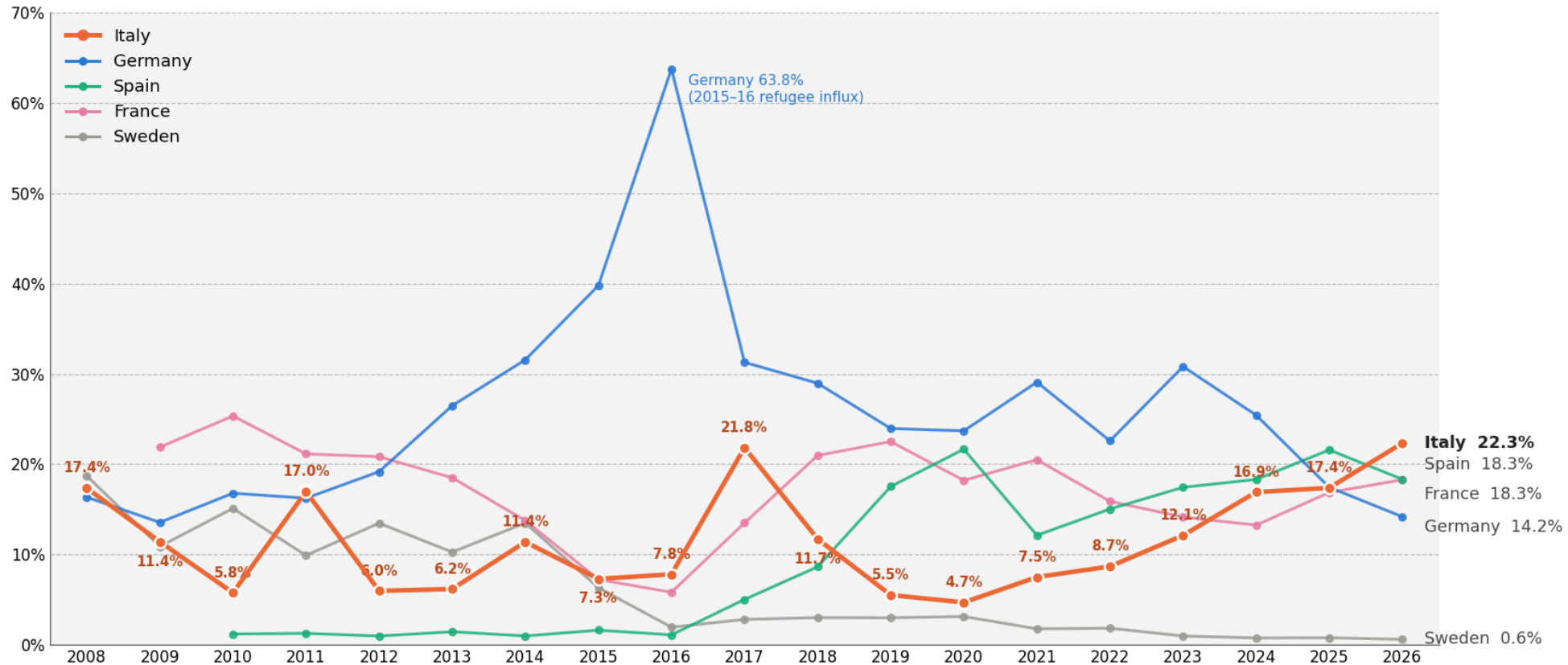
Asylum Applications to the EU Are Falling



(first-time asylum applicants in the EU, absolute numbers; full year and first six months of each year)

Source: Eurostat, first-time asylum applicants. Numbers rounded to nearest 100. 2026: January-June only, provisional; full-year 2026 data not yet available.

Asylum Applications in Italy falling but share of EU asylum claims rising



(share of EU total, first six months of each year only; selected receiving countries)

Source: Eurostat, first-time asylum applicants, January-June of each year. Shares of the EU total. 2026 provisional.
Spain (2008-09) and France (2008) not shown: no data. Full-year shares may differ.

Why Do Numbers Matter?

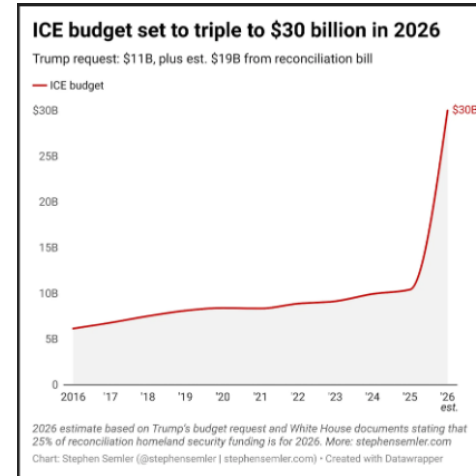
- Numbers a problem because in many countries labour market outcomes for refugees are poor (low employment rates, low incomes when in employment)
- So net burden on taxpayer - good estimate from Australia has lifetime cost of €250k per person
- For Italy employment rates do not look so bad compared to locals but, on average, refugees are 2 deciles lower in income distribution
- And only a small fraction of those whose claims are refused leave – the rest become part of the unauthorised population

Summary of attitudes to humanitarian migration in Italy (similar to other countries)

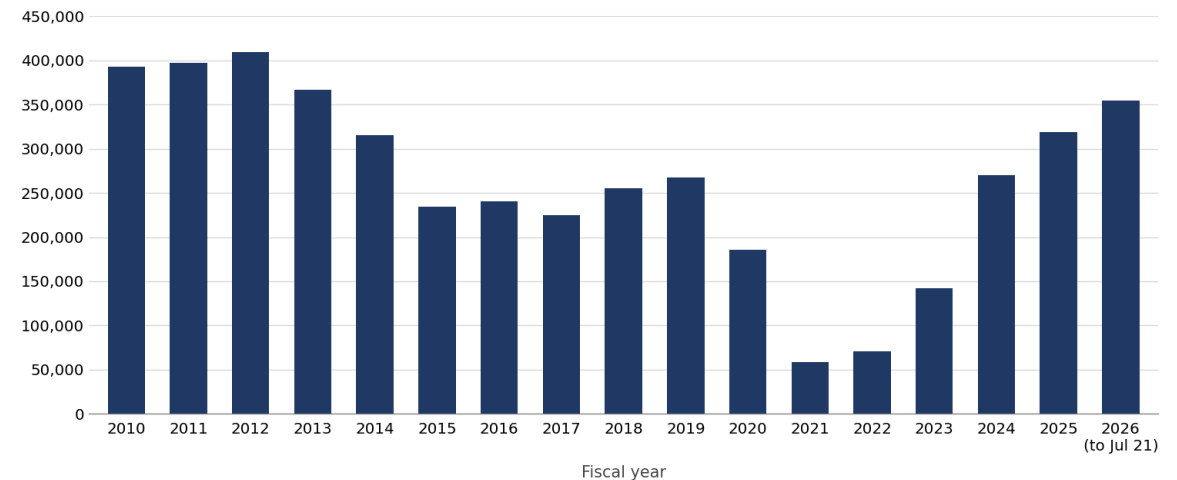
- 71% agree “People should be able to take refuge in other countries, including in my country, to escape from war or persecution” (Ipsos Poll 2025)
- 40% agree “We must close our borders to refugees entirely –we can't accept any at this time”
- 54% agree “Most foreigners who want to get into my country as a refugee really aren't refugees. They just want to come here for economic reasons, or to take advantage of our welfare services”
- Many of the proposed policies from anti- and pro-groups are unconvincing:
 - Detain and Deport
 - Safe and legal routes (either humanitarian or for work)
 - Offshore processing

Detain and Deport – look across the Atlantic

- Tripling in budget for immigration enforcement
- ICE look like badly-trained, heavily-armed, masked paramilitaries
- Killing people
- Picking people up with little regard for due process
- Even after all this Trump misses his deportation targets



ICE deportations by fiscal year, FY2010-2026



What about 'safe and legal' routes?

- People make dangerous unauthorised journeys because they do not have safe and legal routes (Ukrainians enter this way)
- The concern about safe and legal routes is how numbers will be controlled
 - Restrictive eligibility (e.g. caps on numbers) = unlikely to stop unauthorised arrivals
 - Wide eligibility = numbers may increase

“Return hubs” — offshore facilities where rejected asylum seekers could be detained pending deportation

- Idea is that asylum-seekers with weak claims no longer think they will be able to remain in the EU so flows will reduce
- I’m sceptical this will work in longer run
- Agreements with third countries normally have capacity limits that can be quickly reached
- After that they lose any incentive
- Can easily have large numbers in these facilities for long periods with suicides/self-harm etc – already reports of this in Italy-Albania case
- Australia offshore processing is often cited as a model but I don’t think that worked there – agreement with countries of departure more effective

Conclusion

- Migration is salient in politics because there is a gap between:
 - what people say they want (rightly or wrongly)
 - and what they get
- We need to close this gap – this is difficult but we make it harder than we need to
- There is a lot I haven't had time to talk about
- If you want to know more you can:
 - Ask questions now
 - Watch my 3 Lionel Robbins Lectures from LSE
 - [Why immigration policy is hard | LSE Event](#)
 - [A picture of migration | LSE Event](#)
 - [Immigration policy: challenges and options | Alan Manning - LSE](#)
 - Buy the book!