

The challenge of immigration

The refugee crisis has placed immigration at the heart of Europe's political agenda. In the last few Eurobarometers (the public opinion surveys carried out by the European Commission), citizens have ranked immigration as their primary concern, above terrorism and the economic situation.

The humanitarian drama represented by the wave of refugees (Europe receives around 100,000 asylum applications per month) has resulted in huge displays of solidarity but has also revealed serious difficulties in coordinating an effective response by the European Union (EU). Reinforcing borders has helped to reduce the arrival of asylum seekers at the gateways to Europe but over a million people are still waiting for their applications to be processed and for a destination to rebuild their lives. Some countries, the most attractive ones for immigrants, have introduced temporary border controls with other EU member states. The plan is to revise these measures in November but there will be huge political pressure to keep them in place.

The fact is that, unfortunately, immigration and the terrorist threat help to create the perfect breeding ground for populist discourses of a more or less openly xenophobic nature. A few days ago Hungary's government held a referendum that asked «Do you want to allow the European Union to mandate the resettlement of non-Hungarian citizens to Hungary without the approval of the National Assembly?». In the United Kingdom, restrictions on immigration were one of the main points for those advocating Brexit while, in the US, Donald Trump is proposing the mass deportation of illegal immigrants and strong barriers to immigration. These are simple discourses that appeal to fears of terrorism and prejudices regarding immigration that result, at the very least, from an imperfect view of the issue.

Demographic patterns confirm that immigration will continue to be a central issue in Europe far and beyond today's refugee crisis. Europe will certainly need a continuous flow of immigrants if it wants to offset the effects of its ageing population. In addition, on the other side of our borders lie Africa and the Middle East, much poorer regions where growth rates for the population of working and emigrating age (between 15 and 44) are going to be the highest in the world over the coming decades. It is therefore essential to hold level-headed discussions in the EU in order to develop a strategy that helps to handle a situation that is here to stay. Such discussions, in addition to considering the advantages provided by orderly immigration, must also explore in-depth the vulnerabilities created by immigration among the local population.

The Dossier in this *Monthly Report* discusses some of the perceptions and prejudices surrounding the migratory phenomenon. For instance, it is noted that citizens tend to overestimate, and to a great extent, the proportion of the immigrant population in their societies. They also tend to believe that immigrants have a negative effect on the employment conditions of native workers, both on wages and employment rates. The empirical evidence, however, does not conclusively support this view, rather confirming that immigration helps to increase the participation of women in the labour market. Available studies also dispel the myth that immigration results in a net cost for the state: what immigrants contribute by paying taxes tends to offset any benefits they receive.

One of the articles in the Dossier looks at what is surely the most important aspect of immigration policy: strategies to integrate immigrants in the labour market and ultimately in the host society. Undoubtedly effective integration is fundamental not only to ensure social harmony but also for the sustainability, both in social and political terms, of the migratory flows themselves.

Enric Fernández
Chief Economist
30 September 2016