Migration in EU: Case of Brexit

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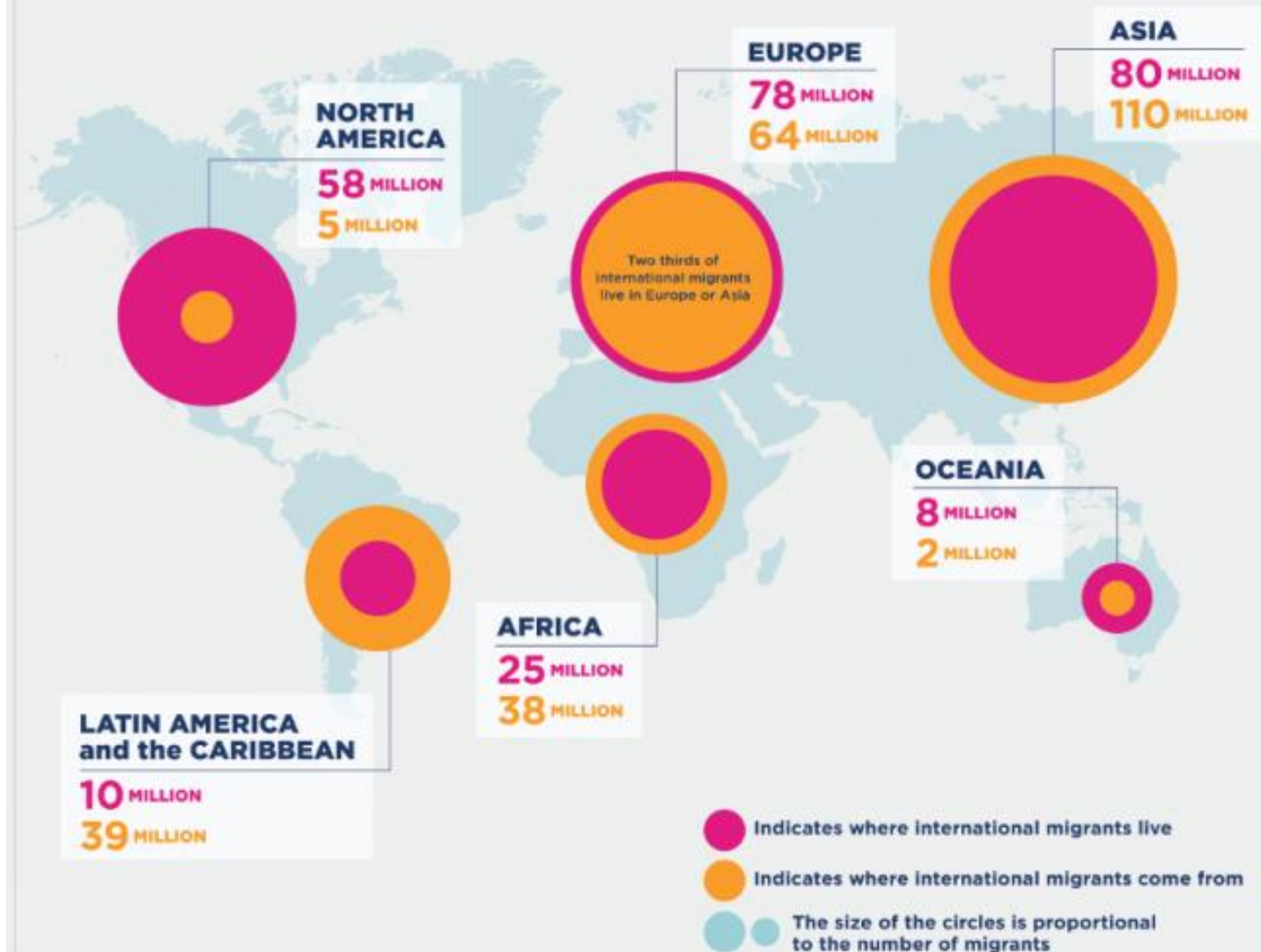
Today's Topics

1. Background: EU's Migration History

2. Migration Policies and EU Enlargement

3. Case Study: UK's Migration Policies and Brexit

Number of International Migrants in 2017

NORTH AMERICA
58 MILLION
5 MILLION

EUROPE
78 MILLION
64 MILLION

ASIA
80 MILLION
110 MILLION

Two thirds of international migrants live in Europe or Asia

OCEANIA
8 MILLION
2 MILLION

AFRICA
25 MILLION
38 MILLION

LATIN AMERICA and the CARIBBEAN
10 MILLION
39 MILLION

258 MILLION

The number of international migrants reached 258 million in 2017. An increase of 85 million since 2000.

MEDIAN AGE 39

14% ARE BELOW 20 YEARS OLD

48% WOMEN

Indicates where international migrants live

Indicates where international migrants come from

The size of the circles is proportional to the number of migrants

NOTES:
- All numbers are millions of people.
- Unknown residuals were redistributed proportionally to the size of groups for which data on international migrants were available by origin.

272Million in 2019

https://migrationdataportal.org/themes/international-migrant-stocks

Since 2011, migration flows have increased by almost 25% from 4 million to almost 5 million (mainly due to humanitarian migration to Europe)

Permanent migration flows to OECD countries, 2007-2016
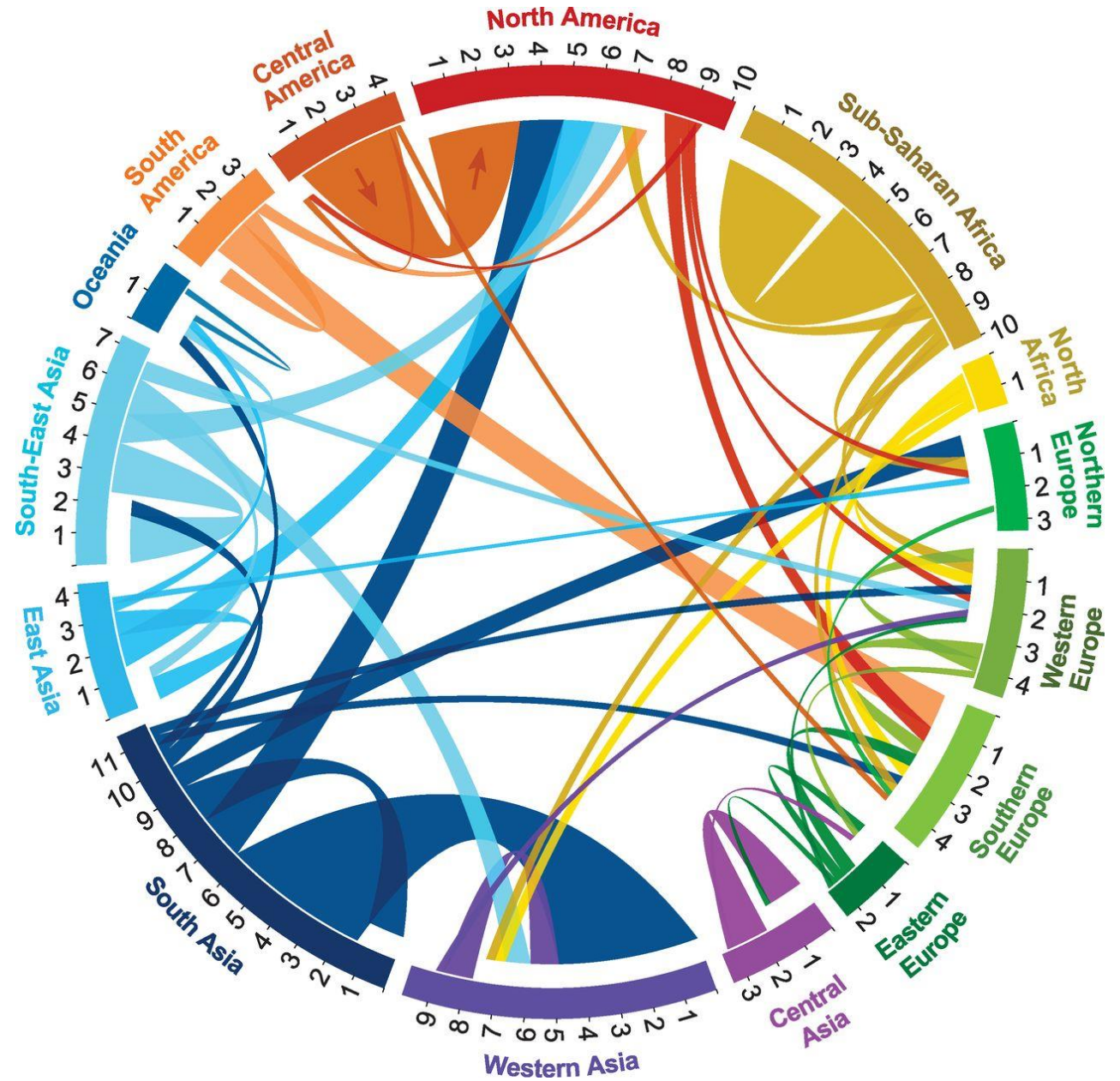
Global Financial Crisis

Millions
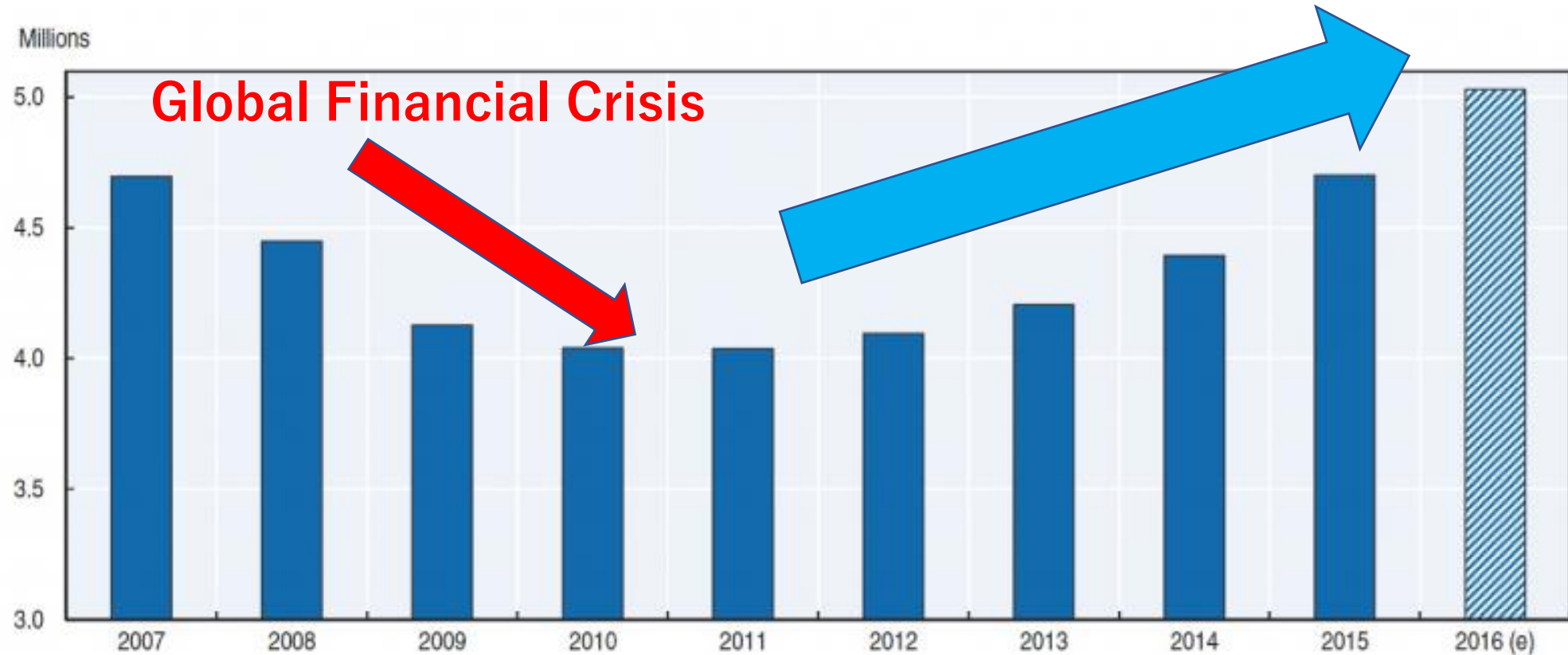
Source: OECD, 2016.

Note: OECD calculations based on national statistics. Data relating to 2016 are estimated based on growth rates published in official national statistics.

Circular plot of migration flows between and within world regions (2005-2010)

Complex and Multifaceted Nature of International Migration

See: Abel and Sander (2014)

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Background: EU's Migration History

- Until the middle of the 20th century, Europe was characterized by substantial emigration to the rest of the world.

- Between 1815-1930, around 50 million Europeans moved to the U.S., Canada, Australia, Brazil, and Argentina (Ferenczi and Wilcox, 1929).

- After WWII, Europe gradually shifted from being a major source of emigration to becoming a major destination for immigrants.

Migration into Europe

- In 1960, the number of international migrants living in Europe was around **14.4 million** (or 3.5% of the total population).

- Then, in 2013, migrants into Europe have reached **52.3 million** (or 10.3% of the total population).
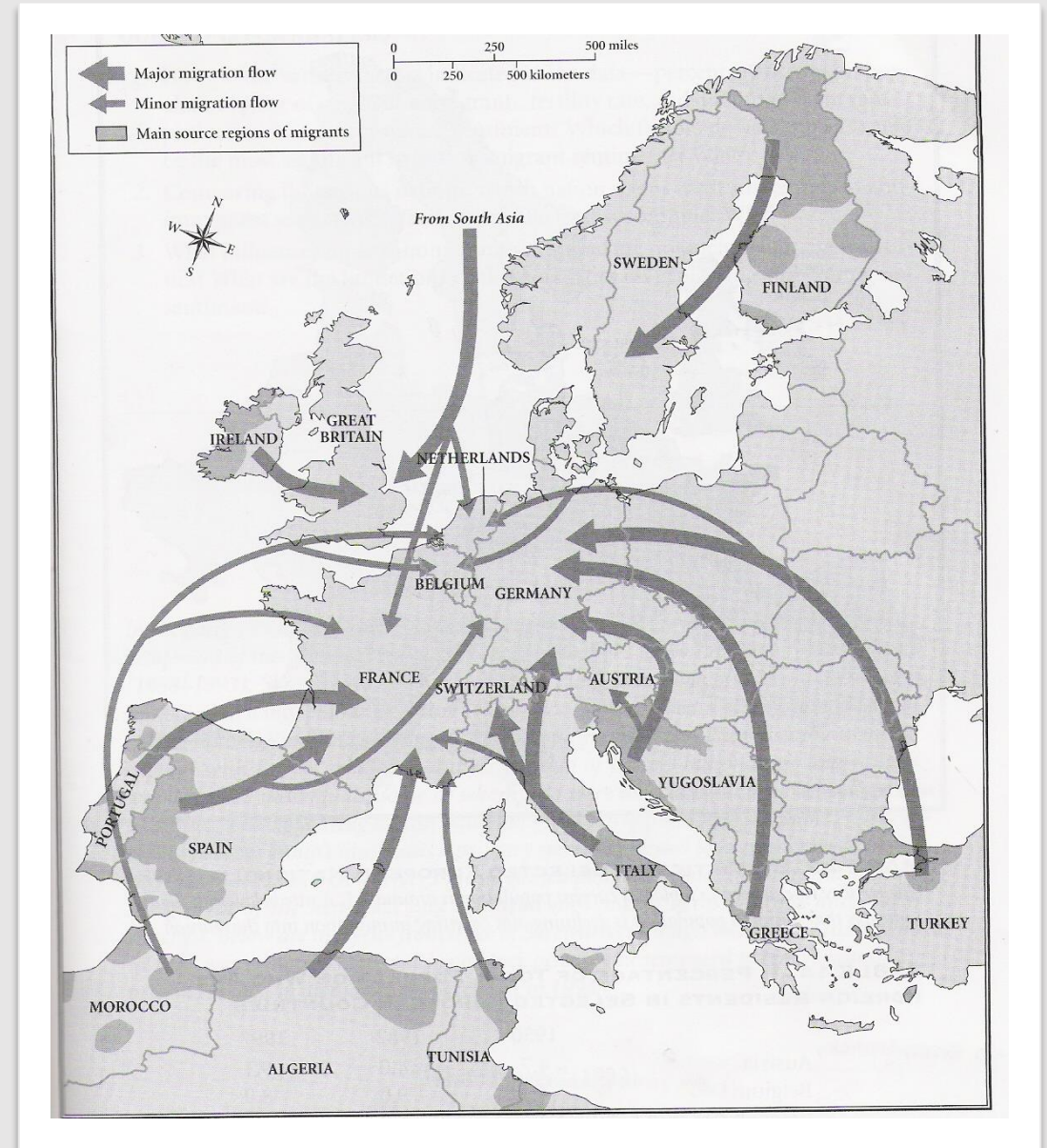
Increasing inflows of migrants into Europe. Why?

- After WWII, primarily driven by changes in individual countries' immigration policies.

- These policy changes linked with the process of decolonization or to active labor recruitment due to lack of young labor force.

From emigration to immigration

Phase 1: Emigration

- Europe was shaped by emigration during the 19th century, while the Americas were shaped by immigration from Europe.

- Some 60 million Europeans left for the New World between 1820 and 1914, as industrialization, wars, and the search for economic opportunity encouraged out-migration.

Phase 2: Return

- After World War II, there was a reshuffling of people in order to get the "right" people inside the right borders.

- Many of those who had been brought to Germany to work went back home to new countries or old countries.

- Millions of Germans returned to Germany.

- There was also migration between colonies and mother countries (e.g. France to Algeria, India and the Caribbean to UK)

Phase 3: Immigration for Economic Opportunities

• Western European nations (e.g. France and Germany) became manufacturing powerhouses, producing goods such as auto mobiles.

• More jobs than workers in France and Germany.

• More workers than jobs in Italy and Spain.

⇨Employers asked their governments to allow them to recruit foreign workers.⇨**High demand on foreign labor!!**

• The foreign workers were termed **Guest Workers** (**Gastarbeiter**), stressing that they were temporary workers not immigrants.

• The government assumed that if employers still needed them after 2-year period of contract, guest workers would return to their countries of origin with savings and be replaced by fresh recruits.

Guest Workers recruited in the 1960s and 1970s

- Over 40% of non-EU nationals in the EU labor force are low-skilled.

- Most of them are guest workers recruited in the 60s and 70s to work in factories and their children.

- For example, Gastarbeiter in Germany mainly came from Turkey.

- During the 70s and 80s, these recruitment industries restructured, and many of them who lost jobs had a hard time finding new ones.

Phase 4: Economic boom in Europe

- Both employers and guest workers wanted to prolong their stays.

- Employers did not want to send experienced workers back home.

- The young guest workers quickly adapted to life abroad and did not want to return because of lower wages and joblessness in Italy, Greece, and other poorer countries.

Phase 5: Migrant's rights & family unification

- Guest workers ==gained the right== to change jobs and have their families join them with longer stays.

- This made the population of foreigners increase greater than the number of foreign workers.

    ⇨ ==Sharp increase in foreigners and population growth==

Population growth
or
Productivity Growth?

- Almost all EU countries welcome highly skilled migrants, but many see low-skilled migrants as contributing more to population growth than to productivity growth.

- Many non-EU migrant families have only one earner and a larger family members than average size.

- This reduces per-capita income in the families of non-EU migrants.

Population Growth

Phase 6:
Expanding the recruitment

With a lack of supplies of guest workers from Greece, Italy, and Spain, the host countries

(e.g. France and Germany)

looked further afield for guest workers, to Turkey, Yugoslavia, and Morocco.

Phase 7: Oil Shock in the 1970s

- Most European nations stopped the recruitment of guest workers in 1973-74, when oil price hikes induced recessions and the restructuring of manufacturing-based economies.

- European government did not force guest workers to leave, even if they lost their jobs. They were collecting welfare benefits.

- France and Germany offered bonuses to settled migrants who left, but most guest workers knew that economic conditions were even more difficult at home and decided to stay.

Phase 8: Integration

- European nations today are struggling to integrate these guest workers and their children

- Unemployment rates for them are two or three times higher than the rates of natives.

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Migrant Flows into EU

- **Intra-EU migrants (millions)**

Romania (2.2), Poland (1.0), Italy (1.0)

- **Non-EU migrants (millions)**

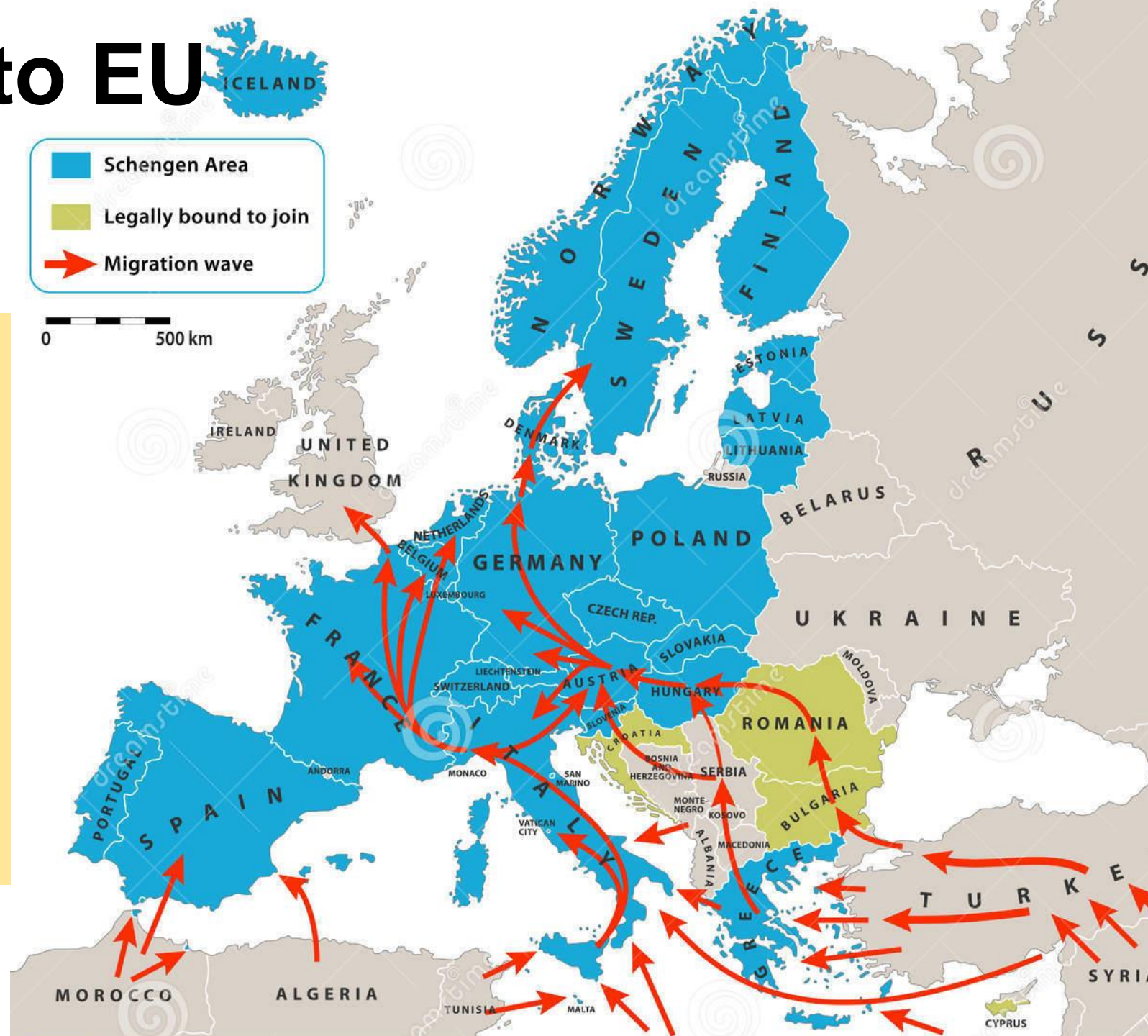Turkey (2.5), Morocco (2.0), Albania (1.0)

- **Their destinations**
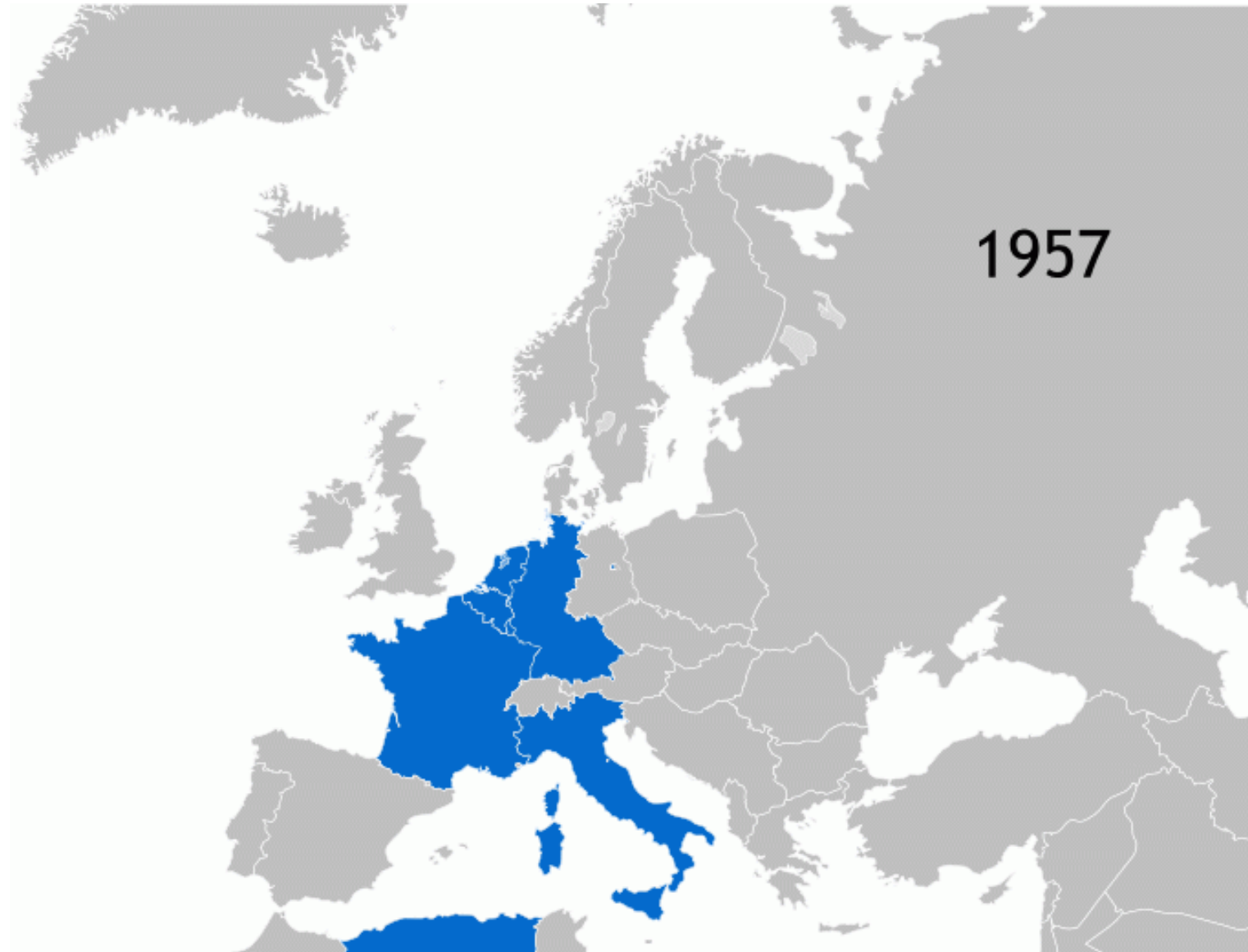
Turks⇨Germany

Moroccans⇨Spain & France

Albanians⇨Greece & Italy

Source: https://www.dreamstime.com

Migration Policies and EU Enlargement

- New immigration policies and EU enlargement increased the share of newly arrived non-EU foreigners with higher skills.

- Central Europeans filled low-skilled jobs in EU-15 nations (e.g. Poles in Germany and UK)

1957

A core principle of the EU is "**Freedom of movement**".

- "Freedom of movement" means that a citizen of an EU member state may travel to another EU member state and work there on an equal basis with natives.

- In 1985, the Shengen Agreement was signed. This abolished internal border controls within Europe's Schengen Area.

- In 1999, this was incorporated into European Union Law, excluding Ireland and the UK.

Schengen Area

- Comprising 26 European countries that have officially abolished passport and all other types of border control at their mutual borders.

- Among 28 EU countries, Bulgaria, Rumania, Cyprus, Croatia, Ireland and UK are not included.
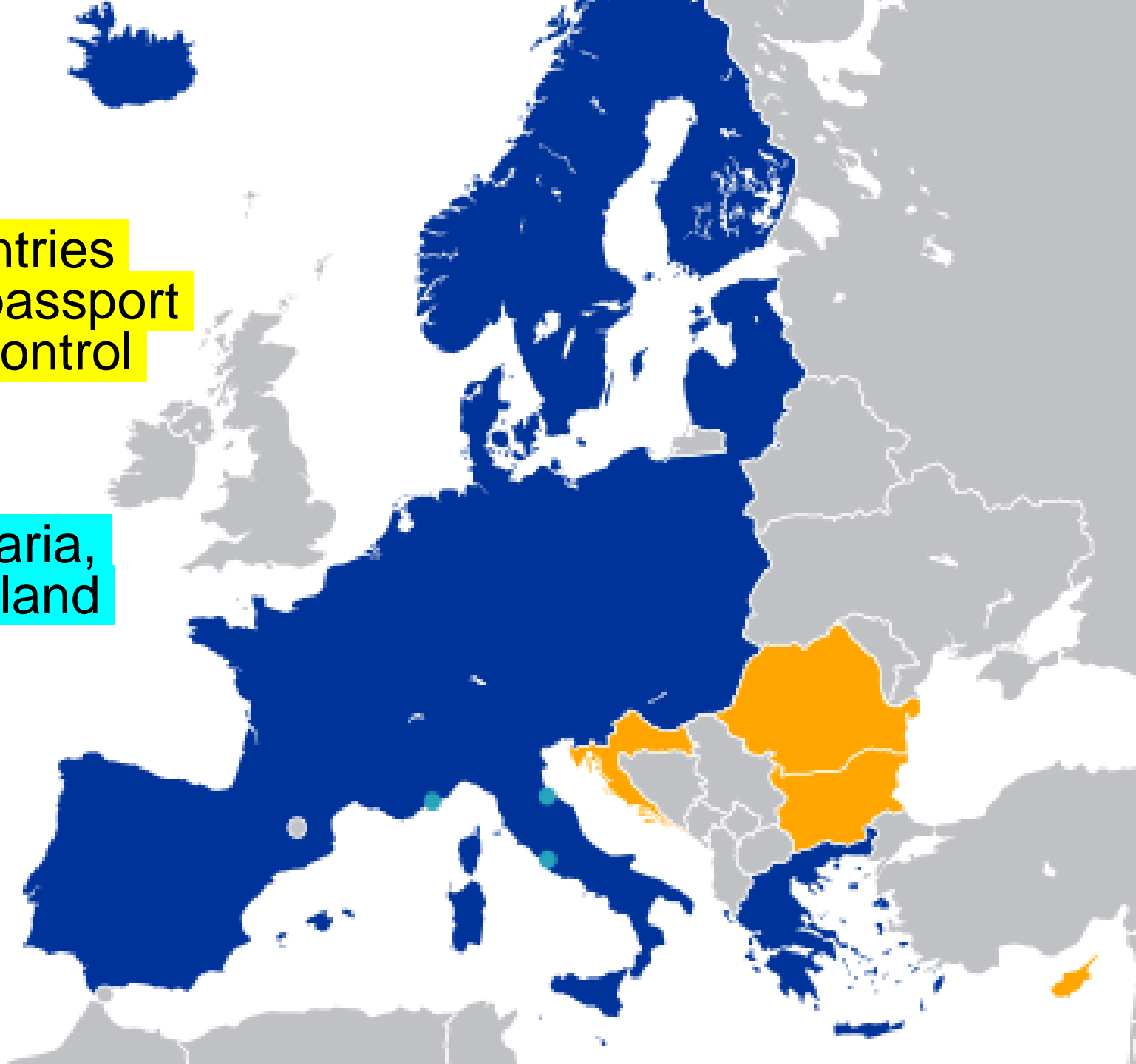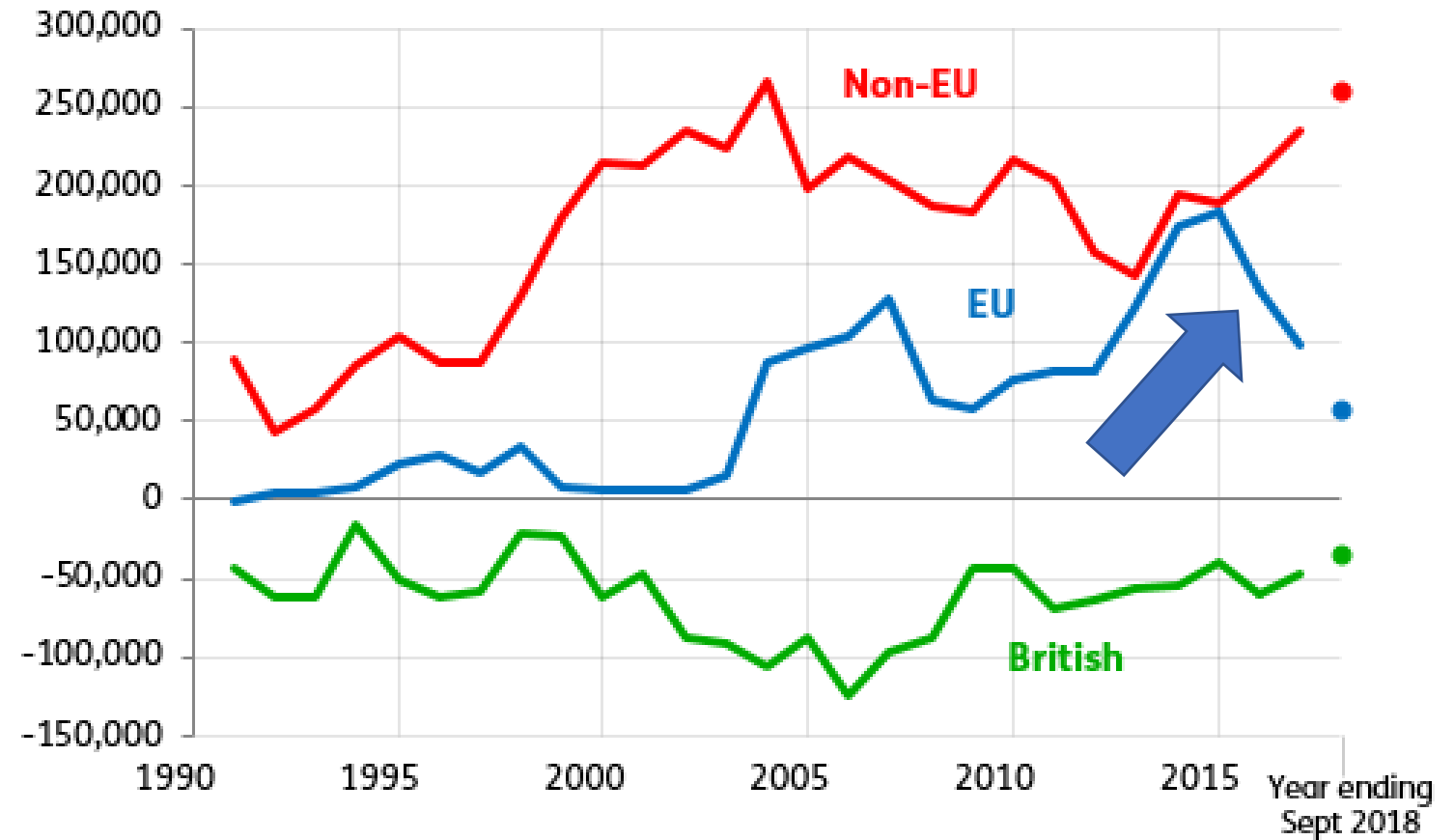
EU Enlargement and Brexit

- The EU added 10 member states in Central Europe in 2004.

- Bulgaria and Romania joined in 2007.

- Croatia joined in 2013.

⇨ The EU included 28 countries.

- UK decided to leave from UK (Brexit) in 2016.

BREXIT

Dramatic increase in EU migrants into the UK from 2012 and 2015.

Migration by nationality

Long-term international net migration in the UK by nationality, calendar years 1991 to 2017*, and year ending September 2018

Non-EU

EU

British

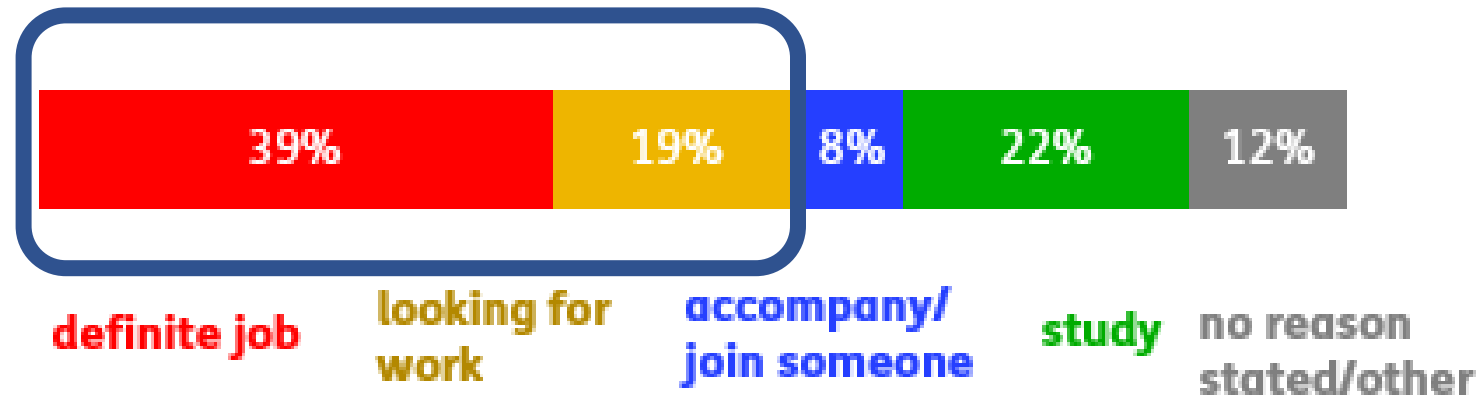300,000
250,000
200,000
150,000
100,000
50,000
0
-50,000
-100,000
-150,000

1990   1995   2000   2005   2010   2015   Year ending Sept 2018

*Figures from 2001-2011 no longer accurate due to revisions, but no alternative available

Full Fact

Reasons given for immigrating to the UK

Immigration of EU and non-EU nationals by main reason stated for migrating, year ending September 2018

EU nationals

definite job	looking for work	accompany/ join someone	study	no reason stated/other
39%	19%	8%	22%	12%

Non-EU nationals

23%	5%	12%	53%	7%

* The figures in this chart exclude British nationals. The figures only include the 'main' reason given so the actual proportion coming for any particular reason may be higher

Full Fact

Enlargement and Restriction: Growing fear of EU migration

- Even though the British government concluded that the migrants were economically beneficial, the backlash against "too much migration" prompted the UK and other EU governments to deny "Freedom of Movement" to Bulgarian and Romanian workers after these countries joined the EU.

- Immigration was a major issue in May 2010 elections that brought a new coalition Conservative-Liberal Democrat government to power; it pledged to reduce net annual migration from 242,000 in 2010 to less than 100,000 by 2015.

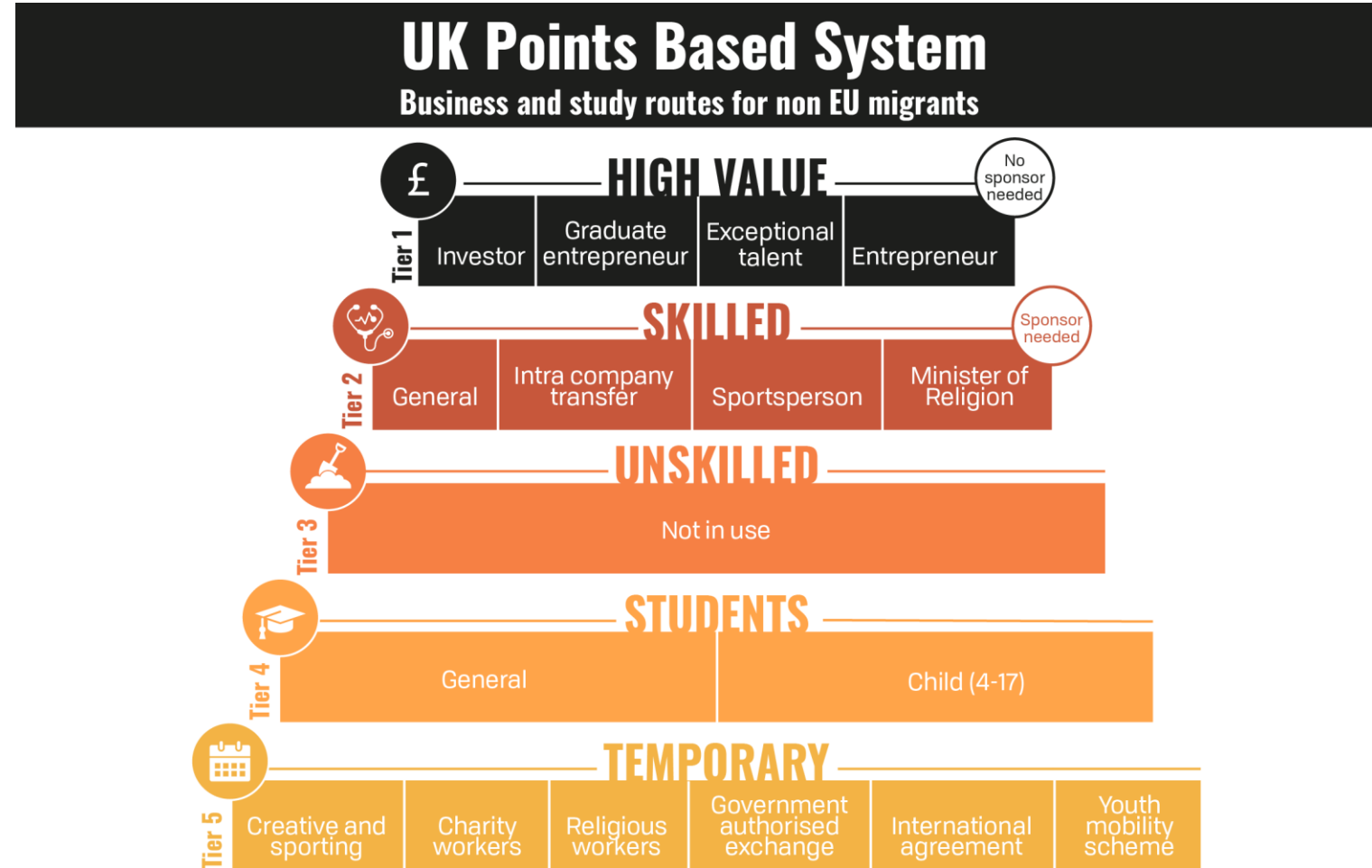# Politics and Migration Issues in the UK

- The Labor government elected in 1997 in the UK expanded immigration to bolster economic growth.

- Between 1997 and 2009, net migration to the UK was 2.2 million, an average 183,000 a year.

- But, with the growing opposition to immigration, the Labor government introduced a five-tier entry system to reduce the influx and rationalize the immigration system in 2007.

Immigration System in the UK: 5-tier entry system

- The new system collapsed 80 entry doors to 5 tiers.

- Non-EU foreigners coming to work in the UK are divided into 5 tiers.

- However, Tier 3(unskilled) are not in use.

UK Points Based System
Business and study routes for non EU migrants

Tier				
Tier 1 — HIGH VALUE (£, No sponsor needed)	Investor	Graduate entrepreneur	Exceptional talent	Entrepreneur
Tier 2 — SKILLED (Sponsor needed)	General	Intra company transfer	Sportsperson	Minister of Religion
Tier 3 — UNSKILLED	Not in use			
Tier 4 — STUDENTS	General		Child (4-17)	
Tier 5 — TEMPORARY	Creative and sporting / Charity workers / Religious workers / Government authorised exchange / International agreement / Youth mobility scheme			

freemovement

UK's Seasonal Agricultural Workers Scheme (SAWS)

- Established in 1945 as a cultural <mark>exchange scheme</mark> to encourage young, predominantly agricultural, students from across Europe to work in agriculture in the peak seasons.

- Modified over time and became <mark>a quota-based system</mark> in 1990.

- Between 2004 and 2007, mostly came from the following countries: Ukraine (33%); <mark>Bulgaria (23%)</mark>; Russia (15%); <mark>Romania (11%)</mark>; Belarus (9%); and Moldova (6%).

- Closed the SWAS in 2013, with an annual quota of 5500 workers.

- For more details, please see Consterdine & Samuk (2015) "Closing the Seasonal Agricultural Workers Scheme; A Triple Loss", downloadable from the following website: https://www.sussex.ac.uk/webteam/gateway/file.php?name=mwp83.pdf&site=252

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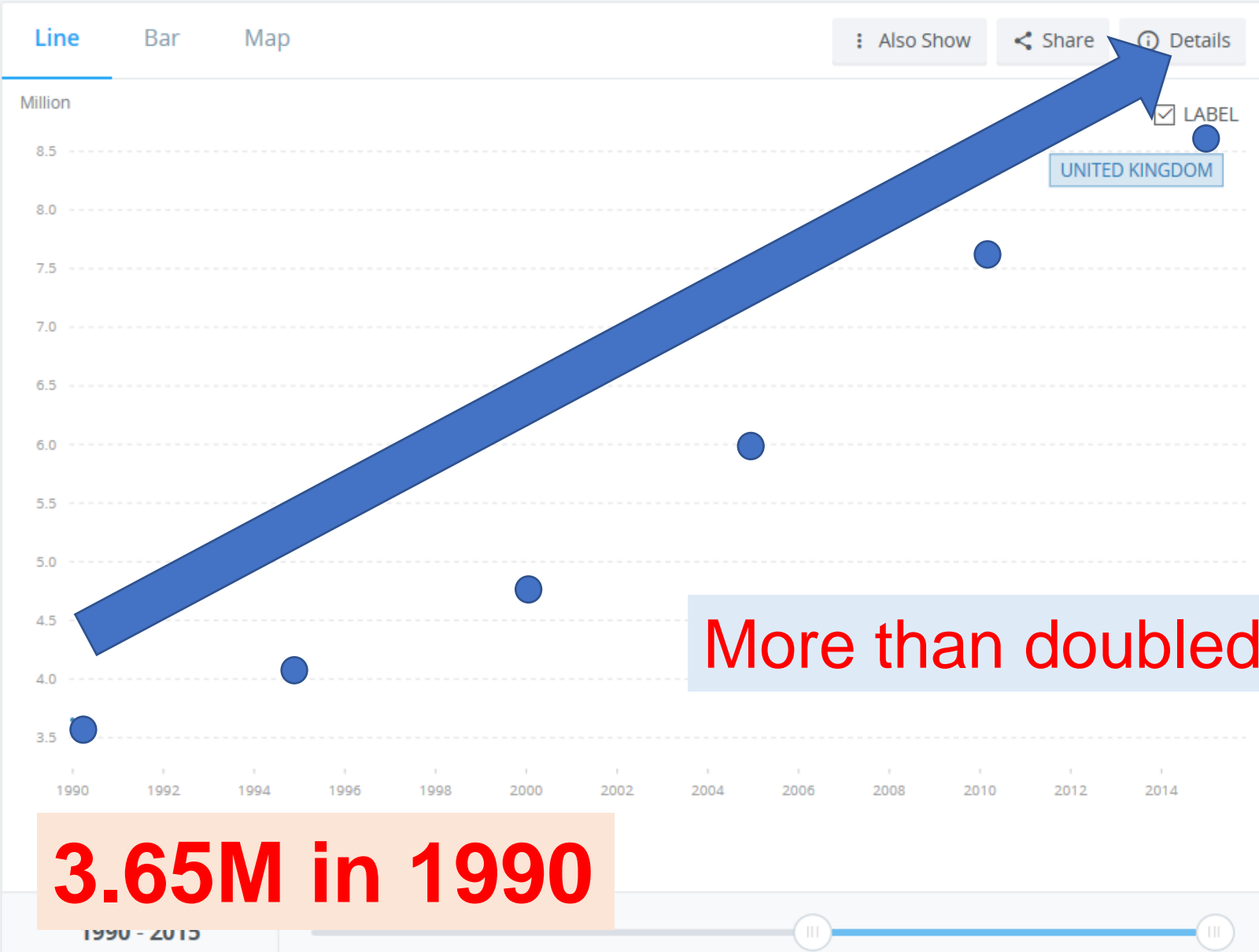
3. **Case Study: UK's Migration Policies and Brexit**

UK's Trends in Migration

- UK has the ==immigrant stock== of 8.5 million foreign-born individuals.

- ==Migrant share== increased from 3.2% in 1960 to 13.2% in 2015.

- ==Large inflows of migrants== arriving ==from former British colonies== after their independence (e.g. India, Pakistan, Bangladesh, Nigeria, and South Africa etc.).

- More recently, the UK received ==substantial inflows of Eastern European migrants==, particularly from Poland.

UK's migration features

Compared to other European countries, a relatively small fraction of contemporaneous immigration into the UK originate from within the EU because of its <mark>colonial past</mark> as well as <mark>English-speaking country</mark>.
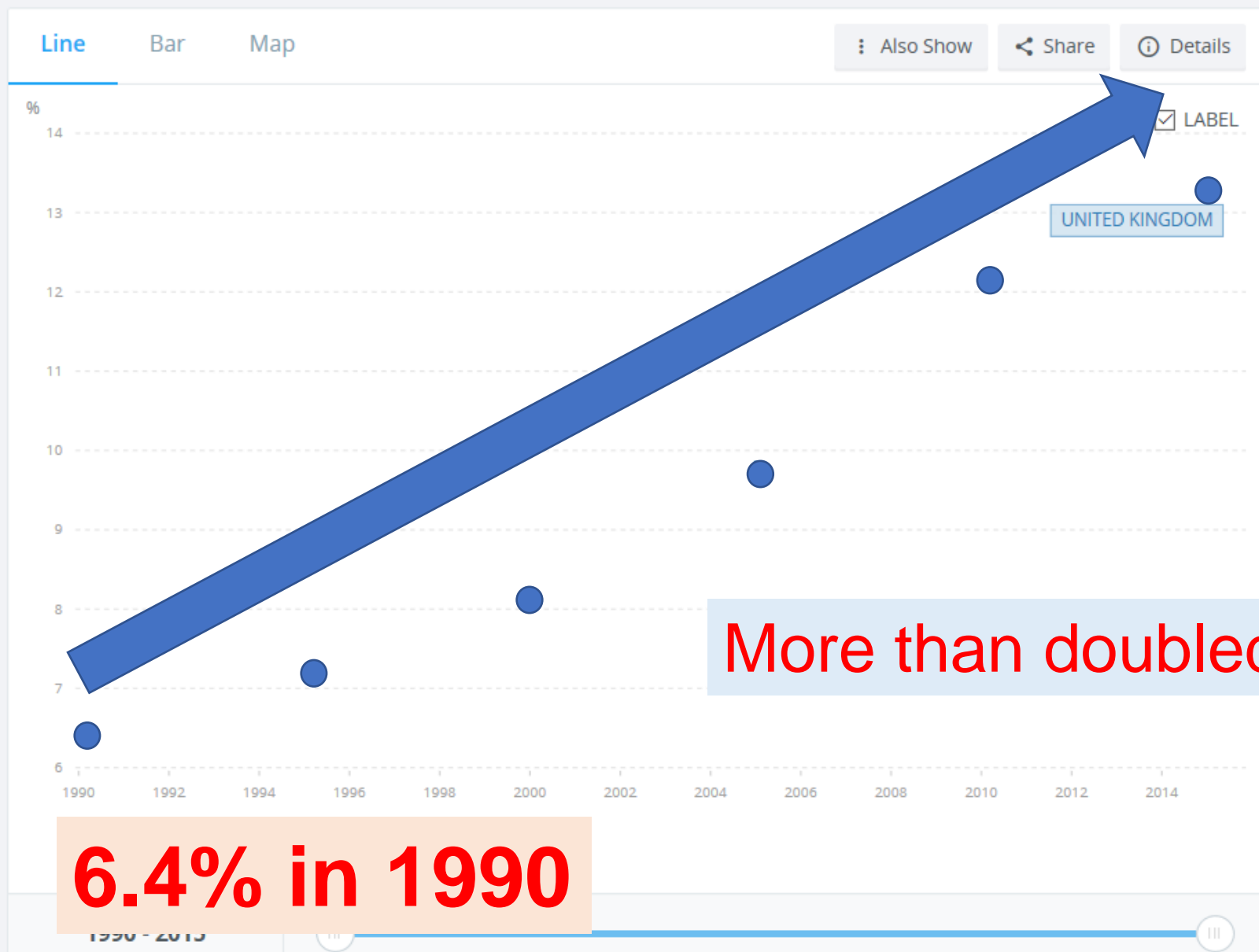
International Migrant Stock in UK(number)

International migrant stock, total

| Line | Bar | Map | | ⋮ Also Show | ⪻ Share | ⓘ Details |

Million

☑ LABEL

8.5

8.54M in 2015

8.0

UNITED KINGDOM

7.5

7.0

6.5

6.0

5.5

5.0

4.5

More than doubled from 1990 to 2015

4.0

3.5

1990   1992   1994   1996   1998   2000   2002   2004   2006   2008   2010   2012   2014

3.65M in 1990

1990 - 2015

International Migrant Stock in UK(%)

International migrant stock (% of population)

United Nations Population Division

Line   Bar   Map

⋮ Also Show   �< Share   ⓘ Details

☑ LABEL

%

14

13 — UNITED KINGDOM

13.2% in 2015

12

11

10

9

8

7

More than doubled from 1990 to 2015

6

1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014

6.4% in 1990

1990 - 2015

UK Population Growth Projections

65M in 2015

57M in 1990

The increase in natural growth coupled with a further rise in net migration will see the UK population continuing to rise throughout the 21st century.
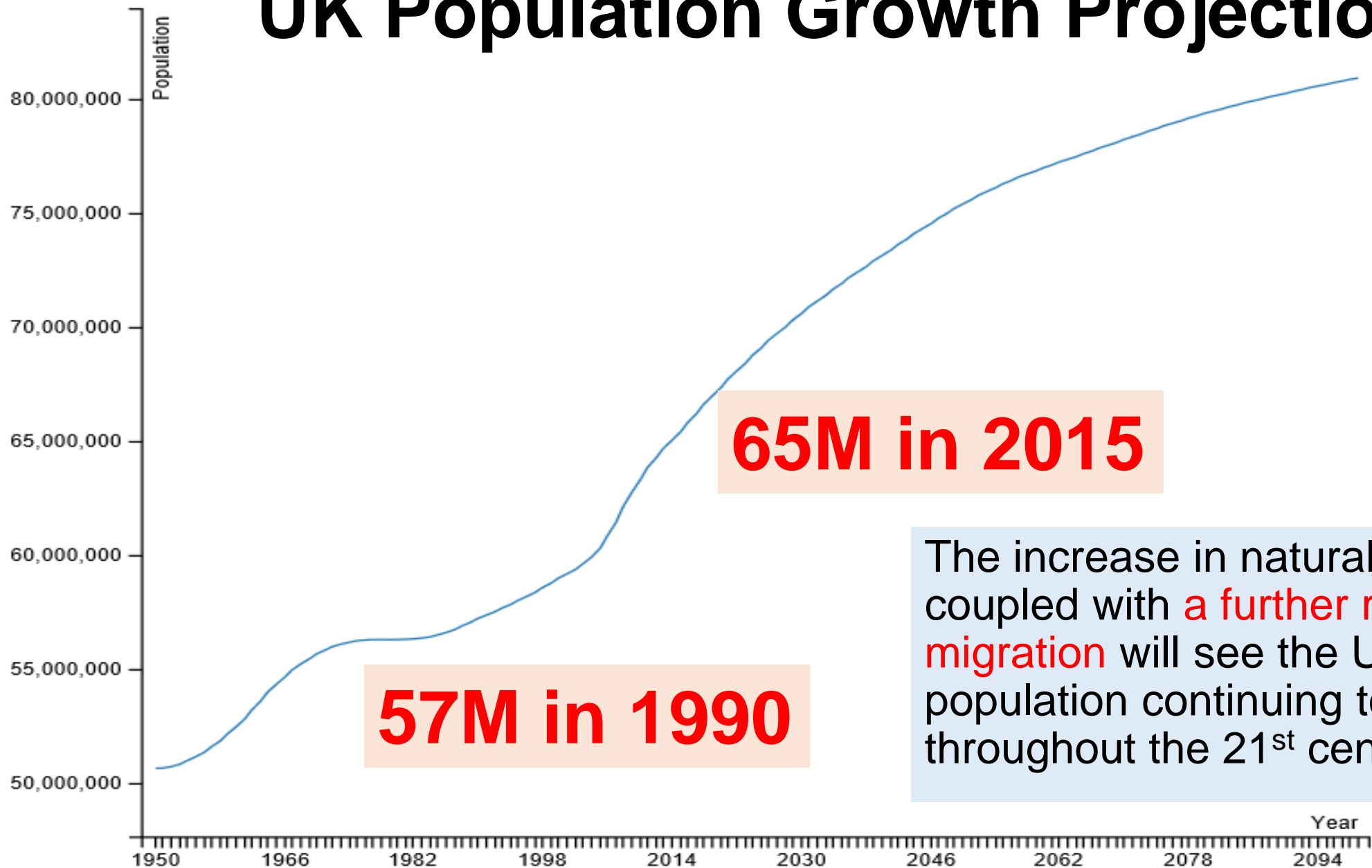
Population Data via United Nations WPP (2015 Revision, Medium Variant)

Gaps in the quality of employment (1)

(1) Occupational gaps

- Dustmann and Frattini (2011) provided comparative evidence for **15 EU countries**.

- They found that the extent of **occupational segregation** is more pronounced in Italy and Spain than in France, Germany, Sweden and the UK.

# Gaps in the quality of employment (2)

(2)Earnings gaps

• Using LFS, Dustmann and Frattini (2011) concluded that <mark>immigrant earnings</mark> are located at the bottom of the overall earnings distribution.

• Algan et al. (2010) showed the evidence of <mark>earnings gaps between immigrants and natives</mark> in France, Germany, and the UK. In particularly, the earning gaps between first-generation immigrants and natives are high.

Brexit: the UK leaving the EU?

Why?

- On 23 June, 2016, voted for the decision on whether the UK should leave or remain in the EU. Leave won by 52% to 48%.

-Thereasa May was against Brexit during the referendum campaign but was in favour of it because she said "*What the British people want.*"
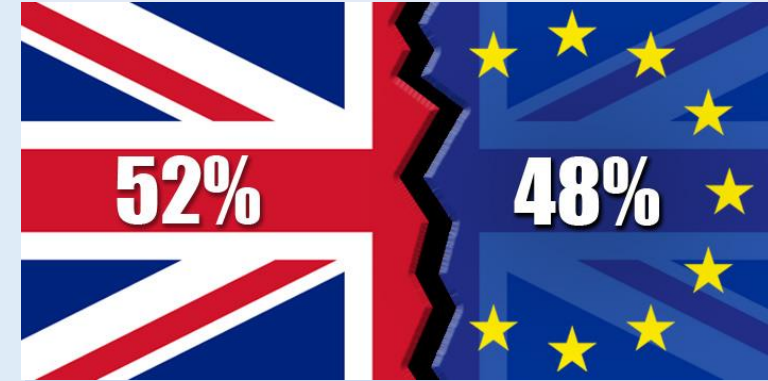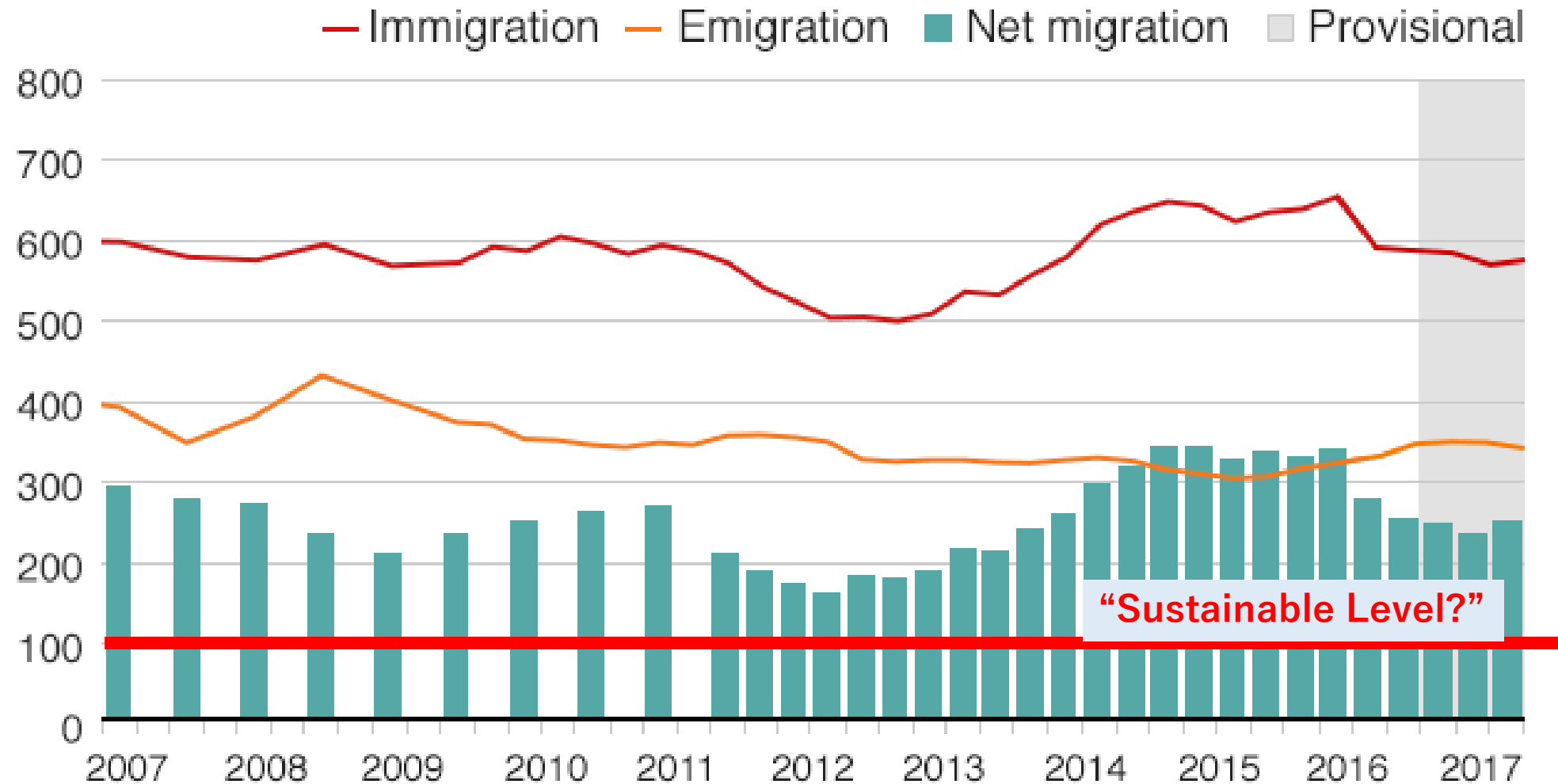
Brexit and Immigration

- Theresa May said that the British people want to see ==a reduction in immigration==.

- She said this will be a focus of Brexit negotiations as she remained committed to ==getting net migration (i.e. outmigration – immigration) down to a **"sustainable level"**==, which is defined as being ==below 100 thousands people a year==.

Long term international migration to UK

Migration (thousands)

Legend: — Immigration — Emigration ▮ Net migration ▮ Provisional

"Sustainable Level?"

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Note: Net migration = Immigration - Emigration

Source: ONS

BBC

Please See Video1!!

Brexit: the UK leaving the EU?

-Brexit will happen on Oct 31?

-No deal or Hard Brexit?