

Immigration, Intra-EU Mobility, and Sustainable economic growth

Growth & Innovation, Talk, 20 October 2014

The guest speakers of this event explored the wide range of possible impacts migration has on society and its contribution for sustainable economic growth. Moreover, the main political challenges that the EU has to face in order to fully benefit from migration were also addressed.

László Andor — European Commissioner — stressed the need to conceive migration as a quadruple win relation. By this he meant that mobility must be seen as a benefit for *i*) the migrants that find jobs or better jobs; *ii*) for the employers that find better matches and reduce skills shortages; *iii*) for the host countries that benefit e.g. from higher social security contributions; and *iv*) for the sending countries that benefit e.g. from remittances and other non-financial transfers. Furthermore, László Andor recalled that migration rates rose in the EU due to the enlargement process and to the euro-crisis. However, in his view, intra-EU mobility remains way below what he believes to be its potential, which made him advocate to further intensify student mobility (as Erasmus), and to continue supporting migrants through European Institutions. Additionally, the Commissioner stated to believe in the need for compensating sending countries for the potential brain drain effect, as host nations may be e.g. free-riding in their public education system.

Lastly, the speaker also stressed the need to increase non-EU migration levels, as this is relevant to fight the European ageing problem as well as to further strengthen EU's interests in its neighboring countries in terms of e.g. trade and natural resources.

Greg Wright — Professor at the University of California at Merced — presented some insights on his research about international trade and migration. He argued that migration influences trade by *i*) decreasing barriers (culture, language, institutions, etc...); *ii*) migrants' direct consumption of products from their home countries; and *iii*) increasing firms' performance. In his research, by focusing on the international trade of services, he found that firms with foreign workers tend to export more services and import less.

Melissa Siegel — Professor at the Maastricht University — exposed the results of her research regarding the effects of integration policies in host countries. According to her, there is currently a vivid political debate on whether or not integration policies decrease migrants' engagement with their home countries. She argued that this engagement is essential for the development process of the sending countries because of e.g. remittances and knowledge transfers. In her study, Melissa Siegel found integration policies not to crowd out migrants' engagement with their home countries, evidencing that these are complements rather than substitutes.

Vít Novotný – senior researcher at the Wilfried Martens CES – focused on the current political debate around migration policy. In his view politicians are failing to recognize the social and economic positive effects of migration, despite all the supporting evidences. Besides, he explained how important it is for the EU to further harmonize migration policies and institutions, as twenty eight different legislative realities are a serious hurdle for intra-EU mobility. Finally, regarding non-EU migration, Vít Novotný argued that the Blue Card EU-wide work permit needs to be revised because it is currently not working. As a result, the majority of non-EU migrants are joining the EU through national arrangements.

Event notes by Diogo Machado

© Brueqel 2013 www.bruegel.org