

## MIGRATION ISSUES AND THEIR ECONOMIC IMPACT

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*The most important and avidly debated effects of undocumented immigration involve the UE' economy and labor force. It is estimated that there are 12 million undocumented immigrants in the UE today, and their impact on the economy can be perceived as positive as well as negative. The overall effect is unclear, and this page aims to present both sides of the debate. The main argument supporting the undocumented immigration is that migrant workers do jobs that UE do not want to do. Given that most of the EU labor force does not compete with undocumented workers for jobs, there has not been a significant shift in the wage rate. Who is then hurt by these immigrants doing jobs that "we will not do"? For instance, those without high school diplomas are the ones who are most affected. It is estimated that undocumented immigrants have lower wages by approximately 3 to 8 percent for low-skill jobs. Furthermore, Americans who compete with immigrants for these jobs stand to make an additional \$25 a week if undocumented immigration were to be severely cut down. This modeling demonstrates how migration has varied economic impacts across economics. While mining GDP is boosted by migration, in percentage terms this boost falls well short of the boost to population. This is because mining is dependent on a fixed natural resource. Thus mining GDP is substantially lower on a per capita basis. On a per capita basis, the boost to the Government services industry is modest. This reflects the falls in general government final demand per capita. The boost to Agriculture on a per capita basis is also modest. This is because Agriculture is dependent on the supply of agricultural land, limiting its ability to expand with a higher population. Both the manufacturing industry and the other services industry achieve large gains from migration, as these industries do not face the same natural constraints as mining and agriculture. They both benefit from their exposure to the strong gain in household consumption per capita, and the more plentiful supply of high-skilled workers. Manufacturing also benefits from the very strong gain in investment demand per capita.*

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*Cele mai importante i intens analizate efecte ale imigrației f r acte sunt legate de economie i forța de munc în UE. În prezent, se estimeaz c exist 12 milioane de imigranți f r acte în UE, iar impactul acestora asupra economiei poate fi perceput ca fiind atât pozitiv, cât i negativ. Efectul general este neclar, iar această cercetare î i propune s prezinte ambele p rți ale dezbaterii. Principalul argument în susținerea imigrației f r acte este c lucr torii migranți accept munci, pe care membrii UE nu doresc s le execute. Dat fiind faptul c majoritatea forței de munc din UE nu concureaz cu lucr torii f r acte de identitate pentru locuri de munc , nu a existat nici o schimbare semnificativ în rata salariului. Cine a suferit pe seama acestor migranți, dac localnicii "nu vor s le fac "? De exemplu, cei care nu au diplome de liceu sunt cei mai afectați. Se estimeaz salarii mai mici la imigranții f r acte", cu aproximativ 3 pân la 8 la suta pentru locurile de munc necalificate. Mai mult decât atât, americanii concureaz cu imigranții pentru aceste locuri de munc pentru a face 25 \$ pe s pt mân , în cazul în care imigrația f r acte urma s fie redus sever. Acest lucru demonstreaz modul în care migrația de modelare a variat impactul economic în întreaga economie. În timp ce PIB-ul minier este stimulat de migrație, în procente acest impuls scade mult impulsul populației. Acest lucru se datoreaz faptului c bun starea este dependent de o resurs natural fix . Astfel, PIB-ul cre te substanțial, dar la o rat mai mic ca num rul populației, ceea ce reflect sc derile cererii finale generale pe cap de locuitor înregistrate în guvern. Impulsul pentru agricultur pe cap de locuitor este, de asemenea, modest, cee ce se datoreaz faptului c agricultura depinde de livrarea de terenuri agricole, limitând capacitatea sa de a se extinde cu o populație mai mare. Atât industria prelucr toare, cât i industria serviciilor beneficiaz de pe seama migrației, deoarece aceste industrii nu se confrunt cu acelea i constrângeri naturale ca i agricultura. Ambii beneficiaz în rezultatul câ tigului puternic în consumul casnic pe cap*



working with migrants practically does not work. The policy of the EU countries on this issue is very heterogeneous. If the countries of Southern Europe refugee camps over reminiscent of concentration camps, then, for example, in Sweden, the conditions of displaced persons are much more comfortable.

Fears of invasion of migrants in Europe, seems to be completely unnecessary – at least from an economic point of view. But there are problems in terms of social, cultural, terrorism and national security. A number of studies shows that even refugees as a result of the state shelters bring more profits than losses. From January of this year in Europe came 362 thousand illegal immigrants, estimated the International Organization for Migration. It is estimated that 80% of refugees fleeing the violence in their country. According to European laws, which were developed in the 90s, Europe should grant them asylum in the first country of their arrival. This led to the fact that many migrants began to settle in Greece, Italy and Hungary. In 2004, European countries were allowed to decide the issue of migration, and how to let someone. Budget Breakdown Britain from migrants from Eastern Europe is 1.21 times as much as for her expenses.

This year, the flow of refugees into Europe has increased dramatically. EU officials have even begun to discuss the options for deportation of refugees who have arrived from certain countries. Now EU governments are thinking of how to resettle refugees from Greece and Italy, throughout Europe. First we talked about 32 thousand refugees, but want to discuss the increase of the ceiling to 160 thousand. As one of the reasons why countries are afraid of an influx of refugees, indicate concerns that migrants will become an economic burden. However, many studies have shown that this fear is unfounded. In this regard, are revealing two different approaches to the problem – German and British. Germany, apparently, is well aware that migrants are not a synonym burden. Therefore, quite comfortable with the refugees and their possible legally employed on its territory. The authorities have stated that in the next few years will be able to receive annually about half a million refugees. This year, the country is ready to accept 800 thousand workers. They will have to spend 10 billion euro, estimated the German media. That's four times more than last year, when in Germany came to live about 200 thousand foreigners. On the content for each migrant goes 12-13 thousand euro per year. The expenditures included food, accommodation, medical care, as well as funds for spending and learning the German language.

However, the authorities recognize that benefit from this flow of migrants. Firstly, it solves the demographic problem. Only in 2012 the death rate over the birth rate in the country has exceeded 200 thousand man. In addition, the German government said last week that every euro spent on training workers, means investments in order to avoid shortages of skilled labor. Otherwise, they argue, they would have to spend more than that on the benefits to the unemployed.

However, the United Kingdom under the pressure of the public does not want to take the intruders. Britain can receive only 20 thousand Syrian refugees until 2020 [4].

Meanwhile, many studies show that migrants solve not just the problem of the aging of Europe's population, but "in most countries, they are paying more taxes and social contributions than they receive" from the state. Such a conclusion is made in the recent report of the World Bank, the International Labour Organization of the United Nations and the OECD.

"There are more than a dozen of good research at the moment, which refers to the net positive effect of immigrants on the economy" [Ian Goldin, director of the Oxford Martin School, Professor of the Department of globalization and the development of the University of Oxford].

For example, those who came to the UK in the years 2000-2011, contributed to the payment of taxes to 5 billion pounds, according to a London study. Professor of Migration at Oxford University Carlos Vargas-Silva found that the influx is 260 thousand. In a year immigrants could help the UK to halve the public debt for 50 years [5].

Previously, different models of studies have shown that revenues from visiting the UK from Eastern Europe at least 1.21 times more than their cost. According to some other models of the gap is even greater – 1.4 times. One reason for the "profitability" of migrants is that they receive less benefits than natives. Plus usually migrants – young people do not receive a pension and rarely get sick. This fact outweighs the fact that the newcomers get less and therefore pay less tax. And, in this respect, the UK is even more lucky, since English has more people than, for example, Swedish. So Britain gets the most benefits.

The only thing that a number of studies showing that European workers and "strangers" gives a different economic effect. For example, the Swedish economist from the University of Gothenburg Yokim Ruyst believes that the Syrians, Yemenis and Egyptians – are not the cheapest workers. Migrants from Eastern Europe, especially the Russian, Poles and Lithuanians, have a more positive effect on the

economies of rich countries as they work long hours and do not require benefits. Ruyst investigated the influence of immigrants from Eastern Europe GDP native Sweden. The biggest buzz in the media led the study at University College London (University College London) and the Centre for Migration Studies (Center for Research and Analysis of Migration), presented in November 2013. The authors concluded that in the years 2001-2011 migrants from European countries brought to the treasury of the United Kingdom 34 percent more money than the state spent on them. Net income from the UK guest workers reached 22.1 billion pounds. In contrast, migrants from non-European countries have added to the treasury only 2.9 billion pounds, which is only two percent higher than the amount spent on these funds. Thus, a total of ten years the United Kingdom has received visitors from 25 billion pounds. In addition, it was found that migrants tend to rely less on social benefits – the likelihood that the organs of state support in the event of a 21 per cent lower than in the case of local residents (subject to the same qualifications and age). His analysis also proved that state revenues outweigh its costs. The average contribution of migrants to the state budget in the year amounted to about 12 thousand crowns, or about 1,300 euro. And the long-term effect is also positive. Even taking into account the fact that the visitors are old in Sweden and will receive a pension from the state budget, their contribution will still be more than the costs incurred by the state.

However, Alexander Betts, director of the Center for Refugee Studies at Oxford University, notes that there is a positive economic impact, regardless of who is a migrant. While agree that the effect is higher when migrants are well educated, like most Syrians, he says. That's only in contrast to immigrants, refugees do not choose. But potential refugees differ from them only slightly. It is what they are likely to choose to return home if the opportunity arises, and if not – then they adapt, like other migrants, says Betts. In some cases, may result in an influx of refugees to the local negative impact on jobs, but not necessarily, he adds. There are studies which show that workers do not take jobs away from locals. "The influx of migrants can bring down wages, but generally pay for other workers, and only 1-3%. In general, the impact on wages or the number of jobs is neutral or positive", said the expert of the Institute of International Migration at Oxford University. So why other countries are closing their doors to refugees? Experts point out that the reasons are not economic, they are driven by the fear of cultural influence of foreigners. In August, for example, Slovakia stated that the Syrians will accept only the Christian religion. However, Europe will have to put in order its own rules on asylum and learn how to deal with cultural differences because the refugees who are fleeing from hunger who are from war, sometimes even dying on the way to Europe.

According to the estimates of the European Commission, by 2017 in EU will arrive at least 3 million immigrants who continue to arrive in the Mediterranean Sea in ever increasing quantities. According to the executive body of the EU, it will have a positive, albeit barely perceptible effect on the economy, increasing GDP by 0.2-0.3%. At the same time, government spending on the resettlement of refugees and the content can reach this year 0.5% of the GDP of the European Union.

The population of the EU will also increase by 0.4%, taking into account the fact that part of the asylum seekers will be denied. The United Nations recognizes that the flow of Syrian refugees in Europe has not dried up. Five thousand per day. Despite the fact that as the winter weather in the Aegean Sea has been steadily deteriorating, it does not stop the settlers. "The war in Syria pushes people to desperate measures, forcing them to leave the country, and this situation will continue. The responsibility for them lies with the world, but first and foremost to Europe. "In Europe, rush not only residents of Syria. Conflicts, human rights violations and economic difficulties in Iraq, Afghanistan, Eritrea and Somalia make people to leave their seats and seek a better life in Europe. Most of migrants are coming from countries of the former Yugoslavia, as well as Pakistan, Bangladesh and the countries of Central Africa. At the meetings of the United Nations High Commissioner for Refugees (UNHCR), it is expected that this winter from Turkey to Greece on a daily basis will be arriving 5 thousand people. Speaking to the economic outlook for the autumn, the European Commissioner for Economy Pierre Moscovici noted that the additional public spending and inflow of labor in the face of received refugee status would lead to a slight increase in the EU's GDP [6].

At the same time the process of recognition of the migrant as a refugee often takes a long time, during which the status of the applicant is not permitted to engage in employment.



**Alarming forecasts.** Meanwhile, the leader of the Party of Independence of the United Kingdom (UKIP) Nigel Farage, commenting on the European Commission the reduced figure of three million workers, said that nothing could better illustrate the need to exit from the EU and the introduction of a full border control than these alarming forecasts. UKIP claims that by staying in the EU, Britain is powerless to prevent immigration from other EU countries. The European Commission itself indicates that the figure of 3 million is only estimative and this is not an official forecast, including those illegal migrants who have arrived in the EU in 2015. According to the UN, this year in the European Union by sea arrived more than 750 thousand workers, while for the entire 2014 there were 282 thousand. The vast majority of migrants (608 thousand) fell in Greece, which has become a favorite place for the landing of illegal immigrants. About 140 thousand came in 2015 in Italy.



Fig. 1. The path of migration to Germany

Source: Europol, BBC.

With the ultimate goal of migrants usually is Germany, where they hope to receive asylum. German authorities believe that this year they will take not less than 800 thousand. New migrants, and their total number may reach half a million.

The greatest number of immigrants per capita of the local population in the EU accounts for Sweden.

I don't have work / I can't find a job  
 character workplace unsatisfactory /  
 unsatisfactory working conditions  
 for a pay debt  
 to improve living conditions  
 for pay children's education  
 I want to go abroad  
 Is no future in Moldova  
 To get a better paid job  
 Other reasons  
 I don't know

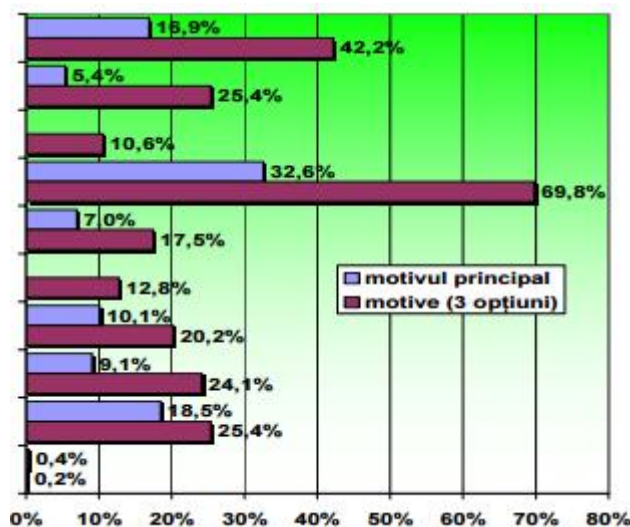


Fig. 2. The reasons for repeated emigrations from the Republic of Moldova

According to the European Commission, the added burden of government spending could reach this year to 0.5% of GDP, with the attendant positive impact of migration on economic growth will be less than this figure.

**Conclusion.** All the above examples show that, in spite of globalization, migration is primarily a regional problem. Consequently, the approach to the same criteria for evaluating the effectiveness of migration is not possible. The lack of consensus on the economics of material benefits of migration means that in the near future, it will be evaluated, it is still based on emotional stereotypes rather than scientific facts.

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