

IMMIGRATION IN EUROPEAN UNION. ECONOMIC EFFECTS, LEGISLATIVE FRAMEWORK AND STATISTICAL OVERVIEW

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Abstract: *Presently, immigration is a global subject that generates many challenges and controversy all over the world. Its positive and negative effects in the society can not be ignored. So, in every state, government and population has to collaborate and find solutions for the immigrants integration for the overall well-being. More than ever, the countries that are confronting with an ageing population and the large flows of refugees must take action. This is also the case of most European Union countries. There are many debates among European Union's decision factors on this theme. Through its legal framework, its policies, the European Union has tried to build a balance between regular immigration and EU citizens and to fight against irregular immigration. The present paper provides an overview of immigration phenomenon in the European Union. It combines the theoretical presentation with a short statistical analysis of the immigrants flow in all member states. This theme is of great interest not only at institutional level, but for each of us. Why? According to the World Bank, one in seven individuals in the world is currently a migrant. The inflow of immigrants in the European Union is a reality and is generating serious challenges in many fields of society: law, finance, economy, labour market. Integrating immigrants and their children into the labour market and society as a whole is essential for promoting social cohesion and economic growth of receiving countries. The paper outlines the economic effects of immigration, the main directives of European Union in the field of immigration and some solutions of better integration of the immigrants and their children.*

Keywords: *immigration; European Union; economic effects; directive; integration; immigrants.*

JEL classification: *F22; O15; J15; J61.*

1. Literature review

Nowadays, immigration is a subject of high interest for European Union (EU). There are many debates among EU's decision factors on this theme, having in view the problems that EU has to cope with: an ageing population, the refugee crisis and the anti-immigration politics. Despite all of these, we can't deny the various economic effects of migration.

The authors Jaumotte, Koloskova and Saxena (2016) outline the impact of migration on better living standards. They agree that „in the long term, both high and low-skilled workers who migrate bring benefits to their new home countries by increasing income per person and living standards”. Low-skilled workers are essential for the occupation of jobs for which natives are in short-supply.

Furlanetto and Robstad (2016) demonstrated the benefic effects of immigration in Norway through the reduction of unemployment and with positive effects on public

finances, as immigrants support like any native worker, taxes and help to the Gross Domestic Product (GDP) redistribution in society.

Another opinion (d'Artis Kanacs and Lecca, 2016) takes into account the refugee integration' scenarios promoted by European Commission. Their study suggests that even „refugee integration is costly for public budgets, in the medium to long-run the social, economic and fiscal benefits may significantly outweigh the short-run integration costs“. Integration policy has positive effects regarding Europe's main challenges on demographic issues, labour matters and overall economic growth in the European Union.

Many studies determine the possible impact of EU migration's decreasing. One of these studies, conducted by Portes and Forte analysis the impact of migration falling (considering the Brexit case) on GDP growth and GDP per capita growth. The final effect would be the reduction of this two indicators values.

Peri (2016) argues that the economic effects of immigration has to be analysed through the specific skills brought by immigrants.

One in four immigrants of working age holds a high level of education and they can compete with the native-born persons. In 2012 and 2013, the employment rate of immigrants was three percentage points lower than that of the native-born in EU. But 42% of immigrants with higher-education degrees have jobs that demand lower level of education (OECD/EU, 2015).

Most immigrants have lower incomes and due to this fact they usually live in overcrowded accommodation. Almost two thirds of settled immigrants have adopted the nationality of their host country.

In European Union countries, the children of low-educated immigrant parents are usually going to school. „Education is a strong driver of the labour market integration of youth from migrant backgrounds“ (OECD/EU, 2015). The share of young immigrants tends to be high. Generally, the immigrant population has grown by one-third in the last ten years. Women account for about 52% among the immigrant population of working age.

Immigrants are overrepresented in Austria, Belgium, France and the Netherlands, in densely populated areas (OECD/EU, 2015).

2. Legislative framework regarding immigration policy in European Union

The legal basis of immigration policy is represented by articles 79 and 80 of the Treaty on the Functioning of the European Union (EU). The main objective of this policy is to be comprehensive and forward-looking and to be based on solidarity. The European Union has tried to build a balance between regular immigration and EU citizens and to fight against irregular immigration (European Parliament, 2017). In 2009, the Lisbon Treaty introduced new legal measures for integration and also, co-decision and qualified majority voting on regular immigration. Since 2011 the Commission has proposed many developments measures concerning immigration policy, such as:

- The “Global Approach to Migration and Mobility” in 2011;
- The agenda “An open and secure Europe: making it happen” in 2014;
- The European Agenda on Migration in 2015;
- The communication “Towards a reform of the common European asylum system and enhancing legal avenues to Europe” in 2016 (European Parliament, 2017).

The “Global Approach to Migration and Mobility” refers to the EU’s relations with third countries in the sector of migration, stressing out four poles: regular immigration and mobility, irregular immigration and trafficking in human beings, international protection and asylum policy and migration and mobility impact on development.

The European Agenda on Migration establishes strategic guidelines in the field of migration, focusing on: a stronger common asylum policy, a new policy on regular immigration, decreasing incentives for irregular immigration, securing external borders, modernising and revising the Blue Card directive, optimising the benefits of migration policy for individuals and their origin countries (COM 240 final, 2015).

The communication “Towards a reform of the common European asylum system and enhancing legal avenues to Europe” completes the European Agenda on Migration with proposals to attract innovative entrepreneurs to the European Union, developing a more effective model for regular immigration in the EU and fostering the cooperation with the key countries of origin.

The legislation adopted in the field of immigration comprises (European Parliament, 2017):

- Directive 2003/86/EC on the right to family reunification;
- Directive 2003/109/EC on a long-term resident status for non-member nationals;
- Directive 2004/114/EC on the admission of students;
- Directive 2005/71/EC for the facilitation of the admission of researchers into the European Union;
- Directive 2008/115/EC for returning illegally staying third-country nationals;
- Directive 2009/50/EC concerning the admission of highly skilled migrants.

In the table below I have tried to present shortly the European Commission’s Directives applied to all EU member states (except for United Kingdom, Denmark, Ireland) in the field of migration.

Table 1: EU Directives in the field of migration

Directive	Role	Values in 2014 in the European Union
Blue Card	-regulates admission conditions, procedures and residence rights for highly qualified third-country nationals.	-13852 Blue Card Permits issued.
Students and Researchers	-regulates admission conditions, procedures and rights for young and talented third-country nationals.	-228406 first permits issued for study reasons; -9402 first permits issued for researchers.
Intra-Corporate Transferees	-gives an easier and quicker mode for multinational companies to assign highly skilled employees temporarily to subsidiaries in the EU.	-reporting starts in 2017.
Seasonal workers	-establish rules for the entry and stay of seasonal workers from third countries in a member state	-first report in 2017.

Directive	Role	Values in 2014 in the European Union
	for a maximum period of between 5 and 9 months in any 12 month period.	
Long-term residents	-allows member states to grant long-term resident status to third country nationals, who have resided legally and continuously in that member state for 5 years and respect a set of conditions.	-2,9 million long-term residents permits.
Family Reunification	-regulates admission conditions, procedures and residence right for family members of third-country nationals residing in an EU member state.	-
Single Permit	-combines work and residence for third country workers and provides for a set of common rights to be granted.	-1757458 single permits issued.

Source: European Commission

3. Brief statistical analysis on immigration flow in European Union

Eurostat stated that a total of 3,8 million people immigrated to one of the EU-28 member states during 2014. Among this value, almost 1,6 million citizens are from non-member countries, 1,3 million people with citizenship of a different EU member state from the one to which they immigrated, around 870 thousand people who migrated to an EU member state of which they had the citizenship and some 12,4 thousand stateless people (Eurostat).

Regarding the distribution of immigrants in the EU's member states, the picture of this indicator can be illustrated in the table below.

Table 2: Number of immigrants in EU countries in 2008 and in 2015 - thousand-

Country	2008	2015
<i>Belgium</i>	-	146626
<i>Bulgaria</i>	-	25223
<i>Czech Republic</i>	108267	29602
<i>Denmark</i>	57357	78492
<i>Germany</i>	682146	1543848
<i>Estonia</i>	3671	15413
<i>Ireland</i>	82592	76888
<i>Greece</i>	66529	64446
<i>Spain</i>	599075	342114
<i>France</i>	296608	363869
<i>Croatia</i>	16883	11706
<i>Italy</i>	534712	280078

Country	2008	2015
Cyprus	-	15183
Latvia	4678	9479
Lithuania	9297	22130
Luxembourg	17758	23803
Hungary	37652	58344
Malta	6043	12831
Netherlands	143516	166872
Austria	73772	166323
Poland	-	218147
Portugal	29718	29896
Romania	138929	132795
Slovenia	30693	15420
Slovakia	17820	6997
Finland	29114	28746
Sweden	101171	134240
UK	590242	631452

Source: Eurostat

Considering the available Eurostat data, I have chosen to analyse 2015's flow of immigrants compared to the reference year, 2008. In this period there are many European Union countries which have positive evolution regarding the number of immigrants received. For example, Germany recorded the biggest increase from all with 126,32% in 2015 compared with the value from 2008. Significant growths have known also, Estonia, France, Lithuania, Luxembourg, Hungary, Malta, Austria and Sweden. In contrast, countries like Czech Republic, Spain, Italy have registered major declines in the number of immigrants.

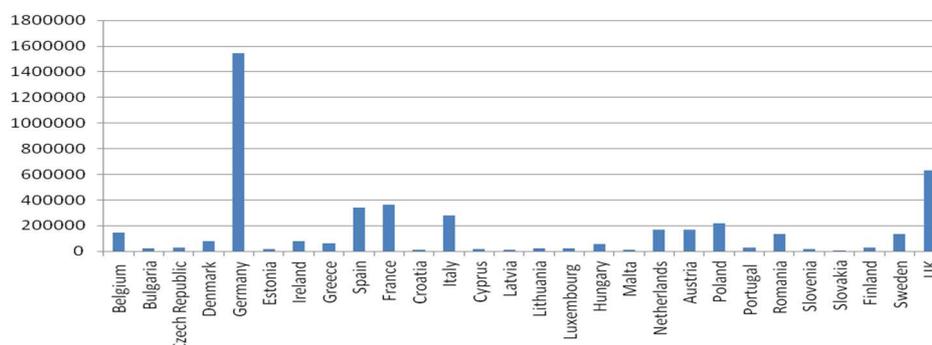


Figure 1: Immigrants flow in the European Union in 2015

Source: Eurostat

Analysing the structure of immigrants flow in 2015 in the European Union member states, the figure below show us the following: Germany accounts for 33% of the EU immigrant population, the UK for 14% and France for 8%. After the first three EU countries in terms of the number of immigrants, the next group of member states

with significant values of this indicator are: Spain (7%), Italy (6%), Poland (5%), Belgium (3%), Netherlands (4%), Austria (4%), Sweden (3%). In the group of countries with the smallest values are: Slovakia, Latvia, Croatia, Estonia, Cyprus, Slovenia, Malta.

4. Conclusions

One in seven individuals in the world is currently a migrant according to estimates, having migrated internally or across borders (World Bank, 2014). The International Labour Organisation estimates that there are 232 million international migrants. The current inflow of immigrants to Europe is unprecedented in terms of the number of people involved and is creating significant challenges for integration policies in host countries. This fact makes essential the development of integration monitoring tools at international level.

The integration of immigrants and their children is high on the policy agenda of the European Union for many reasons. Their integration into the labour market and society as a whole is vital for enhancing social cohesion and economic growth of host countries and for helping immigrants to become productive citizens.

Another solution for immigrants' integration is their active participation in economic and financial activities in their host countries. Financial education is a key factor of influence for this solution. Facilitating social and labour market inclusion contribute also to the integration process and improve their life standards.

In order to protect the social model of European Union and to resolve better the challenges of the immigrants flows, the Commission works on reforms of legal migration to Europe and of integration policies. These comprise: a structured resettlement scheme, a reform of the Blue Card Directive, an EU Action Plan on Integration, a full review of the existing legal migration rules, measures to attract and support innovative entrepreneurs.

European Union's member states have to build close cooperation relations with third country nationals they receive on labour market, in education system and in research field, respecting the EU rules on admission conditions, procedures and rights for immigrants. Immigration can be precious for the economic development and society progression as a whole in the European Union, if the integration policy permits immigrants to become self-reliant and productive in order to maintain the strong position of European Union worldwide.

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