

Migration, Asylum and Integration

Mission Impossible or a Chance for Growth in Europe?



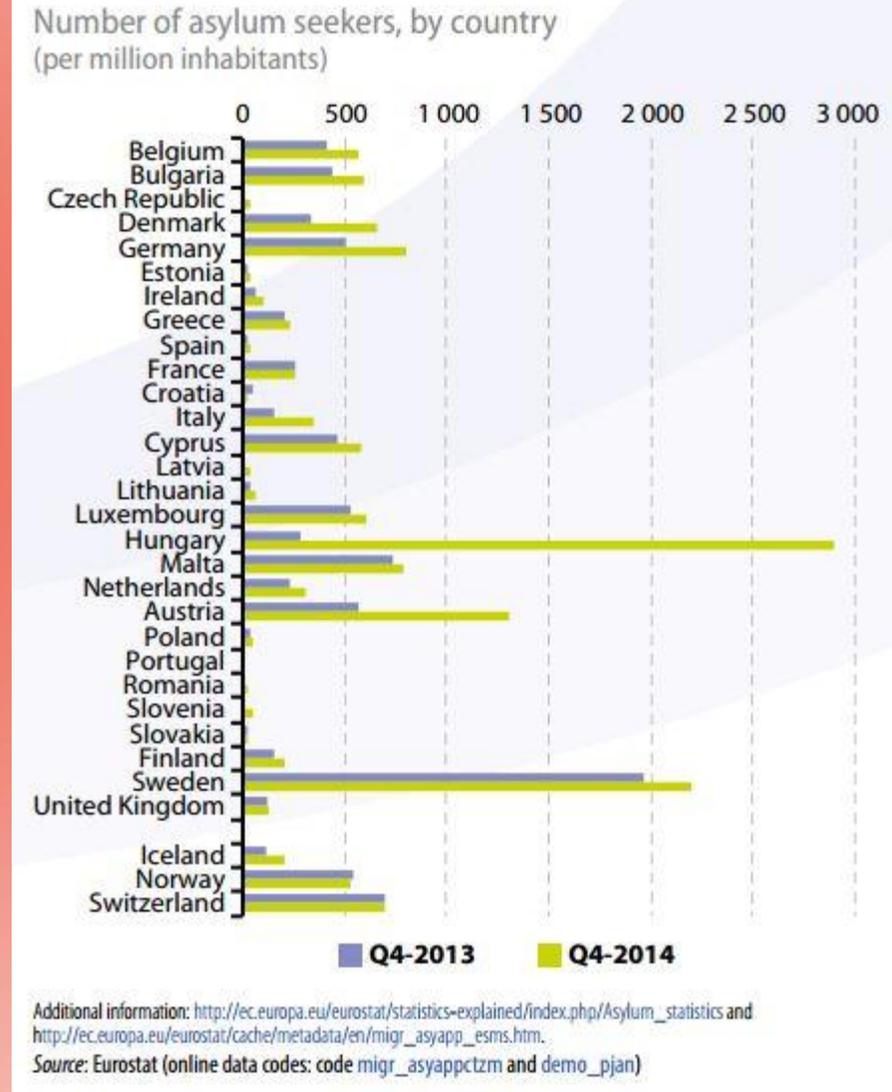
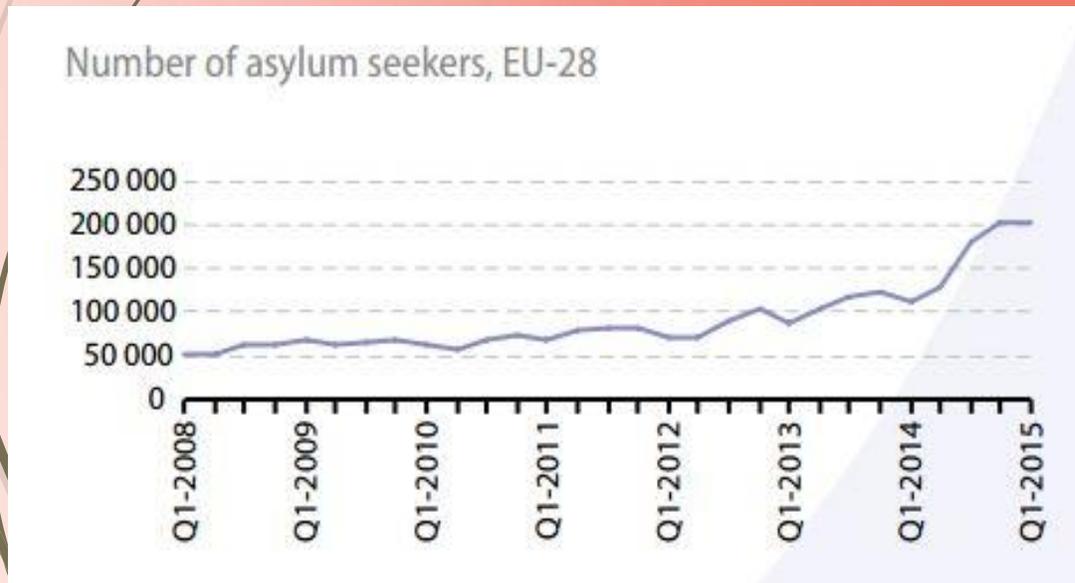
Structure

- **Current situation: Facts and Figures**
 - *How many? From where? Where to? Why?*
 - *Distinguishing between asylum seekers, guest workers and economic refugees*
- **Economists' view on migration**
 - *Effects on wages, crime, dynamics and expenditure*
 - *Moral arguments*
 - *Cultural issues*
- **A (short) history of migration**
- **Policy recommendations**
- **Conclusion**

Asylum Applications

Number of asylum seekers up to the third quarter of 2015

Source: Eurostat



Current Situation: Facts and Figures

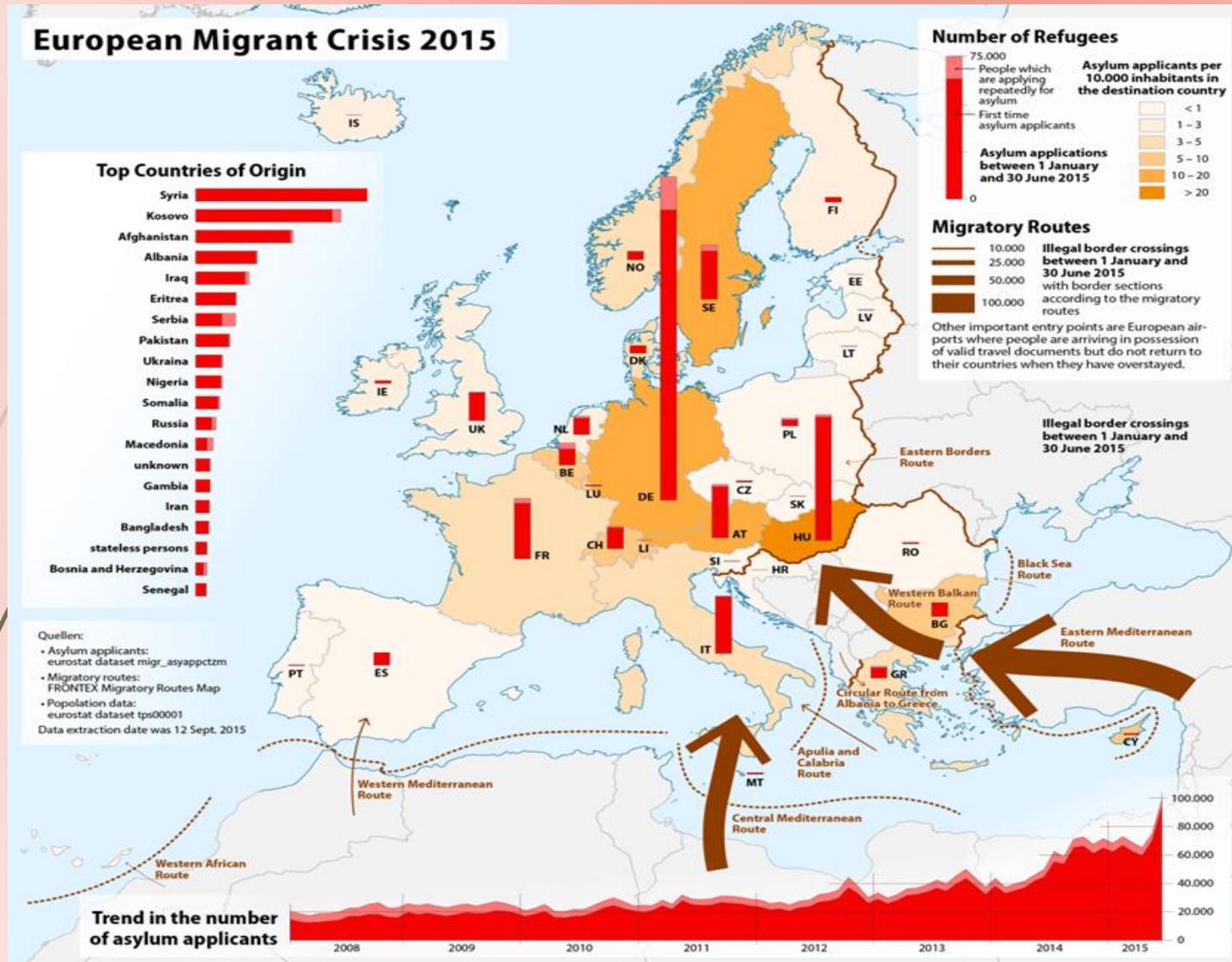
- Around 660.000 asylum applications in 2014
In 1992: 697,085 applications → Situation is not unprecedented (balkan wars)
- 800.000 asylum seekers expected in 2015
Largest influx of migrants on European territory yet
How will this trend continue in light of current geopolitical developments?

- More than 2600 people drowned in the Mediterranean (2015) → Huge loss of human potential (Role of EU!)

Refugee: *“a person who is outside his or her country of nationality or habitual residence; has a well-founded fear of being persecuted because of his or her race, religion, nationality, membership of a particular social group or political opinion.”* (UN Convention relating to the status of refugees 1951)

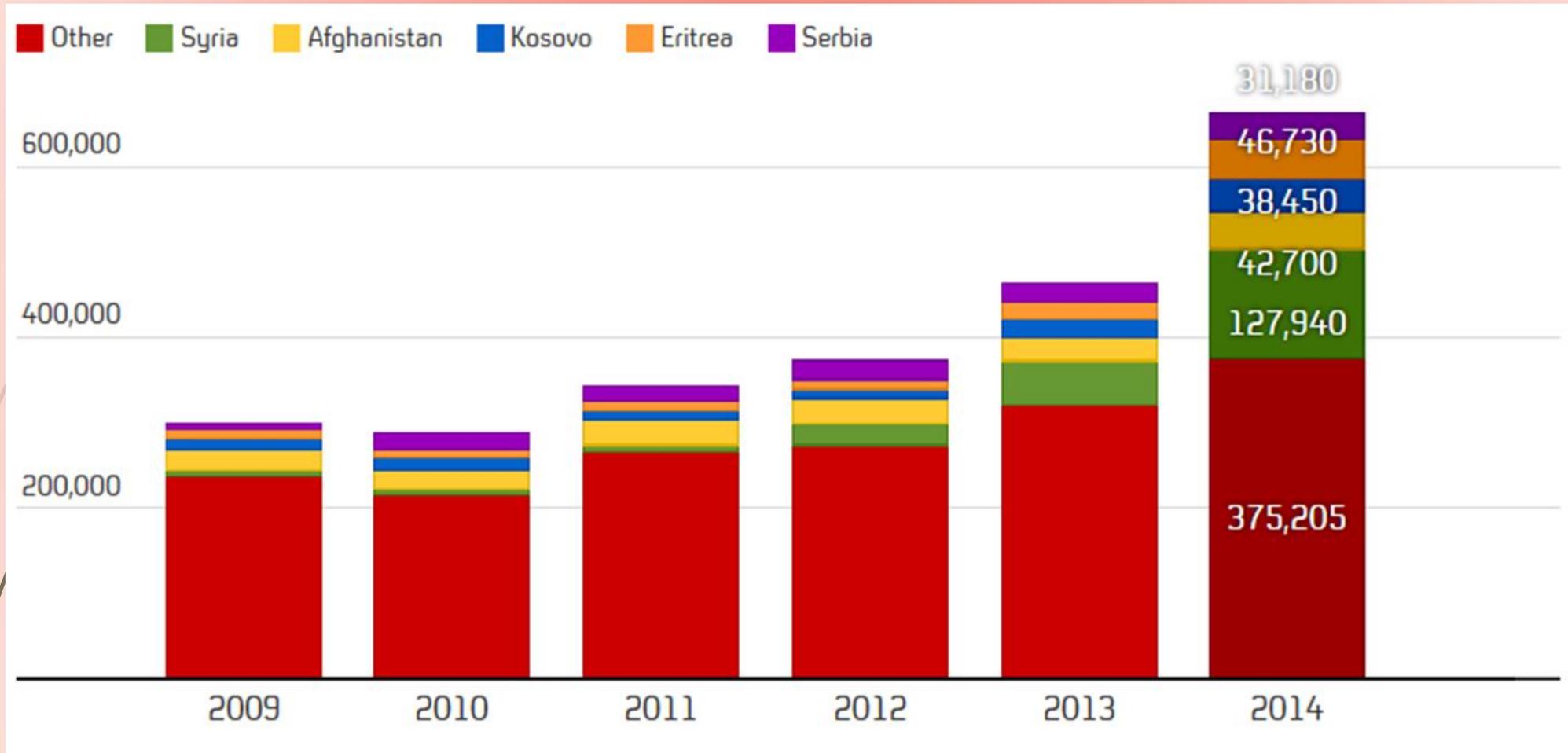
- Not all migrants qualify as refugees!

Migration routes & countries of origin and destination



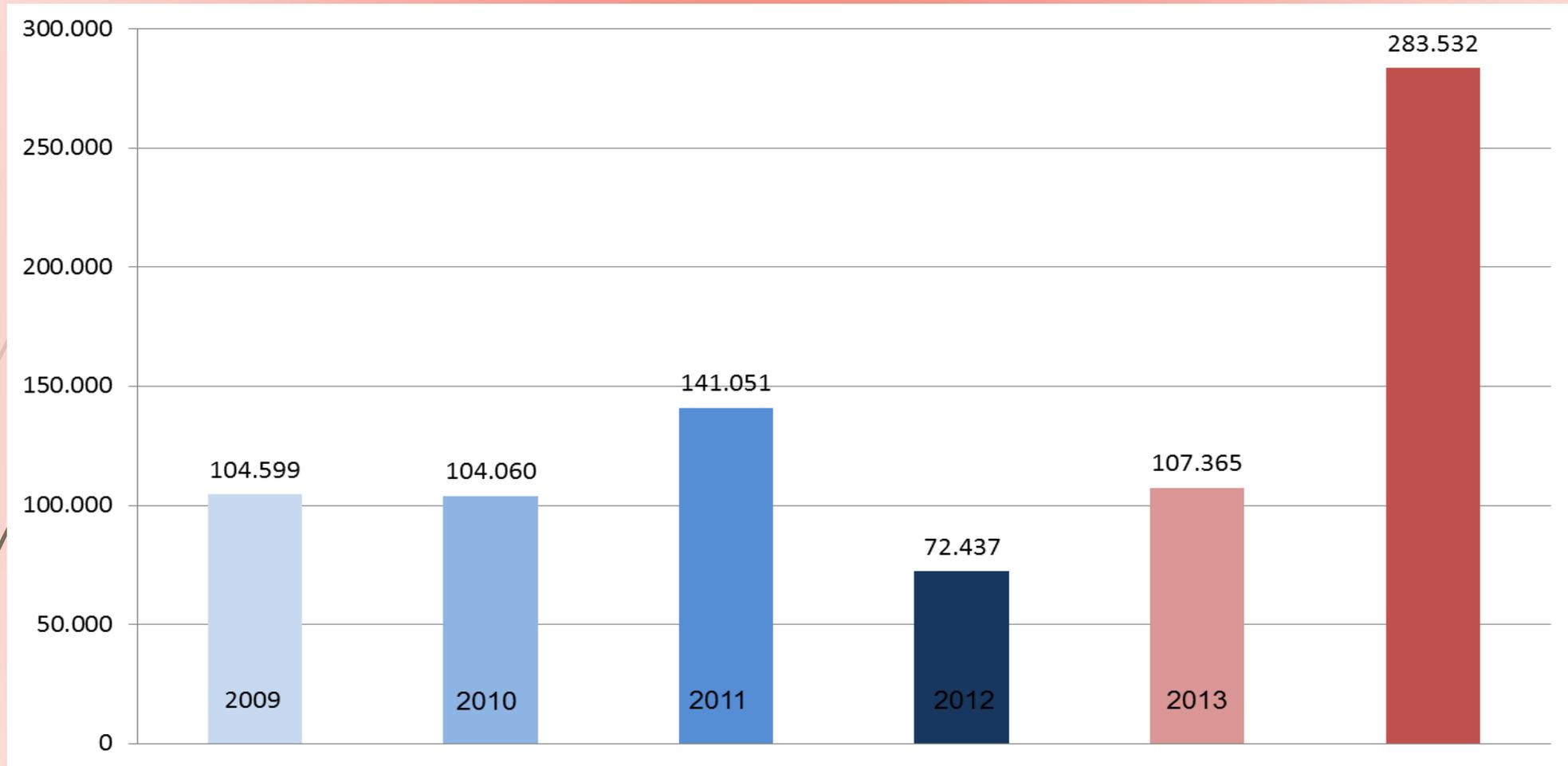
Source: Eurostat

Where do asylum seekers come from?



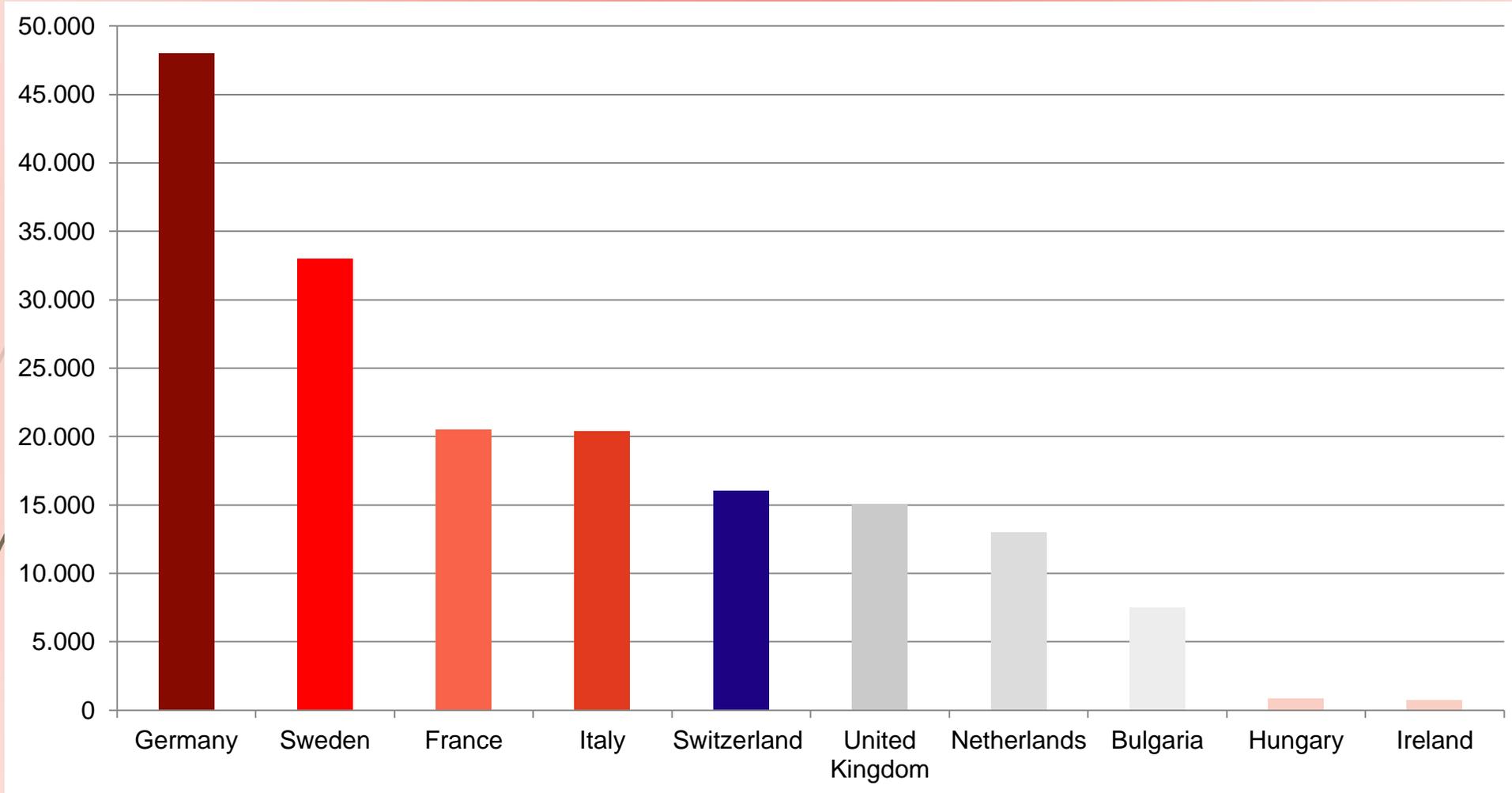
Source: Eurostat

Illegal border crossing into the EU



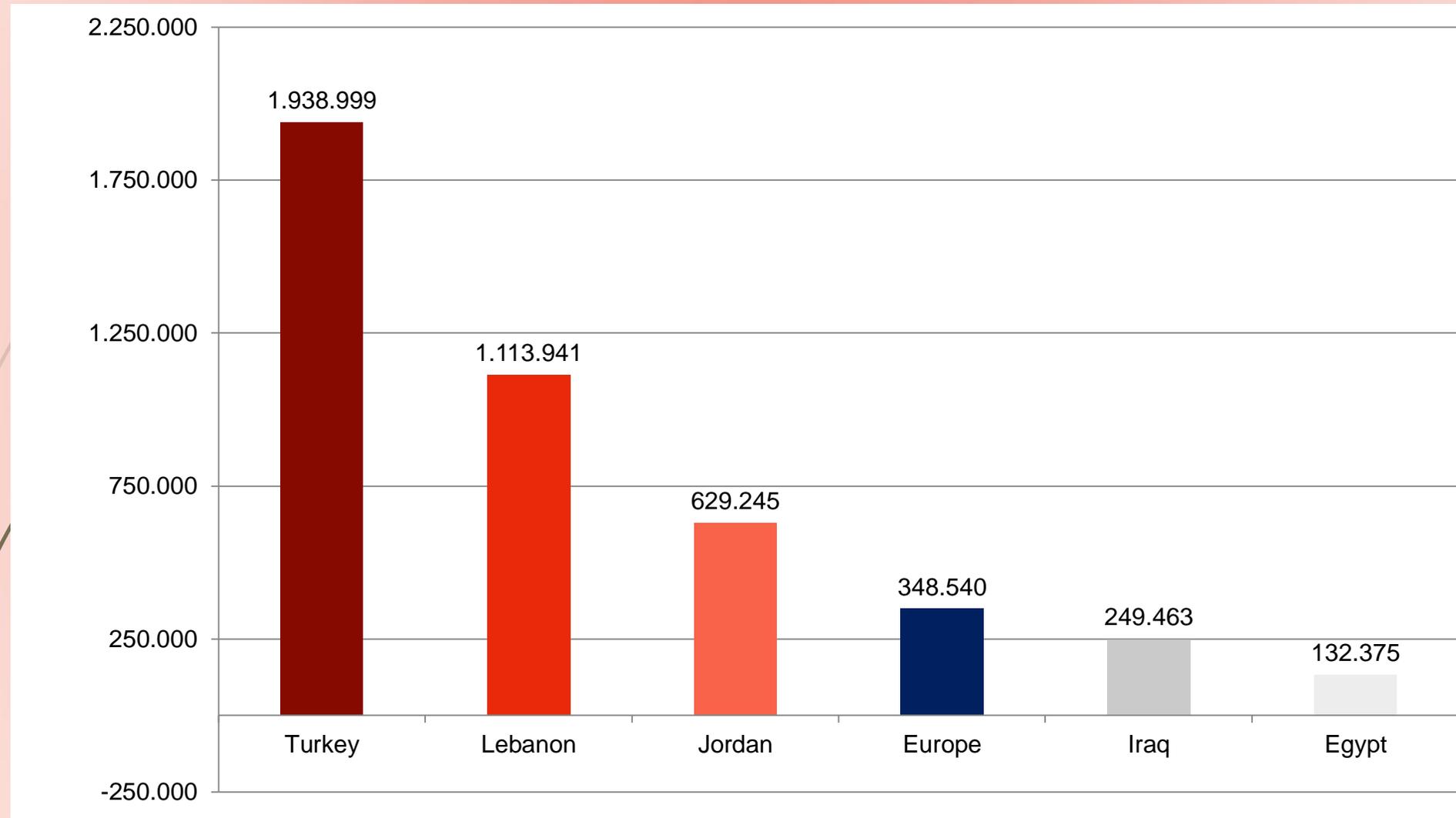
Source: Eurostat

Asylum seekers accepted in 2014



Source: Eurostat

Where have Syrian fled to?



Source: UNHCR (Data since 2011)

Economists' Views on Migration

- Migration barriers as barricades for global prosperity
- Movement to places where productivity is highest
- The need for Immigration in present western democracies

Demographic shifts

Unsustainable government debts & social security schemes →

Migrants can help there!

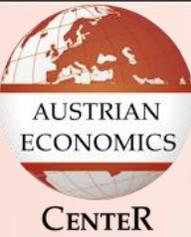
- Moral Arguments

A right to migrate?

UN Convention relating to the status of refugees (1951)

Article 14 of the 1948 Universal Declaration of Human Rights

Economists' views on Migration



Ludwig v. Mises (1927): *“When liberalism arose in the eighteenth and nineteenth centuries, it had to struggle for freedom of emigration. Today the struggle is over freedom of immigration.”*

Ben Powell: *“Migrants boost size of economy, expand work force, enhance specialization and division of labour and raise productivity, but might put increased pressures on welfare states, if administered badly.”*

Workplace integration takes way too long:

After 5 years: 50% of refugees join the workforce (Austria)

After 8 years: 80% of refugees join the workforce (Austria)

Economists' Views on Migration

- **Migrant's effect on public finances**

Controversial discussion:

Hans Werner Sinn's critique (each migrant costs 1.800€ p.a.)

But: Contributions to the budget, without claims to the social security benefits

Probably depends on how migration is administered

- **Migrant's effect on wages**

- Complementarity of skills (migrants are usually either very low- or high-skilled)

- In times of mass-immigration of low-skilled workers, working-class wages might decline temporarily → in the long run higher wages and living standards are available for everyone

Economists' Views on Migration

- **Dynamism**

Migrants might awake sclerotic, unentrepreneurial and ageing societies

- **Crime**

Average immigrant is not more likely to be a criminal than the average person

Migrants can be deported in case of delinquency

- **Cultural Issues**

Values? Western Culture?

- How quickly does the assimilation take place?

Danger of Parallel Societies?

- If migrants predominately come from one or several cultural backgrounds.

A (very) short History of Migration

- **Migration is nothing new**
History of mankind as a history of migration
Recent intensification of migration
- **Great record of USA**
Basically open borders until 1918 → Free, dynamic and prosperous society
- **Success of the Schengen Area**
 - Rudimentary form of competition between nations states
 - People voting with their feet (Romania, Bulgaria)



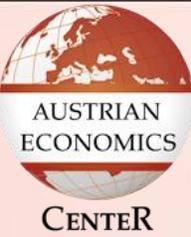
Policy Recommendations

- **Effects of migration depend on how it is administered**
- **Inclusion of migrants into labour markets**
- **Refrain from pushing them into the welfare state (!)**
Welfare moratorium?
- **Try to have migration from culturally diverse backgrounds**
- **Democratic deficiencies in the way Europe deals with the crisis**
More private accommodation of refugees (Sponsor your Migrant!) →
Costs should be (at least partially) borne by those people that are
willing to accept refugees;
Referenda on the issue.

Conclusion

- Challenging situation for Europe
- Economists agree that migration is largely a force to the good
- Successful dealing with migrants will depend on their integration into labour markets
- Refrain from pushing them into the welfare state
- More democratic participation on the issue
- Free market policies also work with respect to migration!

Annual Charity Gala of the Friedrich A. v. Hayek Institut



Peter Thiel: 2015 Hayek Lifetime Achievement Award

November 10, 2015

Palais Liechtenstein (Vienna)



Thank you for your attention!

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