

Effects of economic migration



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Introduction:

This essay examines the effects of economic migration on both receiving countries (the main emphasis is on the United Kingdom) and source countries (such as Poland). Some organizations and many others argue that immigration creates significant economic benefits for the receiving country. Generally speaking, international migration has economic and other consequences for three groups of people: residents in the migrant-receiving country, residents in the migrant-sending country, and migrants themselves. The benefits claimed include fiscal advantages, increased gross domestic product per head, a ready supply of labour and improvements to the age structure. From another point of view, the source countries of migration may also benefit. However, fears that large-scale immigration might have the negative impact on public services (NHS resources, education and pension), and population density. The problem of brain drain also can be found in source country. When analysing the benefits and drawbacks of economic migration, we find that the advantage of economic migration far outweighs its disadvantage to both the receiving and source country.

The objective of this essay is to discuss the benefits, drawbacks and effects of economic migration on both receiving countries and source countries. The whole structure of the essay is as follows. After outlining the situation of recent enlargement of the European Union for economic migration in section 1, section 2 indicates the government policy on economic migration. This is followed by Section 3, the effects of post-enlargement migration which analyse the benefits and drawbacks of economic migration.

The situation of economic migration in Europe

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The recent enlargements of the European Union to economic migration

Explaining recent trend

The expansion of possibilities for labour migration reflects problems of labour shortages and mismatch of supply and demand in many Eastern-European countries. Second reason is that problem of aging population has been considered as the troublesome affair for Western-European countries , especially in UK. So the rich countries need to re-demographic change to meet the economical and social needs. For example, the future of UK Pension Schemes Require Immigrant Workers. The thirdly, the migration flows over the past 15 years has been the changed relationship between the EU and its neighbours to the East. Multiple channels have been opened up to immigration from Eastern-European countries. The tighter control of the EU's new external borders to the East are also limiting possibilities for mobility in new member states.

The effects of post-enlargement migration

Benefits of economic migration

1. Labour Market, productivity and innovation

Migration could contribute to the growth by increasing the labour force , which relieve the shortage in labour market. With the demographic changes, labour migration can maintain workforce levels in receiving countries. It is the fact that Large-scale immigration from the Eastern-Europe such as Poland with lower level skills and lower expectations concerning the conditions of work who gain low wages will be needed to fill the undesirable jobs like dirty jobs which the domestic labour force will not undertake. For source countries, the labour migration not only provide ease from

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unemployment which lead to increased trend in the labour force but also offering the a series of development support such as transfer of know-how, remittances, creation of business and trade networks. So that means return of migrants with energy and ideas can transfer of new knowledge or investment in social capitals.

The level and composition of the migration skills have impact the aggregate productivity, if they can exercise their skills effectively. There are sector part have the greatest reliance on migration labour force, in terms of construction sector , computer service , hospitality, hotels and catering sector, the employer without exception hold that migration workers are important to the business. Because the people with different background and work experiences can contribute to both productivity and innovation.

Employment and wages

The prevailing view is that the growth of migration will increase the size of labour force and wages will decrease because more people are competing for the same jobs.

However, according to a new report by Department of Economics, it showed that immigration has pose a positive contribution to the average wage increase . In terms of employment opportunities, there is little evidence that immigration has led to higher unemployment.

The study found that UK workers and immigrants do not generally compete for the same jobs. The work skills and educational levels of immigration are lower than those worker who are born in Britain. So the lower level of occupation which the immigration is concentrated on, and these works UK

worker would not take because they find those types of work unappealing. These work include farm work , dishwashing in restaurants, farm work , landscaping work, care giving and low-level construction work. We should say migrants are not taking the jobs of national workers but help the native way of life. The immigration policy center show the data (1992-2003), more than 70% of U. K. citizens wage earners increased in wage gains. And for some high skill immigrant workers , who have been recruited by some companies and been paid the some wages in the same occupation compare with the U. K worker. Therefore, immigration labour force would not suppress wages but stimulate investment.

3. GDP per head

We have heard the speech from prime minister in confederation of British industry that migration has made a positive contribution to the growth in Gross Domestic Product (GDP) per head in UK.

Avoid the aging population and support pension scheme

Most eastern countries have experienced the decreased birth rate within the next few decades which lead to unemployment because it results in a declining market for manufactured goods. And the mass immigration will put intolerable pressure on public health, pensions and social services. So the large immigration play a main role in boosting consumption and stimulating economic growth. Moreover, the immigration could provide and care for relatively elderly population.

The economist predicted that pension schemes will collapse in Western-European countries without young immigrant . With the post-industrial slow in the population growth has occurred , the numbers of old people will

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continue to rise while the numbers of the young continue to decline. Many companies and governments are feeling the increasing pressure of having larger numbers of pensioners. So the pension schemes in receiving countries largely depend on immigration in the future years. Immigration could compensate for the UK's low birth-rate and ageing population, helping to avert the looming pensions-funding crunch.

drawbacks of economic migration

Impact on public services and government finance

Health service

It is estimated that the immigrants had put a large financial burden on the health service. For instance, NHS is spending 350 million pounds to provide maternity services for immigrants' mothers, BBC found that 200 million pounds more than a decade ago. Immigration has raised the birth rate so fast that some midwives could be moved to areas of urgent need. Therefore, migrants pose a considerable difficulty to government financial public expenditure.

Education

According to statistics, the number of children from Eastern Europe coming to the UK has increased in the last two decades. This has led to more costs on translation such as bilingual dictionaries and language training. Economists found that the increased number of newly arrived children is to be considered as a headache for some smaller primary schools whose budgets are less flexible than at larger schools. As a lack of English records in immigrants, the government had to set up a center only used to assess the new immigrants' pupils who were largely unknown quantities prior to starting the regular

academic course . The center need 92, 000 pounds to operate, but it showed the ineffective and inefficient results.

Housing and wider welfare

High population density lead to problem on housing and wider welfare issue, it is obviously that immigration has contributed to the overcrowded in houses and higher house price. For some immigrant who can bear the poor condition house with lower rental as they want to save up money and send as much money to home as they possibly can , which help maintain the rent price level. In addition to directly demand for house by immigrants , the rent house which is regarded as indirect sector impacts on house prices. It predict that the house prices would increase by 10% than the present. So the housing matter should be taken into consideration , because the economic migration has impact on the resident population in the UK.

As the increasing population density , the living standards of UK residents have also been impacted, which lead to reduced in environmental aspects and increased the cost on public infrastructure projects. Because of overcrowd have happened in receiveing country like UK , so the government need to spend extra money on building more roads or airports and demolishing some residential area for meet the growing demand. The UK native found that their living place become smaller and smaller , and they have no choice but to live a new noisy motorway or rail line nearby. This action will lead to the loss of individuals' welfare and damage the environment. It is difficult for government to face the increasing the UK's higher population density, so we should assess urgently these wide-ranging impacts and some appropriate public policy should be made.