

Managing Migration Flows

Recent decades have seen increasing migration (defined as flows of people both into (immigration) and out of (emigration) countries) within the EU and between the EU and other countries. Within the EU, the Schengen area is one reform that has liberalized the movement of people between the EU countries. Meanwhile, political and social developments elsewhere in the world, particularly in Europe's neighboring countries and regions and the attractiveness of European economies have led to growing immigration to the EU. In most European countries, immigration has helped to sustain the aging population and boosted economic growth.

On the other hand, if migrants are on the lower end of the skill ladder, or if unemployment rates in a host country are high, the integration of immigrants into the economy can have adverse short-term effects on wages and competition for jobs and put a strain on services such as education and healthcare, at least in the short-term. Conversely, the free movement of people can also result in emigration from a country, resulting in the loss of workers, especially higher-skilled ones, to economies with higher wages. How can euro area countries then attract or retain people? How should they harness migration flows to build strong labor forces that can power their economies?



But what is...?

Immigration can bring benefits to a country (e.g., it can help it to overcome skill shortages, or cope with population aging). It can also have costs, especially if immigrants are not well integrated.

Brain drain refers to significant flow of high-skill people out of a country. These are generally college graduates or highly experienced workers who are attracted to higher paying jobs in other countries. These workers are vital to the domestic economy and their departure can starve businesses of high-skill talent and hold back the growth of competitive sectors.

Labor mobility is the extent to which people are able to move from one country to another to live and work. The EU's Single Market allows for free movement of all EU citizens within the union, but language barriers are an example of hurdles that still hold back internal migration.

- 1 How does the EU's single market policy of free movement of people affect your chosen country?
- 2 To what degree, if any, is your country experiencing inflows or outflows of people? Where do immigrants come from, other EU countries or other regions? Where do people migrate to?
- 3 What are the costs and benefits associated with immigration? Why is it important to match the needs of the labor market with the skills of the immigrants?
- 4 What is your country doing or planning to do to absorb immigrants into its society and economy (e.g., job training programs)? How do recent immigrants benefit from the social safety net?
- 5 If your country is experiencing emigration, what is the effect on its economy? How can your country retain its most qualified workers if it is experiencing brain drain?
- 6 How does migration influence your country's demographics? In what way is migration contributing to or offsetting the impact of an aging population?
- 7 How much migration should your chosen country aim to attract? What level of migration is sustainable? How could it manage the flows of people in and out of its territory?

