

Immigration, society, and the national economy

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Abstract. International migration has never stopped throughout human history, no matter how large it may have been. With the advancement of globalization, immigration has become more accessible and common. The number of people residing outside of their countries of origin has reached its highest levels most recently and is still growing. According to Duncan, this growth can be partially attributed to technological advancements that make travel and communication easier, cheaper, and faster, thereby bringing global partners closer together. The migration of people between countries will naturally affect different countries in diverse ways. Since immigration is more prevalent in today's world and it's already become a topic that cannot be ignored, researching more immigration-related issues is crucial. This paper will discuss the effects of migration on emigrating as well as immigrating countries from the viewpoints of economics and sociology. The main findings of this paper suggest that nations that receive immigrants can benefit greatly, in fact much more than nations that lose these migrants. While nations that lose migrants generally face difficulties from the exodus, they can also benefit in various other ways. In the final analysis, immigration offers a mixed bag for both sender and receiver nations.

Keywords: international migration; economic impact; sociological impact.

1. Impact on countries receiving immigrants

1.1 Economic impact on immigrant counties

Large-scale immigration, especially illegal immigration, may increase social conflicts and pose challenges to resolving housing and employment issues temporarily. However, in practice, new immigrants have limited competition with local workers because they lack necessary language skills, educational background, and work experience. In the long run, immigration can have a stronger impact on economic development and market expansion. Immigrants can enhance productivity and motivate local workers to work harder, while also filling labor gaps. Multicultural teams often produce better results, and the arrival of immigrants can inject new vitality into scientific research and various fields in the country. Additionally, immigration can alleviate labor shortages, provide cheap labor, promote the development of labor-intensive industries and the tertiary sector, and fill employment gaps. Moreover, talented immigrants inject new energy into national scientific research and various fields, driving economic and technological advancement in the country.

In the short term, it will be typically challenging to solve the housing and employment problems if there is a significant influx of immigrants, especially illegal immigrants, which will increase social conflicts. For example, there are about one million Syrian refugees in Jordan. It takes only a few minutes to get from an almost deserted industrial area to Zaatari, the largest refugee camp in Jordan. Many refugees could find work in such a sizable industrial area. In Jordan, there are more than 40 such industrial zones and numerous refugee camps of various sizes. These industrial areas are all likely to play the role of hiring nearby refugees. Some local Jordanians are under considerable pressure as a result of the influx of skilled workers who earn less. But in practice, new immigrants only compete with their own workers to a limited extent because they lack the necessary language skills, educational background, and work experience (Kuczera, 2017). Although the entry of migrants may negatively affect the pay of low-skilled workers in some regions with weak local economies and high migration rates, migrants only have a mild impact on the level of wages overall (Fakih & Ibrahim, 2016). In fact, at the macroeconomic level, Canada expects current and new refugee participation in the labor market will stimulate the Canadian economy, which the government views as potentially beneficial for the well-being of all Canadians as wealth is spread throughout a nation (Michelle, 2016).

The effect of immigration might get stronger over time. Long-term market expansion and economic development may be aided by new migrant workers' ability to exert reasonable pressure on the local market and accelerate economic progress. Migration can increase productivity (Ortega & Peri, 2014). Immigrants can energize locals who are under moderate pressure not to slack off in their jobs, if so, they are likely to be replaced at any time by low-cost migrants who provide the same talent. Employers have no reason not to employ lower-paid migrant workers in order to cut costs when a workforce is available to provide the same components of production. So, workers must take a more active role in their own jobs if they want to keep their current positions. On the other hand, teams with diverse cultural backgrounds typically produce better results (Wang et al., 2011). According to Bouma, multicultural companies or departments are more productive than other companies and departments. Harnoss, an economist at BCG in Berlin claims that if a team member belongs to the same category as defined by the demographic classification, is the same age, and comes from a similar background, the team will frequently find it relatively simple to disregard creative or unusual solutions. However, teams with a diverse population are more likely to present better, more creative ideas, which boosts the team's overall productivity and revenue. Moreover, immigrants have filled some of the vacancies by bringing new labor to the market. Finding people willing to work at night at the 711-convenience store might be difficult, but many immigrants select this line of work because it will hasten their integration into the new country.

Due to the recent Covid epidemic, many businesses, including those in the food industry, are having trouble hiring new employees. The British Poultry Council, for instance, mentioned that roughly 7000 jobs, or one-sixth of the open positions, were unfilled. Because of a staffing shortage and a guaranteed supply of chicken, the British barbecue chicken chain Nando's was forced to close one-tenth of its restaurants (Holton & Singh, 2021).

What's more, in the face of a significant labor shortage, immigration can ease market pressure (Scheve & Slaughter, 2001), provide cheap labor for the growth of labor-intensive export processing industries and tertiary industries, and close the employment gap. Australia has the second-highest labor and skill shortage in the world, according to OECD data. It has caused considerable issues for sectors like agriculture, transportation, logistics, and retail: sectors that depend on labor mobility. Australia announced that it would increase the immigration quota from 160,000 to 195,000 to help with the workforce shortage. Since certain types of skill shortages can be solved by increasing the number of immigrants, Australia has implemented a policy to hire "thousands" of engineers and nurses. In addition, the country will add 4700 jobs to the healthcare industry, 6100 jobs to workers with "skills required to provide important infrastructure," and 6800 jobs to the technology sector.

Indeed, talented immigrants entering the nation will undoubtedly bring new energy to advance national scientific research and all spheres of life. The development of immigrant countries will no doubt be aided by these top-notch labor forces. The introduction of more sophisticated technology talents into the immigrant country reduces costs associated with the education and training of talents, while also moving ahead the economic and technological advancement of the importing nations. This is due to the migration of highly educated technology immigrants. The influx of capital and technology has optimized the competitiveness of talents in the nation, which has helped to foster domestic economic growth and job creation (Arora & Grewal, 2022).

1.2 Sociological impact on immigrant counties

From a sociological perspective, getting more immigrants could put a strain on social welfare resources (Noh & Avison, 1996). The migration into the country may result in a labor surplus and a sharp rise in unemployment when the economy of the immigrant-receiving nation is in crisis and the job market is tight. It also depletes the scarce social welfare resources of the countries as it might break the original fiscal balance.

Second, locals may experience feelings of exclusion and panic towards foreign ethnic groups if immigrants' ability to integrate into the new society is hindered by cultural differences. Unavoidable conflicts between immigrants and natives will arise, which poses a risk to the stability and security

of the country (Choi et al., 2019). Some national identities are deeply ingrained in the local population, which may explain why there is an apparent resistance to immigration and a lack of acceptance for immigrants in some areas. Locals may believe that unrestrained and widespread migration will destroy their shared sense of tradition and belonging, as well as their identity, which needs to be safeguarded, and serves as the foundation of their way of life. Naturally, it will be simple for anti-immigration groups to incite growing antipathy toward the practice of accepting more immigrants, leading to racial conflicts. Simultaneously, government welfare allowances to immigrants will cut into the benefits that the local people who are paying taxes for these public expenditures, enjoy (Lee & Miller, 2000). Immigrants who have not paid taxes to the new country for previous years but can enjoy ready public facilities when entering the new country, will cause dissatisfaction among locals (Bonin et al., 2000). Furthermore, if immigrants previously did not pay taxes to the nations as the local while receiving welfare benefits, it may put a strain on the social security systems.

International migration also contributes to demographic improvements. By reducing intermarriage and encouraging the union of people from different nationalities, population mobility helps to break down regional and population barriers, diversify society and culture overall, and create favorable conditions for cultural exchange and dissemination. Immigrants of various races and nationalities introduced their own languages, religions, customs, cultures, and arts to the new countries. For illustration, consider the Latin America. Due to widespread international migration, Latin America is now a region where people of various racial and ethnic backgrounds coexist. These cultures of various origins, along with their Indian cultures, eventually came together to form a new Latin American culture after a protracted process of mutual influence and adaptation (i.e., mestizos). People can see the influence of European, African, and even Oriental culture in all facets of Latin American society today (Xia 1992).

Additionally, migration of the population can be viewed as a form of the enhanced human capital (Belletini & Ceroni, 2003). Immigration is a challenge that calls for preparation on the part of those who wish to make the move. Those who can successfully adapt to a new environment, persevere, and start a family are frequently those who have gone through the simultaneous tests of intelligence and physical prowess. The presence of these groups contributes to fostering the prosperity and high development of society because immigrants are brave in their attempts to accept new ideas, concepts, and technologies and possess a pioneering spirit as well as sense of adventure (Alegría et al., 2017).

In summary, immigration has both positive and negative impacts. In the short term, it can strain social welfare resources and lead to conflicts between immigrants and natives. However, in the long run, immigration can contribute to cultural diversity, demographic improvement, and the enhancement of human capital. It can stimulate economic growth, encourage innovation, and facilitate cultural exchange and dissemination. Although there are challenges associated with immigration, such as integration difficulties and potential strain on social security systems, overall, immigration has the potential to bring positive effects to society.

2. Impact On Emigration Countries

2.1 Economic impact on emigration countries

When a nation loses a large number of people, the domestic demand for some goods may decline because there are fewer consumers. Both the social production capacity and the stability of the economy will be put to the test. However, migrants can also have a direct impact on global trade thanks to the network effect. Immigrants are knowledgeable about the laws, customs, and business practices of both countries, which helps to lower trade costs and promote smooth trade. On the other hand, immigrants are accustomed to using and familiar with the goods from their hometowns and favor those goods. Due to the preference for homegrown goods, it drives the demand for some commodities from nations of origin, thus fostering the growth of trade.

What's more, remittances made by migrants to their native countries can boost those nations' foreign exchange and investment (Barajas et al., 2011). This is a result of the substantial number of

remittances that migrants send to their family members and friends who relocate abroad (Tansel 2014). Migrant remittances have grown to be a significant source of foreign exchange, particularly for less developed nations. Low- and middle-income nations, which receive nearly half of global remittances, are the primary beneficiaries. The Empirical Model suggests that remittances have the potential to stabilize the business-cycle conditions in the home countries of migrants. However, the effectiveness of this stabilization largely depends on the economic situation in the host countries, particularly the level of unemployment (Artal-Tur et al., 2014). The Philippines has exported more than 8 million foreign workers around the world, who supply a significant amount of the nation's foreign exchange. Every year, more than 1.2 million Pakistanis seek employment overseas. According to a Pakistani government spokesman, remittances from foreign workers reached 4.5 billion US dollars in 2003. Similarly, to how building four dams and two expressways in diverse parts of Pakistan can ease the burden on 5 million families, exporting labor in this manner can do the same for 2 million families (Reports & Statistics - Bureau of Emigration & Overseas Employment, 2019).

2.2 Sociological impact on emigration countries

From a sociological standpoint, immigration can foster national diversity. Immigrants are a valuable resource for advancing diplomacy. The ethnic ties between immigrants and their ancestral countries are strong, despite the fact that they have a different nationality from their home countries. They are motivated to improve the standard of living, promote economic growth, and maintain social stability for the citizens of the nations in which they were born or were raised. As a result, they frequently have positive and long-lasting effects on the development of the two nations. The immigrant community can be thought of as an ongoing, protracted transnational flow of people, funds, ideas, and information between the home country and the country of immigration (Waldinger et al., 2008). Immigrants are a link between the two countries, and their roles in cultural communication, soft power promotion, foreign aid, public diplomacy, and economic diplomacy can be viewed as a tool of foreign policy by their home countries (Long 2017).

The phenomenon of brain drain is unavoidable in the process of economic globalization. Brain drain occurs when a gifted individual and scholar leaves their home country to pursue opportunities abroad. These elites were educated in the first nation, but they ultimately emigrated to other nations to reap the material fruits of their talents. In this instance, the origin nation must lose. However, the brain drain talent for some may just have been a potential talent prior to emigration and the elites had not fully utilized their strength in their home country before leaving, and after emigrating to another country, they take advantage of the educational opportunities and advanced research environment there, and eventually become outstanding talents. In that case, the country of immigration will not suffer as a result of the brain drain (Beine et al., 2008). In contrast, due to their special emotional connection with the original country, they may go back to their hometown actively to participate in national development. Therefore, to some extent, migration has contributed to the social and economic development of the original country. Especially for nations with slower economic growth, migration can promote social reconstruction (Ratha et al., 2011).

3. Conclusions

In conclusion, the benefits and drawbacks of migration coexist, whether from an economic or sociological standpoint. Migration has a twofold effect on the world. In light of the findings of this research, policy recommendations can be made with respect to two immigration-related issues: brain drain and labor markets. In addressing the brain drain issue, countries of emigration ought to adopt measures aimed at retaining talent and enhancing social welfare provisions to mitigate the adverse effects associated with the outflow of skilled individuals. Given the current era characterized by intensified global competition, the competition has shifted toward attracting and retaining labor and talent. To alleviate labor shortages and bridge market gaps, host governments should actively encourage immigrant labor by assuming a proactive role. Developed nations can assist less developed

countries in accepting a specific number of migrants, thereby bolstering their own labor markets while simultaneously providing developing countries with opportunities to augment remittance inflows and advance overall development processes.

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