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# **Labour Mobility and the Rise of Populism**

A study of the effects of migration  
on the dynamics of a globalised  
labour market.

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**Abstract:**

Although migration has always been a driving force in history, never has it been as simple for the average worker to move as it is today. Technological improvements, as well as globalisation have generated a steep rise in migration.

This thesis seeks to understand the underlying reasons behind migration trends through the use of economic data. It also attempts to investigate the major effects on labour market variables with support from recent economic models adopted in the economic literature. More specifically, the study focuses on analysing the effects of immigration in receiving countries, and the effects of emigration in sending countries.

The thesis also intends to conduct an in-depth analysis on a recent noteworthy real-life case study: Brexit. By examining the historical and political context leading up to this event, the research in this paper aims to reveal some of the underlying reasons behind this phenomenon. Specifically, it studies the role of certain political dynamics, such as nationalism and populism, that may help explain British discontent. Additionally, this research provides insight into the economic justifications of the decision to vote “Leave” and finds that it is possible that many Brexit voters did not make use of all the available information during their decision-making process.

As such, the field of labour economics can contribute to understanding the recent rise of populism around the world. Recognising migration as a driving force behind these dynamics may help to tackle the underlying issues and challenges associated with the current political climate.

**Key words:**

Labour economics, nationalism, populism, immigration, emigration, European Union, wages, employment, the Anglosphere, Brexit, United Kingdom, remittances, policy, economics, culture.

## **Resumen**

Aunque la migración siempre ha sido una fuerza motriz en la historia, nunca ha sido tan sencillo para el trabajador promedio desplazarse como lo es hoy. Las mejoras tecnológicas, así como la globalización, han generado un fuerte aumento de las migraciones.

Este trabajo pretende comprender las razones subyacentes a las tendencias migratorias mediante el uso de datos económicos. También intenta investigar los principales efectos sobre las variables del mercado laboral con el apoyo de modelos económicos recientes adoptados en la literatura económica. Más concretamente, el estudio se centra en analizar los efectos de la inmigración en los países receptores, y los efectos de la emigración en los países emisores.

Además, la tesis pretende llevar a cabo un análisis en profundidad sobre un caso real reciente digno de mención: El Brexit. La investigación de este trabajo pretende revelar algunas de las razones subyacentes a este fenómeno, examinando el contexto histórico y político que llevó a este acontecimiento. En concreto, estudia el papel de ciertas dinámicas políticas, como el nacionalismo y el populismo, que pueden ayudar a explicar el descontento británico. Además, esta investigación ofrece una visión de las posibles justificaciones económicas del voto de los ciudadanos británicos, y encuentra que es posible que muchos votantes del Brexit no hicieran uso de toda la información disponible durante su proceso de toma de decisiones.

En este sentido, el campo de la economía laboral puede contribuir a comprender el reciente auge del populismo en todo el mundo. Asimismo, entender la migración como una fuerza motriz de esta dinámica puede ayudar a abordar los problemas y retos subyacentes asociados al clima político actual.

### **Palabras clave:**

Economía laboral, nacionalismo, populismo, inmigración, emigración, Unión Europea, salarios, empleo, la Anglo-esfera, Brexit, Reino Unido, remesas, política, economía, cultura.

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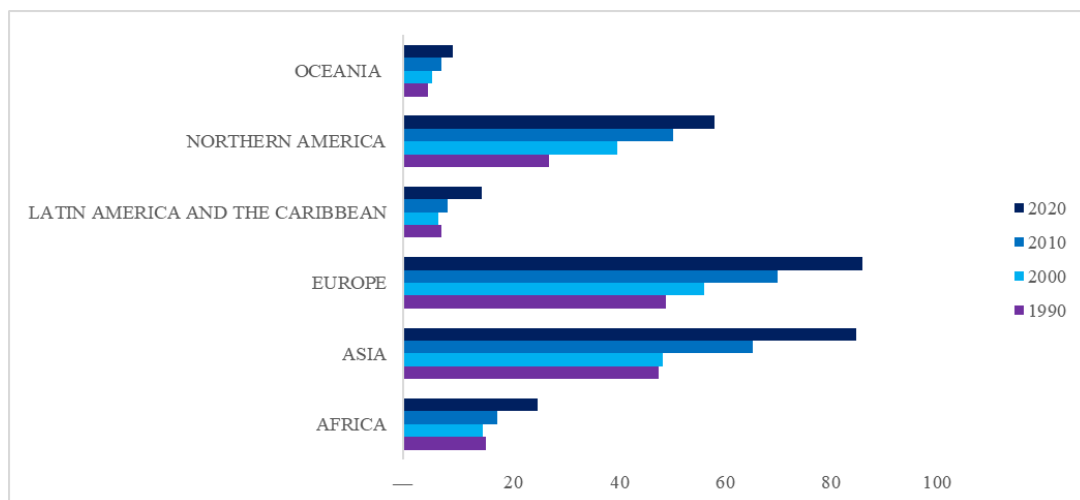
## Introduction

The human species has migrated from the beginning of its existence. Great migration waves have shaped human survival in several ways from prehistoric ages. It is evident that the impact of many of these migration waves has been substantial and has shaped history as we know it.

Millions of people today live abroad. According to the United Nations World Migration Report (2022), migration flows in the world have been increasing steadily since the 1970s. In 2020, 3.6% of the world's population were migrants.

Figure 1 shows that the largest destination region for international migrants is Europe (30.9% of world migration), followed by Asia (30.5%), North America (20.9%) and Africa (9%).

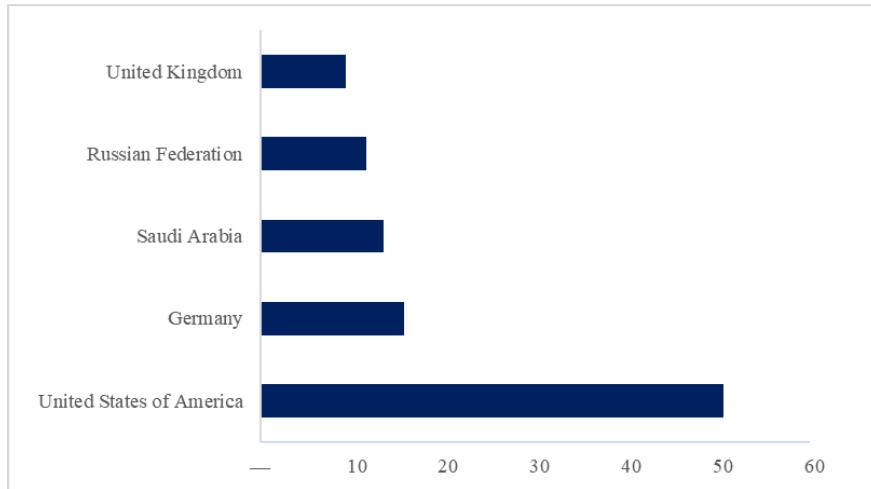
**Figure 1: International migrants, by major region of residence, 1995-2020 (millions)**



Source: own work based on data from UN DESA (2020)

The most attractive destination country according to Figure 2 for international migrants is the United States, with a total number of 51 million international migrants. In Europe, Germany leads the way, at 16 million international migrants. (McAuliffe & Triandafyllidou, 2022).

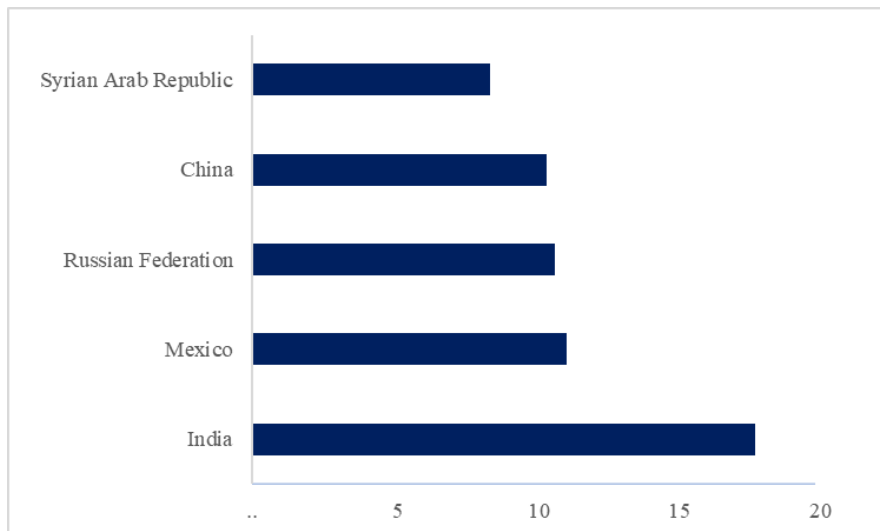
**Figure 2: Top 5 destinations of international migrants in 2020 (millions)**



Source: own work based on data from UN DESA (2020)

Additionally, Figure 3 shows that most of the migrant population comes from India, with a total population of 18 million living outside the borders of the country. Mexico, Russia, and China are the next largest countries of origin for migrants (11 million, 10.8 million and 10 million respectively).

**Figure 3: Top 5 origins of international migrants in 2020 (millions)**



Source: own work based on data from UN DESA (2020)

Of the total international migrant population around 78% were old enough to work (15-64 years) (UN DESA, 2020). This number of working aged migrants has a significant effect in the origin and destination countries' labour markets. Moreover, this level of

migration can no doubt create economic, social, and political disruptions in both origin and destination countries, as well as tensions that governments must handle. However, this investigation will also highlight the misconceptions that most people have about migration, and how they often widely overestimate migration composition and the impact of migration flows.

## **Objectives**

This thesis will cover two main objectives. First, it will attempt to understand the effects of migration in origin and destination countries using economic models and empirical evidence. Second, it will seek to analyse Brexit as a prime example of the wave of anti-immigration sentiment that has arisen in world politics since 2016.

With regards to the first objective, the different economic effects of labour mobility will be examined by reviewing the literature according to the mainstream neoclassical approach. Other approaches will also be considered when attempting to understand the theoretical frameworks that explain many of these effects. Dynamics such as globalisation, nationalism and populism will also be discussed, as they have shaped today's labour market in a variety of ways.

Migration costs are large, and as such have a strong effect on wage and employment levels for migrants. Following this line of thought, this dissertation will start by analysing the different drivers of migration as well as certain elements of its composition to be able to provide a little more insight on the topic.

Concerning the second objective, this thesis will aim to explain some of the underlying that have driven recent populist movements around the world, and migration as a driving force of political tension. To do this, this investigation will go over the different political and economic aspects of Brexit in the form of a case study. By achieving this objective, this paper will hopefully provide some answers to the following questions: ¿is there truth to the outlandish claim that immigrants take away jobs from local population? and ¿does immigration improve the destination country's economy overall? Over the years, different authors have addressed these questions, and other similar ones from a variety of perspectives. Their insights will undoubtedly prove useful in achieving the proposed objectives.

With regards to the case study on Brexit, to be able to achieve the second objective, it is important to study how different politicians have approached this subject in the UK. The idea is to understand some of the mechanisms which politicians have often



used to shape the perception of British citizens about migration, and how they have tapped into their emotional responses to influence their electoral choices.

## **Hypothesis**

The arguments presented in this thesis will, to a certain extent, be built upon the following hypothesis: much of the anti-immigration sentiment present all around the world is not necessarily grounded purely on economics, but rather stems from deep-seated emotional and identity-related reasons.

Thus, the evidence and empirical data proposed in this investigation will be framed within the context of this hypothesis. This will allow the thesis to maintain a specific focus to avoid steering away excessively from the topic at hand.

## **Methodology**

The methodology which will be used to achieve the proposed objectives will be mainly qualitative. This is because the available literature regarding the topic will be extensively reviewed throughout the paper. An important remark regarding the literature is that most of it examines the labour market from the mainstream Neoclassical approach. Other viewpoints will be mentioned throughout the investigation, but when carrying out economic analyses they will mostly be framed from the perspective of standard economic theory.

The data which will be used in this investigation is diverse. Some of the resources this article will reference include scientific articles, books, databases from organisations such as the Office of National Statistics (ONS) and the World Bank, reports, and news articles.

While the investigation will be mostly qualitative, this thesis will also analyse quantitative evidence pertaining to the topic. It will assess the data from the sources through comparative and analytical reasoning.

Last, it is important to acknowledge that this methodological approach may present some limitations, especially considering the vast amount of quantitative information which is available. The paper might have to deal with limitations such as the relatively brief time frame since the occurrence of Brexit (which could potentially lead to inaccuracies when portraying the information), mistaken forecasts, or the encounter of biased information regarding the topic.

## **Motivation**

The study of the effects of migration on the labour market is of paramount importance in today's socio-political context. By understanding labour market variables, policymakers can hopefully make more informed decisions about policies regarding migration, border control and citizenship. Further, labour economics can help explain political dynamics that cause social unrest. This in turn, can allow governments to understand diversity as an opportunity, rather than a threat, and can aid them in maximising the benefits of migration, while still tackling the potential risks associated with this phenomenon.

Recognising the importance of migration is crucial to be able to understand much of what is happening in the world, and the formulation of evidence-based policies can allow public opinion to make more rational electoral choices in today's interconnected world.

## **Drivers of migration**

When analysing the drivers of migration, it is important to note that most literature considers migration from a rational choice perspective (individuals make the decision of migrating after weighing the costs and benefits of doing so). This perspective only accounts for migration driven by economic reasons, therefore models that predict migration choices from a rational standpoint may fail to predict migration caused by other reasons such as wars or other unpredictable events (climate change, terrorism etc.).

The IMF (2020) examines the costs and benefits of moving to properly determine these drivers. Some of these costs include cultural, linguistic, or geographical barriers, policy restrictions and visa requirements upon entry. In terms of the benefits, the migrant will choose to move in the face of potential wage gains. This effect increases the younger the migrant is, as he/she will be able to benefit from more income the longer the lifetime ahead of the migrant.

Further, through the use of a baseline specification model, as well as the data provided by the United Nations Department of Economic and Social Affairs, the IMF (2020) reaches a series of coefficients which represent the significance of the drivers within the model. The model also considers three types of migration flows: migration between emerging/developing countries, migration between emerging/developing countries and advanced economies, and migration between advanced countries. This model arrives at a series of conclusions which are detailed below.

First, migration costs are high. Political, linguistic, cultural, and geographical variables may explain the variation of migration flows between countries and determine destination countries for migrants.

Second, the higher the population in origin countries, the more likely it is for individuals to migrate to other countries.

Third, a significant driver for migration, especially from developing countries is the presence of conflicts. Consequentially, refugees also constitute a driving force of migration in some countries.

Last, wages emerge as a crucial determinant of individual migration, particularly when the destination country is an advanced economy. Human and economic development is a crucial driver which migrants consider when looking for potential destinations. There is a significant pull effect of income towards more advanced economies: if migration costs of both emerging markets and advanced economies were equal, practically all world migration would be towards countries with advanced economies. Moreover, higher wages at origin do not necessarily imply less emigration (IMF, 2020; Castelli, 2018).

For countries with a very low level of per capita income, a small rise in income does increase emigration rates. Low human development is a large determinant of migration. It is both a driver and a hinderance, as the poorest sectors of the population in origin countries do not have the financial capacity to migrate (Castelli, 2018).

Other drivers include demographic growth (relevant for example in certain countries of Asia), climate change, land grabbing (which refers to the displacement of local populations as a result of land exploitation), religion and diasporic movements, education levels, and sexual identity. An additional driver which is often not considered is the presence of technological means of communication, as the population of most developing countries have access to the internet and social media. This can help create a certain perception of destination countries and their standards of living, which can influence the decision-making process of migrants with regards to their destination (Castelli, 2018).

The IMF study (2020) also found that with regards to the composition of migration, countries with a higher skill premium attract migrants that are relatively higher skilled than that of the population of origin. In other words, countries with a lower skill

premium export their higher skilled workers towards destinations with a higher relative skill premium than origin.

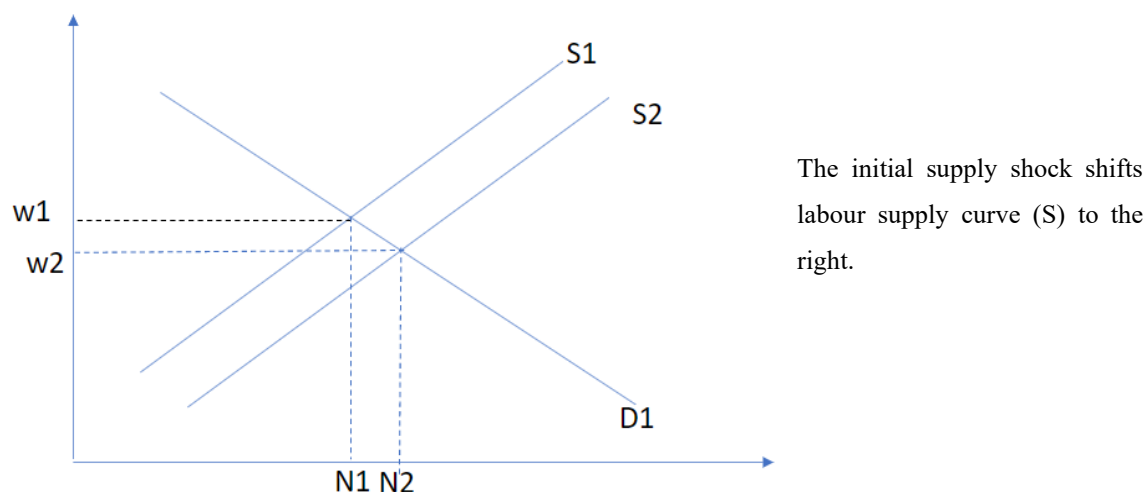
## Effects of migration

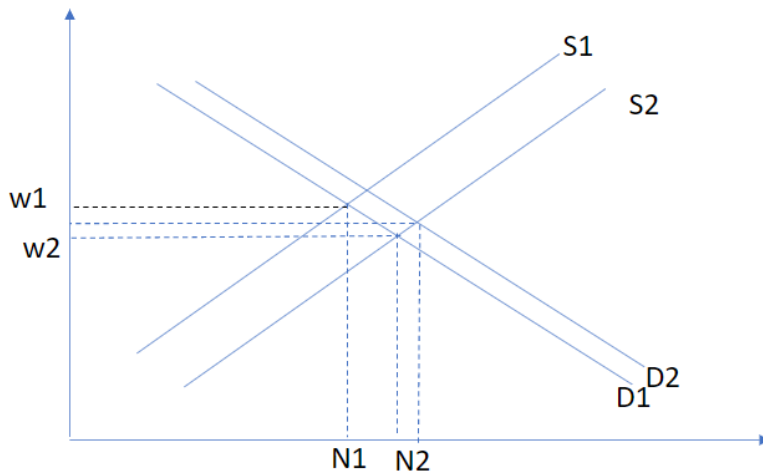
### The effects of immigration in receiving countries

When studying labour economics according to standard economic models, a migration shock causes a rise in labour supply and a reduction in the productivity of labour, as there are more workers per unit of capital than before the shock. The assumption that standard economic models make therefore is that capital remains fixed immediately after the immigration flow. The result: lower average wages in the labour market in the short run (Edo, A., Ragot, L., Rapoport, H., Sardoschau, S., & Steinmayr, A., 2018).

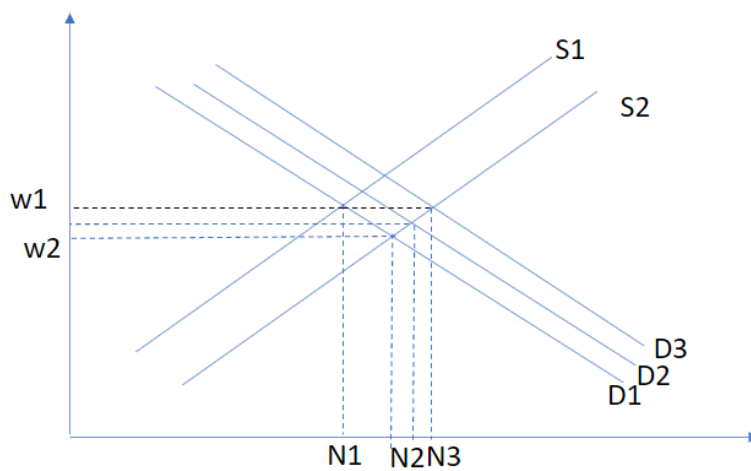
However, after the initial shock, firms begin to adjust to the sudden rise of labour supply and carry out a process of accumulation of capital. This is because labour has become less productive because of the shock, and therefore turn to capital as a way of increasing productivity. As capital becomes more productive, the demand for labour increases (for example, after a large investment in machines to produce a certain good, more workers are required to operate them). The initial short run effects of the shock will be mitigated as a result, and employers will have incentives to hire more workers (Edo et al., 2018).

**Figure 4: immigration impact on wage and employment levels**





Firms adjust to the labour supply shock by accumulating capital. The Labour demand curve (D) shifts to the right.



The initial wage drop is mitigated as employers have more incentives to hire workers. Wage levels increase overtime.

Further, the standard economic models also analyse the disparities of the effects of a migration shock depending on the workers' skill level. If the migration flow is primarily comprised of unskilled workers whose skills complement those of skilled workers, but are similar to those of other unskilled workers, then skilled workers will experience an increase in wage levels. On the other hand, unskilled workers will face a wage drop due to the increase in labour supply. In other words, for the local workforce to benefit from the immigration shock and receive higher wages, their skills must be complementary to those of migrants (Edo et al., 2018).

In this case, according to standard economic theory, the process of capital accumulation alone is not enough to allow for the recovery of wages for unskilled workers to pre-shock levels in the long run. This group will be hit the hardest by the immigration shock (Edo et al., 2018).

However, other more recent theories have suggested that depending on the ability of firms to transform their technology, these short-run detrimental effects on wages and

productivity can be mitigated: “These models show that labour markets are able to fully absorb immigration in a short period of time without experiencing any persistent changes in relative wages” (Edo et al., 2018, p. 6).

Ottaviano and Peri (2012) provide more evidence to support this view by studying the impact of immigration on US workers’ wage levels. They find that the effects on workers with lower levels of education, both at the city and national levels is relatively minor.

Similarly, Borjas (1994) suggests that the effects of immigration on employment are negligible, even in the event of a large migration flow. This claim is supported by the data gathered following a large immigration shock that occurred in Miami. Fidel Castro announced on April 20, 1980, that Cuban citizens who wished to migrate to the United States could do so freely from the port of Mariel. The result was a large migration flow of 125,000 Cuban nationals towards Miami, many unskilled. This migration flow led to a sudden 7% increase in Miami’s workforce, which according to Card (1990), had little (if any) effect on wage and employment levels.

Nonetheless, 25 years later, Borjas (2017) refutes this evidence. Card’s study, which had been extremely influential for the preceding decades, did not account for the fact that natives often relocate to areas with better employment opportunities in the face of a labour supply shock. Further, the analysis that Card (1990) conducts takes place only a few years after the migration shock, making it a relatively short period of time to be able to comprehensively assess the significance of the results.

Alternatively, Borjas (2017) realises that the wage drop in this case might have been much greater than anticipated. When considering the skill set of the migrants and the wage elasticity of Miami at the time, there is a 10% to 30% relative wage drop of similarly skilled workers after the migration shock.

This implies that when studying the effects of migration in the short run on wage and employment opportunities, one must take into consideration the skill set of the migrants to be able to assess the full extent of the impact of a migration shock such as this. In this sense, the long run effects of a migration shock are better understood than the short run effects, that is why it is necessary to be cautious when carrying out predictions with regards to migration shocks (Borjas, 2017).

With regards to the effects of immigration on productivity, the data overwhelmingly shows that immigration is significant in explaining productivity growths.

According to the IMF (2020), output increases around 1% after year five of a large immigration shock. This increase is mainly attributed to the increase in productivity, and in a lesser degree, to employment growth.

Native employment growth rate does not seem to be affected by the immigration shock. However, there is a positive impact on productivity in destination countries, which is likely to be because skills of natives and migrants in the destination country are complementary: as migrants enter the market, natives tend to further specialise, which leads to gains to the economy as a whole (Peri, 2016).

These effects on productivity are generally considered in a long-term timeframe. It is unclear whether these productivity changes also occur in the short term, as large immigration shocks may not result in such positive effects due to market frictions, slow adjustments, and changes in capital means of production (IMF, 2020).

Further, many of these effects are reversely causal, which implies that the individual positive effects of migration may be less pronounced than previously estimated (IMF, 2020).

These positive effects when measured as averages may also hide the existence of losers in the labour market because of this immigration shock, especially when considering a shorter timeframe (IMF, 2020).

Nabarro and Goldin (2018) show other positive contributions of immigration in advanced economies and seek to push forward the idea that migration policies that prevent the natural growth of immigration in certain areas are in fact limiting the economic potential of those areas.

These authors highlight the importance of immigration in fostering innovation: immigrants show a two-to-three times higher likelihood of establishing a firm that secures more than a billion dollars in funding (commonly known as a “unicorn” firm) (Nabarro and Goldin, 2018).

Further, there is a clear impact of immigration in boosting productivity, especially when considering high-skilled migrants. Regional economic and technological clusters attract high-skilled migration, which in turn increases productivity of these regions attracting even more specialised migration. High-skilled migrants drive innovation in these regional clusters, and these dynamics are pushed by the willingness of migrants to move (Nabarro and Goldin, 2018).

This is proven by the fact that a large proportion of most of the top technological and economic regional clusters’ population are migrants: “Skilled migration is heavily

concentrated in a handful of cities within a small number of preferred destination economies” (Nabarro and Goldin, 2018, Migration and growth, para. 9).

For example, around 35% of the population of London are migrants, while in Melbourne and Toronto this proportion exceeds 40%. In the case of Dubai, only 5% of the total population are locals (Nabarro and Goldin, 2018).

Even though the effects of large migration shocks cannot be easily predicted in the short run, it is important to understand that migration is an important tool to drive innovation and economic growth in economies. Many of these positive outcomes depend mostly on skillset, however, it is important to recognise the relevance of migration in creating dynamic societies when conducting economic and political analyses. Unfortunately, the potential of immigration is often underestimated.

### **The effects of emigration in sending countries**

It is important to understand that in general terms, the quality of the data regarding the impact of migration in sending countries is poor (particularly in developing countries), which in turn makes it difficult to study. Moreover, this impact is difficult to measure and quantify, as it is often multidimensional and complex (Rosenzweig, 2005).

However, with the available data, multiple authors identify a series of effects that migration can have on developing countries.

#### **1. Educational investments of receiving countries**

Receiving countries, which are often more developed, make subsidised educational investments when receiving migrants, as individuals from these countries often migrate for the sole purpose of acquiring education. George Borjas (2002) for instance, considers that visa programs in the United States function as a redistribution system of receiving countries taxpayers’ wealth towards foreigners.

In this sense, it could be argued that migrants who are able to transfer the skills they learned abroad to their activities back home are positively contributing to their countries’ economies. Subsequently, this would mean receiving countries are not obtaining the productive gains from their contribution to the migrants’ education. Rosenzweig (2005) addresses the New Immigrant Survey (NIS) administrative records to estimate the number of migrants in the United States that could eventually return to their



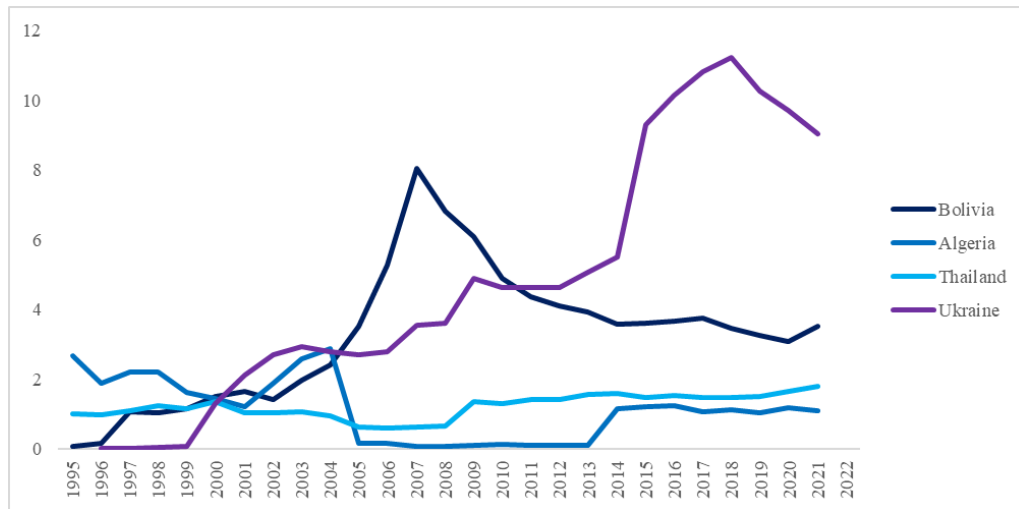
home countries: an average of 30% of migrants were return-migrants, and depending on the home country this figure was as high as 50%.

However, this figure in itself is not enough to determine the impact of education on return migration, as it does not discern between skilled migrants and unskilled migrants. For this, a further survey was conducted whereby several migrants who had received their permanent visas were asked if they intended to stay in the United States indefinitely. This would allow to estimate the proportion of migrants that believed would return by schooling level. The results showed that the proportion of new US immigrants that had received a permanent visa who said they did not plan on staying in the United States increased substantially the higher the level of education: immigrants who had completed a Graduate Schooling level were almost 8% more likely to return to their home country than immigrants who had not managed to complete a High School level (Rosenzweig, 2005).

## 2. Remittances

A second effect that must be considered when studying emigration towards developed countries from poor countries is that of remittances. Remittances work in a similar manner to foreign aid, as they often help redistribute global income by stimulating economic growth. However, studying the real impact of remittances on economic development is often challenging, as it differs from country to country depending on their environments and institutions: “Just as the effects of governmental foreign aid are blunted due to lack of institutions that foster investment and innovation, so too will the effects of increases in private transfers” (Rosenzweig, 2005, p.13).

**Figure 5: Personal remittances received (% of GDP), 1995 to 2022 - Bolivia, Algeria, Thailand & Ukraine**



Source: own work based on data from World Bank (2023a).

Figure 7 provides a little more insight on the distribution of received remittances as percentage of GDP of randomly selected countries in different continents. In countries such as the Ukraine, remittances make up a significant portion of GDP. For example, in 2018, remittances represented over 11% of Ukraine’s GDP. This reflects the importance of this source of income for some countries, and the need for effective policies that ensure they are managed properly.

Nonetheless, various studies have examined remittances and its effect on the sending country.

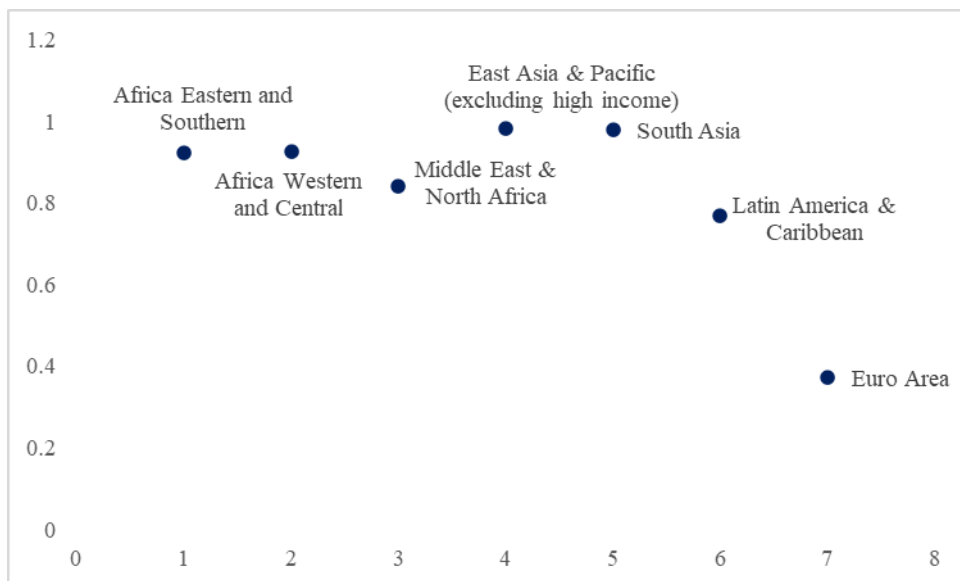
From an investment and consumption perspective, even if remittances are not intended for direct investment but rather are spent on consumption, they can still contribute to economic growth in the sending country. This is because the remittances are placed in deposits which are later loaned out to other agents who use them for investment purposes. Further, when spending remittances on consumption (goods or services), the supplier will then deposit the revenues of that transaction, thus generating more commercial bank money which can later be loaned by the financial institution. Additionally, the line between consumption and investment money is often blurred, as certain goods can serve both purposes, so determining the use recipients make of remittances is often challenging. (Asch, 1994).

In the case study that Wiarda (1994) conducts about the Dominican Republic, remittances played a crucial role in the transformation of some impoverished communities in the Philippines into towns and villages with improved housing and increased employment prospects.

The effects of remittances on employment levels also must be considered. In terms of employment, remittances can also influence labour market decisions of individuals who receive remittances by increasing household income, which in turn raises leisure. Thus, a household which receives remittances may decide not to participate in the labour market, further intensifying the labour market effects of emigration. In other words, locals of sending countries who receive remittances may not replace labour market participants who have emigrated (Asch, 1994).

Ultimately, remittances increase aggregate demand in the home country, which translates into more employment options and economic development (Asch, 1994).

**Figure 6: Correlation between GDP and remittances by continent**



Source: own work based on data from World Bank (2023b)

For continents which are not traditionally considered Western (except for some regions in the Pacific continent, which are usually regarded as part of the West) Figure 8 shows that the correlation coefficients between remittances and GDP are close to 1. This

indicates that there is a positive relation between the two variables. In other words, in these continents, a large volume of remittances contributes to a higher GDP.

As a final note on the effects of remittances, there is a clear impact of remittances on the balance of payments of the home country. It is influential in determining its capacity “to finance trade deficits and improve its current account” (Asch, 1994, p. 209).

### 3. Impact on sending country’s wage levels

Another effect that must be considered is the impact of emigration on wage levels. There is an increase of wage levels in sending countries because of migration. This is reasonable, as fewer workers in sending countries due to migration translates into a tighter labour market in the sending country, thus forcing employers to compete for workers by raising wage levels (Asch, 1994).

Jaime Navarro (1994) presents evidence to support this claim, by studying a case-study of Mexico. Navarro refers to Gregory (1986) and 1980 census statistics to prove that an increase in migration leads to a wage level rise in the sending country. Considering the different assumptions, he makes with regards to price elasticity of supply and demand, the results show that a reduction in labour supply of around 5% due to migration leads to a 2% to 7% increase of wage levels for unskilled workers. Additionally, the same is true for the opposite scenario: an increase in labour supply leads to a reduction in wage levels for unskilled labour.

### 4. Employment Levels

With regards to employment levels, there is evidence to suggest that emigration seems to decrease unemployment, yet this effect depends significantly on the “replaceability” of labour in the sending country. For example, in countries with a flexible labour market, such as the Philippines, in which emigrants are replaced by equally skilled, equally productive workers, there seems to be a reduction in unemployment given a rise in emigration (Tan, 1994). There is no guarantee that these effects are necessarily correlated with each other (other variables could also be significant), however it would not be too far-fetched to assume they are.

Further evidence, such as that of the Dominican Republic, support this perspective. Howard Wiarda (1994) suggests that emigration may contribute to reducing unemployment by as much as 10% in the Dominican Republic. Remittances may further push this effect by creating job opportunities in home countries. International transfers by

emigrants towards sending countries can allow for the emergence of investment, the creation of infrastructure, and the transformation of local communities which will ultimately develop job opportunities for the local population.

## 5. Return migration

Last, it is important to consider the effects of return migration. As previously discussed, there is some evidence regarding the rate of return of skilled migrants after receiving education abroad. There is also some data that suggests the volume of return may be substantial. For example, in the Philippines workers who work as overseas contract workers (i.e., workers who in this case spend an average of 5.5 years abroad), make up around 2% to 5% of the country's labour force (Tan, 1994). In the case of the Dominican Republic, Wiarda (1994) estimates that approximately 10% to 12% of emigrants eventually return, which again, is a significant figure.

The data provided by Dumont and Spielvogel (2008) shows that a significant proportion of immigrants (more specifically, 20% to 50%) return to their home countries after just five years of living abroad. This is intrinsically related to the concept of Brain Drain, which can negatively influence the average per-worker income (Rosenzweig, 2005).

Nonetheless, the information regarding this topic is scarce. What is more thoroughly researched however is the reabsorption rates of those emigrants (in other words, the time it takes for return migrants to find employment). The data shows that it takes time for return migrants to find a job after returning to their home country, and often experience prolonged spells of unemployment (Asch & Reichman, 1994).

Paine (1974) studied return emigration in Turkey and arrived to the conclusion that reintegration in the labour market during this decade was faulty. According to Paine (1974), the unemployment rates among return migrants were approximately equivalent to the overall unemployment rate in the Turkish economy.

**Table 1: Distribution of returned migrant workers by length of time before finding a job and before starting work on return (%).**

<b>Period</b>	<b>Finding a job</b>	<b>Starting a Job</b>
Less than 1 month	32%	39%
1-3 months	90%	80%
4-6 months	60%	40%
More than 6 months	15%	13%
No reply (including unemployed)	39%	36%

Note: totals might not add to 100% due to rounding

Source: own work based on the data provided by Paine (1974)

As the table shows, around 15% of the respondents of the survey conducted by the State Planning Organisation (SPO) in 1971 reported it took more than 6 months to find a job, and around 13% reported it took over 6 months to begin working. This may suggest that reintegration in the labour force after emigration can often be challenging.

The full extent to which these figures apply when considering skill level is less known. Although the SPO survey did report net increases in skill level after the return of migrants, the relationship between skill level and employment potential on return is uncertain. What is more widely acknowledged however, is that migrants often return with a higher skill level in comparison to before emigrating (Asch, 1994).

Even though the data proposed by Paine (1974) may be outdated, it is not unrealistic to assume that these figures could be extrapolated to today's Turkish labour market. Nonetheless, there is limited understanding regarding the validity of this information when examining contemporary return migration.

Ethnic tourism must also be considered as a significant part of return migration. This includes emigrants who have permanently migrated that return to their home country to visit, as well as descendants of emigrants who return years later to gain a deeper understanding the different aspects of their ancestral lineage (Asch, 1994).

The importance of ethnic tourism is reflected by the fact that more than one-third of the total trips to Ireland during the 1980s can be attributed to Irish descendants. Further, between 1990 and 1991, the revenue associated to ethnic tourism reached a total of £220

million, which represented at the time around 1% of Irish Gross National Product (GNP) (O'Grada & Walsh, 1994).

Ultimately, the benefits of return migration can allow for the transformation of home communities and institutions, but it is important to understand that these benefits may be lessened depending on the particularities of the home country that triggered the migration process in the first place (Rosenzweig, 2005).

## **Migration and politics**

The next section will study the political dynamics that have dealt with migration in recent years. Anti-immigration sentiment and protectionism has spread throughout the world after the 2008 financial recession, and this has had a strong impact on the public's perception of migration.

This perception may well be based on real concerns regarding migration. For example, Nabarro and Goldin (2018) explain that even though migration is instrumental in the creation of dynamic societies, the benefits of this phenomenon are often not equally distributed. Indeed, there is a compelling argument to suggest that the unequal distribution of the benefits of migration has contributed to the rise of anti-immigration sentiment and the subsequent rise of populism:

It is hard to make the case for the virtues of migration to an ex-industrial worker in Wisconsin on the basis of benefits accrued to Silicon Valley – or of the benefits to dynamic cities such as London to people who cannot afford to live in them (Nabarro & Goldin, 2018, p. 4).

It is important to understand that migration does not affect in the same way all levels of society. It is precisely the groups which have been hit the hardest by migration flows the ones who often turn to protectionism and anti-immigration policies as a way of improving their circumstances. Nabarro and Goldin's (2018) analysis reflects some of the challenges some of these groups, particularly lower-skilled workers, experience because of labour market disruptions.

Even though the aggregate benefits of migration are considerable, certain migration trends are often considered as another element that has contributed to wealth inequality, perhaps rightfully so. From a socio-political perspective, this has created

animosity towards certain groups and elites. Further, politicians have managed to recognise these frustrations and fuel them to seek political gain which has been crucial in driving their personal political agendas, sometimes with a distinct nationalist nature (Nabarro & Goldin, 2018).

Policies must be directed towards maximising the benefits of migration. For example, with regards to taxation, migrants contribute more than they receive. In this sense, migration policy can serve as a powerful tool to create economic growth. That is why it is vital for governments to carry out migration policies wisely. The consequences of not doing so can be potentially catastrophic (Nabarro & Goldin, 2018). Policies that focus on managing the public's perception of migration may be helpful in making the most out of the benefits of migration.

Even though there is some factual basis to support some of these perceptions, the available evidence suggests there are widespread misconceptions about migration.

Alberto Alesina (2018) conducts a series of surveys to attempt to monitor natives' attitudes towards migration in various countries such as Italy, The United States, France, or Germany. He discovered that respondents had strong misconceptions about migrants' income, skill level and their reliance on the welfare state.

A notable observation of his study was that the majority of the respondents significantly overestimated the proportion of the population that were migrants. For example, in Italy, the average perceived proportion was of 26%, when in reality only 10% of the population are actually immigrants. (Alesina, 2018).

Additionally, the respondents held misconceptions about the demographic composition of migrants. They incorrectly believed that the share of Muslim immigrants was significantly larger than it truly was, as well as underestimating the proportion of Christian immigrants (Alesina, 2018).

Ford and Goodwin (2017) argue that immigration is often viewed as a rapid disruption of local identities and customs. Esipova, Ray, Pugliese and Tsubutashvili (2017) show that around 31% of the population of G20 countries would prefer less immigration.

Another example that illustrates some of the false assumptions that the population of immigrant receiving countries often make is that of the perceived level of crime. For example, according to Citrin and Sides (2014) who examine the information of the 2002-2003 European Social Survey (ESS), around 68% of respondents hold the belief that immigration worsens the issue of crime.



Further, Alesina (2018) finds that most of the misconceptions are attributable to respondents who are non-college educated, women and individuals who work in sectors with a high number of immigrants. While there is less of a disparity in responses between left-wing and right-wing respondents with regards to the proportion of migrants, greater divergence exists in terms of the composition and contributions of migrants: ideologically more right-leaning respondents tend to exhibit larger misconceptions in these aspects.

Regardless of whether the impact of immigration in the receiving countries' labour market is positive or not, when it comes to politics what matters are the perceptions of the voters, and how the government manages these expectations. As Gebremedhin and Mavisakalyan (2013) show, increased immigration leads to higher political instability and more military spending to manage it.

Throughout the text it has been proven that the aggregate effects of immigration are positive, despite the presence of losers in the market. The only logical conclusion that follows therefore is that political instability resulting from migration is not grounded on tangible economic outcomes. Instead, it is the perceptions held by native populations in receiving countries which play a fundamental role in the emergence of political instability within receiving countries.

The following case study will seek to provide insight into how the British government has managed these expectations in recent years, and what policies have been implemented in this regard.

Further, through the evaluation of this case study, this section will aim to understand the different political and social dynamics that surround this shift towards protectionism, its consequences, and the role that populism has played in the promotion of such policies.

## **Case Study: Brexit**

### **The context: summary and lead up**

To understand the process of Brexit and its implications for migration policy, it is important to note that Euro-scepticism has existed as a common dynamic throughout British history. Since the creation of the European Communities (ECC) in 1957, the UK had been doubtful about this arrangement. The UK historically had little experience when it came to collaborating with other European nations, as the Commonwealth had worked as a successful international cooperation model since its inception (O'Rourke, 2019).

Nevertheless, on January 1<sup>st</sup>, 1973, the UK would agree to join the ECC. However, not long after, in 1975, a referendum would be held with regards to Britain's continuity in the organisation, even though most political representatives at the time were in favour of remaining. A majority voted for remain, which would settle the matter, at least temporarily (O'Rourke, 2019).

With the emergence of Margaret Thatcher as one of the most prominent figures of British politics, and the rise of Euro-scepticism within the Conservative party, Britain's continuity in the European Communities was put into question yet again. Despite Thatcher's initial support for permanence, her views with regards to this arrangement became increasingly sceptic once she assumed the role of Prime Minister in 1979 (Young, 2023).

In 1988 she would deliver what is now a widely recognised speech (Shrimley, 2018), in Bruges, Belgium, where she would be somewhat critical of the concept of an integrated Europe, without raising questions about the UK's membership:

Europe will be stronger precisely because it has France as France, Spain as Spain, Britain as Britain, each with its own customs, traditions, and identity. It would be folly to try to fit them into some sort of identikit European personality (Thatcher, 1988, 10:16).

She also mentions "willing and active cooperation between independent sovereign states" (Thatcher, 1988, 9:52) as her fundamental principle in the creation of a strong European Community.

However, Thatcher's successors, John Major, Tony Blair and Gordon Brown would, in general terms, maintain a pro-European stance with regards to the integration subject (Mölder, 2018). This integration would be reinforced by the formation of the EU in 1993 through the Maastricht Treaty, which would broaden the EU's political capacities (European Central Bank, 2017)

Years later, in 2005, David Cameron would be elected as the leader of the Conservative Party, and in 2010 as Prime Minister of the United Kingdom. Despite attempting to temper the Conservative Party's rhetoric on issues such as gay marriage, he faced significant challenges in changing the mentality with regards to Europe. Cameron had not manifested at the time a Euro-sceptic position, but rather he assumed the role of

an arbitrator, whereby he preferred to deter the attention from the subject to focus on other more pressing subjects: “Banging on about Europe was precisely what Cameron wanted to avoid, but it was not to be” (O'Rourke, 2019, *Cameron Comes to Power*, para. 2).

With the emergence of UKIP (United Kingdom Independence Party) and the effects of the economic contraction of 2008 which were still very present within British society, it was hardly impossible at that point for Cameron to steer much of the country away from Euro-scepticism. Hence, in 2013 Cameron announced that if re-elected in 2015, he would raise the issue of EU membership by conducting a referendum. British citizens would have to choose between two straightforward alternatives: in or out (BBC News, 2013).

Cameron's downfall from this point on was caused by his own contradictions. Cameron would campaign for “Remain” yet had promised his party he would attempt to renegotiate the agreements regarding free movement (Smith, 2016). Cameron was hoping to gain the best of both worlds: to limit free movement while remaining in the EU. In a sense, his “neutral” behaviour towards the issue had created too many tensions within his own party (Kettle, 2016). Additionally, he had involuntarily given credibility to UKIP's anti-free movement aspirations by claiming this issue required a renegotiation (O'Rourke, 2019).

The result of the vote however was unfavourable to the “Remain” option, and Cameron shortly thereafter, resigned (BBC News, 2016).

### **Brexit explained: the role of populism and the concept of the Anglosphere**

Once the historical context regarding Brexit has been thoroughly explained, one could assume that the occurrence of such an event was predictable given the circumstances. The United Kingdom has always been a country wary of establishing relations with the rest of Europe. Even after World War II, Churchill did not envision the UK as a driving force of Europe's integration (Helm, 2016) Its aspirations of being fully independent while still maintaining a global foreign policy emerge from its imperial past and its ties to the countries that were once part of the British Empire (Welling, 2017).

However, there are deeper reasons that can help explain Brexit. To examine them, one must fully understand the wider political context of that period, not only in the UK, but in the world.

The year 2016 and the years that followed were shaped by the emergence of parties with a clear nationalist, globalisation-sceptic agenda: the rise of Donald Trump to power in the US, the Dutch Party for Freedom, and the French National Front in France are just a few examples of the massive wave of populism which was taking place at the time (Dijkstra, Poelman & Rodríguez-Pose, 2020).

Undoubtedly, this context of political unrest in Europe further strengthened many of the elements that were already present in the UK and that had led many British citizens to vote for “Leave”. But what were some of the underlying aspects that were amplified by the political context at the time? How did these political dynamics gain strength in the UK? In other words, what explains the emergence of nationalist movements in Britain that would inevitably lead to Brexit?

The following section will study some of the factors that potentially shaped the electoral vote in 2016: the 2004 and 2007 European Union Enlargements, the 2008 Financial Recession, Globalisation, and the concept of the Anglosphere.

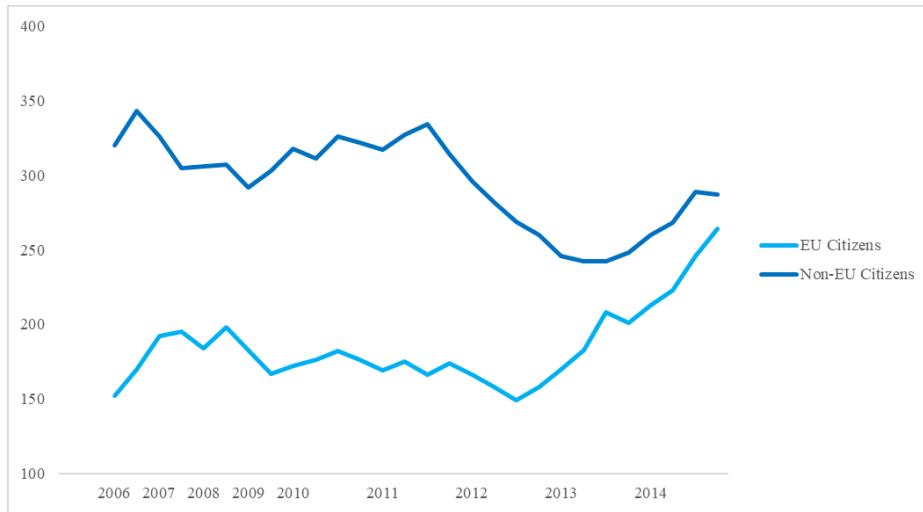
#### 1. The 2004 and 2007 European Union Enlargements

One of the most important elements that shaped the relationship of Britain with the rest of Europe was the 2004 Enlargement of the European Union.

This process was extremely relevant in the reunification of Europe after the Cold War. Ten new countries, many of which were formerly related to the USSR either as a Soviet Republic or as a satellite country, would now become part of the EU, and therefore would enjoy the same status as the rest of members. This includes the right to move freely within EU member states (European Union, 2007). These ten countries were Cyprus, the Czech Republic, Estonia, Latvia, Malta, Lithuania, Poland, Slovakia, Hungary, and Slovenia. An additional two countries, Romania, and Bulgaria would also enter the EU in 2007 (European Union. n.d.): “Thus after 2004 citizens from Eastern Europe were in principle entitled to live and work anywhere in the Union” (O’Rourke, 2019, Enlargement, para. 4).

This would translate into a significant increase in the number of EU immigrants living in the UK from 2005 to 2015.

**Figure 7: Immigration (thousands) to the UK by citizenship, 2006 to 2014**



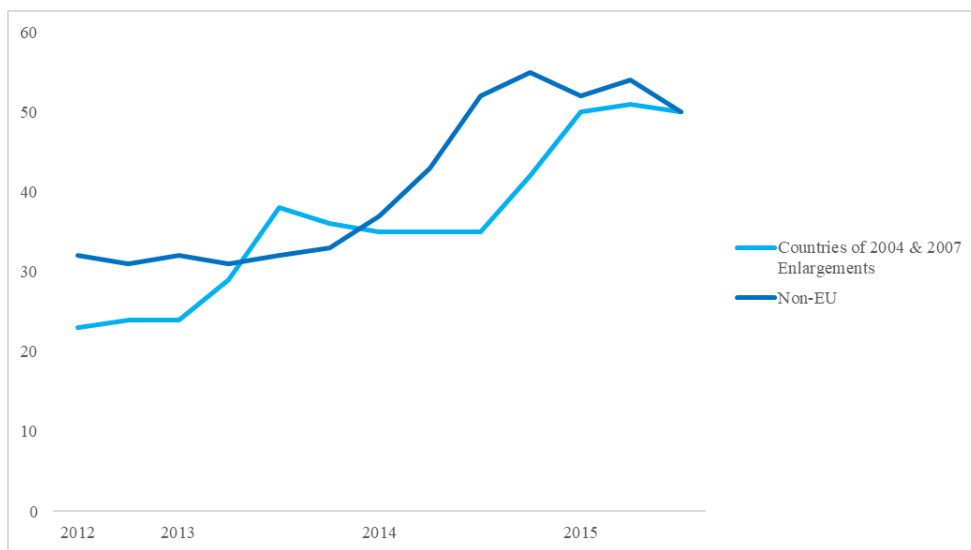
Notes: quarter estimates represented in each year are Year Ending (YE).

Source: own work based on the data of ONS (2016)

Figure 9 shows a steady increase of EU immigration into the UK from 2006 to 2015, reaching a total number of 264,000 in the Year-to-December in 2015.

However, it is necessary to also analyse the number of immigrant workers in the UK by EU citizenship to be able to fully understand how many immigrants have an impact on the UK labour market.

**Figure 8: Workers (thousands) with a definite job in the UK by citizenship, 2012 to 2015**



Notes: quarter estimates represented in each year are Year Ending (YE).

Source: own work based on data from ONS (2016)

Figure 10 shows that there has been a steady growth of the number of immigrants from countries that joined the EU in the 2004 and 2007 Enlargements (i.e., several of the Eastern European countries that were former Soviet Republics). In the first quarter of 2012 that number was around 24,000, whereas in 2015 it increases up to over 50,000 Year-to-December. Even though the graph does not show the evolution of the number of immigrants prior to 2012, it is not unrealistic to assume that the trend would also show a steady growth in this period.

The growth in the number of immigrants during these periods showcases the importance that these enlargements had in the development of a populist anti-immigration rhetoric in the UK. As has been previously explained, from a labour market perspective this should not be an issue in terms of aggregate employment and wage. However, the presence of certain sectors of society that have economically speaking “lost” (particularly in the short run) as a result of these migration dynamics, could have been utilised by certain politicians to channel their frustrations and further their own political agendas.

## 2. The 2008 Financial Recession

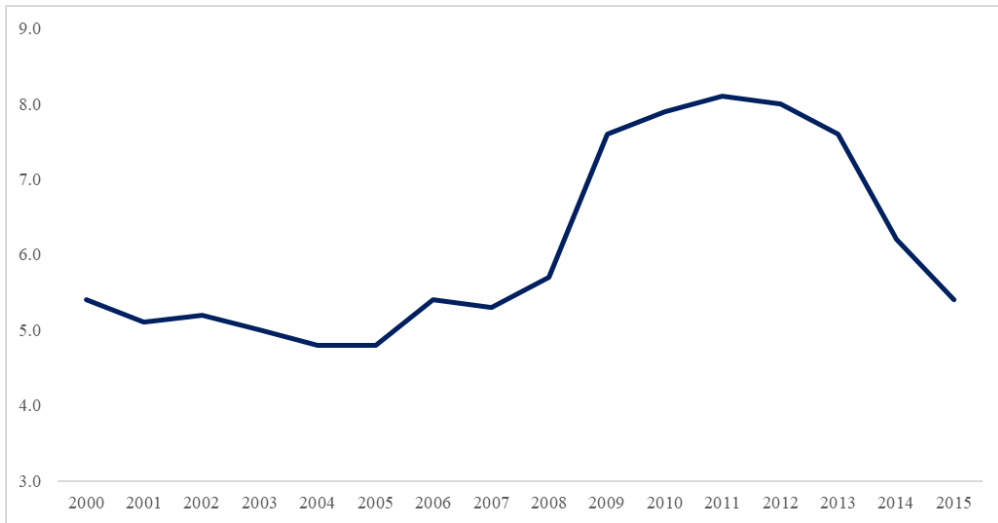
According to Matharu (2019), the 2008 Financial Crisis, triggered by the fall of Lehman Brothers because of the sale of sub-prime mortgages, was one of the biggest turning points since the fall of the Berlin Wall in 1989.

Indeed, the perception that people had about the financial and economic system radically changed after 2008 (Matharu, 2019), and even though some of the culprits of the financial system’s failure were sentenced to prison (around 47 bankers, according to the Financial Times (2018)), the public’s perception is that the damage caused by the financial crisis has not been fully compensated.

And there has not been a significant paradigm shift after the housing bubble burst. The only option that people can turn to is populism. In essence, Brexit is the result of years of frustration, strategically channelled by politicians. The crisis has turned “economic” issues into “culture” and “identity” issues.

Prior to 2008, capitalism seemed to be working well. Figure 11 shows how employment levels were relatively stable before 2008 but decreased quickly after that. Unemployment levels reached a maximum of 8.1% in 2011, and then decreased.

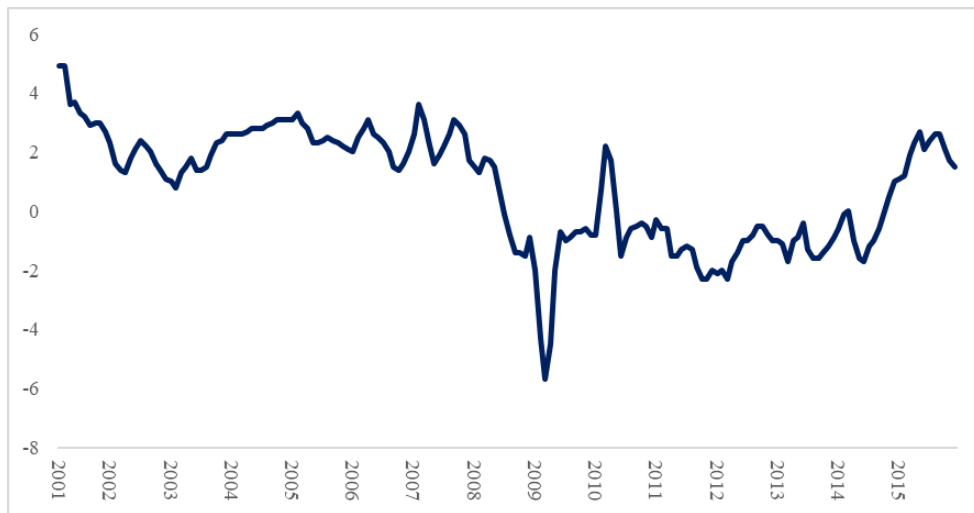
**Figure 9: UK unemployment rate (aged 16 and over, seasonally adjusted): %**



Source: own work based on data from ONS (2023a)

Further, Figure 12 shows how wage levels were growing steadily from the year 2003, with some fluctuations, but dropped drastically in the year 2008, and did not fully recover to pre-recession levels until 2015.

**Figure 10: Average weekly total pay (real) annual growth in the UK, seasonally adjusted, 2001-2015**



Source: own work based on data from ONS (2023b)

The effect of the recession on wage and employment levels in the UK was significant. But what may be even more significant was the fact that many of the financial

institutions that were to be held accountable for this situation were bailed out shortly after by the governments of the world (Matharu, 2019).

Thus, the perception of the wider public was that while the standards of living of the average UK citizen were dropping, the primary culprits of the recession were the ones least impacted by its consequences. This undoubtedly generated tensions and frustrations which led the general population to embrace populism: “For some disillusioned by the past decade, a narrative that blames falling living standards on EU immigration will have resonated” (Matharu, 2019, para. 19).

In this sense, Brexit is the result of years of frustration. A way of protesting against the elite. Given the circumstances it is near-to-impossible for rational choice to prevail over identity politics.

### 3. Globalisation

One of the assertions that has been suggested throughout this thesis is that, in general terms, immigration, and all the surrounding forces which have enabled it (i.e., globalisation and European integration), has benefited high-skilled workers whose skills are complementary to those of immigrants. Alternatively, some low-skill workers have suffered from the subsequent labour supply shocks. It has also been asserted that, consequentially, some low-skilled workers in the UK may perceive Eastern European immigrants entering the labour force as a threat to their standards of living.

Globalisation is hardly a new phenomenon. It is a subject several scholars have studied for decades. Further, many of the dynamics of globalisation have already been thoroughly analysed throughout this thesis. Nonetheless, it is important to provide some more insight on this topic to gain a better understanding of how some of these dynamics have affected the UK specifically.

Colantone and Stanig (2018) provide a model to understand the effect of globalisation in British citizens who voted for “Leave”. One of its most important findings is that regions most affected by supply shocks due to a sudden increase in Chinese imports had a significantly higher proportion of individuals who voted in favour of leaving the EU.

Additionally, Becker, Fetzer and Novy (2017) find that the majority of the voters for “Leave” fit a certain profile according to level of education, age and industry. The



study found that the average Brexit voter was very likely to live in areas with low wage and employment levels, specialised in manufacturing and to show low-skill levels. Further, they also found that the population from areas where there had been a recent flow of immigrants from Eastern Europe were also more likely to vote in favour of Brexit.

Both the effects of supply shocks in the British economy from Chinese imports, and the study of regional voting patterns suggest that the tensions that arose from globalisation were crucial in shaping Brexit voters' choice in the 2016 referendum.

#### 4. The Anglosphere

One of the factors that is usually not considered when carrying out analyses with regards to Brexit is the concept of the “Anglosphere”, which Michael Kenny and Nick Pearce (2018) study extensively in the book “Shadow of Empire: The Anglosphere in British Politics”. This concept refers to the “English-speaking nations that share a number of defining features: liberal market economies, the common law, parliamentary democracy, and a history of Protestantism” (Kenny & Pearce, 2018, Introduction, para. 3).

Geographically, it encompasses the UK's former colonies, although the full territorial extent of this notion is unclear. Some scholars include the United States or Ireland as part of the Anglosphere. However, others constrain the territorial boundaries to only a handful of countries (Kenny & Pearce, 2018).

Regardless of the geographical extension that the Anglosphere encompasses, it has been crucial in explaining the relationship of Britain with the rest of the world. It has also helped explain to a certain degree many of the dynamics present throughout the Brexit process, as it is deeply intertwined with notions such as nationalism and imperialism (Kenny & Pearce, 2018).

The fact is that Brexit advocates frequently rely on the Anglosphere argument to support their views. It creates a historical and ideological framework that legitimises the role of Great Britain as an independent sovereign nation that can act beyond the constraints imposed by supranational organisations such as the European Union (Kenny & Pearce, 2018).

Politicians in favour of leaving the EU would often frame the issue by emphasising the importance of ensuring accountability for the decisions of governing

powers. The highly bureaucratic nature of the EU hinders this. For example, Michael Gove, who at the time was Secretary of State for Justice, made the following statement:

I believe that the decisions which govern all our lives, the laws we must all obey and the taxes we must all pay should be decided by people we choose and who we can throw out if we want change (Gove, 2016, para. 6).

Indeed, it could be contended that conceiving the European Union as a bureaucratic organisation which prevents politicians from being held accountable by British society is a compelling argument to make.

However, the argument which portrays Brexit purely as a question of sovereignty masks an alternative interpretation of the role of the United Kingdom in the world: one in which national sovereignty and supranational integration are incompatible.

Gove himself addresses the role of the UK as an exporter of “democratic self-governments” (Gove, 2016, para. 8), to countries such as the India, Canada, Australia, and the United States. By attributing the success of democratic systems in former British colonies to the exportation of said systems by the UK, Gove is employing a language which legitimises Brexit by drawing on the concept of the Anglosphere and Britain’s colonial heritage. It is no question an argument rooted in nationalism.

Yet the “Vote Leave” campaign often addressed the economic issues concerning immigration, rather than directly emphasizing national sovereignty. This further justified the necessity of Brexit, as it provided rationalisation for an issue that is greatly driven by emotion.

Ultimately, the economic rationale provided the necessary framework that allowed the concept of the Anglosphere to make sense within the rhetoric that surrounded Brexit.

### **Brexit: a rational choice? empirical evidence on how migration has affected the UK**

The Brexit issue begs the question: is Brexit an economic issue or a cultural one? In other words, did the majority of Britain choose “Leave” from a purely rational standpoint?

The answer (as has been previously mentioned when describing the concept of the Anglosphere) is that probably both factors have played a significant role in the choice of

British citizens. While it is true that standard economic theory considers that people act according to their own interest, the reality is that there are often external factors that limit the capability of individuals to act rationally.

For example, if one considers an average “Leave” voter as an individual who meticulously examines the EU and the migration implications of belonging to the organisation, then one could consider that this person is acting rationally when voting. Maybe he/she has experienced the disadvantages of free movement and prefers protectionist policies that potentially safeguard his/her job (O’Rourke, 2019).

However, there are series of reasons that may suggest this person is not exhibiting a rational behaviour when voting for this option. Or rather, this individual may not be utilising all the available information that may help shape his/her decision.

First, with regards to the European Union’s power to influence fiscal and monetary policy in the UK, it is important to understand that the EU barely has any authorities in these particular matters:

The UK is not a member of European Monetary Union, nor is it bound by the European Fiscal Compact, nor are the avoidance of excessive deficits and debt and the associated numerical fiscal rules mandated by the Stability and Growth Pact directly binding upon it [...] (O’Rourke, 2019, Chapter 9: Explaining Brexit, para. 7).

Second, with regards to the potential effects of immigration in the UK labour market, apart from the information that has already been exposed throughout this thesis, there is specific evidence pertaining to the UK that suggests it could miss out from some of the potential benefits that immigration offers.

For example, Nabarro and Goldin (2018) suggest that the British economy would be 9% smaller if immigration had frozen in the 1990s. This would translate roughly in a real GDP decrease of around £175 billion. Further, they also note that immigrants are twice-to-three times more likely to issue a patent than UK native population.

Wadsworth, Dhingra, Ottaviano and Van Reenen (2016) show that wage levels moved independently to immigration after 2004: wage levels fluctuated while EU immigration continued to grow.

More evidence regarding this topic suggests that despite the large migration shock that the UK experienced because of the 2004 and 2007 Enlargements (see Figure 9), wages and employment remained relatively steady between 2004 and 2006. One of the theories that may explain this phenomenon with regards to the impact of immigration on wage is the fact that most low-skilled native workers were protected by the UK's minimum wage policies. Thus, the potential negative effects on wages that low-skill native workers might have experienced could have been neutralised (Lemos, & Portes, 2008).

Nonetheless, it could be that two years (2004 to 2006) is too short of a period to be able to distinguish any noticeable effects on wages and employment. Additionally, other evidence shows that even though the effect on wages might be close to insignificant, some low-skilled native workers, particularly those in labour-intensive jobs, may suffer from labour supply shocks (Sumption & Somerville, 2010). That is why analyses regarding the effects of immigration on wage and employment levels must be cautious and consider all levels of society.

## **Conclusions and final remarks**

This thesis studies the different aspects pertaining to migration and the labour market. Although the effects of emigration in sending countries' labour markets have also been discussed to some extent, this thesis has mainly focused on the impact of immigration in developed countries.

Most of the findings contained throughout this thesis suggest that immigration in developed countries is, in aggregate terms, positive for workers in receiving countries. As previously discussed, several authors find that the effect of a large migration shock on wage levels and employment in the short run is negligible. However, one must be cautious when studying the impact of immigration. This is because the potential positive effects of immigration may not be experienced in the same way by all sectors of the population.

Further, it is important to recognise that many of these effects are measured as averages, which implies that some individuals who have suffered from the consequences of immigration in developed countries (such as low-skilled workers) may potentially be overlooked. When carrying out these sorts of analyses, one must always consider worker and migrant skill level.

In the long run, the effects of immigration on the labour market are more certain. Wage levels in the long run tend to remain stable. The same can be said about employment. This is because the sudden rise in workforce as a result of immigration leads employers to accumulate capital, which in turn will result in productivity growth. According to the scholars mentioned throughout this paper who study standard economic theory, this will lessen the effects of the initial labour supply shock, and wages and employment levels will remain relatively stable.

Further, the evidence which has been exhibited throughout this paper supports the idea that immigration fosters technological innovation, and thus it is desirable for any country to consider the potential benefits of immigration when elaborating migration policy.

This thesis also finds that there are several factors that must be taken into consideration with regards to emigration and its effects on sending countries. Aspects such as subsidised education, remittances and return migration are found to contribute positively to sending countries. For example, remittances, if correctly managed by governments, can serve as an economic stimulus for sending countries, allowing for a healthier balance of payments, and contributing to the economy as a whole. Regarding employment levels, this paper shows that some countries with flexible labour market conditions see a reduction in unemployment levels after an emigration spur.

With regards to the political conceptualisation of immigration, the most important insight that this thesis provides is that the way the public perceives immigration plays an influential role in shaping migration policy.

This is highly relevant when attempting to explain Brexit, and all the aspects that have surrounded this event. This paper provides a case study regarding this issue in which many of its intricacies are thoroughly examined.

One of the various insights that this case study provides is that Euro-sceptic sentiment has been present in British society for a very long time. One of the most influential historical aspects of Euro-scepticism is what is known as the Anglosphere, a concept deeply intertwined with the notion of British Imperialism. It is a term that is often used to describe nations that once were under the sphere of influence of the United Kingdom. These nations speak the English language and share a series of common values and trajectories. Advocates for Brexit frequently refer to the Anglosphere implicitly. It is an essential feature of British Euro-scepticism which serves as a justification of its existence.

Other factors which have contributed to Brexit include the 2008 Financial Crisis, the 2004 and 2007 European Union Enlargements, and the different dynamics of globalisation present in the UK, which can also be explained through the framework of the Anglosphere. Immigrants, particularly Eastern Europeans, are viewed as a threat by certain sectors of the workforce. However, this is nothing more than the result of years of frustration caused by the economic and socio-political context of the time, which has been successfully channelled by many Brexit advocates, who present it as a means of safeguarding national sovereignty.

The evidence presented in this paper suggests that immigration from within the EU has not significantly affected wage levels and employment in aggregate terms in the UK. Conversely, the data shows that immigration and wage levels were uncorrelated in the years following the 2004 EU Enlargement: immigration from within the EU continued to grow, while wage levels fluctuated independently.

For me, the main conclusion of the Brexit case study is that it is quite possible that many voters for “Leave” did not possess the necessary information to be able to make a rational decision, but rather were, to a certain extent, too emotionally involved in the decision-making process that led them to choose that option. Politicians knew the implications of this decision-making process and used it to their advantage.

But what has Brexit entailed for immigrants already settled in the UK? From a legal standpoint, the UK is no longer subject to certain EU border instruments such as the Dublin Regulation or the Return Directive, which has cut off much of the migration originating from the EU. Further, EU citizens in the UK are no longer considered “mobile citizens”, and thus are categorised as migrants (Benson, Sigona, Zambelli & Craven, 2022).

However, from a conceptual point of view, it is possible that Brexit has deeper implications for migrants. Most of the references that Brexit advocates make of EU immigration is of Eastern European (i.e., the countries that entered the EU in the 2004 and 2007 Enlargements). This incorrectly frames immigration as a social issue (Benson et al., 2022), and in my view creates a preconception of European immigrants which may potentially negatively affect the relations between the UK and the rest of Europe.

As a final note, future studies could examine the implications of migration in similar recent cases such as the rise to power of Donald Trump in the United States and his so called “America First” policies, or the emergence of personalities such as Marine Le Pen in France. These cases have been briefly mentioned in this thesis, however, it

would be highly valuable if future investigations could focus specifically on some of these case studies and provide some more insight on the matter.

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