On the Economics and Politics of Unrestricted Immigration

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THE control of immigration is one of the most controversial issues of our days; and the expulsion of illegal immigrants is perhaps its most controversial aspect. It seems very cruel to expel to an uncertain destiny in a poor, distant country, often riven by civil strife and an oppressive regime, somebody who is just looking for a better life, and perhaps has already succeeded in getting one, while also contributing, in some ways, to the economic and social life of our country. On the other hand, any effective, rather than purely nominal, restriction on immigration is bound to have as a consequence the expulsion of those who are circumventing it. Simply to relax controls on immigration will not eliminate those ugly scenes and terrible human problems.

Nor will the distinction between asylum-seekers and economic migrants suffice. After all, both are looking for a much better life, or simply for survival, in the country of immigration. Everybody knows that asylum-seekers are, possibly in a majority of cases, disguised economic migrants. Moreover, in a number of cases asylum-seekers are active in political movements whose aim is to institute regimes which may be even more oppressive, cruel or corrupt than those against which they are fighting. A prominent and illuminating example is Ayatollah Khomeini's exile in Paris in 1978–9. Moreover, even economic migrants' survival can sometimes be put into jeopardy if they are returned to the country from which they emigrated.

Thus there is no *a priori* reason for making a strong distinction between one category and another. At any rate, as long as any restriction on immigration remains, no distinction between groups of immigrants will solve the problem of expulsions and their inherent cruelty. Only unrestricted immigration would do that. This obvious logical consequence is usually either not considered or simply wilfully swept aside by those who protest against expulsions and restrictions on immigration. This short article sets out to consider, in a speculative way, what the consequences of unrestricted immigration might turn out to be, both at the economic and at the social and political levels.

How unrestricted immigration would change Britain

Let us suppose, for example, what would it happen if Britain were to abolish all restrictions on immigration.

The first crucial proposition from which everything follows is this: if immigration were unrestricted, migrant flows towards Britain would continue until the living standards of would-be immigrants in their countries of origin were no worse than in Britain. Of course, the costs of migrating would put some constraint on the equalisation process; but the travel costs of legal migration, in particular air fares, are nowadays low, and historically decreasing; and other costs are the lower, the greater the number of migrants of a given national origin who already have settled in the destination country (we

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shall return to this latter point below). One can only speculate as to how many immigrants it would take to achieve such a levelling. Some millions or tens of millions would most probably do—perhaps many fewer, owing to the social and political consequences of their migration and their likely impact on Britain's economy and living standards.

Given the discrepancy in demographic potential, immigration flows will stop only when the living standards of immigrants in Britain have fallen to the level of the poorest and worst-off countries of the world. The countries of emigration will not necessarily benefit from the process because the emigrants would probably include, initially at least, the relatively well-off and more productive members of those societies, who would take their human and financial capital with them. There will be some compensation for this effect, however, in the remittances the more successful emigrants would make to their home countries.

What, then, would happen to the British people? Two theories may be advanced here. According to the first, the British people, or rather some of them, would benefit because they would take advantage (much more than now) of cheap immigrant labour (for instance, having lots of servants, such as well-off people do in the poorer third world countries). In the course of this shift, Britain would lose its traditional status as a civilised, relatively safe and relatively egalitarian society (at least in comparison to the much higher social and economic inequalities in other parts of the world). Such a highly unequal and unjust society would probably be very violent (along the pattern of present-day South Africa).

According to the second theory, British society would maintain the characteristics of relative egalitarianism in living conditions (even if this seems very unlikely, it merits discussion as an extreme theoretical possibility). In this case the average living standards of the British would fall precipitously, to the level of the poorest countries in the world. The world would not gain (since the emigration of a few million, or even some tens of millions of people to Britain would not change appreciably the demographic and living conditions of the underdeveloped world as a whole), but the British would lose, and dramatically. A country where living standards were those of the poorest countries of the world would produce per capita the same as those poorest countries—that is, almost nothing in comparison to before. In the end, the British national product would dwindle to the point where Britain would cease to be an important partner in international trade. This means that the rest of world (including the underdeveloped world) would lose out too, because of the disappearance of an important trading nation.

The second of these two theoretical scenarios, that of a very poor but egalitarian Britain, can be safely ruled out as too unlikely to be worth considering. Ultimately, too, the first scenario can also be discarded. Massive immigration from the third world would have far-reaching political consequences. Some dominant group of immigrants might, as a result of demographic potential, organisation and initiative, take control of the country to their own benefit, dispossessing the natives and eventually closing the borders to immigration (of those outside their own national or ethnic group, at any rate). Or some violent struggle might erupt between different immigrant groups that had brought the conflicts of their own countries with them (such as the violent fights between Islamists and Catholics in northern Nigeria or in Indonesia). This would lead to a permanent civil war situation (such as exists today in a number of countries of Sub-Saharan Africa), to a rapid deterioration of the quality of life and to a dramatic fall in national income. But this also would be highly unlikely. Long before this could

happen, the freedom of immigration provision would be withdrawn, and the ethnic and racial tensions of a much more multi-ethnic Britain would turn the country into an undemocratic and violent state, such as many third world countries are already.

This, then, is what awaits at the end of the road of unrestricted immigration: a much more authoritarian and violent, and much less civilised, Britain.

Can restrictions and expulsions be avoided?

If we enlarge the perspective, whatever the scenario used, the world would lose from the disappearance of the example and influence provided by a relatively liberal and civilised country such as Britain and its social and legal institutions. For instance, the BBC World Service that we know, with all the cultural influence it exercises on the world by spreading better knowledge of current world events and of liberal values, would not be there any more. What would be gained in exchange? A better life for the immigrants; but this would be long-lasting only if the process were stopped before it made living conditions (for new immigrants at least) in Britain as bad as those of the countries from which those people were running away. This means the imposition of new restrictions on immigration and forcible repatriation of illegal immigrants.

If one wishes to make immigration compatible with not increasing inequalities and not depressing the living standards of the worse-off, as well as not increasing social injustice and social tensions, one should allow in only those immigrants whose presence is compatible with the maintenance of the above conditions. This means two things. First, only immigrants who have jobs paying the normal wages of the receiving country should be allowed in. Moreover, the social expenses of their settling in—such as housing and schooling, for instance—should be covered by their employers. This would rule out tolerance of irregular employment (which is not accompanied by payment of taxes or social security contributions) of illegal immigrants, and would render the private costs of immigrant labour closer to their social costs, thus curing the 'wanted but not welcome' syndrome. The origin of the latter is the fact that the entrepreneurs (who *want* cheap immigrant labour) pay a private cost for their labour, which may not reflect the social costs of their settling in. This leads to the labourers being *not welcome* to all those who are left to pay the residual social costs—such as reduced housing subsidies for the poor, or congestion of health facilities, or the sense of insecurity deriving from the greater tendency towards crime which apparently is associated with the condition of illegal immigration, or the general worsening of the social climate as a consequence of the reduction in the average human capital of the average inhabitant, if immigrants are endowed with lower human capital. Thus, under this solution too, illegal immigrants would have to be forcibly repatriated.

Alternatively, only those immigrants should be allowed in whom the country is prepared to subsidise out of the social security budget to guarantee them the required living standards. This will obviously lead to social tensions, because the share of the social expenditure earmarked for immigrants is subtracted from the social expenditure available for nationals, in particular for the native poor. One must always remember that the available resources for social expenditure at any given time are limited (recall the Laffer curve: if you increase the rate of taxation, starting from a low tax rate, tax revenue increases for a while, but then starts to dwindle, because of tax evasion and avoidance). Here again, all other immigrants—those for whom the country

is unwilling to provide adequately and who are unable to provide for themselves—would be forcibly repatriated.

Managing migration for integration and enrichment

Immigration is a cumulative process. As noted above, the costs of migrating are the lower, the bigger is your community in the destination country (you get information and help in settling in from relatives already there; the cultural shock is lower if there is already a thriving local community of your kin). The greater the number of migrants, the more difficult it is to stop immigration and the harsher the measures that have to be resorted to. Therefore, the sooner the problem is faced, the better, before conditions become really difficult. Moreover, it is not true that a limited increase in permitted legal immigration is an alternative to illegal immigration. The presence of communities of legal migrants reduces the costs of immigration, and in particular of illegal immigration, for the nationals of the same communities.

Immigration can enrich the destination country, and not only in a material sense. Most trivially, immigrants contribute to the range of available types of restaurants; but they contribute also to the richness of available lifestyles, ideas and cultures. From the melting pot a more interesting nation can emerge. But this will happen only if the different influences have time to merge in an accepted set of common rules and values, which are indispensable for peaceful cohabitation. The melting pot must be allowed to boil long enough for this to happen. This means that immigration should be a gradual and continuous process. Rapid and massive immigration flows (which amount to kinds of invasion) may spell disaster—at least for some of the parties concerned. There are countless cases of that not only in history, but also in the present-day world. One has only to listen carefully to the radio (my preferred source is the BBC) to hear many gruesome and similar cases.

Thus, the immigration flows that present the fewest problems are those involving peoples of similar cultural backgrounds and living standards, which need less 'cooking in the melting pot' to render them compatible for peaceful coexistence and progress. The greatest prospective problems may be generated by immigration from countries characterised by systematic violations of human rights, originating in customs and traditions which may tend to be imported into the destination countries, and from countries which are in trouble because of a violent and intolerant culture, if the migrants bring those values of violence and intolerance with them.

The greatest country of immigration in the world, the United States—immigration to which is nevertheless far from unrestricted—is a prosperous country, but also a violent, unequal and divided society. Abstention from voting is much higher than in Europe. Many, apparently, keep within their ethnic divisions, even to the extent of being separated into ghettoes. The majority of Americans express themselves in favour of the death penalty and unrestricted possession of firearms. Crime is very high by the standards of prosperous countries. There is the greatest number of deaths from firearm wounds in the industrialised world. However, the United States is also a country of vast spaces and large natural resources. Demographic density is low. In a sense, it still has space and opportunities for many.

Europe is densely populated, much more so than most of the countries whence migrants come. It is also very poor of natural resources, unlike many of the countries of origin of the migrants. Its main assets are its social capital, in particular the rules of behaviour that apply to both citizens and public authorities, and

its human capital, the education and knowledge of its people. If massive immigration eventually puts both of these into jeopardy, the economic and social consequences may be devastating and the better life sought by the migrants may prove in the long run to be elusive.

Moreover, the less space and fewer resources there are, the more aggressive people may become towards each other (as suggested by well-known experiments with animals). Thus massive, unrestricted immigration may cause social conditions to deteriorate much more quickly than in the United States, where space and resources in relation to population are much more abundant.

If the flow of immigration continues unabated in Europe, the situation may run out of control and authoritarian regimes eventually assert themselves in many places. If the values of a democratic and relatively open and egalitarian society are to be maintained, all efforts should be directed towards improving the lot of legal immigrants already settled in the host countries, and to integrate them into a more equitable and homogeneous society, while simultaneously drastically controlling new immigration flows.

As a consequence, sadly, illegal immigrants should be repatriated. The weaker the measures taken now, the harsher will be those that have to be taken in the future. This is most obvious from the evolution of Italian migration policies in the last two decades. Not only the left but also the right of the 1980s would have been appalled by the restrictive measures introduced in the most recent law on immigration passed under a left-wing government, and especially by the introduction of detention centres for illegal immigrants pending expulsion. But had this law been passed fifteen years ago, it would have contributed to stemming the flow of illegal immigrants in time, and would have saved us (and future illegal immigrants) from the harsher immigration laws which wait in the wings for the future.

All this may be wild speculation. But the factors and circumstances outlined above cannot simply be swept aside because they lead to politically incorrect considerations. Sadly, their removal from thought and discussion does not remove the real issues from the real world.