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IMMIGRATION COSTS ARE OVERSTATED, STUDY FINDS

By David Jolly
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PARIS — Public debate about immigration is being distorted by unfounded concerns over the financial burden that new arrivals put on governments, the Organization for Economic Cooperation and Development said in a report Thursday.

Across the developed world, "the fiscal impact of immigration is close to zero," the organization said in the report, which compares the costs of immigration internationally. "The current impact of the cumulative waves of migration that arrived over the past 50 years is just not that large," it added, "whether on the positive or negative side."

The O.E.C.D., which is based in Paris, noted that over the decade 2001-2011, immigration was responsible for 40 percent of the population growth in member countries. Nevertheless, that inflow was usually almost irrelevant to overall public expenditures relative to gross domestic product — "generally not exceeding 0.5 percent of G.D.P. in either positive or negative terms" — as the largest costs to government, like those from military spending, are unaffected by immigration.

"Immigrants contribute more in tax and social contributions than they get in individual benefits," said Jean-Christophe Dumont, the O.E.C.D. official who headed the study. "That's why the net fiscal impact is mostly positive."

"The public perception is that they take much more out than they put in," he said, "but that's just not the case."

That message, however, has largely failed to sink in, the O.E.C.D. found, partly because some children of immigrants perform poorly in school and the job market and need government aid. In other cases, politicians find it easy to stereotype immigrants for political gain.

While the study did not address the question of illegal immigration, Mr. Dumont said that "in most cases," such migrants are net contributors, since they pay many taxes but have limited access to public services like education and health.

The O.E.C.D. compiled the report using statistical information provided by its member states for 2011, the most recent year for which the complete data were available, as well as some preliminary data for 2012. It noted that in some cases differences in definitions meant that the data were not always precisely compatible across countries.

The organization's 34 members include most of the developed world nations, but exclude important emerging economies like China, Russia, India and Brazil. The organization enters the debate about immigration at a time when high unemployment and tepid economic growth, as well as questions about the viability of social welfare systems, have brought focus to the topic, with the discussion sometimes mixing economic issues and national identity in a politically potent brew.

In Britain, the U.K. Independence Party has exploited unease with immigration, along with Britain's membership in the European Union, putting the dominant Conservative Party on guard. The Independence Party won about a quarter of the votes in local elections last month.

In the United States, the Senate is considering a bill that would overhaul immigration laws, with the Republicans divided over a proposed path to citizenship for those residing in the country illegally and over questions of border security.

The O.E.C.D. study found that the average age of immigrant populations affected their fiscal impact: The younger the immigrants, the greater the positive contribution. In a country like the United States, with a young immigrant base and relatively weak social welfare net, the positive impact is great, the study found. By contrast, in Germany, where the immigrant base is skewed toward people who arrived in the 1970s and are now retiring, the picture is more negative.

Asia, largely China and India, was the source of 36 percent of all immigration to O.E.C.D. countries in 2011, the study found. China, with 10.3 percent of all immigration to O.E.C.D. nations, was the largest source, while India, at 4.7 percent, ranked fourth. Within Europe, Romania, at 6 percent, ranked second, while Poland, at 5.3 percent, ranked third.

The total number of Chinese-born immigrants in just four O.E.C.D. countries — the United States, Britain, France and Australia — doubled between 2001 and 2011, from 1.3 million to 2.6 million. But as the overall number rose, the skill level of those immigrants increased, with 51 percent holding a college degree in 2011, up from 43 percent in 2001. The story over that period was similar for Indian immigrants in those countries, with their numbers rising to 2.5 million from 1.5 million, and the share with college degrees rising to 65 percent from 55 percent.

Taken as a whole, the O.E.C.D. data show immigration bouncing back in 2011 and 2012 after a sharp downturn in 2008 after the financial crisis. What the organization refers to as "total permanent immigration" rose by about 2 percent in the O.E.C.D. in 2011 from a year earlier; preliminary data for 2012 suggest another 1 percent increase.

Inter-European migration has also grown, with 45 percent more people leaving countries devastated by the euro crisis from 2009 to 2011 for opportunities elsewhere, particularly in Britain and Germany. Britain received a larger share of that exodus than did Germany, despite the stronger economy of the latter. Many Irish people left for Britain, Mr. Dumont said, but it appears that many Greeks, Portuguese and Spaniards also chose Britain over Germany, he said, perhaps because of the barrier presented by the German language, as well as the relative difficulty of matching foreign workers' credentials with the needs of German employers.

Migrants have suffered more than native-born workers in the economic lethargy of the last few years, the study found, with the average jobless rate among immigrants in the O.E.C.D. rising to 12.9 percent in 2012 from 8.1 percent in 2008, compared with a rise to 8.7 percent for native-born workers, from 5.4 percent. Immigrant workers were also hurt by long-term unemployment, with 44 percent of those who were unemployed in 2012 remaining without a job for at least a year, up from 31 percent in 2008.

The study found that the most effective means of ensuring that immigrants made a positive fiscal impact was providing them with adequate access to the labor market. In countries where barriers — whether that be overt discrimination, insufficient language training or a lack of job-hunting support — made it hard to find employment, the study found, bringing immigrants onto the same footing as natives could improve their economic contribution significantly.

In the social welfare states of Western Europe, in particular, increasing the employment rate of immigrants relative to native-born workers "would result in substantial fiscal gains," the study found.