

Immigrants have a positive impact on wellbeing in host countries – expert panel

But in the short term new arrivals may be disruptive and threaten long-term benefits to migrants and residents alike, write Tony Beaton, Ada Ferrer-i-Carbonell, Paul Frijters, and Arthur Grimes



In June 2020, panellists of the World Wellbeing Panel were asked whether they agreed or disagreed with two statements about migration: (i) “A large sudden influx of migrants with a very different culture to the host region will very likely reduce wellbeing of residents in the first few years of entry”; and (ii) “the increased cultural diversity will, in the mid-term, increase residents’ wellbeing”.

With 25 respondents, the balance of opinion was agreement with both statements: 12 agreed with the first statement (3 disagreed and 10 neither agreed nor disagreed), while 11 agreed with the second (1 disagreed and 11 were neutral). A ubiquitous theme brought up by most was that there were many factors involved that could sway the matter either way.

On the crucial issue of what the historical experience has shown so far about the effects of migrant inflows on wellbeing, panellists mentioned several important factors. Mark Wooden argues that the empirical evidence is ambiguous, ranging from those who find a positive net effect of observed migration flows (Akay et al 2014, Betz & Simpson 2013) to those who find a negative effect (Longhi 2014, Howley et al 2019), and those who find no effect (Ivlevs & Veliziotis 2018). Chris Barrington-Leigh highlighted these different findings clearly when he said “In the U.S. diversity seems to be poisonous for social capital in a way that doesn’t hold in Canada”. However, increased cultural diversity allows us to learn from other points of view, other values and other way of facing life. In addition, if the host country is able to integrate migrants into society, experience sharing will strengthen the social ties between the migrant’s home and their new country in the mid-term (Wenceslao Unanue).

The idea that a sudden influx of culturally very different migrants would harm local social cohesion was echoed by many. Ruut Veenhoven thought satisfaction with society might suffer. Others (Ada Ferrer-i-Carbonell, Arthur Grimes, Benjamin Radcliff, Christian Krekel, Francesco Sarracino, Mariano Rojas, Maurizio Pugno, Ori Heffetz, and Rainer Winkelmann) mention a reduction of social capital, an increase in psychological stress and anxiety due to confrontations of social identities, an increase in potential conflict, a loss of jobs, and increased pressure on resources and public goods and services.

Yet, many pointed out that potential negatives strongly depend on context and the behaviour of politicians. Specific mediating factors mentioned were the education level of the migrants (Tony Beaton), the economic and unemployment situation (Ada Ferrer-i-Carbonell, Maarten Vendrik, and

Tony Beatton) and the past migration experiences and composition of the host country (Mark Wooden). Cultural differences between migrants and residents were seen to be important (Eugenio Proto, Gigi Foster, and Mariano Rojas) as were shared norms towards migrants, for example measured with the Gallup migrant acceptance index (Arthur Grimes, Eugenio Proto, John Helliwell, and Wenceslao Unanue). Also discussed were the pre-existing social capital in society (Chris Barrington-Leigh) and the “fragility of the identity of the residents” (Stefano Bartolini). Some mentioned that at least in the short term some in the host population would gain while others may lose (Alois Stutzer, Christopher Boyce, Daniel Benjamin, and Gigi Foster), depending on their job situation (Daniel Benjamin), their age (Eugenio Proto), their individual personality traits, their ideology and their national identity attachment (Ada Ferrer-i-Carbonell, Christopher Boyce, and Heinz Welsch).

The framing of the influx by political leaders (together with their ideology) was also thought important (Bruno Frey, Chris Barrington-Leigh, Christopher Boyce, John Helliwell, Mariano Rojas, and Tony Beatton). Panellists point out how leaders help set social norms and identities related to migrants, making it important whether they advocate tolerance and civility or xenophobic behaviour. Political leaders can completely change the attitude of the home population to migration. In the 1980s many countries opened their arms to Vietnamese migration, and, these new citizens are now contributing to the wellbeing of their chosen countries. By 2001 the migration policy of many countries had reversed. When the Australian prime minister said “*We will decide who comes to this country*”, he was using the example of a few hundred refugees picked up by a freighter while sailing to Australia in a leaky boat to justify a migration policy change, in order to get re-elected. Today we see refugee boats in the Mediterranean towed *back to where they came from*; the US has a *big beautiful wall* stretching along the Mexican border, and; refugees to Australia are *processed off-shore*. Many panellists are of the opinion such migration policies deny the opportunity for migrants to contribute to the human capital and productivity (Ada Ferrer-i-Carbonell) of their destination country. Policies that encourage migration advocate tolerance and civility, and help us overcome xenophobia, segregation and racial biases in our societies.

By contrast, some of the panellists disagree with the notion of a short-run wellbeing loss from an influx of migrants and argue that cultural diversity is positively related to wellbeing. Jordi Quoidbach emphasises that most life events have little lasting impact on individuals’ wellbeing and, although some people might not like a large influx of migrants, most will not see an impact on their own wellbeing. Instead, he argues that in the mid-term, a diverse social network is positively related to happiness and creativity.

The perceived benefits that would come from migrants in the mid-term include cultural diversity (e.g. food, festivities, different ways of thinking) which enriches everyone’s wellbeing (Ada Ferrer-i-Carbonell, Christian Krekel, Gigi Foster, Maarten Vendrik, Mark Wooden, and Tony Beatton). Imagine the United Kingdom without chicken tikka masala curry, the United States without tacos, Australia without fried rice; we celebrate cultural festivals that emerge from the diversity of our citizens. Similarly, many panellists argue that in the mid-term migrants contribute to higher human capital, creativity, productivity, and economic growth (Alois Stutzer, Daniel Benjamin, and Tony Beatton) which lead to increases of residents’ wellbeing. One panellist, however, disagreed that there was a net benefit in the mid-term (Rainer Winkelmann); he argued that cultural diversity is not much valued by many and that it also endangers trust and might increase insecurity. Vendrik also flagged the possibility of longer lasting cultural tensions between migrants and residents.

Others who neither agreed nor disagreed discussed their reservations with the statement. Paul Frijters argues that a large influx might undermine “social cohesion and public good provision” and thus reduce wellbeing even in the mid-term. However he also points to a lack of evidence looking at impacts of large inflows and the fact that current evidence in Europe suggests small flows have little effect on wellbeing (Betz and Simpson 2013). Christian Krekel also signals the lack of causal evidence on this issue.

Though the panellists were asked about the wellbeing of residents, Ada Ferrer-i-Carbonell also mentions the importance of migrants’ wellbeing, pointing to the importance of whether they are allowed to thrive in their new home. In this line, John Helliwell points to the empirical evidence that suggests that the subjective wellbeing of immigrants “moves fairly quickly towards that of other residents in the country, and even the sub-national region, where they move”, suggesting a rather rapid wellbeing assimilation of the migrants.

In sum, migrants mostly appear to benefit from their migration choices and the balance of views is that domestic residents also tend to benefit in the mid-term. The key challenge, then, is in the short term, when disruptions to everyday life that may be related to an influx could put at risk these longer term benefits to migrants and residents alike.



Notes:

- You can find the results of the World Wellbeing Panel and well as a list of all panellists [here](#).
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Tony Beaton is an honorary research fellow at the University of Queensland's Institute for Social Science Research. After a 30-year career in the information technology industry in service engineering, and sales and marketing, Tony retired in 2003 and went back to school (for fun!). He completed a degree in finance and management, masters in research in management (trust development in newly forming teams) and a PhD (economics of happiness).



Ada Ferrer-i-Carbonell is a tenured scientist at the Institute of Economic Analysis IAE-CSIC and director of the Barcelona Graduate School of Economics' master's programme in the economics of public policy. Professor Ferrer's main research area is the econometric analysis of subjective measures used as a proxy for welfare and well-being so as to address a range of scientifically and politically relevant questions. In addition, she has worked on individual behaviour and sustainable consumption. She has PhDs in Economics from Rensselaer Polytechnic Institute (US) and the Tinbergen Institute (University of Amsterdam).



Paul Frijters is a professor of wellbeing economics at LSE. He completed his master's in econometrics at the University of Groningen, including a seven-month stay in Durban, South Africa before completing a PhD through the University of Amsterdam. Professor Fritjers specialises in applied micro-econometrics, including labour, happiness, and health economics, though he has also worked on pure theoretical topics in macro and micro fields. His main area of interest is in analysing how socio-economic variables affect the human life experience and the "unanswerable" economic mysteries in life.



Arthur Grimes is a professor and chair of wellbeing and public policy in the School of Government at the Victoria University of Wellington, New Zealand. He is also a senior fellow at [Motu Economic and Public Policy Research](#) in Wellington. Arthur has a background both as a research economist and as a senior public policy official. He was chairman of the Reserve Bank of New Zealand from 2003-2013, where he was previously chief economist. He served on the Financial Markets Authority board from 2011-2017. Other past policy roles include chair of the Postal Network Access Committee, and member of various official taskforces covering tax, urban planning, infrastructure, and superannuation.

