



Migration and Unemployment are a Complementary Relationship from an Economic Point of View

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Abstract: Migration is a long-term movement of individuals from poor regions to rich areas due to various reasons such as war, disease, famine, and climate change. Since the nineteenth century, immigration has become clearer and can be measured and monitored. National and international organizations have begun developing policies around migration and its impacts.

Unemployment is the rate of registered unemployed, and promoting immigration may not be an effective strategy for improving job reconciliation. Migration appears to be necessary to balance regional unemployment differentials by moving unemployed individuals from regions with high unemployment rates to those with somewhat low rates. Entry into labor market programs may act as an alternative to immigration for the unemployed, but the importance of "quality" among immigrants (age, education, human capital, and ability to work) is important, which may lead to improvement in re-employment.

There is little research on the economic dynamics of migration, but models of decisions for skilled, regionally mobile workers analyze the stability of the situation for a system enlightened by the new economic geography. With the increasing number and effectiveness of international economic and social institutions, the sensitivity to unemployment increased due to the socioeconomic impacts of unemployment. Anthropologists, sociologists, historians, geographers, and economists closely examine the subject of migration and its effects on economic growth and employment.

Immigrants contribute to families meeting basic living needs, such as food, shelter, and poverty alleviation. The money that migrants send back to their home countries supports household financial stability and the ability to invest in businesses, property, and other assets in their home country. However, the rates of access to these applications and their use differ socially, economically, and demographically within local communities, especially in developing societies.

Key Words: Immigration; The unemployed, the labor market, labor migration, unemployment.

I. INTRODUCTION

Migration is not a static phenomenon but rather has a dynamic effect over time and has a complex structure in terms of cause-and-effect relationships. Consequently, there are many issues caused by migration in recent years, and among these topics: Unemployment has become a global problem, not only a problem in underdeveloped and developing countries, but also in developed countries[1,2]. Most European countries experienced a severe economic recession at the beginning of the 1990s, as the mobility of the labor force was very low. Therefore, it is natural that there will be fewer job opportunities, and this reduces the incentives to search for jobs. However, after the mid-1990s, inter-regional migration reached its highest levels ever, and there was an abundance of jobs, especially in growth centers, it must also be mentioned that the information technology industry has a role in thinking about immigration, especially the workforce, where unemployment was the driver of migration, Immigration can improve employment prospects[3].

In several studies, immigration has emerged as a major adjustment mechanism in equalizing regional disparities in the labor market at the macro level and in improving employment prospects as well. As countries with low rates of immigration, or where the manual labor force is immobile suffer from persistent disparities in unemployment, yet the results obtained were and are still relative and somewhat uneven until now. The early first decade of the twenty-first century was harsh as the unemployment rate rose even ten years after the start of the recession, and the number of unemployed was still more than the labor force and these results were on the aggregate level, and this does not necessarily mean that individuals migrate easily in search of a job[4]. Therefore, many studies fail to either find any effect or find a negative impact of migration. It played an indirect role in enhancing opportunities to the labor markets with low unemployment rates. What is the unemployment rate then?

The unemployment rate is the share of the unemployed between the ages of 15 and 64 in the total labor force (according to ILO standards), the number of unemployed people outside (divided by the population), as expected. This indicates that the unemployed are already moving from high unemployment areas[5]. The best measure of the extent of unemployment in an economy is the unemployment rate and the number of people looking for work (unemployed) is expressed as a percentage of the total workforce.

Immigration is often thought to increase the unemployment rate, as newcomers are assumed to add to the number of people who are already looking for jobs. However, there is likewise a negative correlation (if less clear) between the unemployment rate and the influx of unemployed persons, indicating that migration is not determined by local labor market conditions only, as internal and external migration rates are strongly correlated[6].

No significant and lasting impact of immigration on the unemployment rate of the indigenous population was revealed, but the results indicate a temporary and delayed positive effect that may fade after several years. It was also found that the magnitude and persistence of this impact depends on the framework's policies. Especially approved by the country concerned. It is also clear that the policy settings that hinder competition in the product market have inflated and consequently prolonged the impact of immigration on the citizens' labor market.

Weak evidence of employment protection legislation was also found, which increases both the persistence of the overall effect and the rate of unemployment benefit replacement.

So, the effects of migration on the labor market must be studied and explained, given that the changes that have occurred in the labor market in the countries of receiving and sending immigration directly affect the unemployment figures, and the necessity to determine the relationship between immigration and unemployment. In general, there is no accepted opinion about the direction and degree of the impact of internal migration. In addition, international migration to unemployment. While some studies argue that immigration has a negative impact on unemployment, some argue the exact opposite, and some even express that there is no significant relationship between migration and unemployment. Positive but not statistically significant[7].

II. MIGRATION, TRADES AND UNEMPLOYMENT

These perceptions are a source of concern for policymakers and the public in general that fear of the harmful impact of globalization and migration on unemployment remains, in addition to the possible internal homogeneity of migration flows and the continued rise of unemployment, and consequently does migration lead to higher unemployment rates in and around the country? There is no evidence that would support the causation of the link between the rise in immigration and unemployment, but the effects of globalization have been found to be more influential on unemployment, which has appeared more prominent in recent times. It could reduce the impact of unemployment on immigration. That is, the high response to labor demand in wages is likely to limit the impact on unemployment. A higher unemployment benefit replacement rate is also likely to widen the wage differential between natives and immigrants, thus increasing the relative impact of migration on unemployment among indigenous populations. Therefore, it is necessary to take into account these effects, which are likely to disappear in the long term[7,8].

III. IDENTIFICATION STRATEGY

Based on the relative changes of immigration and unemployment observed across the classification of skill classes, identification can be made in two ways. First, it limits the internal homogeneity bias that arises from the attractiveness of burgeoning labor markets for migrants: the link between labor market outcomes and immigration is likely to be more flexible across skill classes than across countries. Second, it sharply increases degrees of freedom, as the variability of immigration and labor market outcomes across skill levels (plus country and time) becomes completely excluded.

Economic specifications aim to define the temporal features of the impact of unemployment on immigration, as well as its interaction with labor market policies and products. , The economic impact of changes in migration is considered an "impulsive response"[9].

3.1. Direct affects

These may indicate that the proportion of immigrants in the workforce does not have a lasting impact on unemployment. If this is the case, then the influx of immigrants that keeps their proportion of the labor force constant over time (for example, a net influx with the same rate of growth of the domestic workforce) will have no effect whatsoever on unemployment of citizens.

However, unemployment and vacancies are closely related to net migration, as net migration expresses the difference between the number of migrants and the number of arrivals throughout the year, as this relationship may affect levels of net migration as well.

It should also be noted that the years in which net migration was high tend to have the unemployment rate low and the years in which net emigration was low tend to have high unemployment rates, i.e. net migration and unemployment are negatively related to each other.

Only changes in the percentage of immigrants in the workforce have a significant impact on citizens' unemployment, and their impact is temporary. Indeed, initial time-bound responses can be exacerbated by persistent unemployment. Because business cycle-related fluctuations in net migration flows and the critical role of unemployment differences give a negative relationship of net migration with both unemployment and wages[5].

Migration has different negative effects on regional unemployment in the short and long term. For example, in the short term, migration can reduce unemployment through positive effects on regional unemployment. For example, in the long term, the negative impact on employment for immigrants in Europe is greater than in the United States.

It was also found that the product market regulation index appears in the overall level, which greatly magnifies the effect of unemployment on immigration, and thus the effect of unemployment on migration is stronger and more permanent at the same time. In addition, to amplifying the direct impact of changes in the immigrants' share on indigenous unemployment. Therefore, the total size of the impact of unemployment on immigration depends strongly on the rigor of product market reorganization, that is, in response to supply, particularly through the establishment of firms, which is the key to adjusting the economy where net migration is positively correlated with production difference [4].

IV. THE RELATIONSHIP BETWEEN MIGRATION, UNEMPLOYMENT AND THE ECONOMY

Immigrants' demands for goods and services increase the size of the economy, and as the economy expands, so does the jobs needed to produce additional goods and services. As immigrants add to the labor supply (i.e. the number of people available for work), their presence also generates more jobs. Which affects the unemployment rate, once the effects of supply and demand are taken into account. Some studies show that immigration leads to a slight decrease in the unemployment rate, because the effects of demand outweigh the effects of supply, while others show the opposite. However, all studies show that the effect in both cases is very small and insignificant[7].

The causal relationship between immigration and unemployment is long-term, however, and in the end, as per capital GDP was positively related to immigration, as the results indicate that, in the short term, immigration had a statistically significant negative effect on unemployment. So the relationship between immigrants and unemployment, inflation and economic growth is a two-way causal relationship between external migration and economic growth, and it is an individual causal relationship from economic growth to inflation, from inflation to unemployment and from unemployment to economic growth. How much there is no causal relationship between external migration and unemployment. It was found that there is a strong and positive relationship between immigration and general unemployment and youth unemployment in particular, but when the results related to migration and unemployment in general are evaluated, the results appear different[6].

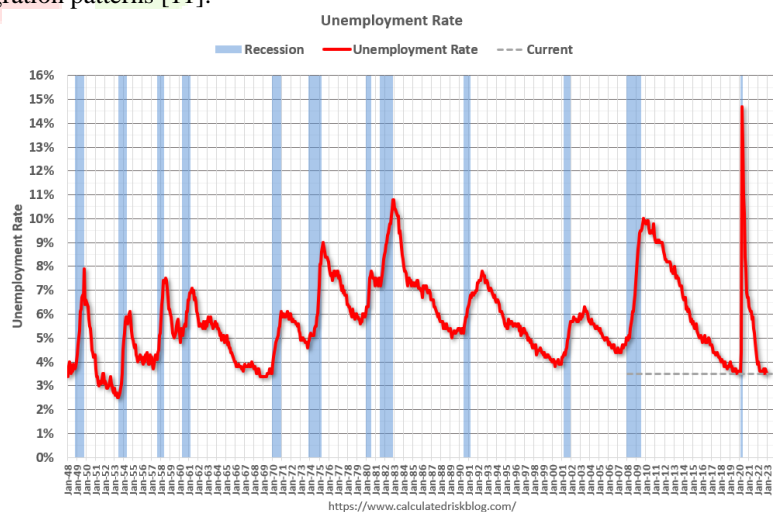
Some studies argue that immigration negatively affects unemployment, while some argue that it positively affects some of them, and some confirm that there is no significant relationship between immigration and unemployment. For this reason, it is not possible to arrive at a generally accepted relationship between immigration and unemployment. The unemployment rate also depends less on the place of birth. Some groups, such as immigrant youth, women or elderly immigrants, have more difficulty finding a job. In addition, migration did not have a strong effect on unemployment, but the effect of migration on young people and less educated people was stronger[9]

Scaling the immigration program is an inappropriate and ineffective policy tool for affecting the unemployment rate. What is less clear is whom benefits from the jobs created through the demand effects of migration. The unemployment rate for newly arrived immigrants (for example, within two years of arrival), especially from countries where English is not the main language spoken, is higher than the unemployment rate for those born in English-speaking countries. This largely reflects the time it takes immigrants to settle into the labor market of host countries as they improve their English language skills or need recognition of their educational qualifications and the increase in employment has come the fastest in the region's capital and other growth centers. Consequently, the unemployed in the peripheral areas where the high unemployment rate is the incentive to move in search of work[10].

4.1. The impacts of migration on the unemployment rate

Increased immigration can lead to lower unemployment. Immigrants may tend to enter the secondary market, as local employees are preferred to be employed in the primary market. Although the repercussions effect is small, the replacement effect for citizens in the primary market will be very limited. Regardless, it is worth distinguishing between immigrants and temporary workers or guests who can affect unemployment differently in the short and long term. Migrants also tend to be less skilled, less educated, relatively young, and recent entrants into the labor market. Many migrants work in economic sectors such as construction and manufacturing industries with low benefit, which have been hardest hit by the recession[7]. As unemployment, rates for immigrants rise at a faster rate than unemployment rates for workers born in many developed countries and exceed them. Structural unemployment arises because of changes in the economic situation because the wages and skills of workers exceed the required effective equilibrium level, in addition to the calculation of other sources of unemployment such as the real frictions in the labor market. Local employment. Besides, most immigrants are of active ages at work and during their employment period, they pay taxes that can be distributed to the natives. Therefore, the impact of migrants on the labor market is still unclear[2].

Different studies offer different methods of analyzing this effect. The immigration rate also displays a strong negative relationship with the unemployment rate difference, which is reflected through a positive relationship with work. In the event of a decrease in production and an increase in both unemployment and household income, unemployment and wage differences become important for understanding cyclical migration patterns [11].



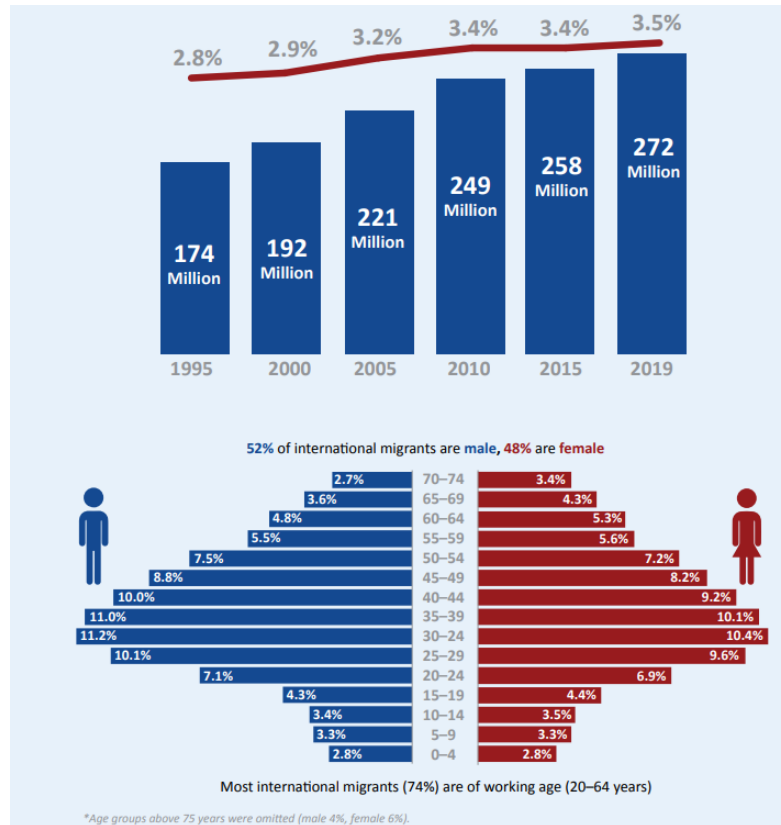
“Figure 1” Civilian unemployment rate, seasonally adjusted

4.2. Effects of migration and unemployment on the economy

Immigration and unemployment are two major factors in population growth. The rapid population growth rate stimulates the level of economic activity and reduces the level of unemployment, and as a result increases the population, as well as affecting the rate of growth in output per capita in other tangible ways. Moreover, they increase the rate of growth in the overall output.

The relationship between immigration and unemployment is often more influential in labor markets. The effects of migration appear on employment, while unemployment is on the level of wages and productivity[1].

In addition, migration in rural areas is lower than in urban areas and that urban unemployment has a positive relationship with migration. As there is no causal relationship of statistical significance between immigration, GDP per capita and unemployment, and there is also controversy as to whether accelerating the rate of GDP growth will increase the rate of adoption of new technology and thus increase productivity growth and growth in the production of each individual[9,12].



“Figure 2” International migrant numbers by age and gender

Source: U.S. Bureau of Labor Statistics (2023)

4.3. Economic variables and the effects of migration

There are several economic variables that give a clue or indication of the state of the economy, and they include: Unemployment rate (reflects the percentage of individuals in the labor force who cannot find jobs).

Inflation rate (or how fast and rising prices are:

- Average income.

Budget deficit (which reflects how much the government spends more on services than it gets in revenue or taxes);

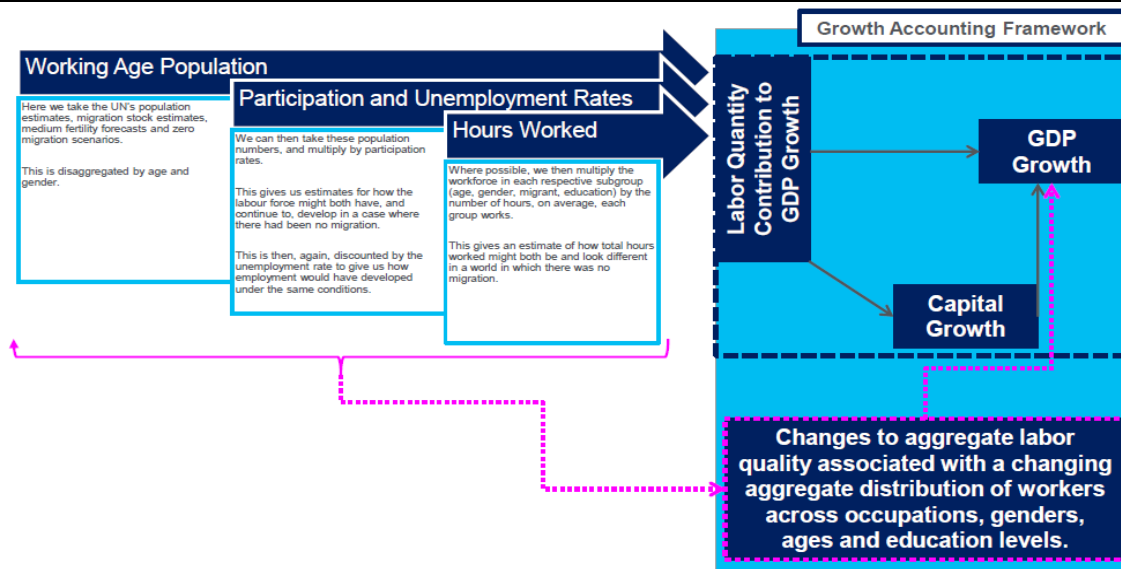
External debt (or the amount of money countries borrowed from abroad);

- GDP (representing the amount of goods and services produced within the receiving countries);
- GDP per capital.

All these indicators tell something about the state of the economy in a particular country, and they are all affected in different ways through immigration. People's perspectives on the most important economic indicators differ, and therefore the judgment on the economic impacts of immigration may differ as a result[13].

These indicators aim to assess the effects of immigration at the macroeconomic level, that is, the economy as a whole, or at the micro-economic level - individual.

In general, macroeconomic theory considers immigration a balancing factor in regional labor markets. Consequently, those unable to find a job. They move towards low-unemployment areas where the chances of finding work are more favorable. There are three alternative strategies: to remain unemployed in the original region and search for a new job, and to move to another area in search of a job or because of finding a job there, or drop out from Manpower, the choice in such a situation will depend on many personal and family characteristics. For example, people who are older, less educated or manual workers may be more likely to drop out of the workforce, because the opportunity cost of doing so is not very high. On the contrary, educated young people who are more motivated to look for a new job. Moreover, entering the labor market program may be an alternative to immigration for the unemployed if the wages provided by the state or the private sector are good[5,14].



“Figure 3” Direct Model Contributions of Migration to Aggregate Growth

Source: Citi Research .Longhi et al.

V. RESULTS AND DISCUSSION

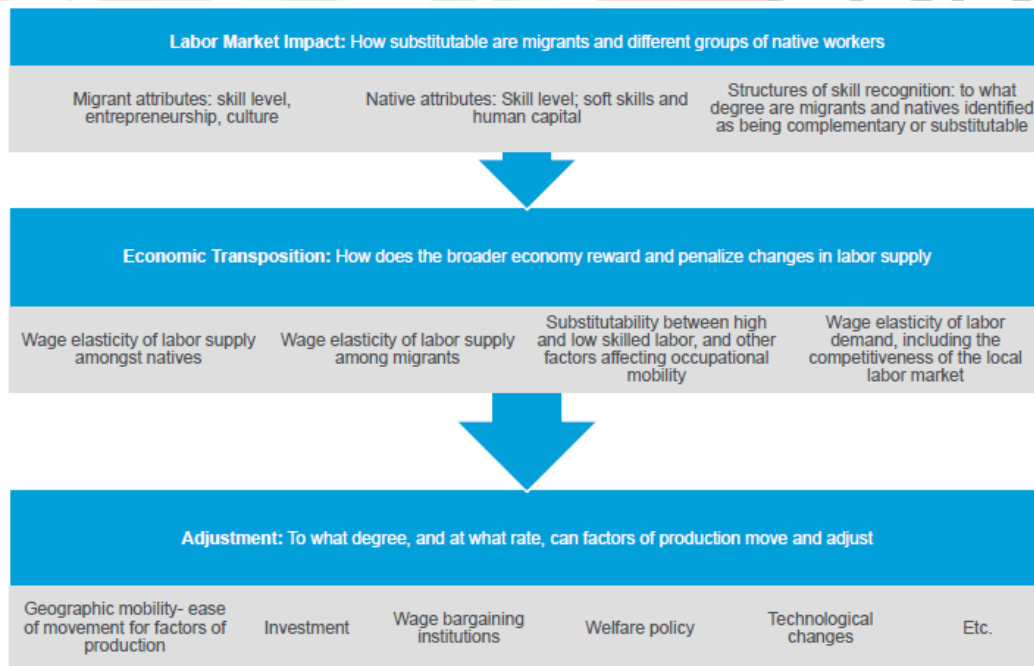
5.1. Impact of migration on the labor market

This enables the evaluation of the effects of different elasticity of labor supply, rate, unemployment rate, labor force and wages, and their combined effect on macroeconomic aggregates, and thus on GDP, real consumption, real wages, inflation rate and inflation wages that are extracted from annual data from the database and from National accounts which give differences to potential key determinants such as output and real wages [4,15].

Migrants are also attracted to a particular labor market because of a combination of economic and non-economic factors and their employment ability, which depends on the available jobs in the future country's economy.

On the other hand, return migration often represents a large proportion of the first immigrants, the decrease in the number of immigrants has created unemployed workers who occupy the market and vacancies supported by government intervention, and thus the total employment decreases. The same is the case in the case of retirement or natural loss, such as the circumstances of death, which leads to a number of workers losing jobs, or moving to unemployment. So, the government's role appears in noticing the numbers of unemployment and immigrants in the jobs provided by the market[1].

In addition, wage pressures associated with declining unemployment over time. Although policymakers are increasingly moving to protect domestic labor markets - and with a long recovery in unemployment expected, the situation for migrants is unlikely to improve in the near term[5,10].



“Figure 4”. Factors Determining the Economic Impacts of Migration

Source: Citi Research.Longhi et al (2010)

5.2. The impact of unemployment on the social life of immigrants

High unemployment rates and their potential to cause social unrest is a concern because the repatriation of rural migrant workers is one of the most severe employment challenges associated with the economic downturn, along with the prospects for unemployed university graduates[16]. When designing government policies, the following must be taken into consideration to reduce social, behavioral and economic burdens:

1. Promote rural employment (by encouraging short-term and long-term training), financial support (through training and education vouchers for workers to return to school), and videoconferencing training in occupations less affected by the recession;
2. Promote vocational training and education for migrant workers.
3. Encouraging migrant workers to start their own businesses or become entrepreneurs (by granting loans and tax exemptions);
4. Directing migrant workers, especially rural ones, to work in new rural development projects, especially those in the inner provinces;
5. Ensure that workers get their salaries on time.
6. Providing benefits of social safety nets and public services to migrant workers;
7. Helping migrants secure their rights upon their return;
8. Redistribution and export of migrant labor abroad, which has a large surplus of rural workers, a practice that has grown with the increase in unemployment [10].

VI. CONCLUSION

The study reveals that unemployed individuals often move from areas with high unemployment rates to areas with low unemployment rates, and after moving, immigrants are likely to find jobs or start studying. However, the probability approach suggests that other characteristics of migrants may improve their employment ability, meaning migration has minimal impact on employment. Encouraging migration may not improve the geographic match between jobs and the unemployed in the short term, as migrants may not be aware of the negative consequences or optimize long-term employment opportunities.

Immigration also appears to work to iron out local unemployment inequalities by mixing the unemployed with work, rather than helping them find work. More research is needed to confirm the reasons behind the original impact of migration, such as the human capital of the region. Choosing between relocation and mobility as spatial strategies for job search would provide further insight into the adjustment of the labor market. In reality, immigration can sometimes lead to migrants being better off in their home region in the short term, known as the negative impact of migration. Most evidence indicates that immigration has slight positive effects on the economy at the macroeconomic level, but some studies show slight negative effects on some main macroeconomic variables. Policymakers should focus on addressing the negative effects of migration as much as possible to ensure the stability of economic activity around the world.

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