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L'immigration au Luxembourg, et après?

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I. Introduction

The importance of immigration to the future of Europe and also to the future of Luxembourg cannot be denied. Thus, it is with great honor that we are called upon to introduce this conference volume on Immigration in Luxembourg.

Our introductory paper first presents Luxembourg both in the context of European immigration and also in comparative income inequality terms. We then go on to outline a series of demographic economic and policy issues and themes that can and are addressed by papers that follow. We end with an assessment of why Luxembourg presents a unique but powerful example of successful European immigration: one of growth with diversity and equality.

II. Luxembourg in Comparative Perspective

The importance of net population migration on European demography and population growth cannot be underestimated (Table 1). By 1999, European population (within the EU15) was growing at a rate of only 2.6 persons per 1000 inhabitants, or .26 percent. Of these 2.6 persons, 1.9 were due to net (in)migration (or immigration) and only .7 percent due to national population growth (the difference between births of 10.7 per 1000 and deaths of 9.9 per 1000). Thus on net, almost 75 percent of European population growth in these nations is due to immigration. In five countries (including Germany and Italy) natural population growth was zero or negative at the end of the last century, with immigration being the only gross and net source of population increase. In 11 of 15 nations, immigration was the largest source of population growth. And finally, net migration is positive in all EU countries. Only two countries in Europe show population

growth of greater than 1 percent per year (10 per 1000), Luxembourg (15.0) and Ireland (10.7) and it is no great secret that these two are the strongest economies among the EU 15. Both nations show not only the largest natural population growth, but also the largest positive net migration flow. And since 2000, we expect that immigration has increased in importance in all of these nations. Hence, while immigration is the primary engine of European population growth, European nations have fertility rates which also react positively to economic growth and prosperity.

Next we might ask, do large immigrant countries, and rapidly growing countries such as Luxembourg and Ireland, also exhibit high inequality? The answer (Figure 1) is not necessarily. The mix of population and economic growth in Luxembourg has been matched with the maintenance of a relatively high (and absolutely) high level of income and living standards, especially at the bottom end of the income distribution. In Luxembourg, the person at the 10th percentile has an income nearly 2/3 that of the median person (compared to 50 percent for all 30 nations shown in Figure 1). Ireland's rapid economic boom has resulted in a higher real standard of living for all Irish residents. But it has not produced a decline in inequality; rather a relatively small rise in inequality, with an above average level of inequality at any point in time (Nolan and Smeeding 2004). Thus, low-income person at the 10th percentile in Ireland remains at the 46 percent of the median, despite the rapidity of Irish economic growth.

Different institutions (wage setting, taxation, and benefit systems) and different patterns of population growth are evident in Ireland and Luxembourg. Thus, it does not appear that rapid population growth necessarily accompanies higher levels of inequality. One might note that great inequality can be found in both high-net in-migration growing

nations (e.g., United States) and high-net out –migration declining nations (e.g., Russia). Inequality is also relatively high in some many in-migration nations but not necessarily so. The largest population of foreign born in these nations are found in Australia and Canada, where inequality is about average among these nations. We summarize that the relationship amongst growth, inequality and immigration is complex, to say the least.

III. Importance and Scope of Immigration in a European Context

Of course, the process of immigration flows from south to north (Africa to Europe) and from East to West (within larger European 25 and from Central Asia to Europe) can be classified in several dimensions. Here we present a brief list of questions (or themes) that one might explore in this context, and also the factors which help us better understand the importance and scope of European migration. Most of these questions and factors are more fully explored for Luxemburg in the chapters which follow.

These thematic questions are summarized on Panel A of Table 2. The most basic, is of course, why do people migrate from one nation to another? Jobs, employment opportunities, education opportunities, and also family reunification are key factors in such moves. And they in turn may impact both the economy and the economic policies of regions experiencing population growth. Most nations strive for orderly, controlled, and balanced immigration. Yet, some countries are more successful than others in this respect. In section II above, we only hinted at some of the issues which contribute to “successful” immigration. The idea of what constitutes a “success” is still open to question. In many nations we find strong “anti-immigrant” attitudes, but a complete

explanation is hard to find. Still, in every European nation, political parties which fight against immigration can be found (notice especially the Netherlands and France). In the end, the key question one might ask is how much long run change does immigration imply? Studies in other nations suggest that within two or three generations, immigration populations assimilate into the host country with little or no impact on the basic social and economic structure, but still adding a rich cultural and artistic mix to the host nation. Thus, demographic change does not destine a nation to lose its culture or heritage, but mainly to enrich it.

Whether this pattern of assimilation will occur in Europe depends heavily on the set of factors listed in Panel B of Table 3. Of course, geographic patterns of migration and mobility are key components of any study. To which national regions and from which extra- national regions do population migrate? Luxembourg has a rich traditional mix of French, German, Belgian, and Portuguese immigrants, each with their own customs and culture. Other countries which have been more homothetic for the past 100 years are less well suited for immigration on a large scale. The net economic gains from immigration must also be considered. Most immigrants come in search of work, pay taxes, and support the expansion of economies. In economies with no growth or high unemployment, immigration is not so prevalent. Moreover in the aging societies of the EU 15, population immigration helps support otherwise unfounded old age social retirement programs. And to the extent that immigrants have higher fertility rates than do natives, there is a positive second generation effect. Of course, while immigrants also claim social, educational, and health benefits in return, most nations limit immigrant access to these benefits.

Further, many immigrants initially came to a country to add to their human capital through education, especially higher education. Nations with strong universities attract the best and brightest students from developing nations. In turn, these immigrants can contribute their knowledge and productivity directly to the host country. Hence, the importance of Luxembourg expanding and building its own university to capture such benefits cannot be understated.

Of course, public opinion and its manifestation in immigration policy are key factors in explaining the treatment and control of immigration flows. These in turn will affect the legal situations of a nation and the granting of citizenship and full national civil rights to any and all immigrants. Hence, these ‘welcoming’ factors should also be studied in cross-national context.

In the end, major markers of population integration and socialization will tell the tale of “successful” immigration. Adoption of culture, language, sports, inter-marriage, and a host of other factors determine how immigrant population become socially included or excluded. But judgments regarding “successful immigration” are premature at this time. In the end, these factors will play out in every European nation and Luxembourg will be no exception.

IV. Conclusion: Luxembourg Unique or Typical?

From all visible factors, one might judge Luxembourg at this stage in its history, as the most successful immigrant nation in Europe and perhaps the entire world. High levels of employment and economic growth are mixed with progressive social policy to produce a highly successful and balanced society (Allegrezza, Heinrich, and Jesuit 2004). Full

population immigration is more than matched by daily worker migration, thus producing regional as well as local economic success. Looking back over the past several decades, one might conclude that Luxembourg provides a “text book” case of “successful” immigration policy. The papers that follow attest to this success, while also properly asking how to continue this unmatched pattern of economic and social progress.

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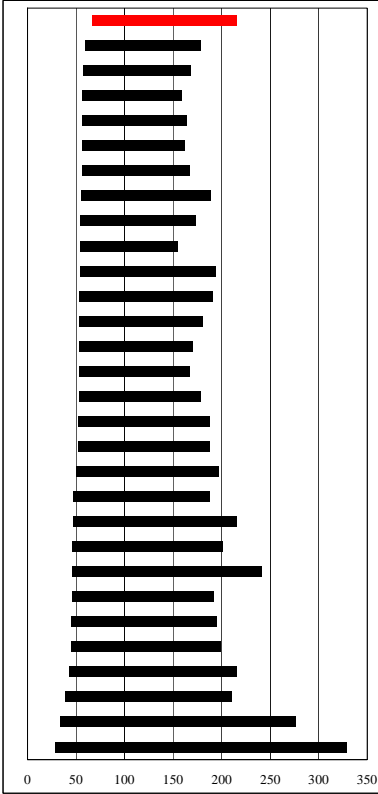
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Table 1.
Population Movement in EU 15, 1999
(per 1000 inhabitants)

	Births	Deaths	Natural Population Growth	Net Migration	Population Growth
EU 15	10.7	9.9	0.7	1.9	2.6
Austria	9.7	9.7	0.0	1.1	1.1
Belgium	11.2	10.3	0.9	1.6	2.5
Denmark	12.4	11.1	1.3	1.8	3.1
Finland	11.1	9.6	1.6	0.7	2.3
France	12.6	9.2	3.4	0.8	4.3
Germany	9.3	10.3	-0.9	2.5	1.6
Greece	9.7	9.8	-0.1	2.4	2.3
Ireland	14.2	8.4	5.8	4.9	10.7
Italy	9.3	9.9	-0.6	1.8	1.2
Luxembourg	12.9	8.8	4.1	10.9	15.0
Netherlands	12.7	8.9	3.8	2.8	6.6
Portugal	11.5	10.8	0.7	1.1	1.8
Spain	9.5	9.3	0.2	1.0	1.2
Sweden	10.0	10.7	-0.7	1.5	0.8
United Kingdom	11.8	11.6	1.2	2.7	3.9

Source: Eurostat 2000 taken from Fertig and Schmidt 2002.

Figure 1. Social Distance and Social Exclusion
 (numbers given are percent of median in each nation and Gini coefficient)

	P10 (Low Income)	Length of bars represents the gap between high and low income individuals	P90 (High Income)	P90/P10 (Decile Ratio)	Gini Coefficient ¹
Luxembourg 2000	66		215	3.24	.260
Czech Republic 1996	60		179	3.01	.259
Sweden 2000	57		168	2.96	.252
Norway 2000	57		159	2.80	.251
Finland 2000	57		164	2.90	.247
Slovak Republic 1996	56		162	2.88	.241
Netherlands 1999	56		167	2.98	.248
Taiwan 1995	56		189	3.38	.277
Germany 2000	54		173	3.18	.252
Denmark 1992	54		155	2.85	.236
Hungary 1999	54		194	3.57	.295
France 1994	54		191	3.54	.288
Romania 1997	53		180	3.38	.277
Belgium 1997	53		170	3.19	.250
Slovenia 1999	53		167	3.15	.249
Austria 1997	53		178	3.37	.266
Poland 1999	52		188	3.59	.293
Switzerland 1992	52		188	3.62	.307
Spain 1990	50		197	3.96	.303
Canada 2000	48		188	3.95	.302
United Kingdom 1999	47		215	4.58	.345
Ireland 1996	46		201	4.33	.325
Estonia 2000	46		234	5.08	.361
Japan 1992 ²	46		192	4.17	.315
Australia 1994	45		195	4.33	.311
Italy 2000	44		199	4.48	.333
Israel 2001	43		216	5.01	.346
United States 2000	39		210	5.45	.368
Russia 2000	33		276	8.37	.434
Mexico 1998	28		328	11.55	.494
Average³	50		195	4.10	.300

Source: Author's calculations from Luxembourg Income Study.

Notes: ¹Gini coefficients are based on incomes which are bottom coded at 1 percent of disposable income and top coded at 10 times the median disposable income.

²Japanese gini coefficient as calculated in Gottschalk and Smeeding (2000) from 1993 Japanese Survey of Income Redistribution.

³Simple average.

Table 2.
Key Thematic Questions and Factors in European Immigration Debates

A. Major Themes and Questions

1. Why migrate?
2. What impact on economy and econ policies?
3. Why different success in “integration”?
4. Why anti-immigrant attitudes?
5. Why political mobilization against immigration?
6. How much change does immigration imply?

B. Key Factors to Consider in the Debate

1. Patterns of migration/mobility
2. Economics of immigration
3. Effects on Social Policy and population aging
4. Education of immigrants
5. Public opinion and policy
6. Law and civil rights
7. Integration, inclusion, and exclusion