

Abstract :

This paper revisits the magnet hypothesis and investigates the impact of the welfare generosity on the difference between skilled and unskilled migration rates. The main purpose of the paper is to assess the role of mobility restriction on shaping the effect of the welfare state generosity. In a free migration regime, the impact is expected to be negative on the skill composition of migrants while in a restricted mobility regime, the impact will be the opposite, as voters will prefer selective migration policies, favouring skilled migrants who tend to be net contributors to the fiscal system. We utilize the free labour movement within the EU and the restricted movement from outside of the EU to compare the free migration regime to the restricted migration regime. We find strong support for the "magnet hypothesis" under the free-migration regime, and the "fiscal burden hypothesis" under the immigration-restricted regime even after controlling for differences in returns to skills in source and host countries.

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Jackline Wahba is an Associate Professor (Reader) in Economics at the University of Southampton in the United Kingdom. She holds a PhD in Economics from the University of Southampton. Her research interests are in Labour and Development Economics. Her recent work has focused on the impact of international migration. She is a research fellow of the Economic Research Forum (ERF) and the Institute for Study of Labor (IZA). She leads the migration strand within the ESRC-funded Centre for Population Change at Southampton.

We are pleased to invite you to the
Lunchtime Seminar in Economics:

**Welfare Magnet Hypothesis, Fiscal Burden
and Immigration Skill Selectivity**

Jackline Wahba
University of Southampton

November 2, 2011
13:00 – 14:00

Campus Limpertsberg
Building of Science – Room BS001
162a, avenue de la Faiencerie L-1511 Luxembourg

Lunch is planned for the participants

Registration: by email to fdef-colloques@uni.lu

Contact : crea@uni.lu (+352 46 66 44 6336 / 6139)