

# Impact of Immigration on Host Country Economy: Investigate the economic consequences of immigration, including effects on labor markets, wages, fiscal policies, and social services

Himanshu Malik\*

Research Scholar

Email: himanshumalik699@gmail.com

**Abstract** - The present study aims to fill a significant need in the existing research literature by conducting a thorough analysis of the economic consequences of immigration on host nations. While the current body of literature extensively examines the economic impacts of immigration, this study provides a comprehensive framework that incorporates several aspects such as labor market patterns, wage fluctuations, fiscal measures and provision of social services. The technique used in this study is based on utilization of secondary sources, which allows for a comprehensive comprehension of the complex interplay between the immigration and its economic impacts. The results of the study indicates that the effect of immigration on the salaries of the native workers is contingent upon many variables, including the skill mix of the workforce, the level of labor market rigidity and the degree of substitutability between immigrant and native workers. This research further examines the impact of fiscal policy and social services, especially evaluating the extent to which immigration may exert pressure on welfare systems relative to tax payments. The study emphasizes the need of adopting complex policy considerations that take into account many elements such as educational background of the immigrants. Through the identification and resolution of information gaps, the present research contributes to a more comprehensive approach to policy-making and enhances our comprehension of economic impact of immigration on host country in various aspects.

**Keywords** - Immigration, Migrants, Country, Impact, Economic, Labor.

-----X-----

## INTRODUCTION

The frequency of individuals migrating abroad increased by 51 million between 2010 and 2019, bringing the total to 272 million (3.4% of the world's population). Approximately 50% of the migrant population is concentrated within a select group of 10 nations, while around one-third of migrants originate from a just 10 countries. The US alone accommodates almost 19% of the overall migrant population, which amounts to around 51 million persons as of 2019. Notably, the Mexico-U.S. corridor has the distinction of being the biggest corridor worldwide, with roughly 12 million Mexican migrants now living in the US. Europe is home to over 82 million immigrants, accounting for roughly 30% of the global migrant population. The bulk of these immigrants, approximately 50 million, reside in the UK and Europe region (United Nations, 2019). The decline in fertility rates in Latin American nations and Mexico, coupled with a relative enhancement in their economic and political conditions, is anticipated

to gradually alleviate the migratory strain towards the US. Conversely, European countries face a contrasting situation as they are in close proximity to African and Middle Eastern nations that continue to exhibit elevated rates of both fertility and instability. (Hanson & McIntosh, 2016).

The anticipated positive patterns in global migration are in conflict with the prevalent animosity against further growth in the immigrant populace inside significant host nations (Connor & Krogstad, 2018). In addition to systematically overestimating the proportion of foreign-born individuals within the overall resident population, citizens in host societies also tend to consistently underestimate the socio-economic integration of migrants and educational attainment, while magnifying their religious and cultural distinctions (Alesina et al., 2019). The aforementioned biased beliefs indicate that the provision of more correct information might potentially mitigate antagonism towards migrants

(Grigorieff et al., 2020). The aforementioned contradictions constitute a fundamental aspect of contemporary migration policy formation. Receiving nations often try to regulate the influx of migrants via the implementation of migration policies. The objective is to exercise control over both the magnitude of the influx of immigrants and the attributes they possess, with the aim of selecting highly skilled individuals while also addressing the labor market requirements. In recent times, there has been a noticeable rise in the adoption of selective policies by many nations, including Canada, Australia, the UK, and the US. These policies aim to promote the immigration of certain workers, primarily those with advanced qualifications, in order to address the significant need for skilled professionals in specialised professions. This need is mostly fueled by technology advancements that favour those with specialised skills. The success of these selective policies and their ability to screen migrants is significantly influenced by their design and how they interact with the natural selection of people who choose to migrate from their home countries.

The patterns of migration are further impacted by changes in supplies. Phenomena such as refugee migration and undocumented migration underscore the occurrence of migratory movements despite the endeavours of destination nations to exert control over them through their migration laws. During the period from 2015 to 2016, Europe saw a significant influx of refugees, sometimes referred to as the "refugee crisis." This crisis included a substantial number of individuals, mostly originating from Syria, Afghanistan, Iraq, and several other nations, who sought shelter in European countries due to their need for humanitarian protection from political persecution, armed conflict, and acts of violence. Consequently, some European nations have seen annual increments in their proportions of immigrants by around one percentage point. The current refugee crisis in Venezuela has resulted in a significant number of Venezuelan residents seeking asylum in surrounding countries, amounting to over 5.2 million individuals. This influx of displaced individuals has contributed to the overall rise in the worldwide number of forcibly displaced persons, which hit an all-time high of 79.5 million in year 2019. Undocumented migration is a significant occurrence, as indicated by recent estimates which suggest that there are approximately 4-5 million individuals residing in Europe without proper legal documentation, accounting for 12-16% of the total Extra-EU immigrant population. In the United States, the number of undocumented immigrants is estimated to be around 10.5 million, representing a total of 23% of individuals within the population who were born outside of the country (Connor & Passel, 2019; Passel & Cohn, 2019). In recent years, there has been a significant surge in migrants, which has subsequently led to an increase in xenophobic groups and nationalism on a global scale.

These findings underscore the need of possessing a comprehensive understanding of the economic impacts of global migration.

## LITERATURE REVIEW

The formulation of migration policy on a global scale is a multifaceted matter that needs meticulous consideration. There is a wealth of literature available on the subjects of Australia, Canada, the UK, and Europe (Koslowski, 2018; Cerna, 2018; Borjas, 2014). In this analysis, we examine the policy problems through the lens of the United States. In a recent survey conducted by Abramitzky and Boustan (2017), a comprehensive analysis was presented on the historical and contemporary patterns of immigration into the United States. The study examined the effects of immigration on the labor market, highlighting the connection between increased immigration rates and heightened levels of trade, innovation, and economic development.

In relation to the influence on employment and wages within the United States economy, the study's findings indicate that there exist variations in skills and consequently, disparities in earnings among immigrants from different "sending countries" in comparison to the destination country. Immigration occurs as a means to capitalise on the favourable returns to skill in the US. Additionally, it is crucial to note that immigrants do not have an overall detrimental impact on the economy. It is of utmost importance to comprehend the immigration policy pertaining to the labor market in the United States, as well as the socio-economic circumstances associated with it, and the consequential implications it has for immigrants (CobbClark, 1998; Salvatore, 2018; Stiglitz, 2018). The significance of immigrant background in relation to research and a development (R&D) objective is underscored within the framework of Europe 2020, as highlighted by Rogge (2019). Based on a survey conducted by the World Bank in 2016, it was found that in the year 2010, there were 28 million highly skilled immigrants living in OECD countries. This represented a significant increase of 130% since 1990. Four nations, namely Australia, Canada, the United Kingdom, and the United States, together represent 70% of the total population of 28 million individuals. Notably, the United States alone accommodates 41% (equivalent to 11.5 million individuals) of the Organisation for Economic Cooperation and Development (OECD) population. The research highlights the importance of policies aimed at recruiting talented individuals and fostering positive spillover effects via the concentration of skills and educational opportunities, with the exception of some limitations. The study reveals that the influx of new immigrants resulted in both positive and negative outcomes for both the native population and the current immigrant employees. The significant increase may be attributed to several factors, including a drop in trade and transportation costs. According to Kim and Lim (2017), the

proportion of foreign-born individuals in the United States in 2013 accounted for 13.1% of the overall population, amounting to a total of 41 million immigrants.

According to Kerr et al. (2016) as well as Kerr and Lincoln (2010), there is evidence to suggest that foreign students, H1B immigrants, and those with a college education have a beneficial effect on patent rates and contribute significantly to scientific advancements. Hunt and Gauthier-Loiselle (2010) conducted a study using panel data from the years 1940 to 2000. Their findings indicate that there is a positive relationship between the proportion of college-educated immigrants in the population and the number of patents per capita. Specifically, they discovered that a 9–18% rise in patents per capita is associated with a one percent rise in the proportion of immigrant graduates from college. Immigrants have a higher rate of patenting compared to native individuals. This may be attributed to their overrepresentation in the fields of science and engineering, as well as their possession of complementing talents, like entrepreneurship, which are beneficial to the native population. Additionally, it is worth noting that skilled immigrants contribute to 24% of patents, indicating that diaspora networks play a significant role in facilitating the dissemination of information. According to Ganguli's (2014) study, the publication citations from Web of Science data were used to examine the publications of Russian scientists who relocated to the US after 1992. According to Freeman (2015), the globalisation of scientific information and joint efforts has contributed to a rise in the presence of scientists and engineers of non-native origin in both US colleges and the labor market. This trend has been assisted by linking immigration rules with educational achievement.

Nathan (2014) has presented empirical data that supports the existence of direct and indirect effects resulting from the flow of R&D-intensive inputs. Additionally, the author has examined the broader consequences of high-skilled migrants in the US, Europe, and other nations, although acknowledging the presence of some frictions. In the context of the United States, Akcigit, Grigsby, and Nicholas (2017) have provided a historical analysis utilising government surveys and patent statistics spanning the years 1880 to 1940. Their study focuses on the significant contribution of migrant inventors, particularly those from Europe, in the development of pivotal technologies that have had a profound impact not only within the United States but also in other nations. According to their research findings, immigrants accounted for 16% of patents in various fields, including but not limited to chemicals, electrical, medical, and mechanical. According to Akcigit et al. (2017), the proportion of immigrants among all innovators is 30%. According to the findings of Kerr and Lincoln (2010), a rise in H1B admissions leads to an increase in patenting activities and employment in the fields of science and engineering among inventors with Indian and Chinese names, after ruling out displacement effects.

Akcigit et al. (2017) conducted a study in which they developed a measure of foreign-born expertise by analysing the proportion of patents in a specific technology class that originated from the immigrants' home country, as well as the number of migrants to the US. The researchers discovered that immigrant innovators not only make significant contributions to their respective fields, but also have positive external effects by enhancing the productivity of domestic inventors. Their analysis suggests that a rise of one standard deviation in the level of knowledge among foreign-born individuals is associated with a 40.8% increase in patents, which is equivalent to a 30% increase in innovation. Breschi et al. (2015) examine the instances of information dissemination via diasporic networks and remittances in several nations, including China, South Korea, Russia, and to a smaller scale, India.

Fassio et al. (2015) have demonstrated the significance of 'foreign' human capital in the UK, France, and Germany during the period of 1994-2007, using Total Factor Productivity (TFP) as a measure of innovation. Their findings indicate that foreign human capital plays a crucial role in all sectors, particularly in high-tech industries, while medium and low-skilled workers contribute significantly to the manufacturing sector. Furthermore, the transfer of innovation is facilitated by inter-sectoral complementarities. The authors emphasize the need of implementing a migration strategy that prioritizes the particular skill requirements of the productive system and is closely aligned with the current demands of enterprises and sectors. Within the framework of European migration to the United States, Douglas in 2015 has presented empirical findings that suggest a link between migration across borders and the transmission of knowledge. Specifically, the study indicates that the migration of individuals from the UK to the US during the period of 2001-2005 led to a notable increase of 1.23% in forward citations involving British inventors in the subsequent year of 2006. While there exist a range of research on the topic, it is worth noting that Canadian evidence suggests a limited influence on innovations. However, this may be ascribed to the idiosyncrasies of employment legislation and information frictions around credentials (Blit et al., 2017). In order to promote innovation-driven growth, the Canadian government has recently been advocating for the facilitation of cross-border talent mobility. Canada has actively pursued skilled migrants who have faced denial or frustration inside the H-1B visa system in the US (Kerr, 2016). In fact, Canada has gone to the extent of placing advertisements on billboards in the US to recruit these individuals. Horton et al. (2017) have shown that the growth of digitally linked labor markets enables the movement of skilled individuals by establishing connections between corporations and contractors. Basso et al. (2017) have provided evidence indicating that computerization has brought about technological change and automation, resulting in a significant reduction in routine tasks

and task-specialization. This shift has led to an increased emphasis on analytical tasks, thereby driving the demand for skilled talent migration. Additionally, there has been a corresponding demand for unskilled immigrants to perform manual tasks and provide services.

Moreover, there exists empirical data that supports the existence of heterogeneity across firms, which may be attributed to variations in skill requirements (Deming & Kahn, 2017). Nevertheless, the majority of advances largely target the skilled sector, resulting in little direct benefits for the unskilled sector. An important discovery indicates that the influx of highly qualified immigrants significantly contributes to creativity and entrepreneurship, resulting in a broader influence on non-routine biased technological advancements seen in affluent countries. The phenomenon of high-skilled migration has a significant impact on the distribution of occupations, hence influencing the labor market via changes in the pay gap. Jaimovich and Sui (2017) have shown that the movement of talented individuals has had a role in reducing pay disparity since the 1980s. A study conducted by Akcigit et al. in 2017 reveals the existence of a salary disparity between immigrant innovators and their local counterparts who possess similar skill levels. This wage difference may be attributed to discriminatory practices that could affect marginalized groups. The impact of immigrant innovators with foreign-born skills on domestic innovations is significant. The phenomenon of return or reverse migration also involves the transfer of information. According to Thum (2004), an alternative approach to managing migration in a shared labor market is to modify the allocation of government spending by regulating the distribution of goods and services, rather than implementing a direct immigration policy.

## RESEARCH GAP

Migration policies have become a complex and multidimensional issue that requires careful attention and intelligent deliberation. There is a substantial body of work available that examines immigration contexts across many locations globally, including Canada, Australia, Europe and United Kingdom (Koslowski, 2018; Cerna, 2018; Borjas, 2014). The existing body of research thoroughly investigates the economic effects of immigration in different nations. However, there is significant vacuum in the literature when it comes to consolidating these findings into a complete framework. Research conducted by Abramitzky and Boustan emphasizes the favourable association between immigration, trade, innovation and economic expansion inside the United States. However, there is a notable absence of a comprehensive examination that incorporates labor markets, wage dynamics, fiscal policies and social services. So, the current study aims to close this gap and provide a coherent understanding of the complex economic effects of immigration on host country. Such an effort helps to promote informed policy-making and a greater

comprehension of the contribution of immigration to social advancement and economic growth.

## OBJECTIVE

The main aim of this research is to conduct a thorough examination of the economic impacts of immigration on the economy of host countries. This study seeks to get a comprehensive and subtle understanding of the influence of immigration on economic structures via an analysis of labor market trends, fiscal policies, wage dynamics and social service provision.

## METHODOLOGY

The approach used in this study is exclusively based on secondary sources, including a diverse range of academic publications, research papers, reports and expert assessments. By capitalizing on pre-existing information and ideas, this methodology guarantees a thorough and subtle comprehension of the intricate correlation between immigration and its economic consequences on nations that receive immigrants. The process of choosing secondary source is influenced by their integrity, relevance and level of analysis, facilitating the incorporation of many perspectives and factual data. This technique facilitates the analysis of several aspects, such as labor markets, wage dynamics, social services and fiscal policies by using known research and recorded patterns.

## OUTCOMES

### *Effects on Labor Markets and Wages:*

Analyses have been conducted on literature related to many nations including Denmark, Canada, Germany, France, the United States, Switzerland and the United Kingdom. The objective of these researches is to measure the magnitude of salary fluctuations experienced by native individuals as a consequence of the influx of immigrants throughout recent decades. Indeed, it is worth noting that these nations include a diverse range of institutional characteristics that are expected to hinder the complete adjustment of wages in response to labor supply shocks. These countries often exhibit characteristics such as a relatively elevated minimum salary, generous unemployment compensation, stringent employment safeguards, and/or influential labor unions. The wage setting method, reserve pay, and bargaining scope are influenced by many institutional features (Babecky' et al., 2010; Cohen, 1999). Consequently, these factors are expected to modify the degree to which wages adjust in response to changes in the availability of labor shocks resulting from immigration.

The aforementioned investigations provide three significant findings. In the long run, once capital has fully adjusted to the labor supply shock brought on

by immigration, the overall effect of immigration on native wages is either neutral or possibly favourable. This conclusion is reached after taking into account the degree of substitution that occurs between native employees and immigrants. If there are discrepancies in language skills between immigrants and natives with equal levels of education and experience, they are considered to be imperfect replacements. In such cases, it is projected that immigration will have a little beneficial impact on the mean income of national workers.

The research conducted by Brucker et al. (2014), D'Amuri et al. (2010), Manacorda et al. (2012) and Ottaviano and Peri (2012) has yielded findings that indicate the presence of an incomplete level of substitutability between individuals native to a country and immigrants.

According to Ottaviano and Peri (2012), their research reveals that immigrants to the US over the period from 1990 to 2006 resulted in a long-term gain of 0.6% in the wages of native workers. The findings also demonstrate that the arrival of immigrants has resulted in a decline in the average income of earlier cohorts of migrants, who often serve as the most comparable alternatives to newly arrived immigrants.

Nevertheless, Edo and Toubal in 2015 and Borjas in 2014 conducted research that reveal a tendency for immigrants and locals with comparable levels of experience and education to function as complete replacements. Based on their extensive simulations, it has been shown that immigration does not have a discernible impact on the mean salary of native employees.

Furthermore, the skill mix of immigrants has a crucial role in determining their long-term influence on the salaries of domestic employees. The influence of immigrants on the relative earnings of certain categories of workers is influenced by the increase in their relative supply. This, in turn, leads to changes in the wage structure, resulting in both losers and winners within the native-born population. In the countries of France, Canada, Switzerland and Germany, the influx of immigrants has had a significant impact on the growth of highly trained employees, resulting in a notable decrease in salary disparity between native workers with high and low levels of education. Undoubtedly, individuals with higher levels of education serve to enhance the capabilities of their less educated counterparts in many productive endeavours. Therefore, more immigration results in a greater number of work opportunities being generated and an increased need for those with a lower educational attainment. In the context of France, it is observed that immigration has resulted in a decrease of around 1% in the salaries of native employees with higher levels of education. Conversely, it has been shown that immigration has led to an increase of 0.5% in the earnings of native workers with lower levels of education. In the context of the United Kingdom, the impact on wages is quite

moderate, but mostly unfavorable, particularly for those with a college degree. This phenomenon may be attributed to the observation that migrants arriving in the United Kingdom possess a higher level of education compared to the local population. Docquier et al. (2014) similarly observed a favourable correlation between immigration and the lowering of income disparity in OECD nations. Specifically, the study demonstrates that those with lower levels of education who are native to the country saw significant increases in both wages and employment as a result of immigration over the period from 1990 to 2000. The reason for this phenomenon may be attributed to the greater levels of education among immigrants in the OECD countries compared to the local population.

In both Denmark and the United States, the influx of immigrants resulted in a greater augmentation of low-skilled labor force compared to high-skilled labor force. Consequently, the influx of immigrants into these nations has played a role in the widening disparity in wages between native employees with higher and lower levels of education over recent decades. France, Denmark and Germany further highlight the important role that labor market rigidities play in reducing the impact of immigration on relative incomes. The effects of immigration on wages both negative and good are exacerbated when wages demonstrate perfect flexibility. As a result, when the wage structure is more rigid, the negative impact of immigration on relative wages is reduced. Nevertheless, the presence of inflexible wages has a tendency to elevate levels of unemployment within the economy. In summary, research on structural aspects suggests that the effect of immigration on wages depends on the level of skills of the immigrant labor force and the changing conditions of the labor market in the country of destination.

### ***Effects on Fiscal Policies and Social Services***

The subject of the economic influence of immigrants on fiscal policy and social services in host nations has considerable importance, especially in light of the variations in welfare systems and the extent of social benefits.

### ***The Cumulative Effect on Fiscal Matters***

The inquiry over whether immigration imposes a greater strain on a host nation's welfare and public services compared to its contributions via taxes is a fundamental aspect of deliberations concerning fiscal effect. The significance of this region is especially notable in the context of European economies, primarily owing to their comprehensive social welfare systems. Research endeavours aimed at quantifying the overall fiscal consequences of immigration use two primary methodologies: the immigration surplus approach and generational accounting methods. The first study provides an estimate of the rise in Gross Domestic Product (GDP) coming from the augmented labor supply owing to immigration. Conversely, the second study

assesses the comprehensive costs and benefits to the economy over the lifespan of immigrants.

Initial research conducted in the United States yielded divergent findings about the fiscal implications of immigration, presenting a spectrum of outcomes that spanned from immigrants being a financial burden to being a positive economic asset. Borjas (1995a) emphasized the significance of methodological choices and assumptions in influencing the accuracy of these estimations. In a study conducted by Storesletten (2000), the author quantified the lifetime net benefit of an average immigrant in the United States. The findings of this study revealed significant variations in the results, which were contingent upon factors such as education level and age. According to Storesletten's (2003) analysis, the Swedish context revealed that while the average immigrant had a negative impact on public finances, immigrants with higher levels of education had the potential to have a positive fiscal outcome. This finding underscores the significance of achieving success in the labor market.

### ***The Impact on Social Service***

The assessment of immigrants' use of welfare services and the social benefits in recipient nations plays a pivotal role in their economic influence. There are other reasons that might lead to immigrant's dependence on social benefits such as diminished economic opportunities and the comparatively more extensive social security systems of the receiving countries. Initial research conducted in US indicated that immigrant families had lower utilization rates of social services when compare to native families with similar characteristics. However, subsequent studies using longitudinal data have shown evidence of assimilation impacts. The use of social benefits by immigrants was seen to be higher in comparison to that of local individuals. In their study conducted in 1991, Borjas and Trejo noted a notable rise in the use of social benefits by immigrants in the United States during the 1970s. This increase was linked to the adverse labor market circumstances experienced by newly immigrants groups. Furthermore, it has been observed that older immigrants in the US tend to use a greater percentage of benefits compared to younger counterparts and this trend is influenced by the age at which they entered the country (Hu, 1998). Gustman and Steinmeier (2000) found that male immigrants had a lower utilization rate and got fewer monetary benefits from social welfare programmes compared to local individuals, with exception of food stamps.

According to a study conducted by Baker and Benjamin (1995) in Canada, it was shown that immigrants exhibited lower utilization rates of unemployment benefits, social security and housing assistance compared to native individuals. However, this study also revealed that immigrants gradually adapted into a greater frequency of benefit utilization over time.

In summary, the utilization of social services by immigrants and the overall budgetary effect of immigration are multifaceted and contingent upon several contextual factors. The scholarly literature underscores the need of taking into account both immediate expenses and enduring advantages, with a particular focus on the substantial influence of education and achievements in the job market on the economic contributions of immigrants to the nations they settle in. In order to develop fiscally policies that foster inclusive development, it is essential for policy considerations to take into account the diversity among immigrant groups, the prevailing labor market circumstances, and the framework of social benefit systems.

### **CONCLUSION**

In conclusion, this paper offers a comprehensive analysis of the complex effects of immigration by examining labor market dynamics, wage trends, fiscal policies and social services use. The technique used in this study is based on a careful investigation of secondary sources, which allows for a comprehensive understanding of the complex correlation between immigration and its economical impacts. The results of the study emphasize that the influence of immigration on the salaries of native worker is dependent on several aspects, including the skill mix of the workforce, the level of labor market flexibility and the degree of substitutability between immigrant and local workers. Furthermore, this research highlights the need of taking into account a wide range of immigrant groups, as well as labor market integration and social benefit frameworks in the development of efficient policy solutions. As countries grapple with the complexities and potential benefits of migration, the findings of this study will provide valuable guidance in formulating policies that promote both economic advancement and social integration.

### **FUTURE SCOPE**

the conclusions of this study provide opportunities for further investigation in the field of immigration and its economic consequences for recipient nations. There are potential avenues for research in the field of immigration that include doing longitudinal analysis to observe the long term economic consequences, comparative studies across different locations to identify contextual factors and investigations at the micro-level to comprehend the distributional effects on distinct demographic cohorts. In order to get a more thorough understanding of immigrant's engagement with welfare systems, it may be beneficial to investigate a broader array of social services that extend beyond the parameters of this particular research. Future investigations might potentially concentrate on particular sector or geographic areas, use simulation models to forecast the effect of policies and examine the influence of global

occurrences. By including human capital concerns, assessing the success of policies and enhancing analytical approaches, a more comprehensive and sophisticated understanding of the economic impacts of immigration may be achieved. This will facilitate well-informed policy choices that promote inclusive development.

## RECOMMENDATIONS

In conclusion, the comprehensive analysis of the economic implications of immigration highlights the need of well-informed policies. In order to fully use the advantages, it is essential for host nations to give precedence to the integration of labor markets via customized initiatives, effectively manage wage dynamics by striking a harmonious balance between flexibility and stability and adopt discerning immigration policies that primarily emphasize aligning skills. The ongoing assessment of social service use, the development of long term budgetary strategies and establishment of partnerships with employers are essential factors in achieving sustainable results. The importance of facilitating the integration of refugees and allocating resources towards data collecting cannot be overstated. The optimization of positive economic impacts of immigration and effective addressing of difficulties may be achieved by host nations via global collaboration and the implementation of adaptive policy assessment. By adhering to these suggestions, countries may develop all encompassing policies that use immigration as a catalyst for economic expansion and social advancement.

## REFERENCES

1. Abramitzky, R., & Boustan, L. (2017). Immigration in American economic history. *Journal of economic literature*, 55(4), 1311-1345.
2. Akcigit, U., Grigsby, J., & Nicholas, T. (2017). Immigration and the rise of American ingenuity. *American Economic Review*, 107(5), 327-331.
3. Akcigit, U., Grigsby, J., & Nicholas, T. (2017). *The rise of american ingenuity: Innovation and inventors of the golden age* (No. w23047). National Bureau of Economic Research.
4. Alesina, A., Miano, A., & Stantcheva, S. (2021). Immigration and redistribution. *The Review of Economic Studies*, 90(1), 1-39.
5. Babecký, J., Du Caju, P., Kosma, T., Lawless, M., Messina, J., & Rööm, T. (2010). Downward nominal and real wage rigidity: Survey evidence from European firms. *Scandinavian Journal of Economics*, 112(4), 884-910.
6. Baker, M., & Benjamin, D. (1995). The receipt of transfer payments by immigrants to Canada. *Journal of Human Resources*, 650-676.
7. Basso, G., Peri, G., & Rahman, A. S. (2020). Computerization and immigration: Theory and evidence from the United States. *Canadian Journal of Economics/Revue canadienne d'économique*, 53(4), 1457-1494.
8. Blit, J., Skuterud, M., & Zhang, J. (2017). Immigration and innovation: evidence from Canadian cities.
9. Borjas, G. J. (1995). The economic benefits from immigration. *Journal of economic perspectives*, 9(2), 3-22.
10. Borjas, G. J. (2014). *Immigration economics*. Harvard University Press.
11. Borjas, G. J., & Trejo, S. J. (1991). Immigrant participation in the welfare system. *ILR Review*, 44(2), 195-211.
12. Breschi, S., Lissoni, F., & Miguelez, E. (2015). Foreign inventors in the US: testing for diaspora and brain gain effects.
13. Brücker, H., Hauptmann, A., Jahn, E. J., & Upward, R. (2014). Migration and imperfect labor markets: Theory and cross-country evidence from Denmark, Germany and the UK. *European Economic Review*, 66, 205-225.
14. Cerna, L. (2018). European high-skilled migration policy. *High-skilled migration: Drivers and policies*, 87.
15. Cobb-Clark, D. A. (1998). Incorporating US Policy into a Model of the Immigration Decision. *Journal of Policy Modeling*, 20(5), 621-630.
16. Cohen-Goldner, S., & Paserman, M. D. (2011). The dynamic impact of immigration on natives' labor market outcomes: Evidence from Israel. *European Economic Review*, 55(8), 1027-1045.
17. Connor, P., & Krogstad, J. M. (2018). Many worldwide oppose more migration—both into and out of their countries.
18. Connor, P., & Passel, J. S. (2019). Europe's unauthorized immigrant population peaks in 2016, then levels off.
19. d'Amuri, F., Ottaviano, G. I., & Peri, G. (2010). The labor market impact of immigration in Western Germany in the 1990s. *European Economic Review*, 54(4), 550-570.
20. Deming, D., & Kahn, L. B. (2018). Skill requirements across firms and labor markets: Evidence from job postings for professionals. *Journal of Labor Economics*, 36(S1), S337-S369.
21. Docquier, F., Ozden, Ç., & Peri, G. (2014). The labour market effects of immigration and emigration in OECD countries. *The Economic Journal*, 124(579), 1106-1145.
22. Douglas, K. N. (2015). International knowledge flows and technological advance: the role of migration. *IZA Journal of Migration*, 4(1), 1-16.
23. Edo, A., & Toubal, F. (2015). Selective immigration policies and wages

- inequality. *Review of International Economics*, 23(1), 160-187.
24. Fassio, C., Kalantaryan, S., & Venturini, A. (2015). Human resources and innovation: Total factor productivity and foreign human capital. *Robert Schuman Centre for Advanced Studies Research Paper No. RSCAS*, 43.
  25. Freeman, R. B. (2015). Immigration, international collaboration, and innovation: Science and technology policy in the global economy. *Innovation Policy and the Economy*, 15(1), 153-175.
  26. Ganguli, I. (2014). *Immigration & Ideas: What Did Russian Scientists Bring to the US?* (No. 30). SITE Working Paper.
  27. Grigorieff, A., Roth, C., & Ubfal, D. (2020). Does information change attitudes toward immigrants?. *Demography*, 57(3), 1117-1143.
  28. Gustman A. & Steinmeier T. (2000) Social security benefits of immigrants and the U.S. born, in Borjas G. (ed.) *Issues in the Economics of Immigration*, The University of Chicago Press.
  29. Hanson, G., & McIntosh, C. (2016). Is the Mediterranean the new Rio Grande? US and EU immigration pressures in the long run. *Journal of Economic Perspectives*, 30(4), 57-82.
  30. Horton, J., Kerr, W. R., & Stanton, C. (2017). Digital labor markets and global talent flows. In *High-skilled migration to the United States and its economic consequences* (pp. 71-108). University of Chicago Press.
  31. Hu, W. Y. (1998). Elderly immigrants on welfare. *Journal of human Resources*, 711-741.
  32. Hunt, J., & Gauthier-Loiselle, M. (2010). How much does immigration boost innovation?. *American Economic Journal: Macroeconomics*, 2(2), 31-56.
  33. Jaimovich, N., & Siu, H. E. (2017). High-skilled immigration, STEM employment, and nonroutine-biased technical change. In *High-Skilled Migration to the United States and Its Economic Consequences* (pp. 177-204). University of Chicago Press.
  34. Kerr, S. P., Kerr, W., Özden, Ç., & Parsons, C. (2016). Global talent flows. *Journal of Economic Perspectives*, 30(4), 83-106.
  35. Kerr, W. R., & Lincoln, W. F. (2010). The supply side of innovation: H-1B visa reforms and US ethnic invention. *Journal of Labor Economics*, 28(3), 473-508.
  36. Kim, C. U., & Lim, G. (2017). Immigration and domestic wage: an empirical study on competition among immigrants. *Applied Economics*, 49(34), 3351-3358.
  37. Koslowski, R. (2018). Shifts in selective migration policy models. *High-Skilled Migration: Drivers and Policies*, 108.
  38. Manacorda, M., Manning, A., & Wadsworth, J. (2012). The impact of immigration on the structure of wages: theory and evidence from Britain. *Journal of the European economic association*, 10(1), 120-151.
  39. Nathan, M. (2014). The wider economic impacts of high-skilled migrants: a survey of the literature for receiving countries. *IZA Journal of Migration*, 3(1), 1-20.
  40. OECD. (2011). *Skills for Innovation Research* (OECD Innovation Strategy).
  41. Ottaviano, G. I., & Peri, G. (2012). Rethinking the effect of immigration on wages. *Journal of the European economic association*, 10(1), 152-197.
  42. Passel, J. S., & Cohn, D. (2019). Mexicans decline to less than half the US unauthorized immigrant population for the first time. *Pew Research Center*, 12.
  43. Rogge, N. (2019). EU countries' progress towards 'Europe 2020 strategy targets'. *Journal of Policy Modeling*, 41(2), 255-272.
  44. Salvatore, D. (2018). TrumpEconomics: Overview of effects on the United States and the world. *Journal of Policy Modeling*, 40(3), 480-488.
  45. Stiglitz, J. E. (2018). Trump and globalization.
  46. Storesletten, K. (2000). Sustaining fiscal policy through immigration. *Journal of political Economy*, 108(2), 300-323.
  47. Storesletten, K. (2003). Fiscal implications of immigration—A net present value calculation. *The Scandinavian Journal of Economics*, 105(3), 487-506.
  48. Thum, M. (2004). Controlling migration in an open labor market. *Public Choice*, 119(3-4), 425-443.
  49. United Nations, 2019. *International Migrant Stock 2019*. Population Division, Department of Economic And Social Affairs, United Nations. Database: POP/DB/MIG/Stock/Rev.2019.
  50. World Bank. (2016). *World Development Report 2016: Digital Dividends*. Washington DC.

---

**Corresponding Author**

**Himanshu Malik\***

Research Scholar