

**“REMINDER”:**

**WP4: Fiscal impacts**

Uppsala and Oxford

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# Context and aims

- Changing politics of free movement
- ➔ This WP: Analyse the role of **national institutions** and **and size/composition of migration** in explaining effects on public finances

## Objectives

- Estimate key aspects of the fiscal impact of intra-EU migration for all EU Member States.
- Conduct in-depth analysis of fiscal impacts in 3 receiving countries (among the UK, Sweden, Germany, Spain, and Italy) and 1-2 sending countries (among Poland, Romania and Hungary).
- Understand how the fiscal impact is conditioned by welfare state institutions, labour markets settings and the tax system as well as the composition of the migrant population.

# *Gaps and contributions*

- Previous comparative analyses have been limited to a small number of countries or are exclusively focused on the benefits received by migrants or fail to distinguish between EU citizens and TCNs
- A key innovation proposed in this WP is to analyse how dependent the fiscal impacts are on the way that different kinds of welfare states are financed and award entitlements
- Another contribution of the research in this WP is that it analyses the consequences of both immigration and emigration

# *Methodological issues*

- Integrating broad comparative cross-national analyses with case studies
- The statistical analysis of data for 25+ Member States
- While the case studies can highlight important aspects of specific institutions the broader cross-national analysis which allows us to create measures that are directly comparable between countries

- The broader cross-national part will use a static accounting model.
- EU Survey of Living and Income Conditions (EU-SILC) makes it possible to break down income taxes and social security contributions, as well as some social benefits, by country of birth or citizenship
- Combine these statistics with data on institutional characteristics and different measures of tax and social policy
- Analysis of how national institutions condition the fiscal impact of immigration

- The list of countries for the in-depth case studies will be finalised after the statistical analysis of all EU28 member states has been completed.
- We will conduct 4-5 in-depth case studies from among the project core 8 countries, to be selected on the basis of the results from the broad comparative analysis to represent different tax/benefit regimes
- 3 countries among the UK, Sweden, Germany Spain, and Italy
- 1-2 countries among Poland, Romania and Hungary

- Program utilisation conditioned by the design of the social policy systems
- Estimations will be based on actual payments, rather than on assumptions based on demographics and labour market status
- Institutional aspects affect program uptake, will utilise the institutional variables generated in WP7



# *Technicalities*

- First, we need to decide how we should treat different kinds of nationwide public goods
- Second, we should consider to include public capital and debt in the calculations
- Third, we must find a way to handle unbalanced budgets
- Fourth, we need to decide on a definition of immigrants and how we identify them in the survey data
- Fifth, the validity of the assumptions in our static model differs between occupations

## Deliverables

- D4.1 Working paper 1 based on broad comparative analysis of 28 EU Member States. (UU, M12)
- D4.2 Working paper 2 based on in depth case studies for 4-5 Member States. (UU, M24) **M28**
- D4.3 Working paper 3 based on an integrated analysis of broad comparisons and case studies as well as simulations. (UU, M32) **M18**
- D4.4 Policy Brief summary of the evidence from the WP presented in an accessible way for policymakers. (UU, M32)