



UNIVERSITÀ DEGLI STUDI DI NAPOLI FEDERICO II  
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# **INNOVAZIONE E DIRITTO**

## The impact of immigration on income inequality and public finances (some empirical evidence and policy proposals for a profitable use of the “potential equalising power of immigration”)\*

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### ABSTRACT

*The article deals with the controversial issue of the impact of immigration on income inequality and public finances. In particular, it contains a critical review of the theoretical and empirical literature on this topic, through which the author attempts to demonstrate how out-migration can increase income inequalities, thus hindering economic growth and exacerbating regional disparities, while immigration can reduce income inequalities and mitigate economic imbalances, according to the skilled immigration equalising hypothesis formulated in 2008 by Kahanec and Zimmermann. The study also includes some empirical evidence and policy proposals to use immigration as a tool for reduction of inequalities. From an analysis of the redistributive impact of internal immigration in Italy emerge useful suggestions to assist policy makers and lawmakers in the management of migratory phenomena and the restyling of tax-benefit systems to correct their redistributive effects.*

### SINTESI

*L'articolo affronta la controversa questione degli effetti prodotti dall'immigrazione sulle disuguaglianze di reddito e sulle finanze pubbliche. In particolare, esso contiene un'analisi critica della letteratura teorica ed empirica sull'argomento, attraverso la quale l'autore cerca di dimostrare come l'emigrazione può aumentare le disuguaglianze di reddito, ostacolando così la crescita economica ed aggravando i divari regionali, mentre l'immigrazione può ridurre le disuguaglianze di reddito e ridurre gli squilibri economici, secondo l'ipotesi sugli effetti perequativi dell'immigrazione qualificata formulata nel 2008 da Kahanec e Zimmermann. Lo*

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*studio comprende, inoltre, alcune evidenze empiriche e proposte di policy per un utilizzo dell'immigrazione come strumento di riduzione delle disuguaglianze. Dall'analisi dell'impatto redistributivo dell'immigrazione interna in Italia emergono, infine, suggerimenti utili per assistere i policy maker ed il legislatore nella gestione dei fenomeni migratori e nel restyling dei sistemi fiscali e di welfare allo fine di correggerne gli effetti redistributivi.*

SUMMARY: 1. Introduction – 2. The international debate on the fiscal impact of immigration – 3. Income inequality as a determinant of migration – 4. The effects of migration on income inequality – 5. The immigration as a tool of redistribution – 5.1. The potential equalising power of skilled immigration – 5.2 Internal migration and income inequality in Italian regions from 2004 to 2012 – 6. Concluding remarks and policy proposals

## 1. Introduction

All over the world, but especially in “old” Europe, the severity of the economic crisis has contributed in focusing public attention on two very important issues: the growth in global inequalities and the economics implications of immigration.

The latter phenomenon, in particular, has become again a highly topical issue with the intensification of the landings, on the coasts of the Southern European countries, of immigrants coming from countries of the sub-Saharan Africa<sup>1</sup> (mainly from Nigeria, Mali, Gambia, Senegal, Somalia, Syria and Eritrea, according to the UNHCR<sup>2</sup> data on the nationality of asylum seekers in Italy in the last two years) and with the growing concern of the citizens of the European countries for the effects produced by immigration on employment, public finance and public order.

<sup>1</sup> The Sub-Saharan Africa is set to become the main area of origin of new immigrants directed towards Italy. In this sense, see already G.C. Blangiardo, *Aspetti quantitativi e riflessioni su prospettive e convenienza dell'immigrazione straniera in Italia*, in Fondazione Ismu (2008), *Tredicesimo rapporto sulle Migrazioni 2007*, FrancoAngeli, Milano, 2008, 41-59, and, more recently, L. Zanfrini, *Convivere con il “differente”. Il modello italiano alla prova dell'immigrazione*, in *Rev. Inter. Mob. Hum.*, 20(38), 2012, 101-123.

<sup>2</sup> The Office of the United Nations High Commissioner for Refugees (UNHCR), also known as the UN Refugee Agency, is a United Nations agency mandated to protect and support refugees at the request of a government or the UN itself and assists in their voluntary repatriation, local integration or resettlement to a third country.

In the principal destination countries – Germany and Italy occupying a prominent position among these in the preferences of immigrants – there is a vibrant debate about which methods may be most appropriate to strengthen social cohesion, as well as to block the path of social marginalisation and progressive impoverishment, and to assess the financial implications of immigration, namely the impact on the government budget of the inclusion of non-natives in the welfare system.

At the same time, the source countries have started a comprehensive assessment of the fiscal effects of emigration (for example, the loss of tax revenues deriving from the taxes which those who emigrate would have to pay), in particular of the phenomenon of brain drain, that is the escape of highly skilled workers from these countries.

The impact of the phenomenon has frequently been debated and has led the member countries of the European Union (EU), through its executive organ (the Commission), to approve an Agenda European Migration, which identifies the measures provided for respond immediately to the humanitarian crisis under way in the Mediterranean Sea and the initiatives to be launched in the coming years to better manage the phenomenon of migration in its every aspect. The political debate has focused, however, primarily on the mechanisms of burden-sharing, or allocation of responsibilities, among the member States of the Union<sup>3</sup>, rather than on the strategy which should be adopted in the future to increase the socio-economic resilience<sup>4</sup> and the adaptive capacity of national tax

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<sup>3</sup> In 2010 some scholars, on behalf of the European Parliament's Committee on Civil Liberties, Justice and Home Affairs, anticipating the current debate on the European mechanisms of burden-sharing in countries receiving asylum seekers, carried out an extensive analysis of the policy options to address and resolve this issue. See E. Thielemann, R. Williams and C. Boswell, *What system of burden-sharing between Member States for the reception of asylum seekers*, European Parliament, Brussels, January 22, 2010.

<sup>4</sup> The concept of "resilience" has been originally developed in the material science to describe "the ability of a material to absorb energy when it is deformed elastically, and release that energy upon unloading". In economic and social terms, resilience is defined as "the ability of an

and benefit systems to the current humanitarian crisis, particularly in those countries that, like Italy, are characterized by high unemployment rates, persistent regional disparities in economic development and a weak economic growth.

This paper aims to fill, at least partially, this gap, by addressing, by a particular “viewing angle”, the issue of economic impacts of immigration on regional income inequalities, assuming that the emergence of Italy as a country of immigration, not only as a country of emigration, should be viewed in a broader set of transformations which have radically changed the demographic, social and economic landscape, acting with a speed and intensity never experienced in the past by Western societies. Among the determinants of this transitional process we can include: (1) the rise in life expectancy at birth to the first places in the world rankings<sup>5</sup>; (2) the decline in the birth rate already permanently located below the replacement level<sup>6</sup>; (3) the rise of the part of the elderly population, which transforms Italy, together with Japan, in the oldest country in the world<sup>7</sup>; (4) the dramatic increase in income inequality, which threatens the foundations of civil society and economic growth of the Bel Paese; (5) the return of a phenomenon which we thought now disappeared, the cd. “long range

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economy and of a society to retain function, employment and prosperity in the face of the perturbation caused by a shock”. For an exhaustive analysis of resilience as a key concept used in the socio-ecological systems literature, see T. Greenham, J. Ryan-Collins and E. Cox, *Mapping Economic Resilience: Literature review*, Friends Provident Foundation, York, UK, 2013.

<sup>5</sup> According to the latest estimates by the World Health Organization, referring to the year 2012, among all countries of the world, the Bel Paese ranks fifth with regard to women (with a value of 85 years, while Japan is first with 87) and seventh for men (80,2 years, while Iceland is in first place with 81,2). See World Health Organization, *World Health Statistics 2014. Large gains in life expectancy*, Geneva, May 15, 2014.

<sup>6</sup> In 2013 they were registered at the Registry Office 514,308 newborns, almost 20,000 fewer than in 2012. The figure confirms that a new phase of the falling birth rate is currently underway: more than 62,000 births less compared to before, starting since 2008. Cf. Istat, *Natalità e fecondità della popolazione residente. Anno 2013*, November 27, 2014.

<sup>7</sup> At 1<sup>st</sup> January 2013, within the resident population, for every 100 young people under 15 years there are about 151,4 people aged 65 and more than. Cf. Istat, *Rapporto annuale 2014 - La situazione del Paese*, May 28, 2014, Chap. 4, pp. 141-143.

commuting” and the emigration of young people with a high degree of education towards Central and Northern Italy and abroad<sup>8</sup>.

Considering these changes, by a critical review of the theoretical and empirical literature on the causes and effects of immigration, the paper attempts to demonstrate how out-migration can increase income inequalities, thus hindering economic growth and exacerbating regional disparities, while immigration can reduce income inequalities and mitigate economic imbalances, according to the hypothesis of *skilled immigration equalising*, formulated in 2008 by Kahanec and Zimmermann. The study also includes some empirical evidence and policy proposals for a profitable use of the the “potential equalising power of immigration”. From an analysis of the redistributive impact of internal immigration in Italy emerge useful suggestions to help policy makers and lawgivers in the management of migratory phenomena and the restyling of tax-benefit systems to correct their redistributive effects.

The remainder of this paper is structured as follows. Section 2 provides an synthetic overview of the international debate on the fiscal impact of immigration for the destination countries of migration flows. Section 3 explains how income inequality may influence the decision to migrate and, therefore, addresses the issue of the determinants of migration. Section 4 reviews the empirical literature on the relationship between migration and income inequality. Section 5 shows how immigration can have an equalising power and work as an effective tool of redistribution. In particular, Section 5.1 illustrates the theoretical and empirical models on the possible interactions between economic inequality, the quality of the labor force and international migration, while Section 5.2 presents an econometric analysis, referred to the Italian case, of the effects of internal migration on regional disparities and income inequality. Section 6 concludes and provides some policy suggestions to help policy makers and

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<sup>8</sup> Cf. Svimez, *Rapporto sull'economia del Mezzogiorno*, Il Mulino, Bologna, 2014, 106-124.

lawgivers in the management of (internal and international) migration, using national welfare models and tax systems to create and improve social cohesion and to reduce inequality.

## 2. The international debate on the fiscal impact of immigration

The phenomenon of migration has been studied in depth by researchers from various disciplines (geographers, demographers, sociologists, economists, lawyers), both from a theoretical and empirical point of view. In the economic field, numerous studies have analysed its causes, categorisations and effects, especially those brought about on the labour market, on public finances and on the economic growth process<sup>9</sup>.

The international debate on the fiscal impact of immigration is very interesting, but it is also strongly being influenced by political opinions and the research methodologies adopted. Economists, in particular, overwhelmingly admit the economic gains of immigration, but are less certain about immigrants' impact on government budgets, because the debate over this issue is fueled by the numerous methodologies and complexity of analysis that obscure the fiscal costs of immigration.

An important contribution on this topic was written in 2008 by Robert Rowthorn. It is entitled *The fiscal impact of immigration on the advanced economies*<sup>10</sup>. According to this scholar, the fiscal impact of immigrants (defined as the ratio between the relative costs and benefits) in the USA and Europe is

<sup>9</sup> For a broad review of these studies and the frontier issues related to the so-called *Immigration Economics*, see: O.B. Bodvarsson and H. Van Den Berg, *The Economics of Immigration: Theory and Policy*, Springer, New York and Heidelberg, 2009 and 2013 editions; P. Nijkamp, J. Poot and M. Sahin, *Migration Impact Assessment: New Horizons*, Edward Elgar, Cheltenham, 2012, A.F. Constant and K.F. Zimmermann, *International Handbook On The Economics Of Migration*, Edward Elgar, Cheltenham, UK, and Northampton, USA, 2013; G.J. Borjas, *Immigration Economics*, Princeton University Press, Princeton, NJ, USA, 2014.

<sup>10</sup> See R. Rowthorn, *The fiscal impact of immigration on the advanced economies*, in *Oxf. Rev. Econ. Policy*, 24 (3), 2008, 560-580.

often modest and has a small dimension, it is always included within +/- 1% of the GDP in each country.

From then to now, the number of studies on this issue has hugely increased. Among the most significant contributions we must mention the book *Exceptional People: How Migration Shaped Our World and Will Define Our Future*, written by Ian Goldin, Geoffrey Cameron and Meera Balarajan in 2011<sup>11</sup>. They note that, while the fiscal burden of migrants is marginal at the national level, its concentration in a particular region or local area can cause serious difficulties to certain local governments. They refer to some places in the UK, where the concentration of immigrants is much higher than the national 9.3% (Slough 24%, Leicester 23%, Luton 19,6%, Oxford 19,3%, etc.). These local governments will benefit from the effects of immigration in the long term, but it seems that in the short term they will experience situations of congestion and difficulties in the delivery of services. Other studies carried out in the USA confirm this analysis. This means that the management of the fiscal impact of immigration could require the redistribution of its tax benefits and the redirection of them to the local authorities most affected by this phenomenon.

There is then another important research which deserves to be counted. It was written by Christian Dustmann and Tommaso Frattini in 2013<sup>12</sup> and shows that the contribution of immigrants to the tax system of the destination

<sup>11</sup> See I. Goldin, G. Cameron and M. Balarajan, *Exceptional People: How Migration Shaped Our World and Will Define Our Future*, Princeton University Press, Princeton, NJ, 2011.

<sup>12</sup> See C. Dustmann and T. Frattini, *The Fiscal Effects of Immigration to the UK*, in *Econ. J.*, 124(580), November 2014, F593–F643. According to the findings published in this study, between 2001 and 2011, the recent migratory flows from the European Economic Area countries contributed to the UK fiscal system 34% more than they took out, with a net fiscal contribution of about 22.1 billion GBP. At the same time recent immigrants from non-EEA countries made a net fiscal contribution of 2.9 billion GBP, thus paying in the system about 2% more than they took out. In contrast, over the same period, natives' fiscal payments amounted to 89% of the amount of transfers they received, or an overall negative fiscal contribution of 624.1 billion GBP. The net fiscal balance of overall immigration to the UK between 2001 and 2011 amounts therefore to a positive net contribution of about 25 billion GBP, over a period over which the UK has run an overall budget deficit.

countries of migration flows can be “consistently positive and astonishingly strong”. The analysis carried by these scholars clearly suggests, in fact, that – rather than being a drain on the UK’s fiscal system – immigrants arriving since the early 2000s have made substantial net contributions to its public finances. It is a reality that contrasts starkly with the view often maintained in public debate.

A set of very interesting studies also concerns the Italian case. It appears to fall easily within the coordinates given by Rowthorn: the difference between costs and benefits of immigration is small in size, but positive. The most important study on the costs and benefits of immigration in Italy has been written by Benvenuti and Stuppini in 2012<sup>13</sup> and utilises two different methods to calculate the fiscal impact of immigration:

a) applying the standard cost method<sup>14</sup>, the total government revenue is equal approximately to 13 billion Euros, while the estimated amount of the total expenses is equal to 11 billion Euros; consequently, the difference between the revenue and the expenditure, which is positive and amounts to 1.9 billion Euros;

b) introducing an estimation method more appropriate to the case of immigrant users, namely the marginal cost method, they found that the difference between the revenue and the expenditure is again positive and amounts to 2 billion Euros.

Finally, an important contribution to the study of this issue has been provided by the OECD in some recent studies on the effects of international migration<sup>15</sup>.

<sup>13</sup> See V. Benvenuti and A. Stuppini, *L'impatto fiscale dell'immigrazione nel 2010*, in Caritas, *Migrantes, XXII Dossier Statistico Immigrazione 2012*, Idos edizioni, Roma, 2012, 294-300.

<sup>14</sup> The authors of this study, applying the standard cost method, merely divide the total cost by the number of public service users (of the services affected by the phenomenon) and get the average per capita expenditure, referring to a particular fiscal year. It is, therefore, a “cross section” analysis. However, they also utilize another estimation method, arguing that in the case of immigrant users it is more appropriate to use the notion of additional spending, namely the notion of the marginal cost to be incurred to extend/enhance the staff, the capital goods and the facilities used for the provision of services which already exist.

<sup>15</sup> See, in particular, Oecd, *International Migration Outlook 2013*, Oecd Publishing, Paris, France, 2013, 125–189.

These studies provide a first-time comparative analysis of the fiscal impact of immigration in OECD countries, using data for all European OECD countries, as well as Australia, Canada and the United States. They also include a comprehensive overview of the literature and the methodological issues involved in estimating the fiscal impact of migration. The results obtained in these studies show that, depending on the assumptions made and the methodology used, the fiscal impact of immigration vary, although in most countries it tends to be small in terms of GDP and is around zero on average across OECD countries. In particular, the OECD researchers, supported by sufficient empirical evidence, found that:

1) immigrants tend to have a less favourable net fiscal position than the native-born, but this is almost exclusively driven by the fact that immigrant households contribute on average less in terms of taxes and social security contributions than the native-born and not by a higher dependence on benefits;

2) employment is the single most important determinant of migrants' net fiscal balance, particularly in countries with comprehensive social protection systems; as a rule, differences in the composition of the migrant population by migration category (labour, family, humanitarian) account for a large part of the cross-country variation of migrants' fiscal position relative to that of the native-born; in particular, there is a strong impact of the age of immigrants on their net fiscal position; immigrants' age profile is an important factor in explaining cross-country differences in immigrants' net fiscal position, and age at arrival is a key element in determining the net present value of immigrants' discounted future net direct fiscal contributions.

In any case, however, I have to make a few brief observations about the methodologies of analysis applied generally to study the effects of immigration on public finance. The assessment of the fiscal impact of immigration is an operation which requires the acquisition of many numerical data, such as the

number of workers, the amount of taxes paid by native taxpayers, the structure of the public budget, the resources designated for foreign-born users, the tax revenues deriving from the activities of immigrants, the public grants provided for them. From these data we can obtain estimates that will attempt to describe on which side stops the needle of the public scale, that is, they will allow us to verify whether the income taxes paid by immigrants in a country are below or greater than the outgoing cash flows destined for the migrant population. This procedure, strictly numerical, however, does not consider non-monetary benefits or disadvantages, which we should include in this calculation (for example, the role played by the carers in supporting an insufficient public welfare; the role that many immigrants have in low-skilled jobs which would otherwise remain vacant; the feeling of discomfort that people can have in certain areas or deprived neighborhoods because of the massive presence of immigrants).

### **3. Income inequality as a determinant of migration**

The economic literature on the cross-border migration has studied not only the effects of this phenomenon on both the origin and on the host countries, but also two other very relevant issues: “why migrate” and “who migrate”. This literature, therefore, dealt mainly with the determinants of migration and it can be divided into three categories, each corresponding to a particular motive for migration. In this way, we have:

- 1) the so-called “human capital approach”, which considers the migrant as a supplier of his/her factor services or, effectively, a maximising investor in his/her human capital;
- 2) the “consumption approach”, according to which the migrant is a consumer of amenities and public goods;
- 3) the “household production approach”, which see the migrant as a producer of his/her own household goods and services. This latter is merely an

application of the human capital approach.

However, the modern analysis of the migration decision began with John Hicks, when he argued that "... differences in net economic advantages, chiefly differences in wages, are the main causes of migration"<sup>16</sup>. This sentence is the starting-point of all modern analysis of the decision on migrating and considers migration as an investment decision. Since labor income is a return to human capital, migration is effectively an investment in one's human capital. As Becker assumes, the people invest in their skills in order to maximise the net present value of future earnings<sup>17</sup>. This assumption is common to the economic models which want to see a connection between migration and investment in human capital, such as the model proposed by Shields and Shields in 1989<sup>18</sup> and by Sjaastad in 1962<sup>19</sup>, which are the first models which took into account this connection.

Sjaastad argued that a prospective migrant calculates the value of the opportunity available in the market at each alternative destination relative to the value of the opportunity available in the market at the point of origin, subtracts away the costs of moving (assumed to be proportional to migration distance), and chooses the destination which maximises the present value of lifetime earnings. A key feature of Sjaastad's model is that nonmonetary benefits of migration (such as better climate and recreational opportunities, a desirable social, political, or religious environment, or more desirable quantities of public goods, available at the destination) are not counted in migration returns. According to Sjaastad, in fact, spatial differences in these factors are already accounted for by spatial differences in living costs. However, this model

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<sup>16</sup> J. Hicks, *The theory of wages*, Macmillan, London, 1932.

<sup>17</sup> G. Becker, *Human capital*, 2<sup>nd</sup> edition, University of Chicago Press, Chicago, 1975.

<sup>18</sup> G. Shields and M. Shields, *The emergence of migration theory and a suggested new direction*, in *J. Econ. Surv.*, 3, 1989, 277–304.

<sup>19</sup> L. Sjaastad, *The costs and returns of human migration*, in *J. Polit. Econ.*, 70, 1962, 80-93.

assumes also that the probability of a migrant finding employment in the destination is 100 %.

Beginning with Todaro and Harris, in the 70s, many development economists have pointed out that this assumption is very unrealistic for cases involving internal rural-to-urban migration in developing countries. For this reason, these scholars developed further Sjaastad's ideas, taking into account the probability of obtaining work in the modern urban sector. Their extended version of the Sjaastad model is more realistic, but not enough.

More advanced models consider much other adjunctive assumptions and variables, even the degree of income inequality in the source and in the destination countries and, moreover, the distribution of human capital among workers again in the source and in the destination countries.

Among these, the most famous model is that which was proposed by George Borjas in 1987<sup>20</sup>. The simplest version of this model assumes that:

- a) migration is an irreversible "yes/no" decision;
- b) there is just one destination country;
- c) the source and destination countries have different earning distributions, which reflect differences in earning opportunities available to a would-be migrant;
- d) country differences in earning distributions are not due to differences in skill distributions (which are assumed to be the same), but to differences in markets and policies;
- e) a person's earnings in either country are equal to the mean earnings in that country plus a random variable.

In his model, a person's earnings in his/her home country are expressed by the following mathematical formula:

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<sup>20</sup> G.J. Borjas, *Self-selection and the earnings of immigrants*, in *Am. Econ. Rev.*, 77, 1987, 531-553.

$$\ln(w_0) = \mu_0 + \varepsilon_0, \quad [1]$$

where  $\mu_0$  is the mean income home country residents would earn if they stayed at home and  $\varepsilon_0$  is the random variable mentioned above, which is uncorrelated with  $\mu$ , with a mean of 0 and a variance of  $\sigma$  squared.

Instead, a migrant's earnings in the destination country are expressed in this way:

$$\ln(w_1) = \mu_1 + \varepsilon_1, \quad [2]$$

where  $\mu_1$  is the mean income home country residents would earn if they all migrated to the destination country, while  $\varepsilon_1$  is a random variable with the same assumptions as for  $\varepsilon_0$  above. The random variable,  $\varepsilon$ , allows to take into consideration the income inequality in the source and destination countries through the variance terms  $\sigma_0^2$  and  $\sigma_1^2$ .

Moreover, in order to incorporate skill transferability across borders, Borjas assumes that the random variables  $\varepsilon_0$  and  $\varepsilon_1$  have a correlation coefficient of  $\rho$ . A value of  $\rho$  that is positive and close to unity indicates that skills are easily transferable across borders and a person who earns relatively well (poorly) in the home country is highly likely to earn relatively well (poorly) in the destination country. One would expect that the earnings correlation between home and destination countries will be positive and high if the labor markets, levels of development, industrial structures and quality of schools, for example, are similar.

Taking into consideration the migration costs and utilising logs, Borjas shows that the decision of migrating depends on coming true the condition written below:

$$w_1 > w_0 + C, \quad [3]$$

where  $w_1$  are the earnings in the destination country,  $w_0$  are the earnings in the home country and  $C$  are the migration costs.

In this way, utilising  $\pi$  as a “time equivalent” measure of the migration costs,  $\mu_0$  as the mean income home country residents would earn if they stayed at home,  $\varepsilon_0$  as a random variable, uncorrelated with  $\mu_0$ , with a mean of 0 and a variance of  $\sigma_0^2$ ,  $\mu_1$  as the mean income home country residents would earn if they all migrated to the destination country and  $\varepsilon_1$  as a random variable with the same assumptions as for  $\varepsilon_0$  above, we can again write that condition in a more advanced version, in order to take into account the inequalities of income (in the source and in the destination countries) and the reward which the migrants can receive for their particular skills:

$$I = (\mu_1 - \mu_0 - \pi) + (\varepsilon_1 - \varepsilon_0) > 0 \Rightarrow (\varepsilon_1 - \varepsilon_0) > -(\mu_1 - \mu_0 - \pi) \quad [4]$$

Using this theoretical model, he concludes that a more unequal income distribution in the sending country will have a negative impact on the skills mix of migrants in the host country (i.e., negative self-selection). Provided there is negative self-selection, a second prediction of Borjas’ model is that a higher income inequality in the origin country will lead to lower emigration rates.

Subsequently, in a more advanced model, Borjas considered also the so-called “welfare magnets hypothesis”<sup>21</sup>, namely the possibility that the location choices made by immigrants are influenced by the interstate dispersion in welfare benefits and by the generosity of welfare systems. This hypothesis is based on the assumption that the immigrants aim at maximising their proper income and are attracted by the countries with generous welfare systems. This assumption implies that foreign-born welfare recipients, unlike their native-born counterparts, may be clustered in the states that offer the highest benefits.

Studies done so far reveal, however, a tendencial contradiction between theory and empirical evidence.

<sup>21</sup> G.J. Borjas, *Immigration and Welfare Magnets*, in *J. Labor Econ.*, 17(4), 1999, 607-637.

For example, Chiswick<sup>22</sup> and Chiquiar and Hanson<sup>23</sup> have questioned the Borjas' prediction that higher income inequality in the source country should lead to negative self-selection. They argue, instead, that positive self-selection could even occur in countries with high inequality if migration costs are lower for the highly-skilled. Moreover, with regard to the welfare magnets hypothesis (that is the assumption of a major propensity by immigrants to move to countries with generous welfare systems), even if the economic literature argues that the supply of the highest benefits and the most efficient services by the welfare system affects the number, the type and the localisation of immigrants, the empirical evidence is rather contradictory<sup>24</sup>.

Although the studies done so far reveal a tendencial contradiction between theory and empirical evidence, these economic models are very interesting because they enables us to understand that income inequalities can influence the decision to migrate and that how this decision is affected by the degree of generosity of welfare systems.

It is important to be aware of the existence of this relationship, as we live in an age in which inequalities are significantly increasing and, therefore, we must necessarily find, as soon as possible, the most appropriate tools to mitigate them.

#### **4. The effects of migration on income inequality**

With regard to the effects of the immigration, economic literature has shown that it allows a more efficient allocation of resources and, in this way, an improvement of the social welfare. This improvement, however, has often been

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<sup>22</sup> B. Chiswick, *Are Immigrants Favorably Self-Selected?*, in *Am. Econ. Rev.*, 89 (2), 1999, 181-185.

<sup>23</sup> D. Chiquiar and G. Hanson, *International Migration, Self-Selection, And the Distribution of Wages: Evidence from Mexico and the United States*, NBER Working Paper No. 9242, 2002.

<sup>24</sup> See for all C. Giulietti, *The welfare magnet hypothesis and the welfare take-up of migrants. Welfare benefits are not a key determinant of migration*, in *IZA WoL*, 37, June 2014.

considered insignificant or, otherwise, of very small scale. For this reason, the economic debate has focused on issues which concern principally the redistributive impact of immigration, rather than its allocative efficiency.

A significant part of the literature has focused on the relationship between the mobility of the production factor labour and the inequalities in the income and wealth distribution. In fact, it is generally accepted that the migratory phenomenon is closely connected to the issues of inequality, considered in its widest meaning<sup>25</sup>. Consequently, a remarkable amount of studies have examined these kinds of effect, focusing their attention on several types of migration and inequality<sup>26</sup>.

Some of these studies have mainly analysed the impact of out-migration from the source rural areas of poor or developing countries on various measures of inequality and concluded<sup>27</sup> that rural-urban migration often works as a “rebalancing force which equalises the expected wages of urban and rural areas”. This would occur, according to the famous model of Harris and Todaro<sup>28</sup>, because the expected income gaps between urban and rural areas are one of the reasons (determinants) why the decision to migrate is made. Subsequent

<sup>25</sup> A review of the economic studies on the multidimensional nature of inequality and poverty is contained in a recent research by the Bank of Italy by R. Aaberge and A. Brandolini, *Multidimensional poverty and inequality*, in *Temi di discussione (Economic Working Papers)*, 976, September, 2014. For a broad study on the socio-cultural aspects of the various kinds of inequality, see G. Therborn, *The Killing Fields of Inequality*, Polity Press, Cambridge, UK, 2013.

<sup>26</sup> A collection of case studies on the particular kinds of relationships which can be found between migratory phenomena and inequalities is contained in the World Development Report written by R. Black, C. Natali and J. Skinner, *Migration and Inequality*, World Bank, Washington, DC, 2005.

<sup>27</sup> M.P. Todaro, *An Analysis of Industrialization Employment and Unemployment in Less Developed Countries*, in *Yale Econ. Essays*, Autumn 1968; ID., *A Model of Labor Migration and Urban Unemployment in Less Developed Countries*, in *Am. Econ. Rev.*, March 1969, 138-148; ID., *Education and Rural-Urban Migration: Theoretical Constructs and Empirical Evidence from Kenya*, paper presented at the Conference on *Urban Unemployment in Africa*, Institute for Development Studies, Sussex University, September 1971; J. Harris and M.P. Todaro, *Migration, Unemployment & Development: A Two-Sector Analysis*, in *Am. Econ. Rev.*, 60(1), 1970, 126-42; G.E. Johnson, *The Structure of Rural-Urban Migration Models*, in *Eastern Africa Econ. Rev.*, 1971, 21-28.

<sup>28</sup> See J. Harris and M.P. Todaro, *Migration, Unemployment & Development: A Two-Sector Analysis*, op.cit..

studies<sup>29</sup> have shown, in fact, that income inequality is a leading cause for rural-urban migration<sup>30</sup> and that it is in turn influenced by migration flows towards the cities (*townward emigration*), as well as by their “after-effects” (remittances and so-called “return migration”). Regarding this issue, Lipton’s analysis relating primarily, but not exclusively, to the urban and rural areas of India is particularly enlightening. It shows that these phenomena can result in an increase in inequality among individuals and among families within and among villages.

Thereafter, additional studies have in many cases confirmed Lipton’s theories, but many others have also led to different conclusions<sup>31</sup>. One of the reasons for these differences is due to the diversity in the research methodologies adopted (the specific economic issue which has been proposed, the statistical and econometric techniques utilised for estimating the income and the income distributions and so on). For example, if the remittances are considered as an exogenous variable, which is not affected by a retro-effect due to economic growth (which should be considered as determined by and, at the same time, a determinant of the remittances) the economic issue that we should consider is how they, totally or marginally, affect the income distribution observed in the source community of the migratory flow. However, if the remittances are considered as an endogenous variable and as a potential replacement of the household incomes in the source country, the economic issue which would arise would be based on the comparison between the observed distribution of income

<sup>29</sup> M. Lipton, *Migration from rural areas of poor countries: the impact on rural productivity and income distribution*, in *World Dev.*, 8, 1980, 1-24.

<sup>30</sup> Regarding this, other forms of inequalities could also be considered as determinants for this phenomenon. For example, the effect produced by the so-called “inequality of opportunities” cannot be underrated, as noted by J.E. Stiglitz, *Rural-Urban Migration, Surplus Labour, and the Relationship between Urban and Rural Wages*, in *East Afr. Econ. Rev.*, December, 1(2), 1969, 1-27, in his well-known work on rural-urban migration, labour supply and the wage gaps between the rural and urban sectors.

<sup>31</sup> Cf., among others, O. Stark, J.E. Taylor and S. Yitzhaki, *Remittances and Inequality*, in *Econ. J.*, 96, 1986, 722-40, and J.E. Taylor, *Remittances and inequality reconsidered: direct, indirect and intertemporal effects*, in *J. Policy Model.*, 14, 1992, 187-208, regarding this issue.

and the one that would be obtained if migration did not occur. A study on Nicaragua<sup>32</sup>, using both methods, suggests that, when the remittances are considered exogenous, they reduce income inequalities, whereas they contribute to the increase of income inequalities if they are considered an endogenous variable<sup>33</sup>.

Similarly, the numerous studies on the relationship between migration and income inequality in the destination countries have produced conflicting results. For example, Borjas, Freeman and Katz<sup>34</sup> have shown that the growth of unskilled migration may exacerbate the income gap between more educated native workers and those less educated (workers not qualified who have left school prematurely). Subsequent research has revealed, however, that this kind of analysis could be influenced by the features of the data set utilised<sup>35</sup> and that the impact of immigration on the income distribution in the country of destination could depend on the assumptions made by the researcher about the socio-economic characteristics of immigrants, the structure of the production system and the public policies adopted in the field of immigration and welfare<sup>36</sup>.

<sup>32</sup> B. Barham and S. Boucher, *Migration, Remittances, and Inequality: Estimating the Net Effects of Migration on Income Distribution*, in *J. Dev. Econ.*, 55, 1995, 307-31.

<sup>33</sup> For a more extensive analysis of the debate on remittances' social and economic impact, see H. De Haas, *International migration, remittances and development: Myths and facts*, in *Third World Q.*, 26(8), 2005, 1269-1284, ID., *Remittances and social development: A conceptual review of the literature*, Geneva, Unrisd, Social Policy and Development Programme Paper No. 34, 2007, E. Hernandez and S.B. Coutin, *Remitting subjects: migrants, money and states*, in *Econ. Soc.*, 35(2), 2006, 185-208, Oecd, *International Migration Outlook. Sopemi 2006 Edition*, Part III – *International Migrant Remittances and their Role in Development*, 2006, 167-199, and D. Ratha, *The impact of remittances on economic growth and poverty reduction*, Technical report, Migration Policy Institute, 2013.

<sup>34</sup> G.J. Borjas, R. Freeman and L. Katz, *On The Labor Market Effects of Immigration and Trade*, in G.J. Borjas and R. Freeman, *Immigration and the Work Force: Economic Consequences for the United States and Source Countries*, Chicago, University of Chicago Press., 1992, 213-44.

<sup>35</sup> G.J. Borjas, *The Economics of Immigration*, in *J. Econ. Lit.*, 32, December 1994, 1667-1717.

<sup>36</sup> B.R. Chiswick, *An Analysis of the Earnings and Employment of Asian-American Men*, in *J. Labor. Econ.*, University of Chicago Press, 1(2), 1983, 197-214, April; ID., *Jewish immigrant wages in America in 1909: An analysis of the dillingham commission data*, in *Explor. Econ. Hist.*, 29(3), 1992, 274-289, July; ID., *Hebrew language usage: Determinants and effects on earnings among immigrants in Israel*, in *J. Popul. Econ.*, 11(2), 1998, 253-271; B.R. Chiswick, C.U. Chiswick and G. Karras, *The*

Therefore, it is not inconceivable that immigration has a negligible or no impact on income inequality<sup>37</sup> or that it generates an equalising effect, namely a smoothing gaps effect, especially when the levels of education and professional experience of immigrants are very high<sup>38</sup>. Recent studies<sup>39</sup> show, for example, that immigration in Europe in the decade from 1990 to 2000 had a positive effect on the average wage of native workers, while the extent of wage losses determined by emigration was approximately equal to or greater than the gains generated by immigration. This phenomenon would have to convince all European governments to debate the causes and the effects of their significant emigration rates more seriously, especially those of their highly skilled professionals.

### 5. The immigration as a tool of redistribution

The studies mentioned in the previous section clearly show that migration flows, as alleged by Galbraith<sup>40</sup>, can work as an effective instrument of redistribution and could continue to play this role in the future. A conscious, and even strategic, management of these flows is possible and desirable<sup>41</sup>, especially observing the society's contemporary problems "through the prism of

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*impact of immigrants on the macroeconomy*, Carnegie-Rochester Conference Series on Public Policy, 37(1), December 1992, 279-316; J.B. Davies, I. Wooton, *Income Inequality and International Migration*, in *Econ. J.*, 102, 413, July 1992, 789-802.

<sup>37</sup> M.E. Enchautegui, *The Effects of Immigration on the Wages and Employment of Black Males*, Washington, The Urban Institute, 1993; D. Card, *Immigration and Inequality*, in *Am. Econ. Rev.*, 99(2), 2009, 1-21.

<sup>38</sup> See M. Kahanec and K.F. Zimmermann, *How skilled immigration may improve economic Equality*, in *IZA J. Migr.*, 3(2), 2014, 1-13. This article expands on and complements what is contained in an earlier chapter appeared in the Oxford Handbook on Economic Inequality (M. Kahanec and K.F. Zimmermann, *International Migration, Ethnicity and Economic Inequality*, in W. Salverda, B. Nolan and T.M. Smeeding, *Oxford Handbook on Economic Inequality*, Oxford University Press, 2009).

<sup>39</sup> F. Docquier, Ç. Özden and G. Peri, *The Wage Effects of Immigration and Emigration*, NBER Working Paper No. 16646, December 2010.

<sup>40</sup> J.K. Galbraith, *The Nature of Mass Poverty*, Harvard University Press, Cambridge, 1979.

<sup>41</sup> S. Castles, *Can Migration be an Instrument for Reducing Inequality?*, paper presented at the *International Metropolis Conference*, Melbourne, 8-12 October 2007.

the «government of life» with a particular focus on the population as one of the foremost sites within which efforts to regulate, administer and optimize life continue to unfold today<sup>42</sup>. We argue, however, that migration in itself would not resolve the issue of inequality. At most, it would shift this forward<sup>43</sup>, because redistribution through immigration does not exempt from previously creating a basic set of rules and institutions aimed at stimulating a major coordination and collaboration by governments, at international, national and local level, to change the present management systems of migration (in order to take into consideration the interests of migrants and their source countries and areas) and correct their redistributive effects (trying to extend to all the economic benefits and costs of migration).

Therefore, the need for additional in depth research on the economic and fiscal impact of migration and, in particular, on the effects produced by the latter on income inequalities and social mobility has become evident, especially in the long run<sup>44</sup>. At the same time, the findings<sup>44</sup> of some recent studies on the economic consequences of international and internal immigration deserve a particular attention.

### 5.1. The potential equalising power of skilled immigration

Kahanec and Zimmermann have analysed, both from a theoretical and empirical point of view, the relationships between economic inequality, the quality of the labor force, and international migration in developed countries receiving inflows of migrants that vary across countries and over time in terms

<sup>42</sup> K. Villadsen and A. Wahlberg, *The government of life: managing populations, health and scarcity*, in *Econ. Soc.*, 44(1), 2015, 1-17.

<sup>43</sup> See T. Piketty, *Le capital au XXI<sup>e</sup> siècle*, Edition du Seuil, 2013.

<sup>44</sup> A successful attempt in this direction has been made recently by Piketty. See T. Piketty, *Le capital au XXI<sup>e</sup> siècle*, op.cit.. For an interesting critical review of the proposals put forward by Piketty to reduce income inequality and promote social mobility, see R. Targetti Lenti, *Crescita e disuguaglianza nel lungo periodo. L'analisi di Thomas Piketty*, in *Riv. dir. fin.*, 73(4), 2014, 507-532.

of their skill composition<sup>45</sup>. They have developed a simple theoretical model that links inequality as measured by the Gini coefficient and the share of skilled workers in the labour force. Their theory «predicts that inequality is decreasing in labor force quality for advanced economies under standard conditions. This effect is mainly a consequence of the standard economic law of diminishing marginal product of production factors: as the share of skilled workers in the economy increases, its value decreases and thus also the wage differential between high and low skilled labor decreases». In their theoretical model, migration affects inequality in the economy of the receiving country as it changes the composition of the labour force. In particular, inflows of workers with average skill level above that of the receiving country decrease inequality, and the opposite holds for low-skilled immigration.

Kahanec and Zimmermann have also provided an empirical evidence on the aforementioned link between inequality, labour force quality, and migration and have established some stylised facts about these relationships. First of all, they have investigated the relationship between inequality and labour force quality using data on education, labor force characteristics and other national indicators from the OECD Statistical Compendium 2007 combined with the Gini measures reported in the World Income Inequality Database, compiled by the WIDER institute at the United Nations University and published in May 2007. As a second step of their analysis strategy, they have studied the overall relationship between the share of immigrants in the labour force and its quality. Therefore, they have studied the relationship investigated using a recursive econometric specification of the following type:

$$G = f_1(S, X) + \mu_G \quad [5]$$

$$S = f_2(F, Z) + \mu_S \quad [6]$$

<sup>45</sup> See M. Kahanec and K.F. Zimmermann, opere citate in prec..

where  $G$  stands for inequality measured as the Gini coefficient,  $S$  is the share of skilled labor force as in our theoretical model, and  $F$  is the share of foreigners in the labor force measuring migration.  $X$  and  $Z$  are vectors of contextual variables, and  $\mu_G$  and  $\mu_S$  are error terms.

In this way, Equation (2) captures the derived trade-off between inequality and educational attainment, while Equation (3) measures the optimal relationship between the share of skilled workers in an economy and the share of foreign labor of total employment resulting from the standard firm optimization principle.

Through the estimation of this model Kahanec and Zimmermann have thus come to the following conclusions:

- 1) the relationship between inequality and the quality of the labor force is predominantly negative for about 80% of the observations in case of post-secondary or higher education and for about 60% in case of upper secondary or higher education;
- 2) the share of foreigners in the labor force and its quality as measured by educational attainment are strongly positively associated;
- 3) the observed negative relationship between labor force quality and inequality implies that immigration is negatively associated with inequality.

In conclusion, the analysis conducted by these two scholars suggests that immigration of skilled workers shows a great potential in reducing inequalities in destination countries of migration flows. These findings cannot be underestimated, especially in light of:

- the latest data on the size of internal migration and current demographic trends, which testify that the Mezzogiorno (the poorest areas of Southern Italy) has now become an area subject “to a high risk of human and industrial

desertification” and more and more dependent on the rest of the country<sup>46</sup>;

- the most recent economic studies on income inequality, which clearly show how it has a negative and statistically significant impact on medium-term growth<sup>47</sup>;

- the policy indications that can be drawn from the most recent empirical evidence on the impact of migration on the labour market, which show how “more mobility within Europe and in particular within the euro area would improve the European-wide labour market, and that means the economy too”<sup>48</sup>.

## 5.2. Internal migration and income inequality in Italian regions from 2004 to 2012

Some of the most important issues which have characterized the economic debate in Italy in recent years – especially since the outset of the economic crisis – concern the trend of unemployment, income inequality and international migration. However, little attention has been devoted to domestic migration both by public opinion both by scholars. The interest on the issue comes on and goes off, periodically, in a twinkling of a lashes. Nevertheless, the study of internal migration can be an important and useful access key to understanding many social and economic phenomena.

Trying to fill this knowledge gap, recent studies<sup>49</sup> have addressed the above-

<sup>46</sup> Svimez, op.cit., pp. 106-124.

<sup>47</sup> F. Cingano, *Trends in Income Inequality and Its Impact on Economic Growth*, Oecd-Sem Working Paper No. 163, Oecd Publishing, Paris, 2014; OECD (2011), *Divided We Stand: Why Inequality Keeps Rising*, Oecd Publishing, Paris, 2011; ID., *Rising Inequality: Youth and Poor Fall Further Behind - Income Inequality Update*, Oecd Publishing, Paris, 2014; ID., *Focus on Top Incomes and Taxation in Oecd Countries: Was the Crisis a Game Changer?*, Oecd Publishing, Paris, 2014; ID., *Focus on Inequality and Growth*, Oecd Publishing, Paris, 2014; J.E. Stiglitz, *The Price of Inequality. How Today's Divided Society Endangers Our Futures*, W.W. Norton, New York, 2012.

<sup>48</sup> J. Jauer, T. Liebig, J.P. Martin and P. Puhani, *Migration as an adjustment mechanism in the crisis? A comparison of Europe and the United States*, Oecd Social, Employment And Migration Working Paper No. 155, Oecd Publishing, Paris, 2014.

<sup>49</sup> See N. Panichella, *La mobilità territoriale dei laureati italiani: vincoli, strategie e opportunità*, in *Polis*, 23(2), 2009, 221-246; ID., *Le migrazioni interne nel secolo scorso: vecchie e nuove migrazioni a*

mentioned relevant issue, focusing their attention on the regional impact of internal migration. Following the theories illustrated in the previous pages, some scholars have also attempted to demonstrate, with reference to the Italian case, the hypothesis of *skilled immigration equalising* formulated by Kahanec and Zimmermann. In particular, through an econometric analysis of panel data Ferrara, Liotti and Villani<sup>50</sup> have tried to verify whether immigration can have positive redistributive effects on regional income inequality. Their choice to use single-country data at a regional level, to determine the direction of the effect of immigration on income inequality, is dictated by the analysis strategy adopted. The aim of their analysis is, in fact, to find a way to demonstrate the relationship between immigration and income inequality which is not affected by the flaw invalidating the majority of the studies done so far on this theme: the results of studies carried out so far depend very often on the estimation methods and the quality of the data used, on the examined sample coverage, but especially on the differences in economic, social and institutional characteristics of countries.

Ferrara, Liotti and Villani have intended to analyse the relationship between the abovementioned variables at the pre-crisis time and the changes which it has suffered in the post-crisis period. Therefore, also the choice of the time period on which their research is focused (2004-2012) is not random.

They have estimated two econometric models for panel data: the first is a fixed effect model, as it takes into consideration the error term as correlated to the regressors (equation 7); the second, instead, is a random effect model, as it

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*confronto*, in *Stato mer.*, 95(2), 2012, 255-281; ID., *Migration strategies and occupational outcomes of southern Italian graduates*, in *J. Mod. Ital. Stud.*, 18(1), 2013; 72-89; ID., *Meridionali al Nord. Migrazioni interne e società italiana dal dopoguerra ad oggi*, Il Mulino, Bologna, 2014; G. Kaya, *Internal Migration and its Effects in one of the Underdeveloped Regions of Turkey (The Sample of Adiyaman)*, in *Int. J. Humanit. Soc. Sci.*, 5(3), March 2015, 71-80; A.T. Akarca and A. Tansel, *Impact of internal migration on political participation in Turkey*, in *IZA J. Migr.*, 4(1), 2015.

<sup>50</sup> See L. Ferrara, G. Liotti and S. Villani, *How Immigration Can Reduce Income Inequalities and Mitigate Economic Imbalances: The Italian Case*, forthcoming in *J. Gen. Soc. Issues*, 2015; G. Liotti and S. Villani, *The Equalising Power of Internal Immigration and the Desertification Process of Southern Italy*, forthcoming in *Studi Econ.*, 114(3), 2014.

assumes that the former element is not correlated to the second ones (equation 8).

$$Gini_{i,t} = \alpha_i + \beta Un_{i,t-1} + \delta MB_{i,t-1} + u_{i,t} [7]$$

$$Gini_{i,t} = \alpha + \beta Un_{i,t-1} + \delta MB_{i,t-1} + u_{i,t} + \varepsilon_i [8]$$

where the *Gini* index, the dependent variable, is used to measure the degree of income inequality existing within individual regions, *Un* is the regional unemployment rate, while *MB* is the migration balance, which is calculated as the difference between the number of people entering and leaving a specific region, divided by its population. The sign of the migration balance can be positive, negative or null, depending upon whether in the region *i* the number of immigrants is, respectively, higher, lower or equal to the number of emigrants. The letters subscripted indicate the region (*i*) and year (*t*) to which the data collected are referred. In both equations there is a lag, as in the study quoted it is assumed that the unemployment rate and migration balance at time *t* – 1 affect the Gini coefficient at *t* time<sup>51</sup>.

The final results obtained by Ferrara, Liotti and Villani are deserving of interest. They reveal that the relationship between migration balance and income inequality is negative (cf. Table 1). This means that a positive migration balance (number of immigrants greater than emigrants) reduces the regional Gini coefficient. The result does not change regardless of the period we consider, pre- (2004-2008) or post-crisis (2008-2012). The above mentioned relationship is always negative and significant. The migration balance coefficient is higher in the post-crisis period, and the *R*<sup>2</sup> (the number that indicates how well data fit a statistical model) is very high for the whole period and for both sub-periods in

<sup>51</sup>The introduction of a lag for each of the explained variables allows also to overcome the so-called “causality problem”, which occurs typically in regression analyses when it is unclear whether X causes Y or Y causes X. For more details about the exam of robustness of the estimation results, see G. Liotti and S. Villani, *The Equalising Power of Internal Immigration and the Desertification Process of Southern Italy*, op.cit..

which the former was broken down.

**Table 1**

*Impact of MB and Unemployment on regional Gini coefficient*

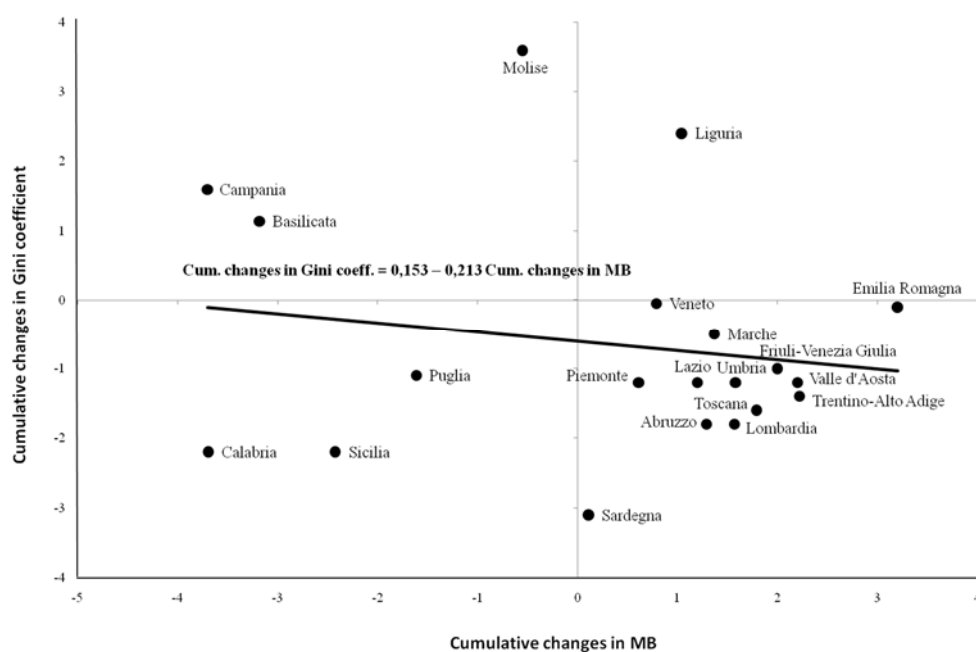
Dependent variable: Gini coefficient			
	2004-2012	2004-2008	2008-2012
Unemployment	0.348*** (0.123)	0.390*** (0.052)	0.345*** (0.260)
Migration Balance	-1.923*** (0.440)	-1.223*** (0.821)	-2.332*** (0.533)
Constant	24.660*** (0.164)	24.61*** (0.569)	24.410*** (0.280)
R-squared	0.5069	0.5813	0.4791
Discr/Kraay	Yes	Yes	Yes
Observation	180	80	100

Source: G. LIOTTI and S. VILLANI, *The Equalising Power of Internal Immigration and the Desertification Process of Southern Italy*, forthcoming in *Studi Econ.*, 114(3), 2014.

The negative relationship between migration balance and income inequality seems to be systematic for almost all Northern regions, except for Liguria (see Figure 1). For Southern ones, a positive relationship is detected for Basilicata, Campania and Molise (although for this last region the value of the increase in the Gini coefficient is very high), conversely, for Puglia, Calabria and Sicilia it is not consistent. It is very likely that for these three regions of Southern Italy, there are other factors which have affected the variation in the Gini coefficient. For example, it is possible that the economic crisis has produced a reduction in the income for both the upper and the middle classes. This situation could be determined by a reduction in the Gini coefficient within a generalised poverty situation.

**Figure 1**

*Changes in Gini coefficient and Cumulative MB between 2006 and 2011*



Source: G. LIOTTI and S. VILLANI, *The Equalising Power of Internal Immigration and the Desertification Process of Southern Italy*, forthcoming in *Studi Econ.*, 114(3), 2014.

The econometric analysis carried out by Ferrara, Liotti and Villani shows how the new internal migration of the resident population from the South to the Centre and the North of Italy has a substantially equalising effect, since it reduces income inequality within destination regions, the richest, and helps to increase the latter in the poorest source regions. This result most likely depends on the characteristics which distinguish this new wave of migration towards Central and Northern Italy<sup>52</sup>. In addition to the changes in the areas of departure and destination flows, in fact, the most important factor of discontinuity, typically related to this “new” internal migration, “seems to concern the degree of education of immigrants”<sup>53</sup>. The models utilised to study the characteristics of

<sup>52</sup> On the history of migration and the immigration policies in Italy, see O. Casacchia and S. Strozza, *Le migrazioni interne e internazionali in Italia dall'unità ad oggi: un quadro complessivo*, in L. Di Comite and A. Paterno, *Quelli di fuori. Dall'emigrazione all'immigrazione: il caso italiano*, FrancoAngeli, Milan, 2001, 50-88.

<sup>53</sup> N. Panichella, *Meridionali al Nord. Migrazioni interne e società italiana dal dopoguerra ad oggi*,

internal migrants and their changes over time confirm, in fact, “that Southerners who have decided to emigrate are on average more educated than the ones left in the Mezzogiorno”. It seems, in other words, that college graduates and high school graduates have a greater propensity to emigrate compared to those who did not obtain a diploma higher than middle school and that, therefore, there has been a process of “positive selection” of emigrants based on their educational level, very similar to that which is generally found in contemporary international migration<sup>54</sup>. This distinctive feature of the new movements of the resident population among the Italian regions was reported by most recent studies of demography and sociology<sup>55</sup> and is confirmed by the surveys done by Istat<sup>56</sup> and Svimez<sup>57</sup>. Some studies have shown, however, that skilled emigration is not a novel character of the new migration, but a structural character which has qualified the whole history of migration from the South to the Center and the North of Italy<sup>58</sup>. These studies contain extensive empirical evidence which proves how the propensity to emigrate of the most educated individuals is always the same, while the propensity of the less educated individuals and the less economically endowed to emigrate has changed. The alleged discontinuity with the past is connected, rather, to another aspect typically related to these new migrations. Currently, there are not enough data to prove it, but probably the

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2014, op.cit., 75-112.

<sup>54</sup> See B.R. Chiswick, *Are Immigrants Favorably Self-Selected?*, 1999, op.cit..

<sup>55</sup> See S. Cardinale, *Il brain-drain sud-nord in Italia dal 1990 ad oggi*, “Eunomia”, 1(2), 2012, 171-191, N. Panichella, *La mobilità territoriale dei laureati italiani: vincoli, strategie e opportunità*, 2009, op.cit., ID., *Le migrazioni interne nel secolo scorso: vecchie e nuove migrazioni a confronto*, 2012, op.cit., and ID., *Migration strategies and occupational outcomes of southern Italian graduates*, 2013, op.cit..

<sup>56</sup> Istat, *Natalità e fecondità della popolazione residente. Anno 2013*, November 27, 2014, op.cit.; ID., *Rapporto annuale 2014 - La situazione del Paese*, May 28, 2014, op.cit..

<sup>57</sup> Cf. Svimez, op.cit., pp. 106-124.

<sup>58</sup> As argued in the past by F. Pica, *Problemi di equità e di benessere nella finanza locale*, in *Rass. Econ.*, 5, 1972, 1315-1335, and, more recently, by F. Laganà and A. Violante, *Rocco e i suoi eredi: permanenza e mutamento nelle migrazioni Sud-Nord*, in *Soc. Lav.*, 121, 2011, 30-50, E. Pugliese, *L'Italia tra migrazioni internazionali e migrazioni interne*, Il Mulino, Bologna, 2007, N. Panichella, *Le migrazioni interne nel secolo scorso: vecchie e nuove migrazioni a confronto*, 2012, op.cit., and ID., *Meridionali al Nord. Migrazioni interne e società italiana dal dopoguerra ad oggi*, 2014, op.cit..

average level of education of the Southerners emigrating to the Center-North is higher than the one of the residents of the destination zones. In the past, however, the average level of education of the Southerners who emigrated to the Center-North was lower than that of the people who welcomed them and this affected negatively not only the financial situation of local governments in Northern Italy but also the welfare of residents of the destination areas of migratory flows<sup>59</sup>.

The results obtained by Ferrara, Liotti and Villani depend very plausibly on this element of discontinuity that characterizes the new migrations in comparison to those of the past, a hypothesis which would find a solid foundation in the Kahanec and Zimmermann model mentioned above and which, in turn, allows to go back to the causes of the higher level and the increase in income inequality occurred in the Southern Italy during the years of the global economic crisis. The Table 2 shows clearly the level and variation of income inequality in the major Italian territorial divisions between 2008 and 2012.

**Table 2**

*Level and variation of income inequality in the major Italian territorial divisions between 2008 and 2012*

Territorial divisions	Gini index		Income inter-decile ratios	
	2008	2012	2008	2012
Mezzogiorno	32,4	33,2	4,2	4,8
Center-North	30,2	30,7	3,7	3,8
Italy	31,8	32,4	4,1	4,2
Among areas	6,9	7,1	-	-
Within the areas	18	18,4	-	-
Overlap	6,9	7	-	-

Source: SVIMEZ on data ISTAT, IT-SILC 2012.

<sup>59</sup> Cf. F. Pica, *Problemi di equità e di benessere nella finanza locale*, op.cit..

The statistical indices utilised to measure income inequality are the Gini index and the interdecile income ratio. The data resulting from the first two rows of the above mentioned Table reveal that, before and after the crisis, there was a slight change in the levels of income inequality in the Mezzogiorno, which is pointed out by an increase both in the Gini coefficient and in interdecile income ratio. There have not been, instead, significant changes in the rest of the country.

A relevant detail, moreover, cannot escape: if we assume that the Southerners who have decided to move to the Centre-North are not a representative sample of the Southern society, but only the most educated and equipped with skills, resources and motivations, it is highly likely that they will be also, on average, more educated and wealthier than the people that welcome them, or at least they will have a level of education and wealth that allows them to contribute more to the improvement of the economic performance – and therefore of the wealth – of the Central and Northern regions. At the present time we cannot be sure that our conjecture is true, because we do not have enough data to prove it. Therefore, we merely point out that such phenomenon cannot and should not be underestimated, because it can lead to an automatic increase of economic imbalances existing within the country. Furthermore, recent studies have shown that the migration of human capital can have a negative effect on the welfare and the economic growth of countries<sup>60</sup>. Underestimating this phenomenon means running the risk of consolidating and accelerating the aforementioned process of human and industrial desertification of the Mezzogiorno, as well as its degree of economic underdevelopment and dependence on the rest of the country<sup>61</sup>.

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<sup>60</sup> In this sense, cf. M. Lo Cicero, *Il Rapporto Svimez 2010 sull'economia del Mezzogiorno, cronache meridionali del ventunesimo secolo*, in *Ec. it.*, 2, 2010, at page 568 and the following pages.

<sup>61</sup> All this makes more and more evident, as repeatedly noted by a part of the literature, that our country has an urgent need for an effective taxation policy which really stimulates the economy and reduces regional imbalances. See R. Perrone Capano, *La ripresa non drogata dalla spesa*

## 6. Concluding remarks and policy proposals

The remarks made so far enable us to advance some operative proposals to learn how to face these kinds of problems and to prevent, in the specific Italian case here analyzed, the continuation of the described human and industrial desertification process of the Mezzogiorno.

First of all, it must be recognized that immigration is a phenomenon widely studied but still poorly understood. Surveys on income and consumption – which are the basis for the analysis of inequality and poverty – are based on samples in which immigrants are not adequately represented. However, if we do not lose heart due to these difficulties and explore in depth the relationship between economic inequality and migration, we could learn to better manage the migration flows and migration could actually produce gains, playing an important role in the reduction of the inequalities.

Nowadays governments should become aware of the fact that their boundaries are becoming less controllable and increasingly irrelevant due to different phenomena (the globalization, the international communication and cooperation; the proliferation of international trade agreements and the areas of free trade; the greater propensity of people to the mobility abroad, both for reasons of work or study, both for other reasons). In this scenario, the European Union should develop a more systematic approach to the issues of the border control and the rights of citizenship within the national welfare state models. It should have an approach less conditioned by the emergency and should make clear its identity and its role in the world. Each Member State of the Union should then realize a fundamental change in the perception of themselves and of their identity: they should accept that they already are, but even more in the future

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*pubblica traina il miglioramento dei saldi di bilancio. Ma l'eclissi della politica tributaria frena l'economia ed aggrava gli squilibri territoriali, in Innovazione e Diritto, 2, 2011, 3-62; Id., Crisi delle istituzioni ed aumento dell'imposizione, in assenza della politica tributaria, soffocano la ripresa ed espongono l'Italia agli attacchi della speculazione finanziaria, in Innovazione e Diritto, 5, 2011, 3-108.*

they will be, necessarily, immigration societies<sup>62</sup>. Governments cannot continue to overlook the fact that there is a growing share of economically dependent people with care, nurturing and assistance needs, an increasing number of foreigners in Italy and an even wider gap between rich and poor, between secured and unsecured subjects. There is, therefore, a strong need to evaluate the extent to which the national welfare state models are able to accomplish a citizenship that must be plural and diversified. Asserting vigorously this need means recognizing that the welfare state is not a luxury to be contained in times of crisis, but a resource to be used to cope better with crises and get out of them<sup>63</sup>. In this view, welfare can and should be considered an investment, a tool to create and improve social cohesion and to reduce inequality<sup>64</sup>. However, this is possible only if we accept to widen and diversify the rights of citizenship, instead of compressing them, after that we have submitted them to the scrutiny of our personnel economic interest<sup>65</sup>.

Governmental institutions of the European Union and its Member States, considering the aging processes ongoing and the low rate of demographic growth which characterizes the old continent, should understand that immigration, if properly managed, could also be a blessing. In fact, as Piketty

<sup>62</sup> This proposal had been already advanced by Haller in a recent etude on the current relevance of boundaries in the EU (M. Haller, 2012).

<sup>63</sup> According to Costabile and Gambardella, immigration should not be considered a burden but a resource and even a precious ingredient of the "ability to recover" (and therefore a factor of "resilience") of a country. See L. Costabile and V. Gambardella, *L'immigrazione da problema a risorsa per il Mezzogiorno. Aspetti economici, in Immigrazione e integrazione sociale nel Mezzogiorno. Ruolo delle strutture pubbliche e del mondo non profit*, a cura di SRM Studi e ricerche per il Mezzogiorno, Giannini editore, 2010, 233-278, and the paper titled *Immigrazione da problema a risorsa? Il caso italiano*, presented by the same authors at the International Conference *Resilience: Evolution of a Concept and Perspectives of Research - Analysis Methodologies, Tools for Prevention and Public Policies to Cope and Respond Effectively to Adverse External and Dynamic Stress*, 29-30 June 2015, Department of Political Sciences, University of Naples (Italy).

<sup>64</sup> M. Campedelli, P. Carrozza and L. Pepino (a cura di), *Diritto di welfare. Manuale di cittadinanza e istituzioni sociali*, Il Mulino, Bologna, 2010.

<sup>65</sup> P. Di Nicola, *Welfare societario e diritti di cittadinanza*, in *Aut. Loc.*, 2, July 2011, 199-211.

argues in his latest book<sup>66</sup>, if the economic fundamental variables to be monitored, in order to control the worldwide patrimonial inequality (currently growing, and to escape the so-called *Rastingac's dilemma*), are the rate of return on capital ( $r$ ), the growth rate of the per capita national income ( $g$ ) and the tendencial ratio between capital and income ( $\beta$ ), it should be clear that a proper management of migratory flows, in this context, assumes a paramount relevance. The tendencial relationship between capital and revenue depends also, in fact, on the rate of population growth ( $n$ ), as well as on the growth rate of income. This concept can be so translated in mathematical terms:

$$\beta = \frac{s}{g + n} \quad [9]$$

where  $s$  is the savings rate of the country considered and  $g$  is the growth rate of its national income. However, the growth rate of the population depends, in turn, on the existence of people permanently resident ( $c$ ) in the country and on the flows of persons who enter ( $i$ ) and exit ( $e$ ) from it:

$$n = c + i + e \quad [10]$$

Therefore, the magnitude of migratory flows and the immigration policies, impacting on the last two terms of the expression [10], will affect the tendencial ratio between capital and income and, in this way, on the distributions of wealth. This occurs because  $\beta = \beta(s, g, n)$ , while  $n = n(c, i, e)$ . Therefore:  $\beta = f[i(n)]$ .

We must be aware, however, that migration in itself would not resolve the issue of the inequalities. At most, it would shift this forward, because the redistribution through immigration does not exempt from previously creating a minimum set of rules and institutions aimed at incentivating a major coordination and collaboration by governments, at international, national and local level, to change the present management systems of migration (in order to take into consideration the interests of migrants and their source countries and

<sup>66</sup> T. Piketty, *Le capital au XXI<sup>e</sup> siècle*, op.cit..

areas) and correct their redistributive effects. Governing the financial impact of immigration may require, in fact, the redistribution of the benefits and costs of migration and their redirection to the local authorities most affected by the phenomenon. In this sense, it should be definitely regarded favorably the proposal of the Italian State to assign monetary incentives to the Municipalities which commit themselves to a greater extent on the front of immigration. The analysis of the Italian case shows, however, that an operation of this kind needs to be accompanied by economic policy measures aimed at stimulating the accumulation of physical and human capital and at encouraging investment in the source areas of migratory flows, in order to increase their attractiveness and productivity<sup>67</sup>, while a wise management of taxation and welfare systems, both at national and local level, should ensure a more equitable redistribution of the gains produced by migration<sup>68</sup>, mainly help people and unskilled workers who remain in low productivity areas<sup>69</sup>.

Inequalities which are within these areas of the country, as well as the economic and social imbalances between its richest and poorest areas, move on the State the responsibility in the distribution of resources and opportunities, that is the responsibility for taxing and spending policies aiming to remove those

<sup>67</sup> The way forward, therefore, is easy to spot, even if the road ahead is steep and far from easy or short, as correctly states also Perrone Capano: "the possibility of a recovery in investment, which stimulates also the growth of private ones, starting from the South of Italy, is closely connected with the reorganization of the public system, both central both peripheral, able to reduce current expenditures. A delicate profile, in which the road ahead, being uphill, is far from easy or short.". See R. Perrone Capano, *Tagliare le imposte senza un disegno di politica tributaria produce effetti limitati sulla crescita, mentre il crollo del PIL nel Mezzogiorno evidenzia il ruolo regressivo del fisco degli ultimi anni*, in *Innovazione e Diritto*, 2, 2015, 6-52.

<sup>68</sup> In this sense, cf. S. Bucovetsky (2003). According to this author, in the second-best world – where a system of lump-sum interpersonal transfers is unfeasible – a greater degree of progression of taxes applied in the source areas of migratory flows would help to make more equitable redistribution of the benefits of migration and to increase the social welfare.

<sup>69</sup> Migration policies, also in the opinion of Collier, should start again to dealing with the impact of migration on the people who remain at home. Very often, however, they seem to take into account solely the potential impact of future migration on native populations in the host countries (P. Collier, 2013).

unacceptable causes of imbalance and distributive injustice<sup>70</sup>. In this view, it is necessary to enhance the redistributive function of tax systems, bringing them to consider the unequal distribution of “capabilities”, understood in the meaning specified by Sen<sup>71</sup>, and not only the different availability of financial resources<sup>72</sup>. Consequently, tax systems should be restructured, realizing a radical change of perspective, a really Copernican change, which provides:

- a) a new definition of “wealth”;
- b) the definition of the “new” inequalities and poverties to identify most effective tools for reducing them<sup>73</sup>;
- c) the taxation of the individual not only related to the traditional economic indicators (income, consumption and capital), but also connected to new indices of economic capacity and ability-to-pay represented by positions and values (capabilities);
- d) a balance between the protection of proprietary rights and that of social rights, between the merit criterion and social justice criterion, which is related to the principle of equality at the starting point<sup>74</sup>.

<sup>70</sup> See F. Gallo, *L'uguaglianza tributaria*, Editoriale Scientifica, Naples, December 2012; ID., *Disuguaglianze, giustizia distributiva e principio di progressività*, in *Rass. Trib.*, 2, 2012, 287 ss.; ID., *Ancora in tema di uguaglianza tributaria*, in *Riv. dir. fin.*, 72(4), 2013, 321-353.

<sup>71</sup> Sen uses the term “capabilities” to identify the ability to acquire functionings, namely the freedom to choose among a number of possible lives, “to the extent that functionings are the feel good and capabilities represent the individual freedom to acquire the feel good”. For this reason, Sen criticizes all those theories which consider freedom as a something merely instrumental, without intrinsic value. Cf. A. Sen, *Commodities and Capabilities*, North-Holland, Elsevier Science, New York, 1985; ID., *Resources, Values, and Development*, Harvard University Press, Cambridge, Massachusetts, 1997; ID., *Development as Freedom*, Oxford University Press, New York, 1999; and, more recently, ID., *The Idea of Justice*, Penguin, London, 2010.

<sup>72</sup> See F. Gallo, *Le ragioni del fisco. Etica e giustizia nella tassazione*, Il Mulino, Bologna, 2007; ID., *Un fisco che sa distribuire le risorse alla base delle democrazie moderne*, in *Dir. pratica trib.*, 84(4), 2013, 994-995 and, more recently, ID., *Nuove espressioni di capacità contributiva*, in *Rass. Trib.*, 4, 2015, 771-784.

<sup>73</sup> For more insights on the topic of “new” inequalities and on so-called new forms of poverty, or “gray poverty” or even “social vulnerability”, see P. Dovis and C. Saraceno, *I nuovi poveri. Politiche per le disuguaglianze*, Codice edizioni, Torino, 2011.

<sup>74</sup> “A system which aims at rewarding merit must - also in an efficiency view - be able to achieve a substantive equality at the starting point or a precise distinction between the result coming from

States that aspire to really realise the common good and the social justice should start debating on the opportunity to incorporate in their constitution a list of central human capabilities<sup>75</sup>, indicating a minimum threshold of capabilities that should be guaranteed equally to all individuals, but leaving to the legislator the task of promoting their development and taxing all the other<sup>76</sup>.

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the commitment, from the skill, from the quality of the individual and that which is attributable to other factors, and therefore which cannot be attributed to the merits of the individual" (M. Musella, *Verso una teoria economica dello sviluppo umano*, Maggioli, Santarcangelo di Romagna, RN, 2014, p. 81).

<sup>75</sup> Just like suggested by the American philosopher Martha Nussbaum in her version of the Capabilities Approach. See Nussbaum M., *Creating Capabilities. The Human development Approach*, Harvard University Press, Cambridge (Mass., USA) – London (UK), 2011.

<sup>76</sup> all those capabilities that arise by a combination of personal abilities and the political, social, and economic environment, "resources" from which not everyone can take advantage or enjoyment.

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## Il ruolo dello Stato nella gestione dei flussi migratori e delle disuguaglianze (sintesi estesa in italiano)

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Nonostante gli sforzi effettuati per realizzare un sistema integrato e flessibile di gestione della crisi dei rifugiati, le istituzioni europee sono apparse, almeno in un primo tempo, impreparate ed incerte sulla strategia comune da adottare per affrontare e risolvere il problema delle migrazioni interne ed esterne all'Unione.

La Commissione europea ha infatti presentato, il 13 maggio 2015, una comunicazione dal titolo *Un'agenda europea sulla migrazione*<sup>1</sup>, in cui è stato definito un approccio globale per migliorare la gestione del fenomeno in tutti i suoi aspetti, ed inoltre ha adottato, a più riprese, una serie di azioni prioritarie, che contemplano sia interventi a breve termine, volti a stabilizzare la situazione in corso, sia misure a lungo termine, intese ad istituire un sistema solido e duraturo di gestione del fenomeno e delle sue conseguenze. I pilastri di questa nuova strategia sono quattro: l'aiuto ai paesi di origine e transito dei migranti, il controllo delle frontiere a sud della Libia e nei paesi limitrofi, le missioni di sicurezza e difesa contro trafficanti e scafisti e, infine, il più controverso che consiste nel ricollocamento coercitivo (*relocation*) dei rifugiati sulla base di un meccanismo di preventiva "selezione" degli stessi nei cosiddetti "punti caldi" o "sensibili" (*hotspot*), istituiti nelle zone di frontiera, e di successiva ripartizione degli oneri (*burden sharing*) derivanti dai flussi migratori.

Quello delle quote è sicuramente un tentativo di occuparsi del problema con maggiore serietà e coinvolgimento, nonché con l'intenzione di risolvere in modo cooperativo il nodo delle esternalità prodotte dalla mancanza di una legislazione europea comune sul diritto d'asilo. Tuttavia, l'attuale situazione di emergenza

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<sup>1</sup> Commissione europea, *A European Agenda on Migration*, COM(2015) 240, Brussels, 13 maggio 2015.

non può considerarsi ancora conclusa. I ministri degli interni europei sono riusciti con molta difficoltà a trovare un accordo sul criterio di “redistribuzione” dei migranti e ad avviare il piano di ricollocamento voluto dall’Unione. Nel contempo, ulteriori questioni irrisolte, come la destabilizzazione delle aree di prossimità dell’Europa e la crescita delle disuguaglianze nel mondo, fanno presumere che il fenomeno migratorio sia un fatto con cui dovremo fare i conti ancora a lungo in futuro. Non è possibile, pertanto, pensare di risolvere istantaneamente il problema riformando soltanto le “regole di Dublino” e redistribuendo in modo equo i rifugiati. È necessario trovare un modo per “curare la pianta partendo dalle radici”, poiché le situazioni ed il contesto sono strutturali, in quanto insite nella stessa organizzazione politica ed economica della nostra società, sempre più sofisticata e complessa, ma al tempo stesso più diseguale, più espulsiva e più esposta al tracollo. Le emergenze cui dovremo far fronte nei prossimi decenni sono dunque due, e non una. In tutto il mondo, infatti, ma soprattutto nella “vecchia” Europa, la gravità della crisi economica ha contribuito ad aggravare principalmente due questioni che in realtà erano già evidenti in passato, diventando in seguito progressivamente sempre più urgenti e drammatiche: quello della crescita delle disuguaglianze globali e quello delle implicazioni sociali ed economiche delle nuove ondate migratorie. Il dibattito politico si è concentrato, tuttavia, come si è visto, soprattutto sui meccanismi di ripartizione degli oneri, o delle responsabilità, tra gli Stati membri dell’Unione, piuttosto che sulla strategia comune da adottare per aumentare la resilienza socio-economica e la capacità di adattamento dei sistemi nazionali di tassazione e di *welfare*, in particolare in quei paesi che sono caratterizzati, come l’Italia, da alti tassi di disoccupazione, da persistenti disparità regionali nello sviluppo economico e da una crescita economica molto debole.

L’articolo che segue si propone di colmare, almeno in parte, questa lacuna, affrontando, da una particolare prospettiva, la questione degli effetti economici

dell'immigrazione sulle disuguaglianze di reddito, partendo dal presupposto che l'emergere dell'Italia come paese di immigrazione, e non solo di emigrazione, dovrebbe essere considerato all'interno di una più ampia serie di trasformazioni che ne hanno cambiato radicalmente le caratteristiche demografiche, sociali ed economiche, agendo con una velocità ed una intensità mai sperimentate in passato dalle società occidentali. Tra le determinanti di questo processo di transizione possiamo annoverare: (1) l'aumento della speranza di vita alla nascita, per cui l'Italia si colloca tra i primi posti nella classifica mondiale; (2) il calo del tasso di natalità, già situato stabilmente al di sotto del livello di sostituzione; (3) il vertiginoso aumento della parte della popolazione anziana, che rende l'Italia, insieme al Giappone, il paese più vecchio del mondo; (4) il drammatico aumento delle disuguaglianze economiche, che minaccia le fondamenta stesse della società civile e la crescita economica del Bel Paese; (5) il ritorno di un fenomeno che pensavamo ormai scomparsi, il cd. "pendolarismo di lungo raggio" e l'emigrazione di giovani con un alto grado di istruzione e specializzazione professionale verso l'Italia centro-settentrionale e verso altri paesi.

Alla luce di questi cambiamenti, attraverso una rassegna critica della letteratura teorica ed empirica sulle cause e sugli effetti economici delle migrazioni, si cercherà di dimostrare come l'emigrazione può – in determinate circostanze – accrescere le disuguaglianze di reddito, ostacolando così la crescita economica ed aggravando i divari di sviluppo regionali, mentre l'immigrazione può ridurre le disuguaglianze e mitigare gli squilibri economici esistenti, secondo un'ipotesi (*the skilled immigration equalising hypothesis*) formulata nel 2008 da Kahanec e Zimmermann<sup>2</sup>.

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<sup>2</sup> Si vedano M. Kahanec, K.F. Zimmermann, *International Migration, Ethnicity and Economic Inequality*, in W. Salverda, B. Nolan, T.M. Smeeding, *Oxford Handbook on Economic Inequality*, Oxford University Press, 2009, nonché ID., *How skilled immigration may improve economic Equality*,

Gli studi passati in rassegna mostrano, infatti, chiaramente che i flussi migratori, come sosteneva Galbraith<sup>3</sup>, possono anche funzionare come un efficacissimo strumento di redistribuzione e possono continuare a svolgere questo ruolo anche in futuro. Una gestione consapevole, e persino strategica, di questi flussi è possibile ed è auspicabile<sup>4</sup>. Tuttavia, le migrazioni, da sole, non possono risolvere il problema delle disuguaglianze. Al limite, lo sposterebbero in avanti<sup>5</sup>, perché “la redistribuzione tramite l’immigrazione” non esonera dal predisporre quell’insieme minimo di regole e di istituzioni da cui non si può prescindere se si intende ottenere un maggiore coordinamento e collaborazione da parte dei paesi al fine di cambiare gli attuali sistemi internazionali di gestione delle migrazioni (in modo da tenere conto anche degli interessi dei migranti e dei paesi d’origine dei flussi migratori) e di correggerne gli effetti redistributivi (cercando di estendere a tutti i benefici economici prodotti dalle migrazioni).

È evidente, pertanto, che esiste un’indifferibile esigenza di ulteriori approfondimenti sull’impatto economico e fiscale delle migrazioni e sugli effetti prodotti da queste ultime sulle disuguaglianze e sulla mobilità sociale, specialmente nel lungo periodo. L’articolo che segue si muove in tale direzione, cercando di mostrare, anche con riferimento al caso italiano, come un’adeguata struttura del sistema tributario, associata ad un’efficiente gestione del sistema di *welfare*, potrebbe influire sulle migrazioni (interne ed esterne) e, per questa via, ridurre gli squilibri economici e le disuguaglianze di reddito.

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in *IZA J. Migr.*, 3(2), 2014, 1-13, un successivo articolo degli stessi autori in cui è contenuta un’accurata verifica empirica della loro congettura.

<sup>3</sup> Cfr. J.K. Galbraith, *The Nature of Mass Poverty*, Harvard University Press, Cambridge, 1979.

<sup>4</sup> Cfr. S. Castles, *Can Migration be an Instrument for Reducing Inequality?*, paper presented at the *International Metropolis Conference*, Melbourne, 8-12 October 2007.

<sup>5</sup> Come sostiene, per esempio, Piketty. Cfr. T. Piketty, *Le capital au XXI<sup>e</sup> siècle*, Edition du Seuil, 2013.