

Irish Migration: The Search for the Efficiency and Equity Basis of a European Regional Policy: A Comment

P.T. GEARY

Maynooth College

This paper focuses on aspects of migration which have received limited attention in the Irish literature. The latter has by and large been concerned with the causes of migration, to the near exclusion of its consequences for both Ireland and the countries of destination. Drawing on work by Canadian economists on the implications of migration within Canada, the authors point out that from the national perspective internal migration can generate inefficient outcomes which provide a rationale for government intervention.

One source of the inefficiencies is the existence of public capital. Migrants acquire part of the public capital of the countries or regions to which they migrate, at the expense of the original residents; similarly they may shed part of the public liabilities of the country or region which they leave. These externalities will not be taken into account in the individual migration decision; hence the inefficiency. An extension to the argument is that public expenditure and taxation decisions by, say, one region can lead to migration which is socially inefficient from the standpoint of the country as a whole. The authors suggest a parallel between a federal system like the Canadian one and the European Community, with member states playing the role of Canadian provinces and the Commission the role of federal government. The implication is that a system of "equalisation payments" to member states may be the appropriate way to offset the inefficiencies of the migration process.

The main contribution of the paper is its clear presentation of the theory on which the arguments sketched above are based. The theory is static, which gives rise to my main reservation about the paper. A static framework has serious limitations for an attempt to evaluate the costs and benefits of the migration process and to design policies to influence it. Migration flows involve changes in the population and labour force of different countries or regions; they represent, at least in part, responses to differences in economic conditions and they influence those conditions. A dynamic framework is required to deal adequately with them. However, what the authors have done is to show clearly that any evaluation of the migration process within the EC must take account of the potentially significant externalities which it creates and evaluations of public expenditure decisions by member states must take account of the migration which they may generate. These are issues which deserve more attention than they have received to date.