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**Immigration and welfare state provisions:  
a comparison of Belgium with three other European countries**

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***Abstract:***

Since some years Belgium is witnessing a lively debate with respect to immigration policies. Some see immigration as one of the solutions to maintain the sustainability of the welfare state in the light of an ageing society, whereas others see it as a threat. Both positions are too simplistic, as the interactions between immigration and the welfare state are many and complex. Our paper wants to contribute to this debate. Therefore, we compare Belgium, which three other European countries that differ in terms of welfare state regime, characteristics of immigrants and immigration policies, namely Ireland, Spain and Sweden. We examine the contribution to and dependency on welfare state provisions by immigrants compared to natives in these four countries. We estimate for each individual the determinants of his dependency on (i.e. costs) and contribution to (i.e. the benefits) the system of social security. We try to distinguish the relative impact of the various common socio-economic variables (such as education level, gender, age) as well as at that of migrant-specific factors. To analyze these issues we use the data of EU-SILC. We handle these questions for different categories of immigrants, within the current limits of the survey. The comparison between an old and a new immigration country will help to understand the interaction between immigration and the welfare state.

Our calculations serve as a stepping stone for the estimation of the net fiscal effects of immigration in Belgium, using a static intergenerational model. We compare the balance of costs and benefits between the autochthonous population and the current stock of foreign born immigrants. This serves as our baseline, which is used as a benchmark to test some alternative scenarios. We try to answer the question what the net fiscal effects in the host country would be if education level and employment rates of immigrants in Belgium would be the same as those of immigrants in Ireland, Spain or Sweden. This would help to gain insight in the potential effect of alternative immigration policies in Belgium.

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