



THE COST OF CLOSING BORDERS

WHY RESTRICTING MIGRATION COULD BACKFIRE



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H A B T O O R R E S E A R C H . C O M



**AL HABTOOR
RESEARCH
CENTRE**



Dr. Azza Hashem

General Manager of Al Habtoor Research Centre

Prepared by

Habiba Diaaeldin

Senior Early Warning Researcher

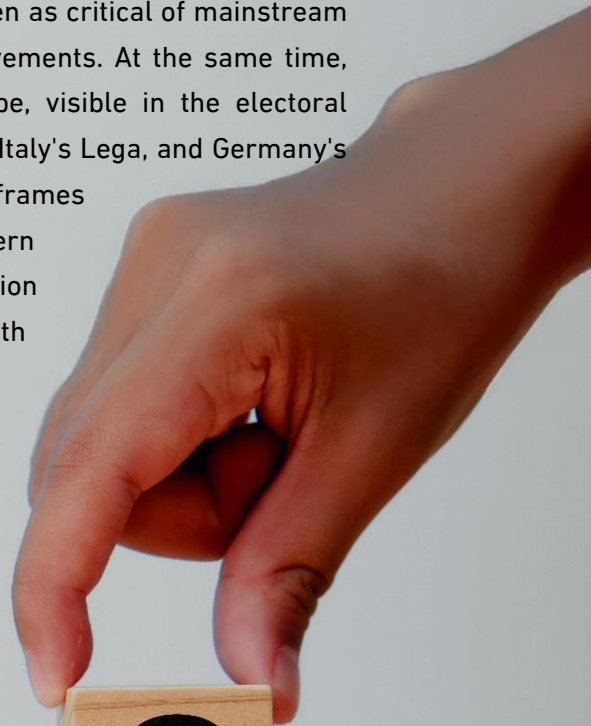
Designed by

Abdelazem Mohamed

Graphic Designer



Recently, U.S. President Donald Trump issued sharp criticism of Europe, and while migration policies were not his only focus, his remarks on the topic were particularly striking. His criticism came shortly after he announced a policy to “permanently pause migration from what he called ‘third world countries’” following a National Guard shooting in Washington, highlighting his framing of migration as both a domestic security and international issue. The latest U.S. National Security Strategy under the Trump administration closely links European security to its migration policies, warning of what it describes as “civilisational erasure” from uncontrolled immigration and EU policies, and calling on Europe to enforce stricter border controls, support “patriotic” parties, and become more self-reliant. This approach is widely seen as critical of mainstream European leadership and supportive of far-right movements. At the same time, far-right sentiment is gaining traction across Europe, visible in the electoral successes of parties such as France’s National Rally, Italy’s Lega, and Germany’s Alternative for Germany. While public discourse often frames migration as a threat to security and civilisation, Western countries overlook a crucial point, which is that migration can be a dividend, contributing to economic growth. With populations ageing faster than the global average and shortages of labour in highly skilled professions, the West is increasingly dependent on migrants. The question is what might happen if far-right agendas succeed in curbing migration, and whether Western economies and security could sustain themselves without it.



01 Framing Migration

Trump's NSS, which claims that Europe is facing "civilisational erasure," does not emerge in a vacuum. While other Western leaders have often couched their concerns about migration in economic terms or debates over cultural values and integration, their rhetoric has occasionally been aggressively framed and reflected in concrete legal measures. Rather than open-ended humanitarian commitments, many have pursued policies that sharply curb migrant rights and access, concealing hardline outcomes behind seemingly rational policy language. Across the Atlantic and within Europe, a series of controversial laws and bills illustrate this trend. In the United States in 2025, the administration issued a presidential proclamation restricting the entry of certain H-1B nonimmigrant workers, arguing that the program was exploited to the detriment of U.S. workers, effectively tightening access for high-skilled migrants and reshaping the visa regime with punitive new fees and eligibility scrutiny. In the United Kingdom, the Safety of Rwanda Bill was enacted to institutionalise the deportation of asylum seekers to Rwanda, a deeply controversial step aimed at deterring irregular migration. Parliament also passed the Illegal Migration Act 2023, which expands the powers to detain and remove those who arrive without authorisation and imposes caps on safe, legal migration routes.

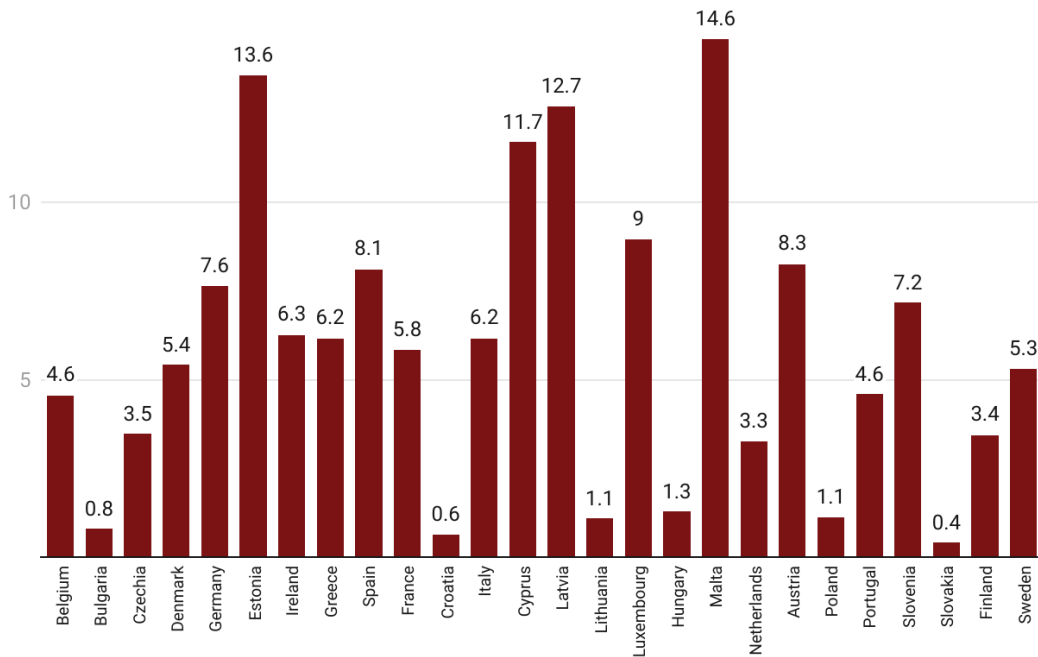
In continental Europe, the EU's New Pact on Migration and Asylum, agreed by the European Parliament and Council in 2024, represents a broad overhaul of EU migration rules that accelerates rejection and returns procedures, tightens eligibility, and expands the list of "safe countries of origin" whose nationals face swift dismissal of asylum claims. National measures have echoed this hardening stance: France's 2024 immigration law introduced quotas on migrant admissions, tougher restrictions on family reunification, limits on welfare access and the end of automatic birthright citizenship, provisions struck down in part by the Constitutional Council precisely because of their severity. Germany and Austria tightened family reunification rules and residency requirements for migrants, while countries like Finland extended border security legislation to facilitate immediate returns.

Greece passed legislation imposing prison terms and fines on rejected asylum seekers who remain in the country, vastly increasing detention periods. Even long-standing actions like Hungary's fortified border barriers and strict immigration laws reflect sustained national moves to choke off irregular migration.

However, claiming a complete civilisational erasure seems to be a newly charted territory. This can lead the discussion to asking how the NSS defines civilisation. If it defines it as demographic existence of Europeans against non-Europeans, we will find it faulty as numbers already indicate that the percentage of non-EU national inside each country doesn't exceed 17%.

Non-EU Citizens

As % of Total Population



• Source: Eurostat

If productivity and numbers are the defining criteria, the argument cannot be entirely in the service of the NSS. Economic theories suggest that migration is not inherently harmful; in fact, it can provide significant benefits to the receiving country. An recent OECD report indicated that on average, regions with higher migrant population shares tend to have higher GDP per capita. A 10% increase in the share of migrants in a region is associated with 0.26% higher regional income per capita.

According to economic theory, the relationship between migration and regional income is ambiguous, as the mechanisms through which migration influences regional development can have both positive and negative effects. On the positive side, migrants often increase regional income per capita because they are more likely to be of working age (15–64). Additionally, a larger labor force can enhance specialization, allowing all workers to benefit from skill complementarities. When migrants fill critical labor shortages, per capita income may rise further. Conversely, per capita income may decline under certain conditions. For instance, employers might reduce investment in technology if migration provides a supply of cheap labor, thereby limiting productivity growth. Similarly, if migrants' human capital is below the regional average, or if job opportunities are limited, migration could crowd out the existing population and reduce per capita income.

The sources of this ambiguity or confusion are likely multiple. First, the impact of migration varies by sector and income level, and its effects differ across countries or regions with distinct characteristics. Overall, migrants tend to benefit lower-income regions the most. Breaking down European regions into different groups highlights how the positive effects of migration on income can differ significantly. For instance, an increase in the migrant share has little to no impact on regional income growth in the EU15 countries, yet it has a positive and statistically significant effect in EU member states that joined after 2007. These latter countries, which generally have lower average income levels, largely drive the observed positive effects. Another factor could be the varying impact across different sectors. Some sectors experience a surplus of workers, while others face shortages. In both cases, it is easy to see how the presence and contribution of migrant workers can be interpreted in different ways

Migrant Share in Shortage vs Surplus Occupations

Shortage Occupations	Percentage of Migrants	Surplus Occupations	Percentage of Migrants
Heavy Truck and Lorry Drivers	10	Graphic & Multimedia Designers	15
Specialist Medical Practitioners	15	Cleaners & Helpers	35
Nursing Professionals	5	Freight Handlers	32
Welders and Flame Cutters	21	Secretaries (General)	5
Plumbers and Pipe Fitters	12	General Office Clerks	5

• Source: European Labour Authority

In shortage occupations, such as welders, medical specialists, and plumbers, migrants fill essential gaps, sustaining sectors where local labour is insufficient. In surplus occupations, like cleaners, freight handlers, and office clerks, migrants often enter roles with ample local workers, which may have less direct effect on productivity and could influence wage dynamics. Given these disparities, narratives matter. The way policymakers frame migration, whether they choose to securitise it or not, largely shapes how it is perceived. Crucially, despite persistent ambivalence, the realities in both Europe and the U.S. make the presence of migrants not just relevant, but necessary.

Silver-Rust Economy

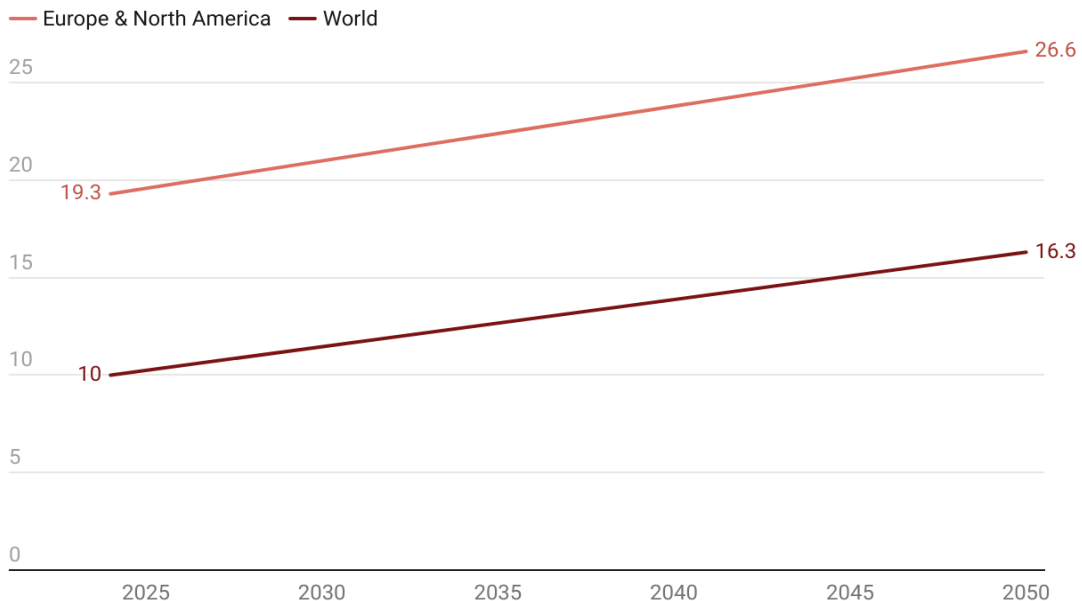
For many years, Europe has faced an ageing society and a shrinking working age population, placing growing pressure on its welfare and social protection systems both in the short and long term. By 2070, the share of the working age population is projected to fall from around 65% in 2019 to between 56% and 54% of the total EU population.

As a result, employers have been facing serious labour shortages and recruitment difficulties driven by these demographic shifts, a situation further worsened by the fact that the local working age population is often unable or unwilling to take up certain jobs because of skill mismatches or poor working conditions, such as physically demanding work with low pay or unsocial hours, commonly described as the three Ds, dirty, dangerous and demeaning. According to the European Labour Authority, 28 occupations, accounting for 14% of the EU workforce in 2020, around 27 million workers, were identified as shortage occupations. In 2022, more than 3% of all available jobs, approximately six million positions, remained unfilled. These labour shortages threaten Europe's economic performance and competitiveness and disproportionately affect sectors such as tourism, hospitality, IT, health and social care, and logistics.

Labour shortages in the health and care sector, including live-in, home care and institutional care facilities, are particularly severe due to poor working conditions and low wages, combined with rising demand linked to the ageing population. Over the next three decades, the number of older people in the EU is expected to increase, peaking at 129.8 million in 2050, with their share of the total population rising to 29.4% by the same year. Member States face difficulties in attracting and retaining long-term care workers. By 2030, up to seven million job openings for health associate professionals and personal care workers are expected, which the EU labour market will only partially fill. The health and care sector already depends heavily on migrant workers. In 2018, nearly 2 million of the 14.2 million individuals employed in health and long-term care were foreign-born, either from another EU Member State (693,700) or from outside the EU (1.3 million).

The issue is particularly pronounced in the EU's two largest economies, Germany and France. France's population has aged considerably over the past two decades, with the number of residents aged 65 and over rising by 52% from 2000 to 2023, from 9.5 million to 14.4 million. This group now represents 21.7% of the total population. By 2050, the number of over-65s is projected to reach 18.8 million, or 27.6% of the population. At the same time, the old-age dependency ratio, which compares the number of elderly people to those of working age, has increased from 24.6% in 2000 to 35.4% in 2023 and is expected to climb to 48.5% by 2050. These trends signal growing challenges, including mounting pressure on public resources and a shrinking workforce, which could limit economic growth. The number of pensioners in France is expected to rise from 20.26 million in 2022 to 23.45 million by 2050, an increase of 15.7%, while employment growth will lag, falling from 1.43 employed people per pensioner in 2022 to 1.28 in 2050. Although this problem is particularly acute in Europe, it is also evident in North America.

Percentage of Population Aged 65+ in Europe & North America vs World



• Source: World Bank

The lower birth rates of the 1970s will result in the population aged 55 to 64 declining faster than any other age group. At the same time, the 65 and older population will grow rapidly as all baby boomers reach that age by 2032. The projected increase of 14.4 million in this age group accounts for over three quarters of the overall expected population growth. Of this increase, around 10.6 million will be in the 75 and over group, as most baby boomers move into that bracket. Slower overall population growth is expected to limit growth in the civilian labour force over the projection period. The civilian labour force is anticipated to rise from 164.3 million in 2022 to 170.7 million in 2032, an increase of nearly 6.5 million, equivalent to a projected annual growth rate of 0.4%, slower than the 0.6% annual growth recorded during 2012–22. The labour force participation rate is projected to decline from 62.2% in 2022 to 60.4% in 2032. The main factor behind this decline is the increasing share of people over 65. Although this age group is expected to have the largest projected increase in labour force participation over the period, its participation rate will still remain much lower than that of the prime working age group, those aged 25 to 54.



The effects on economic growth are also clear. Total employment is expected to increase by 0.3% annually, from 164.5 million in 2022 to 169.1 million in 2032. This growth is much slower than the 1.2% annual increase seen in the 2012–22 decade, which benefited from strong recovery following the 2007–09 Great Recession and the 2020 COVID-19 recession. Real GDP is projected to grow by 1.9% per year over 2022–32, slightly below the 2.1% annual growth of 2012–22 but matching the 2002–12 decade. Nevertheless, the projected growth for 2022–32 is significantly lower than the rates of 3.0% and above seen during the 1980s and 1990s, when population and labour force growth were faster.

US Real GDP, 10-year compound annual growth rates, 1982—2022 and projected 2022—32

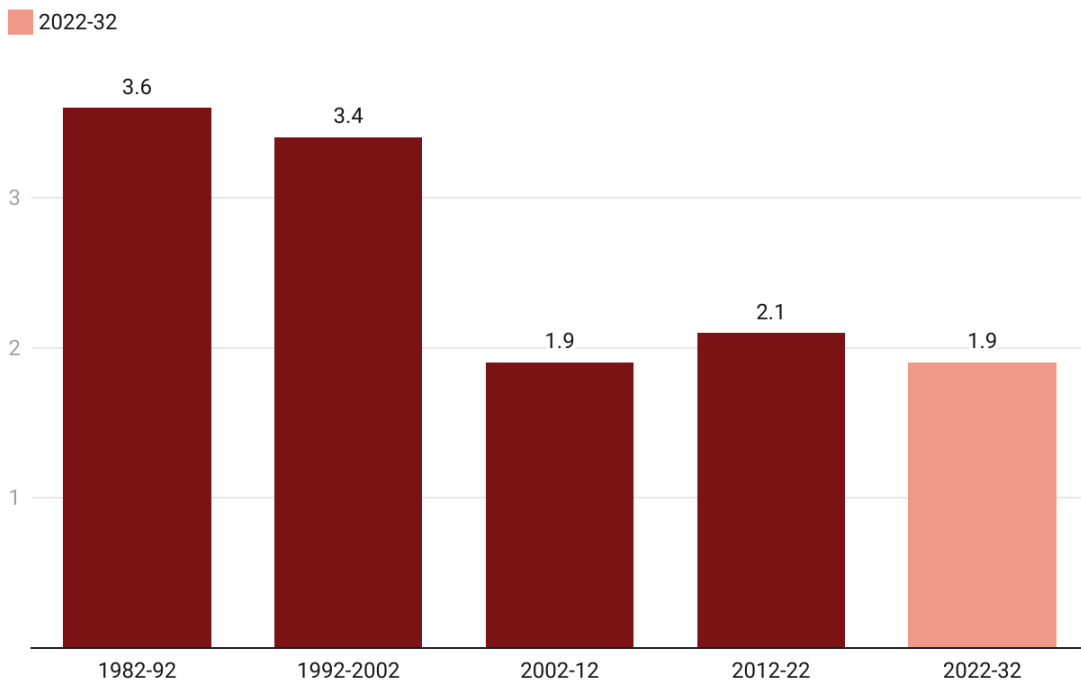


Chart: Al Habtoor Research Centre • Source: U.S. Bureau of Labour Statistics • Created with Datawrapper

The challenge of an ageing population and the concerning projections is widely seen as something that migration can help address. In the U.S., migrants make up a quarter of low-skilled workers in essential occupations in cities, which is twice the share in rural areas. Without migrant workers, many hospitals, transport companies, construction firms, restaurants and grocery stores would struggle to maintain the required level of services. In 2023, across EU countries, non-nationals were generally younger than the national population. Age distribution shows that, compared with nationals, the non-national population has a higher proportion of relatively young working-age adults aged 20 to 49, for both men and women. Men aged 20 to 49 made up 28% of the non-national population, compared with 18% of nationals, while women in the same age group accounted for 27% of non-nationals, compared with 18% of nationals.

Specialised Sectors

While the ageing population affects various sectors, certain areas, particularly those requiring highly skilled workers, have a pronounced need for migrants. Although there is no universally accepted definition of a highly skilled migrant, it is generally understood that they are not a homogeneous group. Broadly, they can be categorized as professional, managerial, and technical (PMT) specialists. Within this category, there are multiple largely self-contained subgroups, often non-competing, whose high levels and extended durations of training result in a relatively inelastic supply.

In Europe, Defence is one sector in need for migrants. With the various security problems threatening the country since the Russia-Ukraine war, Trump's America first policy, and recent NSS declarations highlighting how Europe is becoming a burden rather than an ally to the U.S. NATO's European member states are facing a severe workforce crisis amid the continent's largest defense sector expansion since the Cold War. Defense firms struggle to recruit the skilled professionals needed for both advanced technological roles, such as AI specialists, software engineers, and data analysts, and traditional trades like welding, metal fabrication, and assembly. Analysts attribute this shortage to a "systemic talent pipeline failure" caused by prolonged underinvestment, which has driven skilled workers to other industries.

Short-term solutions focus on migration: a March 2025 report by Kearney estimates that European NATO members require up to 760,000 additional workers to meet the alliance's 3% defense spending target. Poland and Spain have emerged as key destinations for Latin American migrants, considered crucial to offsetting the labor gap. Spain has historically been the largest European destination for Latin American and Caribbean migrants, second only to the U.S., while Poland has seen a fivefold increase in Latin American migration between 2023 and 2025. The trend is partly driven by stricter U.S. immigration policies under the Trump administration, which have reduced border crossings and increased deportations.

Many Latin American migrants come with high education levels, around 43% hold higher education qualifications, according to the Migration 2.0 report from the University of Warsaw's Centre for East European Studies and the EWL Group. Despite their importance to labor markets, European politics are increasingly polarized over migration. Policy changes such as the April 2024 EU reform have tightened migration rules, while countries like Poland, traditionally seen as migrant-friendly, have grown more hostile toward Latin American workers. Rising labor demand in Poland coincides with a shrinking workforce: the Polish Institute of Economy projects a 12.5% decline, or 2.1 million workers, over the next decade. Between 2022 and 2024, the number of foreign workers in Poland increased by one-third, with Latin American migration surging, Colombian work permits alone rose from 4,000 in 2022 to 34,000 in 2024. Many undocumented migrants are supported by organizations such as the Latin American Workers' Union and La Strada. Nonetheless, reports of harassment, exploitation, and abuse persist, alongside growing anti-migrant sentiment, fueling fears of "unconstrained illegal migration."

Other high-skilled knowledge professions employ a substantial share of migrants, particularly in major European countries and the U.S. If migration to these countries were to stop, these sectors would likely face significant challenges.

Foreign-Born Workforce Share in High-Skill Sectors: US, UK, Germany, and France

Sector	United States	United Kingdom	Germany	France
STEM occupations (overall)	23	20	19	20
Computer & math (IT/tech)	26	20	19	23
Engineering occupations	20	18	18	18
Life, Physical & Social Sciences	22	18	18	18
Doctors (medical workforce)	36	36	11	18
Nurses	42	23	14	6

• Source: OECD and American Immigration Council

Although policy makers in these countries are aware of this fact, decisions and policies continue to be made that restrict the arrival of migrants. Recent reporting highlights concern from leading scientists in the UK that immigration and visa policies are harming the country's ability to attract and retain top research talent by making it harder to sustain world-class research. This mirrors developments in the U.S., where the H-1B visa programme, a key pathway for highly skilled professionals in technology, engineering, and healthcare, has been altered under Trump, including a 100,000 dollar fee on new petitions, which critics say will make hiring global talent cost-prohibitive. Both cases reflect a broader trend of restrictive policies targeting high-skilled migrants. In the UK, stricter rules are pushing top scientists away, while in the U.S. the H-1B changes risk slowing the flow of engineers, data scientists, and medical specialists that fuel Silicon Valley and other innovation hubs. Limiting skilled migration is effectively shooting these countries in the foot, satisfying short-term political goals but threatening innovation, productivity, and global competitiveness. Recent warnings from unions about migrant nurse shortages in the UK and legal challenges over the H-1B changes in the U.S. underline how cutting off global talent can undermine the very sectors these policies aim to protect.

04 Conclusion

The debate over migration in Western countries reveals a stark tension between political narratives and economic realities. While far-right rhetoric and restrictive policies portray migration as a threat to civilisation and security, the evidence points to its indispensable role in sustaining economies, addressing labour shortages, and supporting ageing populations. Migrants, particularly those who are highly skilled, fill critical gaps in sectors ranging from healthcare and long-term care to defence and advanced technology. Without their contribution, key industries face not only immediate operational challenges but also long-term risks to innovation, productivity, and competitiveness. The challenge for policymakers is to balance political pressures with demographic and economic necessities, recognising that migration is not merely a social or cultural issue, but a strategic imperative. As Europe and the U.S. confront declining workforces and growing demand in specialised sectors, it becomes increasingly clear that restricting migration may undermine the very stability and prosperity that restrictive policies claim to protect. The future of Western economies and security depends less on shutting borders and more on managing migration wisely and inclusively.

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