

Research Article

The Impact of International Migration on Economic Wealth in Advanced Economies: Evidence from G7 Countries¹

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Abstract

This study examines the relationship between international migration and economic wealth in advanced economies by adopting a multidimensional perspective. Unlike much of the existing literature, which primarily focuses on single indicators such as GDP or income per capita, this paper employs the Economic Wealth Index (EWI) to capture economic, social, and institutional dimensions of economic performance in a unified framework. Using panel data for G7 countries over the period 2000–2020, the analysis investigates whether international net migration is associated with changes in economic wealth. The EWI is constructed through Principal Component Analysis based on a set of economic, social, and institutional indicators. The empirical analysis is conducted using a fixed-effects panel regression model, with Driscoll–Kraay standard errors applied to address heteroskedasticity, serial correlation, and cross-sectional dependence. The findings indicate a positive and statistically significant relationship between international net migration and economic wealth in G7 economies. Specifically, increases in net migration are associated with higher EWI scores, suggesting that migration may contribute to the broader economic capacity of advanced countries beyond conventional growth measures. Overall, the results highlight the importance of evaluating the economic effects of migration through multidimensional indicators and suggest that, in advanced economies with relatively selective migration regimes, international migration can be linked to improvements in long-term economic wealth.

Keywords: International Migration, Economic Wealth Index (EWI), G7 Countries, Principal Component Analysis (PCA), Panel Regression.

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Araştırma Makalesi

Uluslararası Göçün Gelişmiş Ekonomilerde Ekonomik Zenginlik Üzerindeki Etkisi: G7 Ülkelerinden Bulgular

Öz

Bu çalışma, uluslararası göç ile ekonomik zenginlik arasındaki ilişkiyi gelişmiş ekonomiler bağlamında çok boyutlu bir bakış açısıyla incelemektedir. Mevcut literatürde göçün ekonomik etkileri çoğunlukla Gayrisafi Yurtiçi Hasıla veya kişi başına gelir gibi tekil göstergeler üzerinden ele alınırken, bu çalışmada ekonomik performansın ekonomik, sosyal ve kurumsal boyutlarını birlikte yansıtan Ekonomik Zenginlik Endeksi (EZE; Economic Wealth Index – EWI) kullanılmaktadır. Çalışmada, G7 ülkeleri için 2000–2020 dönemini kapsayan panel veri seti aracılığıyla uluslararası net göç ile ekonomik zenginlik arasındaki ilişki analiz edilmektedir.

EZE, ekonomik, sosyal ve kurumsal göstergelerden oluşan bir veri seti kullanılarak Temel Bileşenler Analizi yöntemiyle oluşturulmuştur. Ampirik analizde sabit etkiler panel regresyon modeli tercih edilmiş; heteroskedastisite, otokorelasyon ve yatay kesit bağımlılığı sorunlarını gidermek amacıyla Driscoll–Kraay standart hataları kullanılmıştır. Elde edilen bulgular, uluslararası net göç ile ekonomik zenginlik arasında pozitif ve istatistiksel olarak anlamlı bir ilişki olduğunu göstermektedir. Buna göre net göçteki artışlar, G7 ülkelerinde Ekonomik Zenginlik Endeksi değerlerinin yükselmesiyle ilişkilidir. Genel olarak bulgular, göçün ekonomik etkilerinin yalnızca geleneksel büyüme göstergeleriyle sınırlı olmadığını; gelişmiş ekonomilerde görece seçici göç rejimleri altında, uluslararası göçün uzun dönemli ekonomik zenginliğe katkı sağlayabileceğini göstermektedir.

Anahtar Kelimeler: Uluslararası Göç, Ekonomik Zenginlik Endeksi (EZE), G7 Ülkeleri, Temel Bileşenler Analizi (PCA), Panel Regresyon Analizi.

Introduction

International migration has, in recent years, become a phenomenon that is intensively discussed in terms of its economic, social, and financial dimensions for both developed and developing countries. While globalization, demographic transformation, and structural changes in labor markets have accelerated cross-country migration flows, the economic consequences of migration have attracted increasing attention in the academic literature. In this context, it is frequently emphasized that migration may influence the level of economic development through various channels such as economic growth, employment, productivity, and public finance. However, the economic effects of migration are mostly examined through a limited set of single indicators, such as per capita income or growth rates.

Traditional measures such as Gross Domestic Product (GDP), savings rates, and employment indicators provide only a partial picture of the economic situation. These indicators fail to adequately reflect social, structural, and institutional factors that affect economic performance, including technological advancement, infrastructure capacity, the quality of institutions and governance, the level of inequality, and the development of human capital. For this reason, an approach that considers economic performance across multiple, complementary dimensions has gained increasing importance.

Nevertheless, in the migration literature, studies that examine the economic effects of migration using comprehensive measures remain limited. In this study, in order to analyze the economic effects of migration in a more comprehensive manner, the Economic Wealth Index (EWI), which takes into account social and institutional dimensions affecting economic performance in addition to economic indicators, is employed (Öcal, 2025). Thus, unlike previous studies in the literature, this study aims to address an important gap by examining the impact of migration on the economy through the EWI, which represents economic wealth by jointly incorporating economic, social, and institutional components rather than relying on single indicators, thereby allowing a broader assessment of the long-term economic implications of migration.

This study examines the relationship between international migration and economic wealth in the context of advanced economies. To this end, a panel dataset covering the period 2000–2020 for the G7 countries is used to analyze the relationship between net migration and the Economic Wealth Index (EWI). A fixed-effects model is employed, and the findings indicate that increases in net migration are positively and statistically significantly associated with economic wealth. In this respect, the study aims to contribute to the literature by examining the economic effects of migration through the Economic Wealth Index, which jointly incorporates economic, social, and institutional dimensions rather than relying on single indicators.

The remainder of the study is structured as follows. The next section provides a general overview of the literature on the economic effects of migration. This is followed by the methodology section, which defines the research question, describes the dataset and the main features of the Economic Wealth Index, and outlines the empirical approach employed in the analysis. The results section presents the findings obtained from the panel data analysis, while the subsequent discussion section evaluates these findings in light of the existing literature. Finally, the concluding section summarizes the main results of the study and discusses the policy implications.

Literature Review

Migration refers to the temporary or permanent movement of individuals or population groups from their current place of residence to another region or country for various economic, social, or political reasons (International Organization for Migration, 2019). Within the scope of this study, international migration can be measured in different ways; however, one of the most frequently used indicators in empirical studies is net migration. Net migration refers to the difference between the number of immigrants entering a country and the number of emigrants leaving the country during a given period, and it includes both citizens and non-citizens (World Bank, 2023).

The economic effects of international migration have long been one of the central topics of debate in the economics literature for both developed and developing countries. The impacts of migration on economic growth, labor markets, productivity, and public finance have been extensively examined in the literature across different countries and time periods.

According to the World Bank, migrants contribute to the economies of both host countries and countries of origin (2023). In particular, there is strong evidence that skilled migrants are associated with innovation and productivity gains in advanced economies. Studies showing that migrants contribute to entrepreneurial activities and technological progress suggest that migration can support economic dynamism in the long run (Peri, 2012; Alesina, Harnoss & Rapoport, 2016). Some studies focusing on OECD countries also indicate that the effect of migration on economic growth varies depending on migrants' skill levels and integration policies (OECD, 2018). The literature emphasizes that the economic effects of migration are not limited to growth and employment but may also influence economic performance through more indirect channels such as cultural diversity and knowledge accumulation. Studies showing that cultural diversity generates positive effects on entrepreneurship, creativity, and technological development suggest that regions with high migrant concentrations may exhibit more dynamic economic structures (Leung & Chiu, 2010; Freeman & Huang, 2014; Wang et al., 2019). It is noted

that this effect is particularly pronounced in urban areas where diverse skills, experiences, and perspectives converge, and that cultural diversity contributes to the emergence of new sectors and the development of innovative activities. This perspective indicates that the economic effects of migration are shaped not only through labor supply channels but also through productivity and innovation capacity.

The magnitude and sustainability of the economic effects of migration are also closely related to the extent to which migrants are integrated into labor markets and institutional structures. Studies conducted in the European context indicate that the effective integration of migrants into formal labor markets can support long-term economic growth. Kancs and Lecca (2018) show that, in the context of the European Union, full labor market integration of migrants could increase the EU's Gross Domestic Product by approximately 1.6% by 2060. Similarly, Noja et al. (2018) demonstrate that migrant labor is associated with higher employment and increases in per capita income in advanced economies such as Germany and Sweden. Studies focusing on the United States also suggest that migrants' access to legal status and formal employment can generate positive effects on economic outcomes (Ortega et al., 2019).

Bilgehan Yavuz and Parlińska (2022), in their study covering the period 1978–2019 and employing panel data analysis for 14 European Union countries and Türkiye, show that there is generally a positive relationship between migration and economic growth. The study states that this relationship is shaped through factors such as human capital accumulation, income distribution, and labor market structures.

According to Knani and Essabri (2025), the economic effects of migration vary across countries. While migration does not have a statistically significant effect on economic growth in the United States, a strong and positive relationship is identified between migration and GDP per capita in Australia. In Germany, however, it is noted that the economic impact of migration is significant only in the short run and that this effect is influenced by various structural and institutional factors.

The findings in the literature regarding the economic effects of migration are not always unidirectional. Some studies argue that, particularly in the short run and in sectors intensive in low-skilled labor, migration may exert downward pressure on wages for native workers and generate additional burdens on public expenditures (Borjas, 2003; Dustmann & Frattini, 2014). However, it is emphasized that such adverse effects tend to arise mainly in contexts where integration mechanisms are weak, labor market flexibility is limited, and migration predominantly involves low-skilled groups. Accordingly, these studies indicate that both the direction and

magnitude of the economic effects of migration are closely linked to a country's institutional capacity, labor market structure, and the nature of the migration policies implemented.

Empirical studies have generally examined the economic effects of migration separately through single indicators such as income per capita, economic growth, employment, total factor productivity, income distribution, human capital, and entrepreneurship. In contrast, studies that evaluate these indicators in a holistic and multidimensional framework by jointly incorporating productivity and technological development together with social and institutional structures remain quite limited. This situation makes it difficult to interpret the economic effects of migration in a comprehensive manner. For this reason, composite indicators that integrate multiple dimensions of economic performance may provide a more comprehensive framework for assessing the broader economic consequences of migration.

The conceptual approach that brings all these indicators together within a single analytical framework, encompassing productivity, technological development, as well as social and institutional structures, is shaped in the literature around the concept of "economic wealth."

Economic wealth is addressed in the literature not as a concept defined by a single, direct indicator, but rather as a multidimensional structure that jointly reflects a country's production capacity, human capital, institutional framework, and long-term economic potential. This approach suggests that measuring economic performance solely through indicators such as output levels or income per capita is insufficient, and that factors such as the quality of production, the efficient use of resources, institutional capacity, and sustainability should also be taken into account (Stiglitz, Sen & Fitoussi, 2009).

The multidimensional nature of economic wealth is closely related not only to the volume of production but also to factors such as the complexity of the production structure, technological capability, the accumulation of human capital, and the strength of institutional infrastructure. Barbier (2015) addresses economic wealth through components of productive, human, natural, and financial capital, while Hausmann et al. (2014) emphasize that the diversity of the production structure and knowledge intensity are key indicators of economic capacity. Similarly, it is stated that structural factors such as economic freedom, governance quality, and the investment environment also play a decisive role in the formation of economic wealth (Heritage Foundation, 2023). In this framework, economic wealth is regarded as a dynamic concept that is difficult to measure through single indicators and is shaped by the interaction of economic, social, and institutional dimensions.

This study aims to fill an important gap in the literature by examining the impact of migration on economic wealth through the Economic Wealth Index (EWI), a composite index that jointly incorporates economic, social, and institutional components (Öcal, 2025).

Method

Research Question

Within the framework of the literature discussed above, this study seeks to address the following research questions:

- Is there a statistically significant relationship between international migration and economic wealth in advanced economies?
- In what direction and to what extent do increases in international migration affect the Economic Wealth Index (EWI) in G7 countries?

Economic outcomes in advanced economies are shaped not only by production levels and income indicators, but also by demographic dynamics, labor market structures, and institutional capacity. International migration emerges as an important component of this process, particularly in countries where migration policies are more selective and oriented toward skilled labor (Stiglitz, Sen & Fitoussi, 2009; OECD, 2018). Nevertheless, the economic effects of migration are often examined through single indicators such as income per capita or employment, which limits the ability to fully capture the broader and longer-term economic implications of migration.

In this context, international migration can be expected to be associated with the level of economic wealth, which reflects a country's production capacity, accumulation of human capital, social and institutional structures, and long-term economic potential within a multidimensional framework.

Within this framework, the following hypothesis is tested:

H₁: In G7 countries, increases in net migration are positively associated with the Economic Wealth Index.

Research Methodology

Accordingly, the study examines the relationship between international net migration and the Economic Wealth Index for **G7** countries over the period 2000–2020.

The period in question was selected primarily because complete and consistent data are available for all components of the EWI. This allows the Principal Component Analysis (PCA) used in the construction of the Economic Wealth Index to be applied in a sound manner. In addition, the 2000–2020 period represents a timeframe during which international migration flows intensified markedly in terms of both volume and direction. During this period, demographic transformations, structural changes in labor markets, and rising demand for skilled labor in advanced economies accelerated international migration flows; migration thus became an important component of the economic and demographic structure, particularly in developed economies. Accordingly, this period provides an appropriate framework for analyzing the relationship between international migration and economic wealth, as it both reflects the transformation in migration dynamics and offers a comparable data structure (World Bank, 2023; OECD, 2018). In this context, selecting a group of countries in which the effects of migration dynamics on the economic structure can be observed more clearly is also analytically important. G7 countries constitute a core representative group of advanced economies in terms of global economic output, financial depth, and institutional capacity. With their high-income levels, established institutional structures, and relatively stable economic systems, these countries allow the economic effects of migration to be examined through more structural and long-term dynamics rather than short-term shocks. Accordingly, the G7 countries are selected as the sample to analyze the relationship between international migration and economic wealth more consistently in the context of advanced economies.

In addition, G7 countries tend to implement relatively selective migration policies that target skilled labor and possess advanced institutional mechanisms for integrating migrants into labor markets. This enables an examination of how the effects of migration on economic performance are shaped by policy design and institutional capacity. Therefore, the G7 countries constitute an analytically meaningful case for assessing the effects of migration on economic wealth within the framework of migration regimes and institutional structures (OECD, 2018; World Bank, 2023).

In this study, net migration is used as the indicator of international migration. Net migration refers to the difference between the number of migrants entering a country and the number of migrants leaving the country during a given period, and it includes both citizens and non-citizens. The net migration data used in the study are obtained from the World Development Indicators (WDI) database of the World Bank (2023).

To capture economic wealth in a multidimensional framework, this study employs the Economic Wealth Index (EWI) developed by Öcal (2025), with a minor modification to its original structure. Specifically, GDP was

excluded from the index components, as GDP per capita was already incorporated as a core variable, thereby avoiding redundancy within the composite measure. After this adjustment, the EWI used in the analysis was composed of three main dimensions: economic, social, and institutional.

The economic dimension comprised GDP per capita, gross fixed capital formation, the savings rate, the number of patent applications, economic complexity, and economic freedom. The social dimension included the employment rate, the GINI index, and a human capital indicator. The institutional dimension was represented by the control of corruption indicator. A detailed overview of the indicators included in the EWI, along with their respective data sources and coverage periods, is presented in Table 1.

Table 1.

Indicators and Data Sources Used for the Reconstruction of EWI

Indicator	Dimension	Source	Years
GDP per capita	Economic	World Bank, WDI	2000 - 2020
Gross Fixed Capital Formation (% of GDP)	Economic	World Bank, WDI	2000 - 2020
Savings Rate (% of GDP)	Economic	World Bank, WDI	2000 - 2020
Number of Patent Applications (NPA)	Economic	TURKPATENT (including PCT and EPC)	2000 - 2020
Economic Complexity Index (ECI)	Economic	Harvard Growth Lab	2000 - 2020
Economic Freedom Index	Economic	Heritage Foundation	2000 - 2020
Employment Rate (% of total population)	Social	World Bank, WDI	2000 - 2020
GINI Index	Social	World Bank, UNU-WIDER (WIID)	2000 - 2020
Human Capital Index	Social	Penn World Table	2000 - 2020
Control of Corruption	Institutional	World Governance Indicators	2000 - 2020

Source: *compiled by the author*

The Economic Wealth Index was constructed by applying Principal Component Analysis (PCA) to the selected set of indicators for each country. This approach allows the information contained in multiple indicators to

be summarized into a single composite index reflecting the multidimensional structure of economic wealth. This method was preferred as it enables the weights of the variables to emerge from the underlying data structure, rather than relying on equal weighting or externally imposed assumptions. Prior to implementation, the appropriateness of the dataset for PCA was assessed and confirmed through standard diagnostic tests, including a Kaiser–Meyer–Olkin (KMO) measure exceeding 0.6 and a statistically significant Bartlett’s test of sphericity ($p < 0.001$).

Following these diagnostics, the first principal component was retained and interpreted as the Economic Wealth Index for each country-year observation. In this way, the procedure produced a single composite indicator that summarizes the multidimensional structure of economic wealth across countries and over time.

To examine the relationship between international net migration and economic wealth, the following model was specified:

$$MIG_{it} = \beta_0 + \beta_1 EWI_{it} + e_{it} \quad (1)$$

Here, MIG_{it} is the international net migration value for country i in year t , EWI_{it} is the economic wealth measure, and e_{it} is the error term.

Before estimating the panel regression model, the time-series properties of the variables were examined to avoid potential spurious regression problems. Panel unit root tests were applied to both the Economic Wealth Index (EWI) and international net migration (MIG) using the Levin–Lin–Chu test. The results indicate that the variables are stationary at levels, implying that the regression analysis can be conducted without requiring further transformation.

To determine the appropriate panel estimation method, a Hausman specification test was performed to compare fixed-effects and random-effects estimators. The test results rejected the null hypothesis of no systematic differences between the estimators, indicating that the fixed-effects model is more appropriate for the analysis. Accordingly, the relationship between net migration and economic wealth was estimated using a fixed-effects panel regression framework, which controls for unobserved, time-invariant country-specific heterogeneity.

Following the estimation of the fixed-effects model, diagnostic tests were conducted to assess potential violations of the classical panel regression assumptions. The modified Wald test revealed the presence of

groupwise heteroskedasticity, while the Wooldridge test indicated first-order serial correlation in the error terms. Given the existence of both heteroskedasticity and autocorrelation, conventional standard errors were deemed inappropriate.

To address these issues and ensure reliable inference, the model was re-estimated using Driscoll–Kraay standard errors, which are robust to heteroskedasticity, autocorrelation, and cross-sectional dependence in panel data settings. The estimation results obtained under this approach form the basis of the empirical findings discussed in the subsequent section.

Findings

This section presents the empirical findings obtained from the panel data analysis examining the relationship between international net migration and economic wealth in G7 countries over the period 2000–2020.

Construction of the Economic Wealth Index (EWI)

Prior to constructing the Economic Wealth Index, the adequacy of the data for PCA was evaluated. The KMO statistic was above the recommended threshold ($KMO > 0.6$), and Bartlett's test results were statistically significant ($p < 0.001$), suggesting that the variables exhibit sufficient correlation for factor analysis. The first principal component was subsequently used to derive annual EWI scores for G7 countries between 2000 and 2020, which are reported in Table 2.

Table 2.

Annual EWI Scores for G7 (2000–2020)

Year	Canada	France	Germany	Italy	Japan	UK	USA
2000	-1,87651	-1,67493	-1,85122	0,85289	1,6829	2,17442	1,77851
2001	-1,52663	-1,7238	-1,27789	1,09978	1,68765	1,88269	1,85335
2002	-1,27757	-1,85962	-1,14897	1,20204	1,66537	1,51589	1,38313
2003	-1,08247	-1,56136	-1,37147	1,05168	1,0168	1,08346	1,10196
2004	-0,87169	-0,77982	-1,25636	1,13435	1,32512	0,74415	1,20078
2005	-0,79011	-0,7552	-0,96937	1,21872	1,12739	0,59122	0,80666
2006	-0,77013	-0,3007	-0,39753	1,00992	0,26447	0,63162	0,50576
2007	-0,49683	0,09641	0,00455	1,29022	0,45037	0,06762	0,36913
2008	-0,20997	0,33869	-0,03599	0,75737	-0,06907	0,0551	0,28308

2009	-0,01584	0,28962	-0,39591	-0,2916	-0,61939	-0,19223	-0,30409
2010	0,25687	0,6795	-0,04751	-0,25366	-0,76083	-0,5843	-0,49671
2011	0,56278	0,82572	0,44386	-0,56381	-0,87043	-0,79019	-0,68294
2012	0,46973	0,67943	0,46371	-1,18926	-0,8582	-0,75834	-0,71014
2013	0,43906	0,43404	0,59434	-1,34396	-0,97402	-0,78845	-0,74966
2014	0,65657	0,47041	0,60218	-1,30411	-1,03983	-0,77143	-0,87434
2015	0,95955	0,15184	0,75325	-1,25082	-0,68293	-0,50867	-0,66498
2016	0,85572	0,43398	0,83822	-0,98802	-0,71952	-0,64601	-0,84716
2017	0,78816	0,91153	1,0314	-0,73667	-0,58161	-0,98466	-0,92653
2018	0,97279	1,05903	1,23857	-0,52671	-0,64314	-0,82316	-0,98211
2019	1,1194	1,31667	1,25595	-0,42603	-0,65775	-1,06183	-1,05588
2020	1,83712	0,96854	1,5262	-0,74231	-0,74336	-0,83692	-0,98781

Source: calculated by the author

Model Estimation and Results

Panel unit root properties of the variables were examined using the Levin–Lin–Chu (LLC) test. The results are reported in Table 3.

Table 3.

Levin–Lin–Chu (LLC) Panel Unit Root Test Results

H₀: Panels contain unit roots	Number of panels: 7	
H₁: Panels are stationary	Number of periods: 21	
Variable	Statistic	p-value
Economic Wealth Index (EWI)	- 3.6020	0.0002
Migration (MIG)	- 5.2975	0.0000

The results indicate that both the Economic Wealth Index (EWI) and international net migration are stationary at levels.

Before estimating the model, the choice between fixed and random effects was based on the Hausman specification test. The results are reported in Table 4.

Table 4.*Hausman Specification Test Results*

Estimator	Coefficient
Fixed Effects (b)	0.2366316
Random Effects (B)	0.0196321
Difference (b – B)	0.2169994
Std. err.	0.0715585
Test Statistic	Value
Chi-square (1 df)	9.20
p-value	0.0024

The null hypothesis assumes that the random-effects estimator is consistent. Since $p < 0.01$, the null hypothesis is rejected, indicating that the fixed-effects model is the appropriate specification for estimation.

Given the presence of heteroskedasticity and serial correlation detected in the diagnostic tests, the fixed-effects model with Driscoll–Kraay standard errors is presented in Tables 5 and 6.

Table 5.*Fixed-Effects Model Regression Results with Driscoll–Kraay Standard Errors*

Dependent Variable	:EWI				
Variable	Coefficient	Didsc/Kraay Std. Error	t-stat	p-value	95% CI
MIG	0.2366316	0.0379863	6.23	0.000	[0.0157 – 0.315]
Constant	-0.7925356	0.0938917	-8.44	0.000	[-0.988 – -0.596]

Table 6.*Model Diagnostics for the Fixed-Effects Estimation*

Model Diagnostics			
R-squared (Within)	0.0672	v	
F-statistic	38.81	Prob > F	0.0000

The fixed-effects regression results, corrected for heteroskedasticity and serial correlation using Driscoll–Kraay standard errors, indicate a positive and statistically significant relationship between international net migration

and economic wealth in G7 economies. Specifically, an increase of 100,000 individuals in net migration is associated with an approximately 0.24-unit increase in the Economic Wealth Index ($p < 0.01$). The within R^2 value of 0.067 indicates that net migration explains about 6.7% of the within-country variation in economic wealth over time. Overall, the model is statistically significant.

Discussion

The findings indicate that, in line with the H_1 hypothesis proposed in the study, increases in net migration to G7 countries have a positive effect on their economic wealth. As reported in the results section, an increase of 100,000 individuals in international net migration leads to an approximately 0.24-unit increase in the Economic Wealth Index. Considering the total range of variation exhibited by the index for G7 countries over the 2000–2020 period, this magnitude suggests that around 6% of the observed long-term fluctuation in economic wealth may be associated with international migration, indicating that even relatively modest increases in net migration can generate a notable impact on economic wealth.

The finding that international migration supports economic wealth in a positive manner can be associated with the fact that migration policies in advanced countries are largely selective and oriented toward skilled labor. This interpretation is broadly consistent with studies emphasizing that skilled migration contributes to productivity, innovation, and long-term economic performance in advanced economies. G7 countries implement migration policies that take education levels, professional skills, and labor market needs into account in the admission of migrants; this strengthens the positive impact of migration on economic productivity and wealth indicators. Accordingly, the findings suggest that the effect of migration on economic wealth is closely related to a country's migration regime and institutional capacity. The results should not be generalized as implying that migration increases economic wealth under all circumstances; rather, it should be noted that they are most likely valid only in the context of advanced economies and countries that implement selective migration policies.

Unlike previous studies in the literature, this study examines the economic effects of migration through the Economic Wealth Index (EWI), which reflects the multidimensional nature of economic wealth and jointly incorporates economic, social, and institutional components. This approach suggests that the effects of migration are not limited to short-term economic indicators, but may also be related to the long-term productivity, innovation capacity, labor market dynamics, and institutional structures of advanced economies. The effects of migration on economic wealth may not always be clearly observable in analyses based on single indicators. By contrast, when a composite framework such as the EWI is employed, the potential long-term effects of migration on economic capacity become more visible.

Conclusions and Implications

The main originality of this study lies in examining the economic effects of international migration through an index that captures economic wealth within a multidimensional framework, rather than relying on fragmented indicators. The Economic Wealth Index (EWI) provides a more comprehensive measure of economic wealth by jointly considering elements such as economic growth, employment, productivity, and institutional quality. In this respect, the study not only adds new empirical evidence to the migration literature but also offers a methodological contribution regarding how the economic effects of migration should be measured.

In this study, migration is examined through the indicator of international net migration due to existing data constraints. The net migration indicator reflects the net difference between the population entering and leaving a country during a given period and does not distinguish between different types of migration, such as voluntary economic migration, family reunification, or forced migration. While this approach is meaningful for analyzing the overall relationship between international migration and economic wealth, it does not allow for the disentanglement of the potentially different effects of migration subcomponents on the economy. In addition, the relatively small sample size (G7 countries) should also be considered when interpreting the findings, as the results may not fully reflect the migration–wealth relationship in countries with different institutional and demographic structures.

Within this framework, future studies that disaggregate migration into its subtypes may contribute to more in-depth and context-sensitive insights into the relationship between migration and economic wealth. In particular, examining the effects of different forms of migration—such as forced migration, economic migration, and skilled migration—on economic wealth separately could provide a basis for more targeted and effective policy design for both the academic literature and policymakers.

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