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OPINION

The Country That Needs Talent Is Importing Welfare Dependency and Exporting Its Best



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Germany: Migration That Harms Rather Than Helps the Economy

Every year since 2011, more than one million people have immigrated to Germany from abroad. Net population growth between 2011 and the end of 2023 amounted to 7.1 million people. In his book “Absturz. So retten wir Deutschland” (“Crash: How We Save Germany”), Daniel Stelter writes: “This, together with the ongoing internal migration into metropolitan areas, explains the housing shortage and rising rents...” Yes, that is one explanation, alongside another: ever-increasing government requirements for residential construction have made building in Germany far too expensive, while investors are discouraged by constant new regulations.

Costs of 50 Billion Euros per Year

In his book, Stelter also examines the economic consequences of mass migration. According to Stelter, the fiscal costs of migration place a massive burden on public finances. At around 50 billion euros annually, the expenditures were on the scale of Germany’s defense budget before its increase. The balance between taxes and social contributions paid on the one hand and government benefits received on the other is negative.

According to current figures from the Federal Employment Agency, nearly half of all recipients of “Bürgergeld” do not hold a German passport. Around 5.3

million Bürgergeld recipients were counted in 2025, including approximately 2.5 million foreigners. That corresponds to roughly 47 percent. The share is even higher when considering not only foreigners, but all people with a migration background, including naturalized citizens or children of immigrants with German passports. According to data from the Federal Employment Agency, as early as 2023, around 62.8 percent of employable Bürgergeld recipients had a migration background.

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High welfare benefits are one reason why many people are drawn to Germany. Germany's asylum laws make this particularly easy. Stelter writes: "2025 is already the 13th consecutive year in which more than 100,000 people applied for asylum in Germany for the first time. Although most applications are rejected, the people remain in the country... Even more problematic is the fact that increasing numbers of these people, who officially only hold a tolerated status, receive German citizenship after just five years in the country. One can

therefore enter illegally, fail to receive asylum because of that, and then be rewarded five years later with citizenship,” Stelter argues.

Who Immigrates and Who Emigrates

Current figures confirm this trend: Germany recorded almost 310,000 naturalizations last year — a record since the introduction of unified statistics in 2000. The previous year, the number had still been around 292,000, according to the newspaper “Die Welt.”

Because of demographic developments, Germany needs immigration. The problem is that the country is mainly attracting low-skilled immigrants, often without vocational training or language skills. At the same time, increasing numbers of highly qualified Germans are leaving the country.

German emigrants are, on average, significantly better qualified than the population as a whole. A study by the Federal Institute for Population Research and the University of Duisburg-Essen concluded that around 75 percent of German emigrants hold a university degree. Among the non-mobile population in Germany, the figure is only about 25 percent.

The OECD also explicitly describes German emigrants as “talents abroad” and emphasizes their above-average educational qualifications. Already in 2010/2011, more than three million people born in Germany were living in other OECD countries, a large share of them academically or professionally highly qualified. Young professionals and university graduates are particularly likely to emigrate. According to analyses by the German Economic Institute (IW) and OECD data, many Germans leave the country at the beginning of their professional careers. The most popular destinations are Switzerland, Austria, the United States, and Canada. The main reasons are better career opportunities, higher incomes, lower taxes, and more attractive living conditions.

This issue is economically explosive because Germany simultaneously suffers from a shortage of skilled labor. Particularly affected are STEM professions as well as highly qualified technical and scientific specialists. Stelter is right when he writes: “We should first work on making Germany more attractive for the people already living here before focusing on immigration.”

High Taxes and High Welfare Benefits

That is precisely the problem: Germany is attractive for people living on welfare benefits and less attractive for people who work. Welfare benefits are among the highest in the world, while taxes and social contributions are also among the highest. According to the OECD, the combined burden of taxes and social security contributions for single average earners in Germany recently stood at around 47.9 percent, significantly above the OECD average of about 34.8 percent.

Families with many children — and many migrant families fall into this category — can expect very high welfare payments. A woman recently calculated in “Die Welt”: “I calculated what the numbers would look like for me. In this calculation, my ‘household community’ consists of four teenagers and myself. With rent of 1,800 euros, the officially recognized monthly need would amount to 4,517 euros. That is the sum I would receive from the state if I had no other income. And that is only the basis. In addition, there are earmarked funds for school trips, textbooks, sports clubs, or tutoring. If I include the maximum rates for school supplies and reasonable amounts for school trips, transportation costs, excursions, and lunches, I arrive at total state benefits of around 70,000 euros per year. Hardly any employed person can earn that amount net.”

The woman who wrote this is German. How attractive must such welfare benefits appear to someone coming from a poor country? At the same time, undeclared work is increasing massively. Anyone receiving welfare benefits

while also working illegally off the books may ultimately have far more disposable income working perhaps only 15 hours a week than someone holding a legal 40-hour job.

Editor's note: This is the final part of a four-part series