



HOUSE OF LORDS

Library Note

Debate on 21 October: Immigration

This Library Note provides background reading for the debate to be held on Thursday 21 October on:

“The economic and cultural benefits of immigration”

The Note provides statistics on the scale of immigration to the UK, summarises Government policy on immigration, and outlines various perspectives on the impact of immigration.

Ian Cruse
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Introduction: The Impact of Immigration

The purpose of this Note is to outline some of the various debates that have taken place in recent years regarding the benefits and costs of immigration, with a particular emphasis on its economic and cultural aspects. The Note begins by briefly outlining the nature of global immigration and its effects on the UK before offering a short account of recent immigration policy. The note then moves on to consider a number of contributions that have been made within the contours of this general debate. A detailed account of the impact of immigration, with an analysis of its consequences for particular areas of the economy and policy-making across a range of areas can be found in House of Commons Library Research Paper, [Impacts of Immigration](#) (July 2008). The Note finishes with a consideration of public attitudes towards immigration and its relevance to the 2010 General Election.

1. Measuring Immigration and its Impact on Population Demographics

1.1 Global and EU Migration

Migration is a global phenomenon. The OECD for instance produces annual figures showing immigration to OECD countries:

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Inflow data based on population registers:</i>										
FRA France	82.8	91.9	106.9	124.2	136.4	141.6	135.9	135.1	128.9	136.0
GBR United Kingdom	239.5	260.4	262.2	288.8	327.4	434.3	405.1	451.7	455.0	456.0
IRL Ireland	22.2	27.8	32.7	39.9	42.4	41.8	66.1	88.9	89.5	67.6
ITA Italy	268.0	271.5	232.8	388.1	..	319.3	206.8	181.5	252.4	..
KOR Korea	..	185.4	172.5	170.9	178.3	188.8	266.3	314.7	317.6	311.7
MEX Mexico	5.4	6.4	8.1	5.8	4.8	8.5	9.2	6.9	6.8	15.1
NZL New Zealand	31.0	37.6	54.4	47.5	43.0	36.2	54.1	49.8	46.8	46.9
POL Poland	17.3	15.9	21.5	30.2	30.3	36.9	38.5	34.2	40.6	41.8
PRT Portugal	10.5	15.9	151.4	72.0	31.8	34.1	28.1	22.5	32.6	32.3
TUR Turkey	154.3	162.3	154.9	151.8	147.2	148.0	169.7	191.0	174.9	175.0
USA United States										
Permanent inflows	644.8	841.0	1 058.9	1 059.4	703.5	957.9	1 122.4	1 266.3	1 052.4	1 107.1
Temporary inflows	1 106.6	1 249.4	1 375.1	1 282.6	1 233.4	1 299.3	1 323.5	1 457.9	1 606.9	1 617.6
EU-25 (among above countries)										
+ Norway and Switzerland	1 847.3	2 107.0	2 375.8	2 576.4	2 124.8	2 791.8	2 696.0	2 880.7	3 232.1	2 664.3
North America (permanent)	834.7	1 068.5	1 309.5	1 288.4	924.9	1 193.7	1 384.6	1 517.9	1 289.2	1 354.4

Note: For details on definitions and sources, refer to the metadata at the end of the Tables B.1.1.

(Source: OECD, *International Migration Outlook 2010*, 2010)¹

The World Bank produces figures which track migration in terms of the amount of remittances posted by migrants from host countries to countries of origin. The latest officially recorded remittance flows to developing countries reached \$316 billion in 2009, down 6 per cent from \$336 billion in 2008, while it suggested that with improved prospects for the global economy, remittance flows to developing countries might increase to 6.2 per cent in 2010 and 7.1 per cent in 2011.² The International Organisation for Migration (IMO) estimates that there are 214 million global migrants.³

¹ For more detailed figures see the [OECD Migration databases](#).

² World Bank, [Outlook for Remittance Flows 2010–2011](#) (April 2010).

³ See the IMO [website](#).

In September 2010, Eurostat published figures which showed the number of foreigners living within the EU. They showed that the total number of non-nationals living on the territory of the EU Member States on 1 January 2009 was 31.9 million—6.4 per cent of the total EU population. More than one third of them (11.9 million) were citizens of another Member State.⁴

1.2 Immigration to the UK

The Office for National Statistics (ONS) publishes a quarterly publication, *Migration Statistics Quarterly Report*. The last report published in August 2010 included the following:

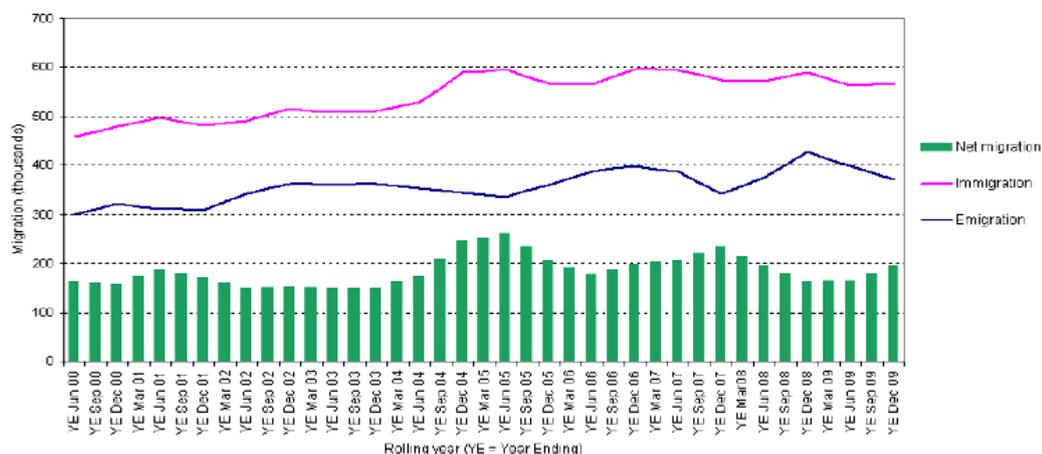
Estimated total long-term immigration to the UK in the year to December 2009 was 567,000 compared with the final estimate of 590,000 in the year to December 2008 and at a similar level to that seen since 2004, when the A8 countries of central and eastern Europe joined the EU.

Estimated total long-term emigration from the UK in the year to December 2009 was 371,000. This was 13 per cent lower than the final estimate of 427,000 in the year to December 2008.

... Estimated net long-term migration to the UK in the year to December 2009 was 196,000. This compares with the final estimate of 163,000 in the year to December 2008.⁵

The report contained the chart below which indicated longer term migration trends:

Figure 1.1: Total long-term international migration, UK, 2000–2009



Source: ONS, *Long-Term International Migration*

Notes:

1. Figures for YE Mar 09, YE Jun 09, YE Sep 09 and YE Dec 09 are provisional
2. Estimates are only published for YE Jun and YE Dec each year; values shown for YE Mar and YE Sep each year are interpolated

The report also contained estimates of the UK population in terms of country of birth and nationality. It estimated that in the year to December 2009, 88.7 per cent of the UK

⁴ Eurostat, [Foreigners Living in the EU are Diverse and Largely Younger than the Nationals of the EU Member States](#) (7 September 2010).

⁵ ONS, *Migration Statistics Quarterly Report* (August 2010), p 4.

population were UK born and 92.9 per cent were British nationals.⁶ In the year ending December 2009 India was the most common country of birth for UK residents born outside the UK and Polish was the most common non-British nationality:

Figure 4.2: UK residents by non-UK country of birth and by non-British country of nationality: estimates for year to December 2009; top five (including 95 per cent confidence intervals)

Non-UK country of birth	thousands		Non-British country of nationality	thousands	
	Estimate	95%CI (+/-)		Estimate	95%CI (+/-)
India	653	34	Poland	529	31
Poland	520	31	Republic of Ireland	333	24
Pakistan	441	28	India	303	23
Republic of Ireland	389	26	Pakistan	190	18
Germany	293	23	United States of America	139	16

Source: ONS, *Population by country of birth and nationality from the Annual Population Survey, year to December 2009*

Notes:

1. As these values are survey estimates they will be subject to sampling variability. Quality measures are published with the dataset
2. CI = confidence intervals. A definition is provided in the Glossary

Immigration is also composed of those individuals who come to the UK for reasons such as work and study. The August 2010 *Migration Statistics Quarterly Report* noted that in terms of National Insurance Numbers (NINOs), the latest figures showed that 573,000 NINOs were allocated to non-UK nationals in the year to March 2010, 17 per cent fewer than in the year to March 2009. In terms of A8 nationals (ie from countries joining the EU after 2004), 151,000 NINOs were allocated in the year to March 2010, a fall of 30 per cent on the year to March 2009. In the year to June 2010 the number of A8 nationals successfully applying to work as an employee in the UK via the Worker Registration Scheme (WRS) was 105,000, a fall of 12 per cent on the year to June 2009 (118,000). In terms of entry clearance visas, the latest figures showed that in the year to June 2010 the overall number of entry clearance visas issued, excluding visitor and transit visas, was 616,360, an increase of 12 per cent compared with the year to June 2009 (550,280). In the year to June 2010 a total of 161,050 work-related visas were issued, a decrease of 14 per cent on the year to June 2009. The number of visas issued for the purposes of study was 362,015 in the year to June 2010, a rise of 35 per cent on the year to June 2009.⁷

In October 2009, the ONS published *National Population Projections, 2008-based*, which sought to estimate the future growth of the UK's population. It estimated that the UK's population is projected to increase by more than 4 million to 65.6 million over the 10 year period to 2018 and to increase from an estimated 61.4 million in 2008 to 71.6 million in

⁶ ONS, *Migration Statistics Quarterly Report* (August 2010), p 18. British nationals are people who have British citizenship, either because they were born with it or have been granted it since. Nationality is not necessarily determined by country of birth. In the year to December 2009 an estimated 40.6 per cent of UK residents not born in the UK had British nationality. Of those UK residents who did not have British nationality, an estimated 5.6 per cent had been born in the UK.

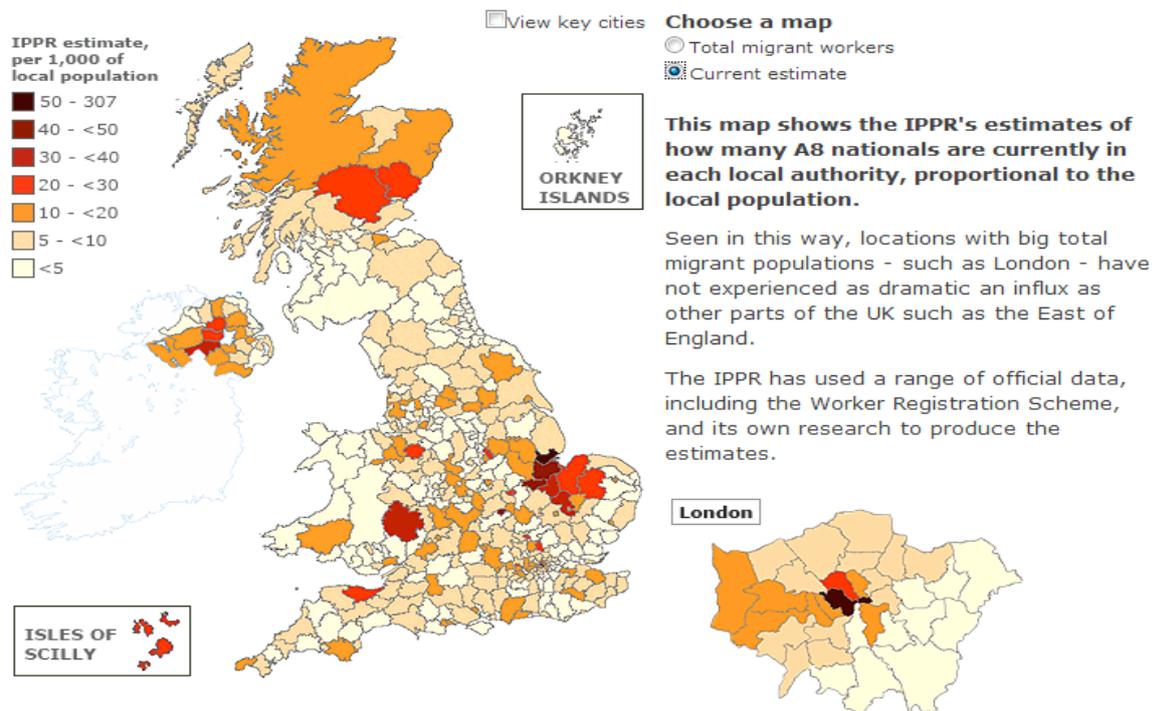
⁷ Further statistical commentary can also be found in Home Office, [Control of Immigration: Statistics United Kingdom 2009](#) (August 2010) and in House of Commons Home Affairs Select Committee, [Managing Migration: The Points Based System](#) (HC 217; August 2009).

2033.⁸ The ONS went on to state:

Of the 4.3 million projected increase in the UK population over the next 10 years, some 2.4 million (56 per cent) is a result of projected natural increase (more births than deaths) while the remaining 1.9 million (44 per cent) is the assumed net number of migrants. Similarly, of the 10.2 million projected increase in the population by 2033, 5.6 million (55 per cent) is due to projected natural increase and 4.6 million (45 per cent) is due to projected net migration.

... The projected numbers of future births and deaths are themselves partly dependent on the assumed level of net migration. Because migration is concentrated at young adult ages, the assumed level of net migration affects the projected number of women of childbearing age and hence the projected number of births. Of the 5.6 million natural increase projected between 2008 and 2033, only 3.3 million would occur if net migration were zero (at each and every age) throughout the projection period. Thus just over two-thirds of the projected increase in the population over the period 2008 to 2033 is either directly or indirectly due to migration (45 per cent directly attributable to future migration and a further 23 per cent indirectly due to future migration through its effect on natural change).⁹

The spread of immigration across the UK has not been even. For instance, in 2007, the BBC published data maps supplied by the Institute for Public Policy Research (IPPR) which indicated how workers from the A8 countries took jobs across the UK:



In addition to the legal immigration outlined above, illegal immigration and asylum seekers are also part of the inflow of migrants into the UK. In terms of illegal immigration, because of its very nature, statistics and estimates are at best tentative. However, in 2005 a Home Office study estimated an illegal immigrant population of

⁸ ONS, *National Population Projections, 2008-based* (21 October 2009), p 1.

⁹ ONS, *National Population Projections, 2008-based* (21 October 2009), p 2.

between 310,000 and 570,000.¹⁰ In 2009, the LSE estimated the figure to be nearer 618,000 (within a range of 417,000 to 863,000), while MigrationWatch earlier this year put the figure at 1.1 million.¹¹ In terms of asylum seekers, the numbers of principal applications rose from roughly four thousand a year in the mid to late 1980s to between 30,000 and 40,000 in the early 1990s, peaking at over 84,000 in 2002. By 2007, the figures had fallen to 23,430 and were just under 24,500 in 2009.¹² However, many of these applications were refused. For instance, in 2002 of the just over 84,000 applications 64 per cent were refused, while in 2009 72 per cent were refused.¹³

However, it is also important to note that the ONS has acknowledged that no one set of statistics adequately captures migration, while the House of Lords Economic Affairs Select Committee (discussed below) and the House of Commons Treasury and Home Affairs Select Committees, for example, have questioned the reliability of the figures used.¹⁴

1.3 The Changing Composition of the UK Population

The impact of immigration over many years can perhaps be seen in the increasingly diverse ethnic make-up of the UK population. The Office for National Statistics produced the table overleaf using estimates based on the 2001 Census:

¹⁰ Home Office Online Report 29/05, [Sizing the Unauthorised \(Illegal\) Migrant Population in the United Kingdom in 2001](#) (2005).

¹¹ LSE, [Economic Impact on the London and UK Economy of an Earned Regularisation of Irregular Immigrants to the UK](#) (May 2009); Migration Watch UK, [The Illegal Migrant Population in the UK](#) (April 2010). See also House of Commons Library Standard Note, [Immigration: An Amnesty for Undocumented Migrants?](#) (July 2009).

¹² See House of Commons Library Standard Note, [Asylum Statistics](#) (October 2010).

¹³ *Ibid*, p 5. See House of Commons Home Affairs Select Committee, [Managing Migration: The Points Based System](#) (HC 217; August 2009) for a breakdown of work permits granted by industry and by region of origin of applicant (pp 14–15).

¹⁴ The House of Commons Home Affairs Select Committee in a report published in August 2009 (HC 217) pointed to four inadequacies of migration data. First, existing data does not allow for accurate measurement of numbers of immigrants at national, regional and local levels. Labour Force Survey (LFS) data, the main source for measuring the annual stock of immigrants in the UK, exclude people who have lived in the UK for less than six months and people who do not live in private households. Second, available data on gross and net immigration flows include only international long-term migrants (those who enter or leave the UK for a period of more than one year) and therefore exclude those who enter or leave the UK for less than one year. Third, there is insufficient data about people leaving the UK, since there are currently no border exit controls. Fourth, little is known about the scale of illegal immigration and illegal employment in the UK. See also: House of Commons Library Research Paper, [Impacts of Immigration](#) (July 2008), pp 41–2.

Population of the United Kingdom: by ethnic group, April 2001

	Total population		Non-white population (Percentages)
	(Numbers)	(Percentages)	
United Kingdom			
White	54,153,898	92.1	-
Mixed	677,117	1.2	14.6
Indian	1,053,411	1.8	22.7
Pakistani	747,285	1.3	16.1
Bangladeshi	283,063	0.5	6.1
Other Asian	247,664	0.4	5.3
All Asian or Asian British	2,331,423	4.0	50.3
Black Caribbean	565,876	1.0	12.2
Black African	485,277	0.8	10.5
Black Other	97,585	0.2	2.1
All Black or Black British	1,148,738	2.0	24.8
Chinese	247,403	0.4	5.3
Other ethnic groups	230,615	0.4	5.0
All minority ethnic population	4,635,296	7.9	100.0
All population	58,789,194	100	-

In September 2009, the ONS published estimates which indicated changes in the growth of the various ethnic populations within England:

While the White British and White Irish groups decrease in size over the period (due both to net international emigration and, for the relatively old White Irish population, more deaths than births), this is more than offset by the increase in other ethnic groups, with the rises in the Other White, Asian Indian and Black African groups making the largest contributions to growth. Nearly three quarters of the total growth of the non-‘White British’ groups is attributable to net migration into England.¹⁵

The ONS also noted that there were regional differences in the growth of the various ethnic populations. While London retained the greatest concentrations of the non-‘White British’ ethnic groups (its proportion of the total non-‘White British’ population had risen from 40.4 per cent in 2001 to 42.3 per cent in 2007), other regions with a small base of non-‘White British’ population had shown the highest growth rates.¹⁶

1.4 UK Immigration Policy

Until the Commonwealth Immigrants Act 1962, all Commonwealth citizens could enter and stay in the United Kingdom without any restriction. The Commonwealth Immigrants Act 1962 made citizens of the United Kingdom and its Colonies whose passports were not directly issued by the United Kingdom Government subject to immigration control. By 1972, only holders of work permits, or people with parents or grandparents born in the UK could gain entry—which significantly reduced primary immigration from Commonwealth countries. The British Nationality Act 1981 distinguished between a British citizen or British Overseas Territories citizen. The former holds nationality by descent and the latter holds nationality other than by descent. Citizens by descent cannot automatically pass on British nationality to a child born outside the United Kingdom or its Overseas Territories (though in some situations the child can be registered as a citizen). After 1997, the previous Labour Government passed more than

¹⁵ ONS, [Population Estimates by Ethnic Group: 2001 to 2007 Commentary](#) (September 2009), p 1.

¹⁶ *Ibid.* See Table 3. See also House of Commons Library Standard Note, [Ethnicity and Religion: Social Indicators](#) (May 2010).

10 Acts that dealt directly with immigration and asylum alongside a raft of policy initiatives, while developments within Europe further changed the policy backdrop to immigration.¹⁷

The UK signed up to the right to the free movement of people within the EU as codified in EU Directive 2004/38/EC, which included provision for the free movement of workers within the territory of the Member States and the Immigration (European Economic Area) Regulations 2006. Since the expansion of the EU on 1 May 2004, the UK has accepted immigrants from Central and Eastern Europe, Malta and Cyprus (ie the A8 countries). There are restrictions on the benefits that members of the A8 countries can claim, which are covered by the Worker Registration Scheme. The Government announced that the same rules would not apply to nationals of Romania and Bulgaria when those countries acceded to the EU in 2007. Instead, restrictions were put in place to limit migration to students, the self-employed, highly skilled migrants and food and agricultural workers.

The UK has for some time operated a “managed migration” approach, which describes various schemes that control all legal labour and student migration from outside of the EU and this accounts for a substantial percentage of overall immigration figures for the UK. Many of the immigrants who arrive under these schemes bring skills which are in short supply in the UK. This area of immigration is managed by the UK Border Agency. Applications are made at UK embassies or consulates or directly to the UK Border Agency, depending upon the type of visa or permit required. In April 2006 changes to the managed migration system were proposed that would create a points-based immigration system for the UK in place of all other schemes. Tier 1 in the new system—which replaced the Highly Skilled Migrant Programme—gives points for age, education, earning, previous UK experience but not for work experience. The points-based system was phased in over the course of 2008 and is composed as follows:

- Tier 1 for highly skilled individuals, who can contribute to growth and productivity;
- Tier 2 for skilled workers with a job offer, to fill gaps in the United Kingdom workforce;
- Tier 3 for limited numbers of low-skilled workers needed to fill temporary labour shortages;
- Tier 4 for students;
- Tier 5 for temporary workers and young people covered by the Youth Mobility Scheme, who are allowed to work in the United Kingdom for a limited time to satisfy primarily non-economic objectives.¹⁸

In June 2010, the Coalition Government brought in a temporary cap on immigration of those entering the UK from outside the EU, with the limit set at 24,100, in order to stop an expected rush of applications before a permanent cap is imposed in April 2011.

¹⁷ For a concise commentary on these changes see House of Commons Library Research Paper, [The Impacts of Immigration](#) (July 2008), pp 18–29.

¹⁸ For an overview and commentary on the Tier Points System see House of Commons Home Affairs Select Committee, [Managing Migration: The Points Based System](#) (HC 217; August 2009).

2. Commentary and Analysis of the Impact of Immigration

2.1 The International Organisation for Migration

The International Organisation for Migration (IOM) was established in 1951 and describes itself as the “leading inter-governmental organization in the field of migration” and works to “ensure the orderly and humane management of migration”. Though the IOM recognises that international migration can pose a number of problems, such as human trafficking and exploitation and discrimination in host countries, it also seeks to highlight the benefits of migration for migrants, and for host and domicile countries. In December 2008, the IOM Director General, William Lacy Swing, sought to draw out these benefits in relation to the emerging economic crisis that was engulfing many developed nations:

Although the economic crisis is still unfolding and its full impact remains unclear, it would be counter-productive for governments in developed countries to close their doors to migrants. Many of them are still needed in jobs that citizens in industrialized countries are unable or unwilling to take.

... This structural need for migrants, who represent the human face of globalization, is underlined by demographic projections showing that by 2050, these countries will experience even greater labour shortages due to falling birth rates and aging working populations, leaving twice as many people over 60 years of age than children. Indeed, migration has become a linchpin of globalization.

... Their continued ability to send money back home is crucial to fighting poverty in migrant origin countries, where families are often dependent on such funds to pay for basic needs such as food, housing, health and education.¹⁹

The IOM has also sought to highlight the cultural and social benefits of immigration:

The social and cultural impact of migration is considerable. Migrants can build intercultural bridges and cross-border social capital as they move between their culture of origin and that of their new home. Culturally diverse workforces can be best placed to identify opportunities and forge effective multinational relationships that generate and sustain international business. Increasing cultural diversity can provide impetus for the stimulation of entrepreneurship, experimentation in industry, creativity in art and literature, achievement in sports, innovation in cuisine and a multitude of other endeavours.²⁰

However, it also acknowledges the challenges that this can pose for policy-makers:

But divergent sets of societal expectations and resulting psychological pressures can lead to marginalization of migrants in the host country. Unless government integration policies are carefully developed, rather than active participation in a host society, the consequences may be isolation of migrants into communities exclusively practicing their respective traditions and cultures. The risks of disaffection are not insignificant.²¹

¹⁹ IOM press release, ‘[See Migrants as Part of the Solution During Economic Crises, Says IOM on International Migrants Day](#)’ (18 December 2008).

²⁰ IOM, [Valuing Migration: Costs, Benefits, Opportunities and Challenges](#) (November 2004).

²¹ *Ibid.*

2.2 The International Labour Organisation: Opportunities and Dangers

The International Labour Organisation (ILO) is an agency of the UN that seeks the decent treatment of working people. The ILO notes the contribution that migrant workers can make:

There is global consensus now on contributions of labour migration to growth and development in both source and destination countries. It contributes to home country development through worker remittances, the transfer of capital and skills through returning migration and transfers of skills and technology and investments by transnational communities abroad.²²

However, it also highlights the dangers to migrants and their source countries:

Migrant workers are increasingly in demand, not only for high-skilled information technology and professional jobs, but also for many of the low-paid, less skilled jobs in agriculture, cleaning and maintenance, construction, domestic service, and health care. Migrants are often relegated to the “three D”—dirty, dangerous, and degrading—jobs that national workers reject or are not available for. Many migrants work in precarious and unprotected conditions in the growing informal economy.

... the loss of crucial skills (brain drain) from developing countries is a cause for concern.²³

In 2009, the ILO published *The Global Economic Crisis and Migrant Workers: Impact and Response*. It noted that the economic crisis would make the position of many migrant workers across the world more precarious, with possible incidences of discrimination and xenophobia on the rise as tensions with native workers increased.²⁴

2.3 Civitas: ‘The Economic Impact of Immigration’ (2004)

In April 2004, Civitas published a paper by Professor Robert Rowthorn, which sought to question some of the benefits of immigration that had been put forward by others. He accepted that certain types of immigration, such as that of highly skilled professionals or dynamic entrepreneurs, were advantageous to the UK and might help to create extra jobs for the less skilled. However, he went on to state:

Many immigrants, especially those from poorer countries, have a low educational level and are more likely to be unemployed or economically inactive than the domestic population. And if unskilled immigrants do get jobs it may be at the expense of existing workers. Large-scale immigration of unskilled people may be beneficial for urban elites who enjoy the benefits of cheap servants, restaurants and the like, but it is not to the economic advantage of those who have to compete with these immigrants. Moreover, unskilled, unemployed or economically inactive immigrants may be a significant tax burden on the local population, especially if they settle permanently and require public support and care in old age.²⁵

²² ILO, [Facts on Labour Migration](#) (June 2006).

²³ *Ibid.*

²⁴ ILO, [The Global Economic Crisis and Migrant Workers: Impact and Response](#) (2009).

²⁵ Professor Robert Rowthorn, [‘The Economic Impact of Immigration’](#), *Civitas Online Report* (April 2004), pp 2–3.

2.4 Lord Parekh: 'Multiculturalism is a Civilised Dialogue' (2005)

Writing in the *Guardian* in January 2005, Lord Parekh set out his views on multiculturalism, which celebrated the benefits that different cultural perspectives could bring:

No culture represents the last word in human wisdom. It articulates a particular vision of human life, develops a particular range of human capacities and emotions, and marginalises others.

In order to attain its characteristic form of excellence, it necessarily sacrifices sensibilities and virtues that fall outside its moral universe. This is why an equal and robust dialogue between different cultures benefits them all. Each acquires an enriching access to new visions of the good life.

Each learns to see itself from the standpoint of others, and appreciates its strengths and limitations. In acknowledging the diversity of cultures, it comes to appreciate its own internal diversity, and avoids the deadly vices of internal homogenisation and intolerance of dissent. Each culture also appreciates its differences from and commonalities with others, and locates its identity in a broader vision of human unity.

Multiculturalism is about sometimes friendly and sometimes tense critical engagements between cultures. It is not about shutting oneself up in a communal or cultural ghetto and leading a segregated and self-contained life. Rather it is about opening up oneself to others, learning from their insights and criticisms, and growing as a result into a richer and tolerant culture.²⁶

2.5 Institute for Economic Affairs: 'The Economic Case for Immigration' (2005)

Writing in *Economic Affairs*, the journal of the Institute for Economic Affairs, in 2005, Diane Coyle made a free-market case for immigration. Coyle noted that there had "been less economic research that one might imagine on the consequences of immigration" and argued that the economic impact of immigration depended very much on the peculiarities of different economies:

What is the skill composition of the existing population and of the would-be immigrants? How rapidly is demand for labour growing? How flexible are labour market institutions? Is it easy for employers to create new jobs if labour supply increases? Other impacts will depend on the specific welfare rules, on the capacity of the local infrastructure to absorb new users and so on.²⁷

However, she went on to note that a number of consistent features came from the existing literature across a range of countries which could equally apply to the UK. Firstly, migrants tended to go where labour demand was buoyant, which meant that higher immigration into the UK in recent years reflected the high employment rate and labour market shortages. She contended that immigrants to the UK had "consistently been either very highly skilled or less skilled than the average" which probably meant that they were "filling shortage areas in the labour market rather than competing directly with native-born labour". She further argued that such inflows of workers had probably also prevented wage inflation. Secondly, Coyle noted the 'assimilation hypothesis' which postulated that the burden of migration on welfare was small from the first generation of

²⁶ Lord Parekh, 'Multiculturalism is a Civilised Dialogue', *Guardian* (January 2005).

²⁷ Diane Coyle, 'The Economic Case for Immigration', *Economic Affairs* (2005), vol 25, no 1, p 53.

immigrants, with subsequent generations assimilating the same dependency ratios, educational attainment and average incomes of the native population. However, she argued that in the case of the UK there were key differences between different groups, with Indians, East Asians, Africans and West Indian women having the same average educational qualifications or pay as the corresponding white majority population, whereas West Indian men, Bangladeshis and Pakistanis fared worse. Finally, she pointed to the suggestion that migrants were important because they brought new ideas:

Our cultural, political, business and scientific life has been strengthened by successive waves of immigration—even our cuisine has benefited! It seems very plausible that in a knowledge-based economy the economic value of new ideas, different types of experience, diverse ways of thinking about problems is even greater.²⁸

She concluded that just as with trade in goods or flows of capital the “most efficient global allocation of resources will come about when people can move to where they see their best economic opportunities” and whilst it might make for some problems of adjustment, in areas such as housing, infrastructure or intangible cultural fears, debates and policy on immigration should not ignore the “fundamental importance of market principles”.²⁹

2.6 Philippe Legrain: *Immigrants—Your Country Needs Them* (2006)

In 2006, Philippe Legrain published *Immigrants—Your Country Needs Them*, which sought to refute many of the arguments made against immigration, while setting out its benefits.³⁰ Legrain rejected the notion that migrants cost host workers their jobs. Instead, he maintained that migrant workers complemented native workers and permitted them to pursue better careers. In advanced economies in particular, an increasing number of educated workers wanted to perform higher-qualified and higher-paid jobs, while many migrants were grateful to perform the necessary low-skilled jobs that host workers did not want to do. This included providing care for the old and performing various domestic tasks. He also criticised the view that migrants abused host country welfare systems. He argued that migrants took considerable risks and bore costs to migrate and that it was unlikely that they would do so to claim comparatively low welfare benefits when they could earn much more by working. He contended that most migrants were hard-working and enterprising, while he also pointed out that in many countries migrants were typically denied most social benefits. Thus, in Germany, France, the UK and Canada, asylum seekers and temporary workers were denied nearly all social benefits, whilst in the US immigrants were barred from all public benefits for five years after entering. Legrain also took a balanced view of the virtues of talented individuals moving from the developing to the developed world. He painted a complex interaction between migration and global labour market pressures. Highly-skilled migrants filled shortages in key occupations and brought new and diverse skills, complementing host workers and boosting innovation and economic growth. Though some worried that this could lead to a ‘brain drain’ in developing countries, this was offset in part by migrants providing their countries with remittances, know-how and contacts and fostering trade with domicile countries which was mutually beneficial.

²⁸ *Ibid*, p 54.

²⁹ *Ibid*, p 55.

³⁰ See also Philippe Legrain, [The Economics of Migration](#), Centre Forum Paper (September 2008).

However, Legrain also sought to highlight the positive aspects of immigration. He pointed to the advantages that diverse workforces could bring in terms of creativity and innovation. Immigration could also break down barriers:

Whether it is a curry from Brick Lane, the triumph of France's black-blanc-beur (black-white-Arab) football team in the 1998 World Cup, or Cuban-born Gloria Estefan performing at a concert for the US military, nearly everyone can appreciate some of the cultural benefits of immigration... it's also the new cultural cross-breeds that immigration produces: Salman Rushdie's Anglo-American writing, fusion cuisine, American hip-hop picking up Caribbean reggae and Indian bhangra beats.

More generally, immigration brings us into contact with different cultures and ways of thinking, making our lives more varied and rewarding, broadening our minds, and enabling us to learn from others.³¹

Legrain admitted that migration could cause friction between cultures, with host populations feeling threatened by immigrants' different ways and many immigrants in turn feeling excluded and discriminated against. He argued that successful integration required the willingness of immigrants to assimilate local culture but also of host populations to treat immigrants as locals. It also necessitated communication and an open mind to diversity buttressed by dynamic anti-discrimination laws and tolerance to difference.

2.7 Professor David Blanchflower: *The Impact of Recent Migration from Eastern Europe on the UK Economy* (January 2007)

In January 2007, Professor David Blanchflower, a member of the Bank of England's Monetary Policy Committee, and two Bank of England economists published a paper on the impact of recent migration from Eastern Europe on the UK economy. The authors noted that empirical literature from around the world suggested little evidence that immigrants had had a major impact on native labour market outcomes such as wages or unemployment, while recent work on the UK by other authors had been consistent with this view. The authors also suggested that the overall macroeconomic impact of immigration—including that from the A8 countries—on inflation and growth had not been clear-cut. They contended that immigration from Eastern Europe up to late 2006 was likely to have acted to reduce the natural rate of unemployment in the UK and to have helped to raise the supply potential of the economy. It also appeared to have continued to reduce inflationary pressures.³²

2.8 Higher Education Policy Institute (HEPI): *The Economic Costs and Benefits of International Students* (July 2007)

In July 2007, HEPI published a report which sought to assess the economic impact of international students within the UK's higher education system.³³ It noted that the UK's international market share of international students stood at around 11 per cent in 2004,

³¹ Philippe Legrain, *Immigrants: Your Country Needs Them* (2006), p 259.

³² David G Blanchflower et al, [The Impact of the Recent Migration from Eastern Europe on the UK Economy](#) (January 2007). For similar findings see: Coats D, [Migration Myths: Employment, Wages and Labour Market Performance](#), The Work Foundation (2008); Riley R and Weale M, 'Commentary: Immigration and its effects', *National Institute Economic Review* (October 2006), no 198; Nicola Gilpin et al, [The Impact of Free Movement of Workers from Central and Eastern Europe on the UK Labour Market](#), DWP Working Paper no 29 (February 2006).

³³ HEPI, [The Economic Costs and Benefits of International Students](#) (July 2007).

having reduced from about 16 per cent in 1998, whilst in terms of market share the UK remained second to the USA. However, despite the reduction in market share, the number of international students globally had been increasing to such an extent that the number of such students in the UK had grown rapidly. While the report noted that there were some costs in subsidising EU students (roughly £1,000 per student 2004–05) and general costs for universities in providing services/courses to international students more generally, the benefits outweighed the costs. In the academic year 2004–2005, non-EU students had paid just under £1.5 billion in tuition fees. Adding the figures for EU and non-EU students gave a total value of around £1.68 billion, whilst adjusting that total to allow for students who received assistance from a UK source resulted in a net figure of £1.39 billion. In addition, the report estimated that international students spent some £2.5 billion in living costs; even when allowing for scholarship money from UK institutions this still amounted to some £2.35 billion. The report also assessed the contribution that foreign graduates who stayed on to work made to the UK economy. If it was accepted this was not to the detriment of UK workers, such graduates made an additional £2 billion contribution to UK GDP.

2.9 House of Commons Treasury Select Committee: *Globalisation—Prospects and Policy Responses* (October 2007)

The House of Commons Treasury Select Committee in its consideration of the impact of globalisation noted the following about migration and the UK labour force:

The Government is right to place its policy on skills at the centre of its economic policy response to globalisation. There remain a number of unresolved issues about the best way forward for such a policy. There is firm evidence of some of the beneficial effects of inward migration for the United Kingdom economy, but we remain to be convinced that sufficient analysis and debate has taken place on the economic effects of migration and on the role inward migration might play in enhancing the skills base of the United Kingdom which faces skills shortages and an ageing population.³⁴

2.10 Local Government Association (LGA) and Institute of Community Cohesion: *Estimating the Scale and Impacts of Migration at the Local Level* (November 2007)

In November 2007, the LGA and the Institute of Community Cohesion published a study on the impact that immigration was having upon local communities and the services provided to them by local authorities. The study, which drew upon responses from local authorities, recognised the many beneficial impacts of migration, but found that migration was placing increasing demands upon local services. It highlighted several particular areas of concern:

Language barriers—meeting the basic information needs of migrants, translation and interpretation, supporting complex advice needs and communicating in emergencies are issues faced by all public sector partners. There is insufficient provision of ESOL (English language teaching) to meet the increasing demand, stemming from a shortage of teachers and funding rules (which are about to become tighter).

Housing—in areas experiencing significant economic growth many migrants are living in overcrowded properties in a poor state of repair, sometimes with a high fire risk or other health and safety problems. Demand on social housing has, as

³⁴ House of Commons Treasury Select Committee, *Globalisation—Prospects and Policy Responses* (HC 90; October 2007), p 35.

yet, been low but the costs of increased housing benefit processing and issues of homelessness and destitution are issues in some areas. The complexities of supply, demand, entitlement and need pose short and longer-term challenges.

Community cohesion—this was seen as a high priority by most respondents and there are many examples of good practice across councils and agencies. Many respondents reported tensions and different levels of conflict and had put action plans in place to give information to both migrants and the host communities, engaging with employers and housing providers and developing interagency approaches. None were costed.

Community safety—many authorities reported that migrants were more likely to be victims of crime than perpetrators. Vehicle related crime including absent or forged documentation and drink driving is being addressed by information campaigns in some police authorities. Fire and Rescue services are also producing publicity in other languages, particularly regarding risks in HMOs.

Health—the impact is increasing albeit from a low base, particularly in relation to inappropriate use of A&E instead of GPs and increased use of maternity services, often late, making planning difficult. Mental health needs are being identified particularly for asylum seekers and refugees who have experienced trauma.³⁵

2.11 House of Lords Economic Affairs Select Committee: *The Economic Impact of Immigration* (April 2008)

In April 2008, the House of Lords Economic Affairs Select Committee published *The Economic Impact of Immigration* (HL Paper 82). The report questioned whether immigration brought large economic benefits to the UK:

Immigration has become highly significant to the UK economy: immigrants comprise 12 per cent of the total workforce—and a much higher proportion in London. However, we have found no evidence for the argument, made by the Government, business and many others, that net immigration—immigration minus emigration—generates significant economic benefits for the existing UK population.

... The economic impacts of immigration depend critically on the skills of immigrants. Different types of immigrant can have very different impacts on the economy. The issue is not whether immigration is needed but what level and type of immigration is desirable. In this context, net immigration from the EU—which we expect to remain positive—cannot be controlled. The question then is whether additional immigration from elsewhere carries benefits or disadvantages.

Many businesses and public services at present make use of the skills and hard work of immigrants. But this is not an argument for immigration on a scale which exceeds emigration and thus increases the population of the country. We do not support the general claims that net immigration is indispensable to fill labour and skills shortages. Such claims are analytically weak and provide insufficient

³⁵ LGA and Institute of Community Cohesion, [Estimating the Scale and Impacts of Migration at the Local Level](#) (November 2007), pp 5–6. For a commentary on the concerns of the LGA vis a vis migration see House of Commons Library Standard Note, [Impacts of Immigration](#) (July 2008), pp 44–9. For a specific case study of the impact of migration, particularly from A8 countries, upon specific cities see Catherine Glossop and Faiza Shaheen, [Accession to Recession: A8 migration in Bristol & Hull](#), Centre for Cities (2009).

reason for promoting net immigration. Vacancies are, to a certain extent, a sign of a healthy economy. Immigration increases the size of the economy and overall labour demand, thus creating new vacancies. As a result, immigration is unlikely to be an effective tool for reducing vacancies other than in the short term.³⁶

The report also noted that one of the difficulties in considering the impact of immigration was the lack of reliable data:

There are significant unknowns and uncertainties in the existing data on immigration and immigrants in the UK. There are insufficient data about people leaving the UK and about short-term immigration to the UK. Existing data do not allow for accurate measurement of the stock of immigrants at national, regional and local levels. Inevitably, even less is known about the scale of illegal immigration and illegal employment of immigrants. The gaps in migration data create significant difficulties for the analysis and public debate of immigration, the conduct of monetary policy, the provision of public services and a wide range of other public policies.³⁷

The then Labour Government responded to the Select Committee's Report in November 2008.³⁸ The Government defended its view that migration could be seen as beneficial as it had evidence suggesting that migration had "made a positive contribution" to the strong recorded growth in GDP per head in the UK between 1997 and 2007 (at an average of just below 2.5 per cent per annum). It had also not impacted negatively on native workers with estimates indicating that recent immigration had raised the GDP per head of the non-migrant population by about 0.15 per cent per annum in real terms (over the ten years to the end of 2006). These results were because migration allowed employers greater choice in a wider labour market, ensuring an improved match between vacancies and available labour, while enhancing the labour market's ability to respond quickly to capacity constraints. It also brought innovations as UK workers and businesses learnt from the exchange of ideas and experiences with immigrant workers. Though this was hard to measure "it is one of the key drivers of productivity and likely to have contributed to the UK's impressive productivity performance over the last ten years". The Government also pointed to an array of studies which supported its view that migration had not caused unemployment for native workers nor depressed the wages of lower paid non-migrant workers. However, the Government did accept that migrants alone could not fill all job vacancies and stated that it was taking steps to fill skill gaps amongst native workers. The Government also acknowledged that migration could impact in areas such as demand upon housing, especially social housing, social cohesion, policing and schools and set out how it would seek to address these issues. In addition, the Government agreed that there had to be improvements to the ways in which data was collected on immigration and its consequences.

2.12 Martin Wolf: 'Four Falsehoods on Immigration' (April 2008)

Writing in the *Financial Times* in April 2008, Martin Wolf welcomed the conclusions of the Lords Economic Affairs Select Committee. He also set out his own concerns about some of the arguments used in presenting immigration as economically beneficial:

First, immigration increases the size of the economy. This is true, but irrelevant. What matters is its impact on the welfare of the pre-existing population. What is

³⁶ House of Lords Select Committee on Economic Affairs, [The Economic Impact of Immigration](#) (HL Paper 82; April 2008), p 5.

³⁷ *Ibid.*

³⁸ [Cm 7414](#) (November 2008).

remarkable is that there is next to no good argument or evidence to suggest that immigration on the current scale does raise that welfare to any significant degree.

The general conclusion on the economic impact is, rather, that immigration creates winners and losers, but no large overall effects. Among the losers of relatively unrestricted immigration appear to be the relatively unskilled, many of whom are themselves previous immigrants.

Second, immigration lowers vacancies and relieves job and skill shortages. This is unambiguously untrue in the long run and for the economy as a whole. As the report shows, despite record immigration, there has been no change in the number of vacancies. In a flexible labour market, vacancies and the number of jobs adapt to the size of the labour force.

Third, immigration strengthens the fiscal position. As the report notes, such limited data as exist rely on a snapshot of the impact of immigration, rather than on an analysis of its impact over a lifetime. With this limited approach, the Home Office claims that immigrants contributed a net sum of £2.5bn in 1999–2000. This is about a quarter of a per cent of gross domestic product. Overall, the net fiscal impact of immigration is, in all likelihood, not significantly different from zero.

Fourth, immigration helps defuse the “pensions time bomb”. This is doubly false: immigrants age, too; and the so-called time bomb can (and should) be dealt with directly by raising the retirement age in line with longevity. It is false to argue that a high rate of net immigration is required to avoid an unsustainable rise in the dependency ratio.

While the economic arguments of a high level of net immigration are weak, this does not mean that substantial gross immigration, particularly of skilled people, is undesirable. But there are also costs associated with any policy whose consequence is a large increase in the overall population, particularly in densely populated areas.

This is particularly true for the UK since the British have, collectively, decided to make it extremely difficult to expand the built-up areas of the country. It is possible to welcome mass immigration. It is possible to preserve every leaf of grass. It is incoherent to attempt both at the same time.³⁹

2.13 Department for Communities and Local Government (DCLG): *Managing the Impacts of Migration: A Cross-Government Approach* (June 2008)

In June 2008, the former Labour Government published *Managing the Impacts of Migration: A Cross-Government Approach*, which reinforced the Government’s view of the economic benefits of migration:

Migration brings clear benefits to the UK economy. Migrants add to the working age population, help to meet labour and skills shortages, and have made a positive contribution to the strong recorded growth in GDP per head in the UK over the last ten years. The evidence also suggests that migrants on average make a stronger fiscal contribution than non-migrants. Evidence suggests that migration has had a positive impact on the wages of native workers overall,

³⁹ Martin Wolf, ‘Four Falsehoods on Immigration’, *Financial Times* (4 April 2008). This is also available as a [podcast](#).

although gains at the top and middle of the earnings distribution should be set against a slight dampening of wage growth at the bottom. However, the existence of the National Minimum Wage has played an important role in protecting the wages of low paid workers and, in fact, the lowest paid workers have seen real wage growth rates well in excess of the UK average.⁴⁰

However, the Government also acknowledged that migration did pose issues at a local level and made a series of proposals ranging from extra funds for local schools and local housing to the improvement of data showing the impact of migration on local communities.

2.14 House of Commons Communities and Local Government Select Committee: *Community Cohesion and Migration* (July 2008)

In July 2008, the House of Commons Communities and Local Government Select Committee published a report which considered the balance between the economic benefits of migration and its consequences for local communities and local services. It generally found:

Many migrants make significant contributions to local communities, for instance working in our public services such as the NHS. The arrival of new migrants need not have a detrimental effect on cohesion, although we found that it can have a negative effect on community cohesion, particularly in areas that are experiencing a rapid pace of change and/or deprivation.

It noted the particular concern of existing people in local communities:

There is significant public anxiety about migration, some of which arises from practical concerns about its effect on local communities. On our visits we heard from settled residents about many such concerns, including the limited English of new arrivals; the problems associated with Houses in Multiple Occupation (HMOs) lived in by migrants; a perceived increase in anti-social behaviour; and pressures on public services. The practical concerns of settled residents about migration need to be addressed by central and local government for cohesion to be improved, and cannot simply be dismissed as expressions of racist or xenophobic sentiments.⁴¹

It also found evidence that migration was placing strain on local services:

Recent migration has placed pressures on local public services in areas that have experienced rapid inward migration, including pressures on schools, translation services, social care, English language teaching, policing and the NHS. These pressures are currently left unfunded by Government, because resource allocations are being made on the basis of flawed population data. Leaving local services with inadequate funding to cope with added pressures from migration is not only detrimental to the service provided to local communities; increased competition between groups for access to limited public resources can also negatively affect community cohesion. We recommend immediate action to ensure the adequate funding of local public services that are under pressure from migration, and the establishment of a contingency fund to address the current funding shortfall.

⁴⁰ DCLG, [Managing the Impacts of Migration: A Cross-Government Approach](#) (June 2008).

⁴¹ House of Commons Communities and Local Government Select Committee, [Community Cohesion and Migration](#) (HC 369; July 2008), p 3.

The then Government's response reiterated its view of the economic benefits of migration:

Migrants have supported the strong growth in GDP per head in the UK over the past ten years, meeting skills and labour shortages and adding to the working population. Most migrants are self sufficient, privately housed, employed, contribute to the local economy and do not put any significant pressure on local services.⁴²

However, the Government did recognise that "increasingly mobile migrant populations can lead to transitional pressures on public services and challenges to cohesion in some local communities" and noted a range of measures, including an increase of over £2.7 billion for local authorities over the next financial year, to address these issues.

2.15 Institute for Public Policy Research (IPPR): *The Economic Impacts of Migration on the UK Labour Market* (February 2009)

In February 2009, IPPR published a Paper, *The Economic Impacts of Migration on the UK Labour Market*. The paper summarised existing literature and data on the impact of immigration on UK employment and wages:

The effects of migration in both the short and long run are too complex for economic theory to deliver exact predictions about its impacts on employment and wages. However, the best previous evidence suggests that the overall effects of migration on wages are either insignificantly different from zero, or slightly positive. The evidence base on the effects of migration on employment in the UK, though relatively thin, suggests that the effects are not significantly different from zero. All effects noted are very small.⁴³

The authors' use of regression modelling suggested that even since the accession of various Eastern European states to the EU in 2004, which might have been expected to have had an impact on UK employment and wage structures, the overall effect was "still very small". However, the authors did acknowledge that "there may be more significant effects in some local areas, or for some groups of workers, particularly in the short term".⁴⁴

2.16 Institute for Public Policy Research (IPPR): *Migration and Rural Economies: Assessing and Addressing Risks* (June 2009)

In June 2009, IPPR published research which considered the specific impact that immigration was having upon rural areas, especially since the accession of various Eastern European states to the EU since 2004. The research found that:

The expansion of migration to rural area has had a range of impacts on rural economies. Migrants have made significant economic contributions: filling vacancies and skills gaps and promoting job creation and productivity. Migrants have been particularly important in supporting some key sectors including agriculture, food processing and hospitality.⁴⁵

⁴² Cm 7489 (November 2008), p 4.

⁴³ IPPR, [The Economic Impacts of Migration on the UK Labour Market](#) (February 2009), p 6.

⁴⁴ *Ibid.*

⁴⁵ IPPR, [Migration and Rural Economies: Assessing and Addressing Risks](#) (June 2009), p 6.

However, it also noted issues around recruitment agencies and gangmasters, and of the need to consider matters such as the provision of affordable housing for migrant workers and local residents and the planning of local services.

2.17 Centre for Research and Analysis of Migration: ‘Assessing the Fiscal Costs and Benefits of Migration from Eastern European A8 Countries’ (July 2009)

In July 2009, the Centre for Research and Analysis of Migration (CReAM), based at University College London, published a report which considered the fiscal consequences of migration to the UK from A8 countries. The report stated that it was “the first comprehensive analysis of the net fiscal contribution of A8 immigrants”. It found that A8 immigrants were predominantly young and highly educated and more likely to participate in the labour market and have higher employment rates than natives on average and to make “subsequent positive contributions to the tax system”. In addition, the report showed that the A8 receipt of Government expenditures, in terms of benefits and other transfers, was substantially lower than their share of population. The authors therefore stated that “on balance... A8 immigrants have made a substantial net contribution to the UK fiscal system”. In terms of future trends they concluded:

The strong wage growth of A8 immigrant arrival cohorts that we illustrated is likely to continue with time in the UK, so that the contributions A8 immigrants make to the tax system are likely to rise considerably. In fact, if in the long run A8 immigrants receive wages relative to their levels of education similar to those of native born workers, then—as A8 immigrants are far better educated than natives in the same age cohort—their contributions to the tax system should considerably supersede those of natives. Thus, there is in our view little reason to believe that in the longer run, A8 immigrants who arrived between 2004 and 2008 will constitute a net burden to the welfare system. This is also in line with analysis we provide on the probability of welfare claims, where we show that A8 immigrants—even if they were identical in a large number of characteristics to natives, like age, education, children and disability—would still be less likely to claim benefits.⁴⁶

2.18 World Bank: *Migration is Natural and a Key Factor in the Global Economy and Development* (January 2010)

As noted earlier, the World Bank publishes a number of statistics and analytical reports on migration and remittances. In January 2010, Dr Dilip Ratha, an economist associated with the World Bank, set out the mutual benefits of migration and remittances:

There are about 200 million migrants worldwide, supporting as many if not more people at home. That suggests that remittances may reach almost a tenth of the world’s population.

Migration is the least developed aspect of globalization today as compared to foreign investment or trade. As it turns out, many rich countries are experiencing a decline in population which means there are a lot of old people drawing pensions and in need of care, and there are not enough working age people in these countries to come to their rescue. In contrast, many poor countries in Africa and other developing regions have a growing number of workers looking for jobs. In any case, the world needs to prepare for future global labour markets,

⁴⁶ Christian Dustmann et al, ‘[Assessing the Fiscal Costs and Benefits of A8 Migration to the UK](#)’, *CReAM Discussion Paper No 18/09* (July 2009), pp 18–19. For CReAM’s briefing papers on a range of issues associated with immigration see their [website](#).

which would require different skills sets than the ones we currently have. Movement of people across borders will be pertinent to meet these skill requirements.

He also addressed the issue of a 'brain drain' from developing countries:

It is true that emigration of a large number of highly skilled people can reduce the availability of skills at home, especially in small countries. But this problem is rather rare in large countries. The real issue is what policies one might propose to increase the supply of skills at home. Stopping people from emigrating is an outright violation of the right to mobility. Also that would raise ethical questions such as, how do you choose which skill is more valuable to the society than others? In any case, stopping a particular skill category from emigrating does not preclude these workers from switching profession if they have no job satisfaction at home.⁴⁷

2.19 Institute for Public Policy Research (IPPR) and Global Development Network: *Development on the Move—Measuring and Optimising Migration's Economic and Social Impacts* (May 2010)

In May 2010, the IPPR and Global Development Network published a joint report which argued from a development point of view that migration, rather than being seen as a problem, should instead be seen as a positive process:

Typically between 70 and 90 per cent of migrants are reported to have experienced an increase in their real disposable incomes while abroad, the majority seeing large increases.

Money sent home by migrants can aid development at home. On average, more than half of the migrants from the countries studied remitted money home and in countries like Jamaica a third of all households receive some remittances.

These remittances can have important benefits for recipients. For example, in Colombia households that receive remittances are 12 per cent less likely to be below the national poverty line than those who do not.

Households with migrants can spend more on important things like health and education. In Ghana, households with absent migrants spend US\$107 more per year on education than those without. In Jamaica, each additional returned migrant in a household increases healthcare spending by more than 50 per cent.

However, while migrants are often sending money home this does not act as a deterrent to work among remaining family members. For example, in Georgia and Jamaica having an absent migrant reduces the likelihood that anyone in the household is unemployed by around a third.

Many emigrants from developing countries return with new resources, skills and networks. In countries like Ghana and Macedonia, the report estimates of a 'rate of return' of around a third. In Jamaica, returned migrants make up almost 10 per cent of the entire country's population.

⁴⁷ World Bank, [*People Move Interview: Migration is Natural and a Key Factor in the Global Economy and Development*](#) (January 2010).

Migration can also change attitudes. For example, typically more than 70 per cent of returned migrants on average say that they are more committed to achieve gender equality in their country of origin as a result of their experiences abroad.⁴⁸

2.20 OECD: The Long-Term Benefits of International Migration (July 2010)

In July 2010, the OECD published *International Migration Outlook 2010*, an annual analysis of international migration trends. It noted that the inflow of immigrants to OECD countries fell by about 6 per cent in 2008 to 4.4 million people, reversing five years of average annual increases of 11 per cent, whilst recent national data had suggested that migration numbers had fallen further in 2009. A major cause of this had been the ongoing economic crisis. The study noted that few immigrants had returned to domicile countries, whilst the crisis had impacted particularly upon male immigrant workers. However, the study suggested that immigration would be key to long-term recovery and growth:

Beyond the short-term impact of the crisis, immigration will continue to play a vital role for OECD economies in the long term because of the need for extra workers to maintain growth and prosperity.

With this in mind, the OECD says, governments in OECD countries should make every effort to assist immigrants who have lost their jobs, both by ensuring that they have the same rights to unemployment support as native workers and by providing support for job searches and language-training to help their integration.

... Without an increase above current migration rates, the OECD forecasts, the working-age population in OECD countries will increase by only 1.9 per cent over the next 10 years. This compares with an 8.6 per cent increase in the working-age population between 2000 and 2010.⁴⁹

2.21 Migration Watch UK: The Negative Consequences of Immigration

Migration Watch UK describes itself as “an independent think tank” and is chaired by Sir Andrew Green, a former Ambassador to Saudi Arabia. Its website states:

We entirely accept that genuine refugees should be welcomed; nowadays those granted protection comprise only about 3 per cent of net foreign immigration.

We also recognise that many immigrants have made a valuable contribution to our society in terms both of skills and diversity so we are not opposed to immigration that is moderate and managed. At present it is neither.

Our purpose is to monitor developments, conduct research, and provide the public with full and accurate facts placed in their proper context. We also make recommendations for policy.⁵⁰

In particular, Migration Watch UK has called for ‘balanced migration’: “that is to bring the level of immigration down towards the level of emigration”.⁵¹

⁴⁸ IPPR, ‘[Major international report shows that migration delivers substantial benefits to developing countries](#)’ (25 May 2010).

⁴⁹ OECD, ‘[Economy Migration Key to Long-Term Economic Growth, says OECD](#)’ (12 July 2010).

⁵⁰ See the Migration Watch UK [website](#).

⁵¹ Migration Watch UK, [What is the Problem?](#) (Updated September 2010).

Migration Watch UK has produced a number of research briefs which have sought to show the various issues associated with immigration. For instance, it has sought to highlight the impact that immigration has had on UK labour markets:

There is mounting evidence that immigration has had a negative effect on wages at the lower end of the UK labour market. The effect is small but the evidence now seems consistent. There is also developing evidence of a negative impact on the employment of the UK born workers. Between the first quarter of 2005 and the last quarter of 2008 the number of UK born, aged 16 and over, in employment fell by about 230,000 while the foreign born increased by nearly one million. Thus the large scale immigration of recent years has done nothing to help the low paid and may well be affecting their chances of employment.⁵²

More recently, in August 2010, Migration Watch UK sought to show a direct link between immigration and unemployment. Its research found inter alia that: unemployment was “higher in those areas of England which have experienced the highest levels of immigration”; there was a “positive relationship between unemployment and net immigration from abroad in London”; for every one percentage point increase in the ‘international immigration rate’ (NIM) of a London borough, there was an increase of around a fifth of one percentage point in the unemployment rate in that borough; immigration from overseas into London boroughs was associated with a fall in the employment rate of UK-born inhabitants.⁵³ In terms of youth unemployment and immigration, though the evidence was based on correlation analysis, the apparent link was significant:

The relationship becomes stronger and more adverse the higher the rate of immigration. In a sample of those Local Authorities outside London with the highest rate of immigration, the relationship is very strong... and shows that for every 1000 immigrants into these areas, on average, the number of young unemployed rises by around 900.⁵⁴

It has also sought to highlight the amount of money which is posted back to relatives in domicile countries which it argues undermines the benefits of wealth created by immigrants:

Personal remittances from migrants are of considerable benefit to their home countries, often exceeding the amount of foreign aid. However they are also a cost to our balance of payment... They have almost doubled in the last ten years to over £4bn a year as immigration has increased. Meanwhile the inflow from British workers overseas has remained stable at about £2.3bn... This amounts to an outflow of £11 million a day and, taking account of money sent home by British expatriates, a net outflow of over £4.5 million a day. These figures should be seen against a current account deficit of £40.3 billion in 2007.

These amounts refer only to money sent home through official banking channels. Other sums are sent home by informal channels.⁵⁵

In addition, Migration Watch UK has sought to focus on what it sees as the costs of immigration, in terms of the burdens and costs it places upon public services. On 14 October 2010, it published a report which argued that between 2010 and 2015 over

⁵² Migration Watch UK, [The Impact of Immigration on Low Paid British Workers](#) (March 2009).

⁵³ Migration Watch UK, [Immigration and Unemployment](#) (August 2010).

⁵⁴ Migration Watch UK, [Immigration and Youth Unemployment](#) (August 2010).

⁵⁵ Migration Watch UK, [The Invisible Cost of Immigration](#) (May 2009).

half a million more school places would be needed for the children of recent immigrants to the UK (ie who arrived after 1998), which would cost £40 billion, while their estimates up to 2020 put the figure at almost £100 billion if immigration continued at current rates.⁵⁶ In December 2009, Migration Watch UK pointed to figures which showed that in 2007/2008 605,000 people arriving from overseas registered with GPs, of which only 69,000 were returning British people. Despite the fact that some 330,000 migrants also left in the same time period, this still added “significantly to the pressures on the National Health Service”.⁵⁷

3. The Immigration Cap and its Impact on UK Business and Scientific Excellence

As noted earlier in this Note, the Coalition Government has introduced a temporary cap on non-EU immigration, to be replaced by a permanent cap next year. This has prompted a debate about the benefits of immigration in certain areas, which might be mitigated by such a cap. In September 2010, Vince Cable, the Business Secretary, noted its impact upon UK business:

The brutal fact is that the way the system is currently being applied is very damaging.

We have now lots of case studies of companies which are either not investing or relocating or in many cases just not able to function effectively because they cannot get key staff—management, specialist engineers and so on—from outside the European Union.

There’s no point concealing the fact that this is actually damaging to the UK economy. It affects universities and other institutions which need access to the best people in the world.

If we are going to be an open economy, thinking globally and acting globally, we have to be flexible in the way that we treat people of this kind.⁵⁸

In response to the debate on the issue, the CBI Deputy Director-General, John Cridland, expressed unease. While the CBI accepted an interim cap in principle, he was concerned that “it was causing serious problems for many firms” as the figures used for setting it “were artificially low as they were based on numbers at the height of the recession in 2009”.⁵⁹

More recently, a number of Nobel Prize winning scientists wrote to *The Times*, worried that the cap would restrict the UK’s ability to attract the best scientists:

The UK has long had a reputation as a global centre of research excellence. It is not only our world-class institutions, but also our inclusive culture which has attracted the world’s best scientists to come and work here.

Nobel prize winners in science—from America’s James Watson and Germany’s Hans Krebs in years past, to India’s Venki Ramakrishnan and Russia’s Andre

⁵⁶ Migration Watch UK, [The Impact of Immigration on Education](#) (October 2010).

⁵⁷ Migration Watch UK, [Over Half a Million Newly Arrived Foreign Migrants Registered with GPs Last Year](#) (December 2009).

⁵⁸ *Guardian*, ‘[Vince Cable: Migrant cap is hurting economy](#)’ (17 September 2010).

⁵⁹ CBI press release, ‘[CBI Comments on Interim Immigration Cap](#)’ (17 September 2010).

Geim... in the past twelve months—have been enriching and enhancing British science and society for decades. They add to our store of knowledge, and inspire countless young researchers to follow in their footsteps.

These benefits are jeopardised by the Government’s plan to cap migration to the UK. It would damage our ability to recruit the brightest young talent, as well as distinguished scientists into our universities and industries. International collaborations underlie 40 per cent of the UK’s scientific output, but would become far more difficult if we were to constrict our borders.⁶⁰

Before the General Election, IPPR also questioned the general idea of an immigration cap. They suggested that a cap of 100,000 could only be delivered if British net emigration continued at a significant rate and net immigration from the European Union settled down at something close to current levels. However, it would also require current policy trajectories to be followed, such as the implementation of plans to further restrict student immigration. Instigating these policies would be very difficult to achieve if improvements in the economy lead to increases in work-related migration to pre-recession levels. Furthermore, they suggested that a cap of 40,000 could only be met with drastic changes to policy, bearing in mind that EU migration was outside government control and asylum/refugee migration was governed by international conventions. This would be difficult to achieve “without threatening both economic performance and the rights of British nationals and settled migrants to be with their families”.⁶¹

4. Public Attitudes Towards Immigration

Ipsos MORI has asked a number of questions about immigration. Since 1989 it has periodically asked respondents to agree or disagree with the statement: “There are too many immigrants in Britain”.⁶² The table below indicates trends in the data on this question:

	Strongly agree	Tend to agree	Neither nor	Tend to disagree	Strongly disagree	Don't know	Total agree	Total disagree	Net Agree
	%	%	%	%	%	%	%	%	±%
1989	37	26	18	10	8	1	63	18	+45
1994 ¹	24	40	-	24	9	3	64	33	+31
1997 ¹	25	36	-	24	11	4	61	35	+26
1999 ¹	22	33	-	22	11	13	55	33	+22
2000	35	31	13	11	6	3	66	17	+49
2001	33	21	10	20	11	5	54	31	+42
February 2007*	39	29	15	9	4	3	68	13	+55
November 2007	41	27	8	14	8	2	68	22	+46
11-13 April 2008	33	26	11	14	12	4	59	26	+33

1. 1994-9 data from surveys using self-completion questionnaires with no "neither / nor" option and, except in 1999, no "don't know" option.
2. *face-to-face survey

⁶⁰ Letter to *The Times*, ‘UK must not isolate itself from research world’ (7 October 2010). See also: *Guardian*, ‘Universities rely on international staff and students’ (12 October 2010).

⁶¹ IPPR, *The Limits to Limits: Is a cap on immigration a viable policy for the UK?* (March 2010).

⁶² See Ipsos MORI website, ‘Attitudes Towards Immigration’.

In 2003, Ipsos MORI found key regional differences in attitudes towards immigration. The North East, West Midlands and the South West showed the most opposition to multiculturalism, immigration and asylum, while London had the least opposition to these issues, with the remaining regions falling in between. While London was the most multicultural region, the North East, without huge numbers of asylum seekers, was notably more negative about multiculturalism and asylum than many other regions. Three-quarters of people in London (75 per cent) agree that it is a good thing that Britain is a multi-cultural society, compared to just 39 per cent in the North East, and 50 per cent in Scotland. The pollsters concluded: "it is clear that in many cases the public do not base their views on any direct local experience, but rather a general anxiety, and presumably media coverage".⁶³ In January 2007, Ipsos MORI also found that 56 per cent of respondents said that they felt that some groups got favourable treatment in terms of access to various public services such as schooling, housing and health, though this reduced to 26 per cent when asked for specific local examples.⁶⁴

YouGov has conducted a number of polls that have considered immigration and specific attitudes towards it. In June 2006, a YouGov poll found that 47 per cent of respondents strongly agreed with the statement that "too many immigrants are coming to Britain", with a further 28 per cent agreeing with the proposition, while 11 per cent disagreed. It also found that 52 per cent of respondents disagreed with the statement "we need immigrants to do the jobs that British people will not do", while 42 per cent agreed. 55 per cent (31 per cent strongly) agreed and 27 per cent (12 per cent strongly) disagreed with the statement: "Britain has been changed for the worse by immigration because something of our traditional culture has been lost".⁶⁵

The British Social Attitudes Survey (BSAS), an annual survey carried out by the National Centre for Social Research, has asked a number of questions regarding immigration. The 2008 survey asked respondents to agree or disagree with the statement: "Immigration is a threat to our national identity". In response, 64 per cent (29 per cent strongly) agreed with the statement while 21 per cent (5.28 per cent strongly) disagreed with the statement.⁶⁶ In 2005, the survey had posed the question: "Do you think that too many immigrants have been let into the country or not?". 78.1 per cent answered that "too many" had been let in, with 17.69 per cent stating that "not too many" immigrants had been let in.⁶⁷ In 1995 and 2003 the BSAS asked a series of questions on specific aspects of immigration, which allowed an insight into whether attitudes had changed over time. In terms of the question of whether "immigrants are generally good for Britain's economy", those who agreed went up from 16 per cent in 1995 to 21 per cent in 2003, while those who disagreed went from 36 per cent in 1995 to 39.7 per cent in 2003, as the number neither agreeing or disagreeing went down from 41.6 per cent to 34.8 per cent. On the question of whether "immigrants take jobs away from people who are born in Britain" the figures were: agreeing—47 per cent in 1995 and 43 per cent in 2003; disagreeing—24 per cent in 1995 and 28.6 per cent in 2003; neither agreeing or disagreeing—25.4 per cent in 1995 and 25 per cent in 2003. On the question of whether "immigrants improve British society by bringing new ideas and cultures" the figures were: agreeing—51.3 per cent in 1995 and 32.9 per cent in 2003; disagreeing—16.6 per cent in 1995 and 28 per cent in 2003; neither agreeing or disagreeing—26.4 per cent in 1995 and 35.2 per cent in 2003. The two surveys also asked whether rates of immigration should be increased by varying levels. The survey showed that between 1995 and 2003

⁶³ Ipsos MORI, [British Views on Immigration](#) (February 2003).

⁶⁴ Commission on Integration and Cohesion, [Public Attitudes towards Cohesion and Integration](#) (2007), pp 29–45.

⁶⁵ YouGov, [YouGov/Migration Watch Survey Results](#) (June 2006).

⁶⁶ Extracted from the [British Social Attitudes Information System](#).

⁶⁷ *Ibid.*

the percentage of respondents who thought that the rate should be “reduced a lot” rose from 39.3 per cent to 48.6 per cent, with those thinking the rate should be “reduced a little” staying at roughly 23 per cent.⁶⁸

Immigration has also been seen as a key political issue in terms of its apparent salience amongst voters. The results of a YouGov poll published in August 2010 found that “immigration was seen as a major factor in Labour’s defeat by 52 per cent of the public”.⁶⁹ A subsequent poll carried out by YouGov found that 39 per cent of those polled did not have confidence in the Coalition to address immigration as an issue.⁷⁰ More recently, Sean Carey and Andrew Geddes have considered the importance of immigration both before and during the 2010 General Election campaign:

Immigration was a highly salient issue among the British public during the 2005–2010 parliament. Opinion polls, such as those conducted by Ipsos MORI each month, frequently found immigration to be ‘one of the most important issues facing Britain today’. In each month, immigration was one of the five most important issues, and usually in the top two.⁷¹

They conclude that rightly or wrongly public perceptions of how the previous Labour Government had addressed immigration issues had been a factor in its electoral performance. They note that Labour had:

... lost public confidence in its ability to manage migration. Immigration was but one manifestation of a more general public mood that Brown had become the victim of circumstances rather than the shaper of events. The ‘Mrs Duffy incident’ demonstrated that for many traditional Labour voters ‘immigration’ was viewed as a threat to jobs and services. Whether this perception was right or wrong, it was real and hurt Labour.⁷²

However, there has been some discussion about the role of the media in shaping people’s attitudes towards immigration issues. For instance, research for a number of organisations ranging from Amnesty International, the Refugee Council and the Joseph Rowntree Trust to the Global Campaign for Free Expression has indicated that issues such as the negative stereotyping of immigration and asylum in the British media, especially its press, appear to have had an impact on public opinion.⁷³ However, writing in October 2010 in *Politics*, Mick Temple argued that the free circulation of ideas, however unpalatable, was essential. He contended that the press could play a key role in a more inclusive public debate by allowing readers’ views greater prominence and by opening their news and comment pages to a wider range of opinion. He concluded that concerns that readers would be seduced by extremism said more about elite perceptions of the malleability of the masses than about concern for democratic debate.⁷⁴

⁶⁸ Extracted from the [British Social Attitudes Information System](#).

⁶⁹ YouGov, [Loss and Leaders](#) (5 August 2010).

⁷⁰ YouGov, [100 Days of Coalition](#) (18 August 2010).

⁷¹ Sean Carey and Andrew Geddes, ‘Less is More: Immigration and European Integration at the 2010 General Election’, *Parliamentary Affairs* (October 2010), vol 63, no 4, pp 852–3.

⁷² *Ibid*, p 864.

⁷³ For a discussion see House of Commons Library Standard Note, [Impacts of Immigration](#) (July 2008), pp 38–41.

⁷⁴ Mick Temple, ‘In Praise of the Popular Press: The Need for Tabloid Racism’, *Politics* (October 2010), vol 30, no 3, pp 191–201.

