PRESS RELEASE
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IMMIGRATION AND THE UK LABOUR MARKET: First in a new series of #ElectionEconomics policy briefings from the Centre for Economic Performance

On the eve of publication of the latest UK immigration statistics, new analysis shows that there is no evidence of a negative impact of immigration on jobs, wages, housing or the crowding out of public services. The research is summarised in a new report from the Centre for Economic Performance (CEP), the first in a series of background briefings on key policy issues in the May 2015 UK General Election.

With opinion polls now putting immigration at the top of UK voters’ concerns – ahead of the economy, unemployment, the NHS and crime – the CEP Election Analysis surveys the evidence on the impact of immigration on the UK labour market. Author Professor Jonathan Wadsworth reports new analysis showing that:

- Twenty years of rising immigration mean that there are now around 7.8 million individuals – and 6.5 million adults of working age – living in the UK who were born abroad. This is a large, but not unprecedented, rise in the UK population.

- The share of immigrants among working age adults in the UK more than doubled between 1995 and 2014 – from 8% to 17% – but the UK is not particularly different from many other rich countries in terms of its share of immigrants.

- Fears about adverse consequences of rising immigration regularly seen in opinion polls have not, on average, materialised. It is hard to find evidence of much displacement of UK workers or lower wages. Any negative impacts on wages of less skilled groups are small.

- Net migration was 250,000 in 2014, significantly above the government's target of a maximum of 100,000 by the end of the current parliament.

- European Union (EU) countries account for one third of the total immigrant stock. New inflows of EU immigrants are almost as large as inflows from outside the EU. Most EU arrivals are for work-related reasons whereas most non-EU arrivals are for study-related reasons.

- Immigrants are better educated and younger than their UK-born counterparts, especially those from the EU15 (the members before the 2004 EU enlargement). Around 10% of all migrants are students. Immigrants are over-represented in the very high-skilled and very low-skilled occupations.

- Almost 40% of all immigrants live in London and 37% of Londoners were born abroad. Around 60% of the working age populations of Brent and Westminster are immigrants compared with under 3% in Knowsley and Redcar & Cleveland.

- Immigrants do not account for a majority of new jobs. The immigrant share in new jobs is – and always has been – broadly the same as the share of immigrants in the working age population.

CEP’s director Professor John Van Reenen comments:

‘The weight of evidence from economic research indicates that immigration is good for both growth and deficit reduction and doesn’t hurt jobs or wages. Yet immigration seems to bear the brunt of public concerns about economic hard times – and UKIP is the political party that has benefitted most.’
‘Responding to public perceptions, what the major political parties want to do is to restrict the ability of migrants to obtain some benefits, such as child benefit and housing benefit. It is unlikely this would have much effect on the numbers arriving because the vast majority of migrants come here to work or study rather than to obtain such benefits.’

ENDS

Notes for editors:

‘Immigration and the UK Labour Market’ by Jonathan Wadsworth is the first in a new CEP #ElectionEconomics series. See http://cep.lse.ac.uk/election2015/.

Objective, brief and non-technical, CEP Election Analysis is a series of background briefings on the policy issues in the May 2015 UK General Election

This series will discuss the research evidence on some of the UK's key policy battlegrounds, including immigration, austerity, living standards, business, Europe, health, education, crime, inequality, regional policy, climate change & energy, infrastructure and gender.

These analyses are provided by some of our expert researchers and draw on some of our past and current research.

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