Immigration policy is compromised by ambiguities in how the number of immigrants in the UK are measured, an election analysis from the Centre for Economic Performance (CEP), LSE, highlights today.

The report points out that immigration has risen a lot over the last 25 years and about one in seven (14.3 per cent) of people now in the UK are immigrants.

But measuring the numbers of immigrants is an “inexact science”, the report states that different estimates using different definitions are impairing informed debate and policy making because they currently give contradictory messages.

The report, written by Jonathan Wadsworth, professor of economics at Royal Holloway, University of London and a senior research fellow at the CEP, adds that the immediate consequences of Brexit, if it happens, may be very different from what is wanted from a long-term immigration strategy - and suggests that policy may have to be designed flexibly to address the resulting short-term versus long-term issues.

“Immigration remains a highly contentious issue but it seems to matter much more politically than it does economically. All the empirical work that has been done on UK immigration shows very small labour market effects, either positive or negative,” Professor Wadsworth said.

He added: “The options for future immigration policy are many and varied and there are no easy answers as to what to do or what to prioritise.

“It may well be that immigration policy, like so many policies in the UK, evolves and reacts to events and the unforeseen consequences of previous actions.”

The report shows that any reduction in EU immigration would have a small negative impact on the public finances - since EU migrants pay more in taxes than they receive in benefits and public services but these net payments are not very big.

The report shows:

- Immigration still seems to matter much more politically than it does economically. Immigration’s effects on most areas of the economy appear to be small. There are neither large negative effects nor large positive effects.

- A majority of immigrants are in work. In comparison with the UK-born population, immigrants are under-represented in the child and pensioner populations. These observations all help to explain why, on average, immigrants pay more in taxes than they receive in state benefits relative to others.
Future immigration policy has to determine who is allowed into the UK, into which sectors of the economy, for how long and at what cost. Given the diverse and changing use of migrant labour in different sectors, this is not, and has never been, a straightforward task.

Immigration policy and informed debate are compromised further by the current ambiguity over measuring the numbers of immigrants in the UK.

The full report is available here: CEP Election Analysis: Immigration

Notes for editors:

Jonathan Wadsworth is a Professor of Economics at Royal Holloway, University of London and a senior research fellow at the Centre for Economic Performance.

CEP election analysis: Immigration is one in a series of election briefings produced by the Centre for Economic Performance, LSE. The series aims to provide an impartial, evidence-based analysis of the key issues in the 2019 UK general election including education, social mobility, Brexit economics, the labour market and regional policy.

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