

class

Centre for Labour
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Why immigration is good for all of us



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Foreword



**By Diane
Abbott MP**

This pamphlet sets out some of the facts about immigration. There are so many urban myths swirling around the subject that there will be those who are surprised to learn that some commonly repeated narratives about immigrants are actually false. For instance, even on the government's own estimates, overseas immigrants currently account for only 0.1% of total NHS expenditure. Far from being a drain on the NHS, without immigrant health workers it would collapse.

Unfortunately some argue that, even if you explain the facts, it is impossible to defeat the current anti-immigrant tide in British politics. This is extra-ordinary defeatism. On that basis we would not have seen any of the advances in social policy that have occurred over the last century. You do not get political advance by studying opinion polls and then echoing the public's prejudices back to them. Every major social advance had to be campaigned for, often in the face of a hostile media. It is

time for the left to seize the debate on immigration and assert a counter narrative that is fact-based, positive and progressive about multi-cultural Britain. In 2012 the opening ceremony of the London Olympics was a compelling and electrifying celebration of multi-cultural Britain. It was widely praised. We need a political narrative that matches the artistic narrative of Danny Boyle.

We also need to understand the historical context of the current debate. Nothing that is being said in the current debate on immigration is new. Each new wave of immigrants has been subject to the same complaints, often focussed on labour market issues. And, for over a century, immigration has been code in the British political discourse for race.

Anti-Irish racism was common in Victorian England. The Irish were routinely portrayed in cartoons in Punch and elsewhere as having ape-like features, signalling the racial antipathy. Irish workers were accused of driving down wages and monopolising certain, low paid, job markets. In 1870 Marx wrote "Every industrial and commercial centre in England now possesses a working class divided into two hostile camps, English proletarians and Irish proletarians. The ordinary English worker hates the Irish worker as a competitor who lowers his

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standard of life. This antagonism is artificially kept alive and intensified by the press, the pulpit, the comic papers, in short, by all the means at the disposal of the ruling classes”.

Later in the century Russian Jews fleeing persecution in Tsarist Russia came to Britain in their tens of thousands. They settled in cities like Manchester and Leeds, but above all they came to the East End of London. There were over 200,000 Jews in London by 1914. They were met with bitter hostility, including from some trade unionists. They were seen as competing for homes and work in an economy which was in recession. They were accused of being willing to work for longer hours in poorer working conditions at a lower wage than their British co-worker, thereby underselling the indigenous workforce. In 1905 the Manchester Chronicle wrote “the dirty, destitute, diseased, verminous and criminal foreigner, who dumps himself on our soil and rates simultaneously, shall be forbidden to land”.

In the years after the Second World War immigration from the West Indies triggered the, now predictable, complaints about housing problems and labour market issues. These complaints were often from people whose concern for the British working man and woman had been well concealed until then. So in 1954 the Conservative MP for Louth, Cyril Osborne asked the Prime Minister “What is Her Majesty’s

government’s policy regarding...the immigration into this country of coloured people without tests of either health, technical skills or criminal record...in view of the recent increase in unemployment”. But the advent of the welfare state meant a new set of complaints about immigrants. Labour and Conservative MPs complained that immigrants were adding to the housing problem, increasing the size of school classes and swelling demands on National Assistance (i.e. the benefits system).

So there is nothing new under the sun when it comes to the anti-immigrant narrative. And it is vital to separate reality from myth in the current debate on the subject. This is partly because it would be unjust to do anything else. But it is also because making immigrants the scapegoats for current economic conditions is a damaging diversion from formulating the policies which will address the real problems of British workers black and white. Immigrants are not the cause of low wages. Predatory employers, deregulated labour markets and the diminution of trade union rights and freedoms are the underlying causes of low wages and labour market insecurity. Progressives have to turn people’s attention to the real cause of their discontents. This pamphlet gives us some of the facts we need to do just that.

Diane Abbot MP

Patterns of migration

It is helpful to put Britain's migration figures in a global context. In 2010 migrants made up **11.3%** of the UK population, not far above the European average of 9.4%¹. Britain has a smaller proportion of migrants than the US (13%)², Canada (20.6%)³ and Australia (25%)⁴.

Migrants make up

11.3%

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13%

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25%

of Australian

The movement of migrants is not just one way. 350,000 emigrated from the UK in 2011, of whom 43% were British and 57% non-British, 40% (136,000) went to other EU countries. 411,000 UK born citizens now live in Spain, 173,000 in France and 155,000 in Germany⁵.

In 2011
350,000
people emigrated
from the UK

Between 2001-9
3 million
people left London, and
the majority of the
2.9 million
who moved to London
came from the rest of the
UK - not from abroad.

There is also a great deal of internal migration within the UK. Between 2001 and 2009, London's population increased by 431,000, partly through natural causes (births exceeding deaths by 0.5 million) and partly through migration. London received 2.9 million incomers in that period but the majority came from the rest of the UK not from abroad and in the same period 3 million Londoners left London⁶.

Migration and the economy

We are often told that migration is an economic disaster for Britain when, in reality, it is essential for keeping the wheels of a modern and multi-national economy turning. As migrants are, on average, younger than the total population⁷ (pensioners don't tend to migrate), they ease the problem of our ageing population. By paying taxes migrants help to fund pensions for the rest of us.

Research shows that between 2001 and 2011, migrants made a net contribution to public finances of £25 billion in taxes⁸. This huge amount would have been lost from the public purse and the deficit would have been even greater. Migrants use amenities much less frequently than British nationals and moreover, they don't increase the cost of certain services, like the armed forces, at all so their tax contributions are a national bonus. This acts as a stimulus, making the economy bigger.



Migrants made a net contribution of £25 billion to public finances between 2001-2011

What if the Tories met their target of reducing net migration
*"to the tens of thousands – rather than the hundreds of thousands"*⁹?

By 2060:

GDP would be 11% lower than if migration continued at its historic rate

This would have a negative impact upon jobs, wages, pensions and cost of living.

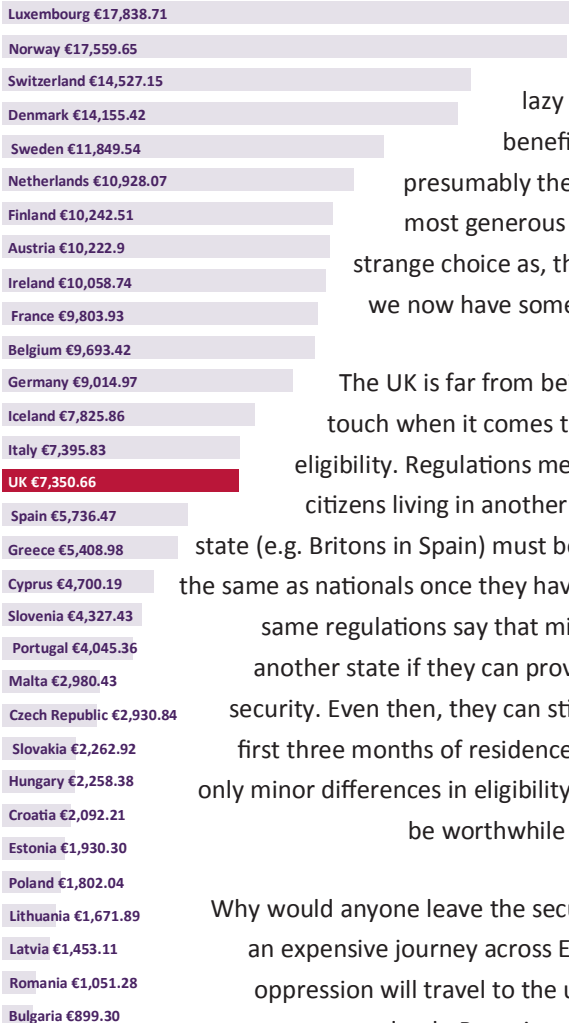


Income tax would need to rise by 2.2% to make up the shortfall

Source: Lisenkova, K. and Sanchez-Martinez, M. (2013)¹⁰

Is benefit tourism a concern?

Spending on social protection benefits per inhabitant in 2011



Source: 2011 figures from Eurostat available: http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/data/database. Countries with no data were not included

The term 'benefit tourism' is often bandied around by the media to conjure up images of lazy migrants heading abroad to live off benefits. If this really were the case, then presumably they would go to the country with the most generous benefits? This makes the UK a very strange choice as, thanks to the Coalition Government, we now have some of the lowest benefits in Europe¹¹.

The UK is far from being a soft touch when it comes to benefit eligibility. Regulations mean all EU citizens living in another member state (e.g. Britons in Spain) must be treated the same as nationals once they have been granted residency. These same regulations say that migrants only have the right to live in another state if they can prove they won't be a burden on social security. Even then, they can still be ineligible for benefits for their first three months of residence¹². These rules mean that there are only minor differences in eligibility between EU states so it would not be worthwhile to use the UK for 'benefit tourism'.

Thanks to the Coalition, we now have some of the lowest social security in Europe

Why would anyone leave the security of family and friends, to go on an expensive journey across Europe? Refugees escaping war and oppression will travel to the unknown - life is always better than death. But migrating for welfare? It makes no sense.

The impact on wages

Migrants increase the labour supply, growing the economy through increased consumer demand, which leads to the creation of more jobs¹³. In total, there is evidence that migration has positive effects on the average wage¹⁴. By adding the skill sets of migrant workers to existing sectors, there is an increase in overall productivity, which in turn increases the average wage.

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If migrants have skills that are direct substitutes for existing workers and if collective agreements and minimum wage regulations are not enforced, then a slight downward pressure on wages might be felt at the lowest end of the labour market¹⁵. But the race to the bottom in the jobs market did not happen because migrants arrived in the UK.

The root of this can be found in the deregulation of labour markets over the last 30 years and the introduction of a raft of anti-union laws¹⁶. This gave employers the go-ahead to push back against decent wages and working conditions. Deregulation, failure to implement the Agency Workers

Failure to enforce minimum wage

Reduction in trade unionism

Failure to implement the Agency Workers Directive

Deregulation of labour markets

What is the real reason for the race to the bottom in wages?

Directive, which allowed agencies to recruit abroad in breach of national rates, the reduction in trade-unionism and the failure to upgrade or enforce the minimum wage, has been to blame for this race to the bottom.

The only way to ensure decent wages and working conditions for all groups of workers is by renewing the regulation of employment conditions, ensuring a stronger role for trade unions, and putting policies in place that can begin to tackle the squeeze on living standards across the board.

What is the impact of migration on jobs?

Anti-immigration organisations argue that there is a fixed amount of work to be done in the economy, and that ten more migrants means one less job for someone already living in Britain. In reality, **migrants not only increase the size of the economy but also the number of jobs available**¹⁷.

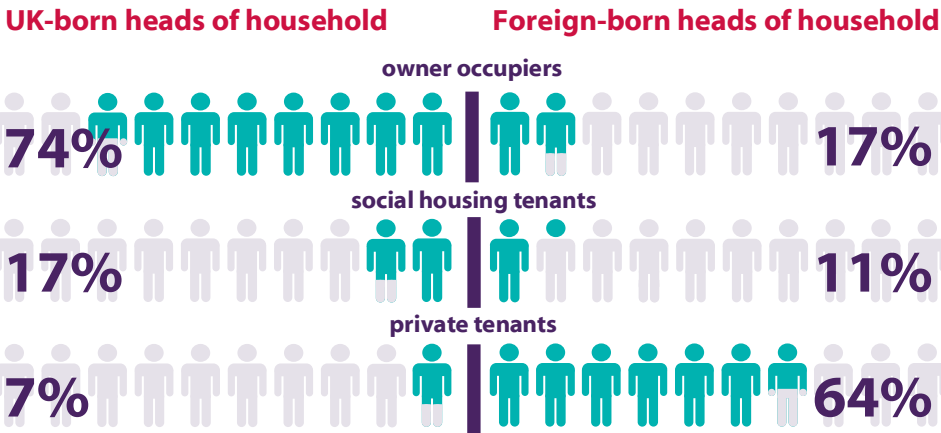
As migrants are spending money in local economies, they increase consumer demand which has the knock-on effect of creating jobs. Between 2005 and 2008, generally a period of economic strength and high migration in Britain, employment of existing British workers increased by 116,000¹⁸. Even in 2008, when migration was high, the number of UK unfilled vacancies reached 700,000 – the highest ever recorded level¹⁹.

Between 2005-8 during a period of higher migration to the UK, the number of employed UK nationals increased by 116,000.

Is housing under pressure?

Across the country as a whole, the housing crisis means that there are desperate shortages of affordable housing. But the picture is complicated. Even with significant immigration, some areas have lots of spare housing, while others are struggling to house people, even without migrants adding to demand. In this big picture, migration is a minor factor – a major house-building programme is urgently needed. Successive failure has meant that not enough housing has been built over a long period. The Government is the real villain but escapes hostility while migrants bear the brunt.

Myths of migrants ‘jumping’ social housing waiting lists are also completely untrue. Migrants are three times more likely to be in the private rented sector and 5% less likely to be in social housing²⁰. Research by the Equality and Human Rights Commission²¹ found no evidence of immigrants jumping social housing waiting lists. They found that 64% were privately renting, 17% were owner occupiers, and only 11% were allocated social housing. More recent research from JRF shows an even higher number of immigrants living in privately rented housing, often in “poor and exploitative” conditions where overcrowding and health risks are common²².



Source: EHRC²¹

What is the impact of migration on the NHS?

"Epidemics of health tourists cost us billions"

The Daily Mail, 3rd April 2013

The phrase "health tourism" refers to the idea that migrants come to the UK with the sole intention of accessing free healthcare. We are told it is a major problem, but in reality this is not the case. A government report identified a "plausible range for health tourism" of just 5,000 to 20,000 visitors a year²³. This equals just 0.1% of total NHS spending²⁴ – far from the billions of pounds we are led to believe is being spent.

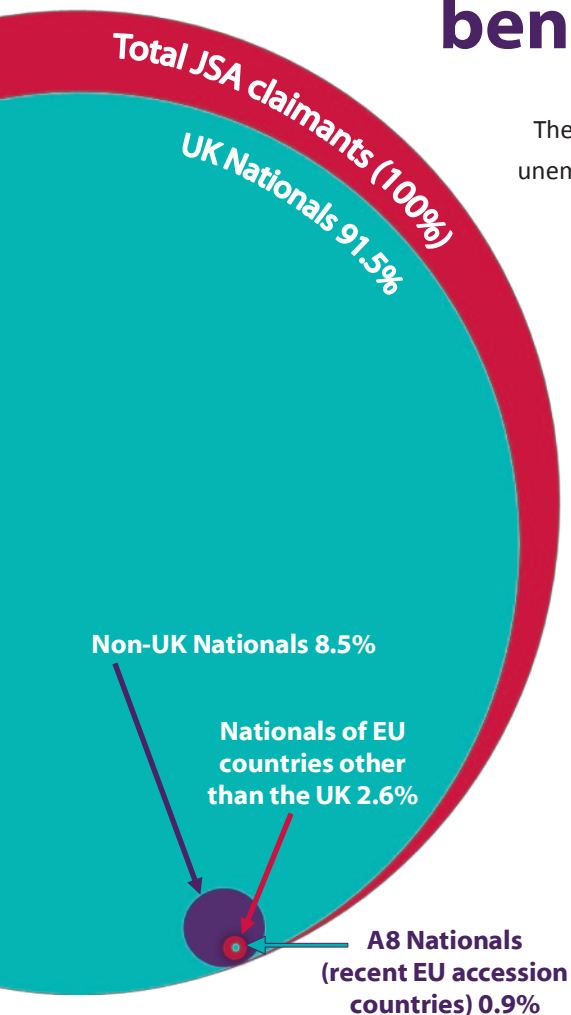
Most migrants are young and in good health. On average, more than a quarter of all healthcare consumed in someone's lifetime will be administered in the last year of their life. This means that migrants make significantly less use of NHS services, and have little impact on demand for healthcare²⁵.

NHS professionals have reacted angrily to exaggerated reports of large-scale health tourism because it could scare people away from getting the early medical help they need. Putting people off seeking medical advice until the last minute might not only lead to unnecessary deaths, but could also increase costs as emergency treatment in A&E is much more expensive than early treatment or preventative care.



**Overseas visitors
currently
account for
about 0.1% of
total NHS
expenditure**

The truth about unemployment rates and benefit claimants



The UK is the only EU country to have a lower unemployment rate for migrants – **7.5%** – than nationals – **7.9%**²⁶. The EU-wide rates are 12.6% and 10% respectively²⁷.

Furthermore, amongst those migrants who are unemployed, an even lower proportion – **1%** – actually claim unemployment benefits compared to UK nationals – **4%**²⁸.



Source: 2011 figures. ICF GHK (2013) Page 173 <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1980&furtherNews=yes>

Students, migration and the skills shortage

Migrants frequently fill skill shortages. Training policy in Britain has been in long-term disarray, a fact reinforced as even in an economic slump massive skill shortages exist, meaning the skills of migrants are needed to keep our vital services working. Today, 36.8% of GPs and 40.4% of specialists gained their qualifications outside the UK²⁹. The NHS and many other industries would be in a state of crisis without overseas workers.

The UK Border Agency's points-based system for non-EU immigrants means that migrants are only permitted to take jobs where there are recognised skill shortages and if they can prove, before entering the UK, that they have the necessary qualifications. The UK attracts highly educated and skilled migrants. In 2011, compared to 21% of the British adult population, 32% of recent EU migrants and 43% of recent non-EU migrants had a university degree³⁰. In 2011-12 foreign students accounted for 17.4% of the 2.5 million student population and contributed an estimated £8.8 billion to the economy³¹.

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Lower skilled workers from the Eastern European A8 Accession countries filled many jobs in the period before the crash, when unemployment was relatively low. If these migrants had been blocked, Britain as a whole would have been poorer and the economy would have suffered substantially more.

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