

*Citizens' Forum*

Manchester Sunday September 10<sup>th</sup> 2017

*Migration - a powerful but contentious process.*



David Coleman, University of Oxford

[david.coleman@spi.ox.ac.uk](mailto:david.coleman@spi.ox.ac.uk)

<http://www.spi.ox.ac.uk/oxpop>

# Questions – what effects on British society?

Migration a major factor in the Brexit result.

But effects of Brexit on migration unclear.

What are the trends of international migration?

Does migration make us richer?

Does migration solve population ageing?

Other consequences – housing, crowding, trust, cohesion, a non-European future?

What should British migration policy be?

# **A word of caution – migration is a terrible subject.**

Weak data

Poor theory

Highly unreliable forecasts

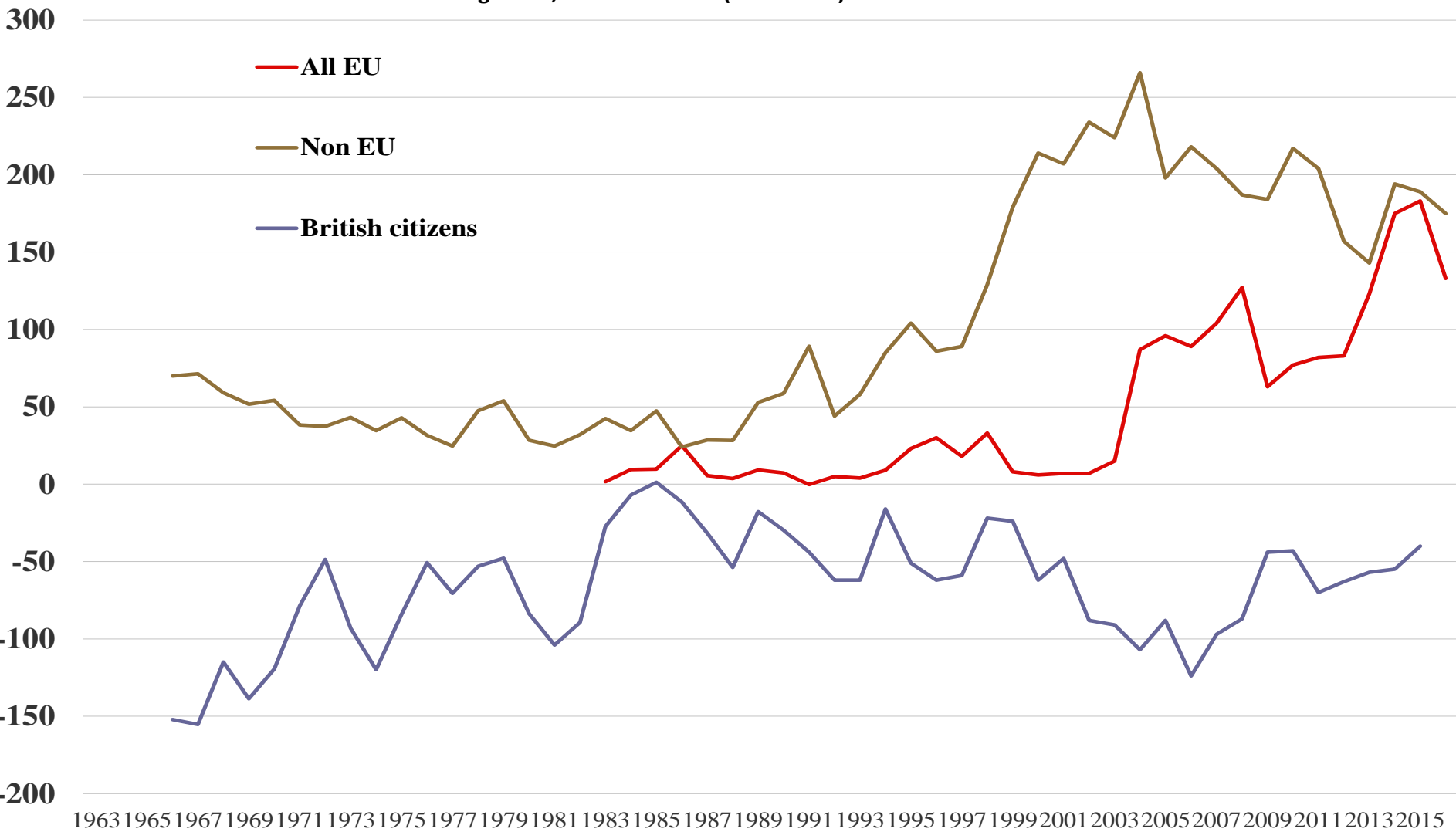
More expert disagreement than usual

Unpleasant politicised arguments

But very important – the chief driver of demographic change in Britain

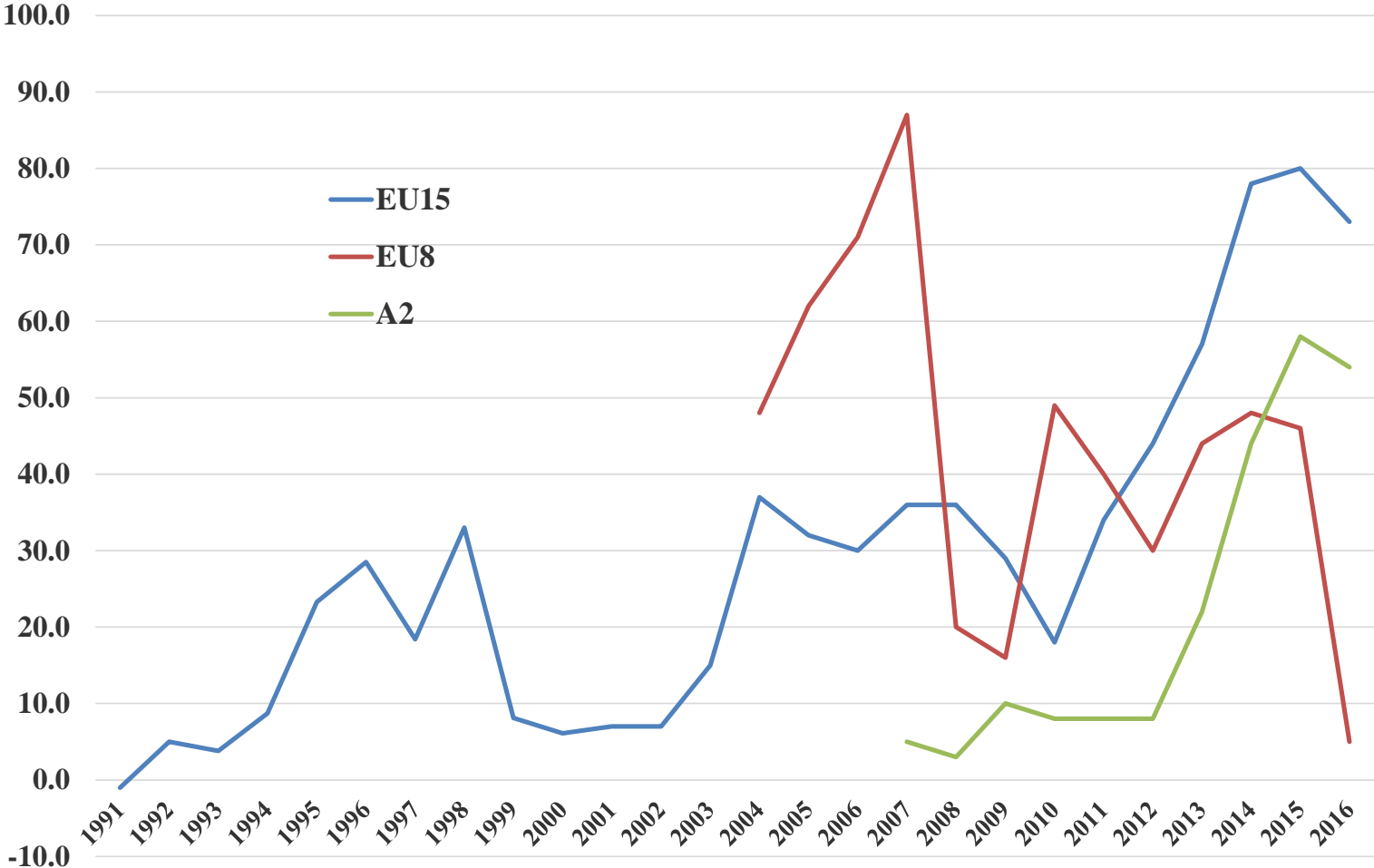
# Long-term migration trends to the United Kingdom 1963 – 2016. UK citizens , EU and non-EU (thousands).

Net migration, UK 1963 - 2016 (thousands). Source of data: ONS.



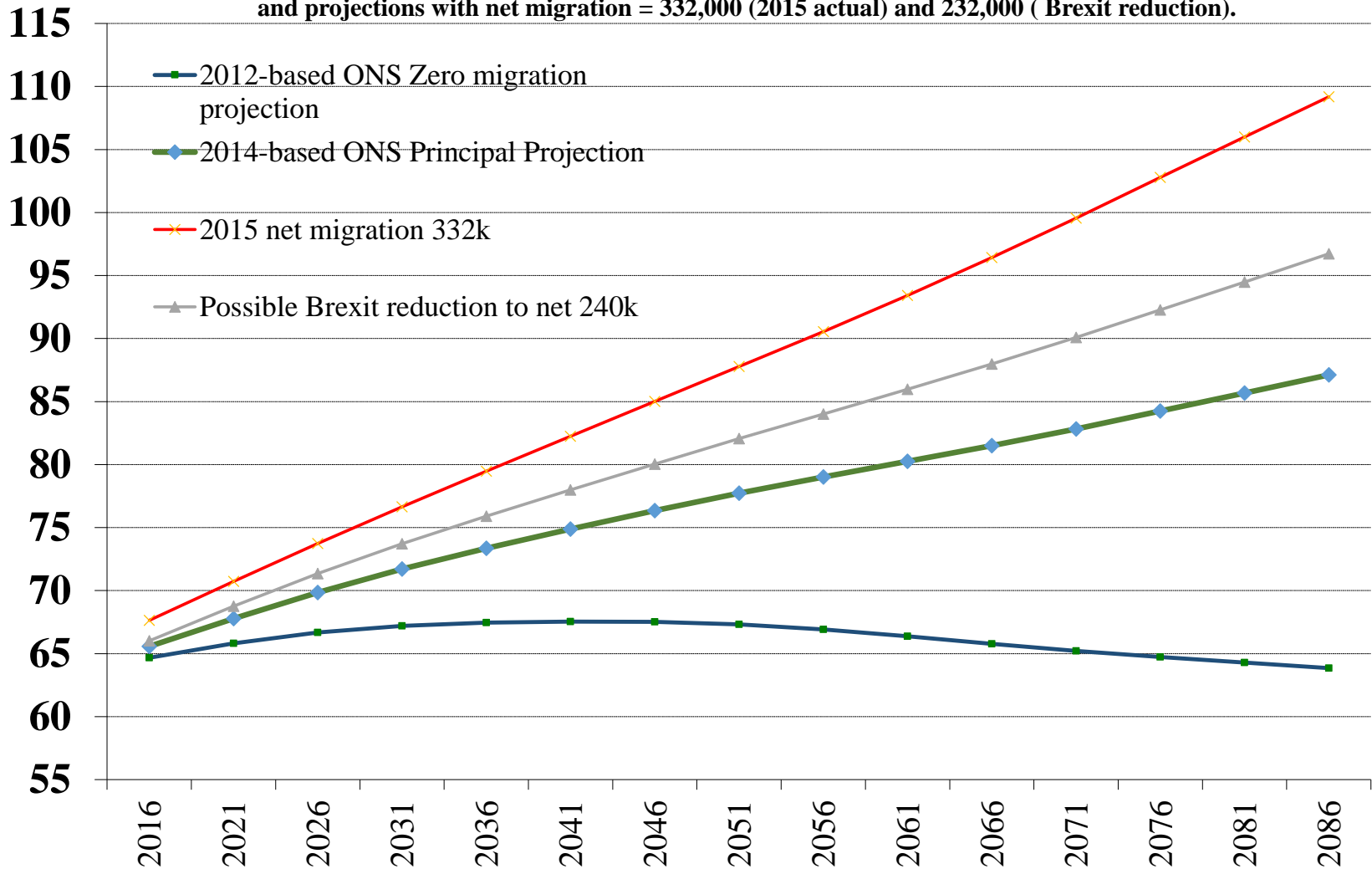
# Net migration to UK from the European Union: EU15, A8 and A2

Net migration to UK from EU groupings, 1991 - 2016 (thousands). Source: ONS (LTIM).



# Projected effect of different levels of international migration on UK population size, 2016 – 2086 (millions). Source: data from ONS.

United Kingdom 2012-2086. 2014-based ONS Principal Projection, ONS 2012-based Zero-migration projection and projections with net migration = 332,000 (2015 actual) and 232,000 (Brexit reduction).



Economic consequences for receiving countries of large-scale migration - the positive case.

Migration a normal and necessary process.

Large-scale migration increases population size, therefore *ceteris paribus* GDP.

Young immigrants moderate population ageing, increase proportion in working age-groups.

In theory, therefore improves net fiscal balance.

Fills job vacancies, does jobs 'natives won't do'.

Taps into global skills and entrepreneurial market.

Some immigrants (e.g. A8) 'make better workers than natives' .

Moderates wage inflation.

## But - some caveats

GDP growth usually irrelevant to GDP per capita and individual welfare.

Beneficial effects depend on employment level, social capital, skills of immigrants.

Moderating effects on population ageing modest, requires infinite population growth

Immigrant job growth at expense of native employment and wage levels of lower paid.

Sidesteps need to improve training, education and motivation of native workforce.



# Empirical findings. numerous, often contradictory and disputed.

Net fiscal effects **small**, may be negative (less than +/- 1% of GDP)

Usually, immigration from poor countries generates net loss, from rich countries net gain.

Benefits unbalanced. Only **certain** beneficiaries are immigrants and their employers and –in the short run - consumers of some services.

Better off natives can gain, worse off (manual workers) tend to lose.

Fiscal calculations ignore externalities (crime, health, integration costs, remittances).

Moderation of population ageing modest, implies infinite population growth.

Highly skilled immigrants valuable, but with moral complications.

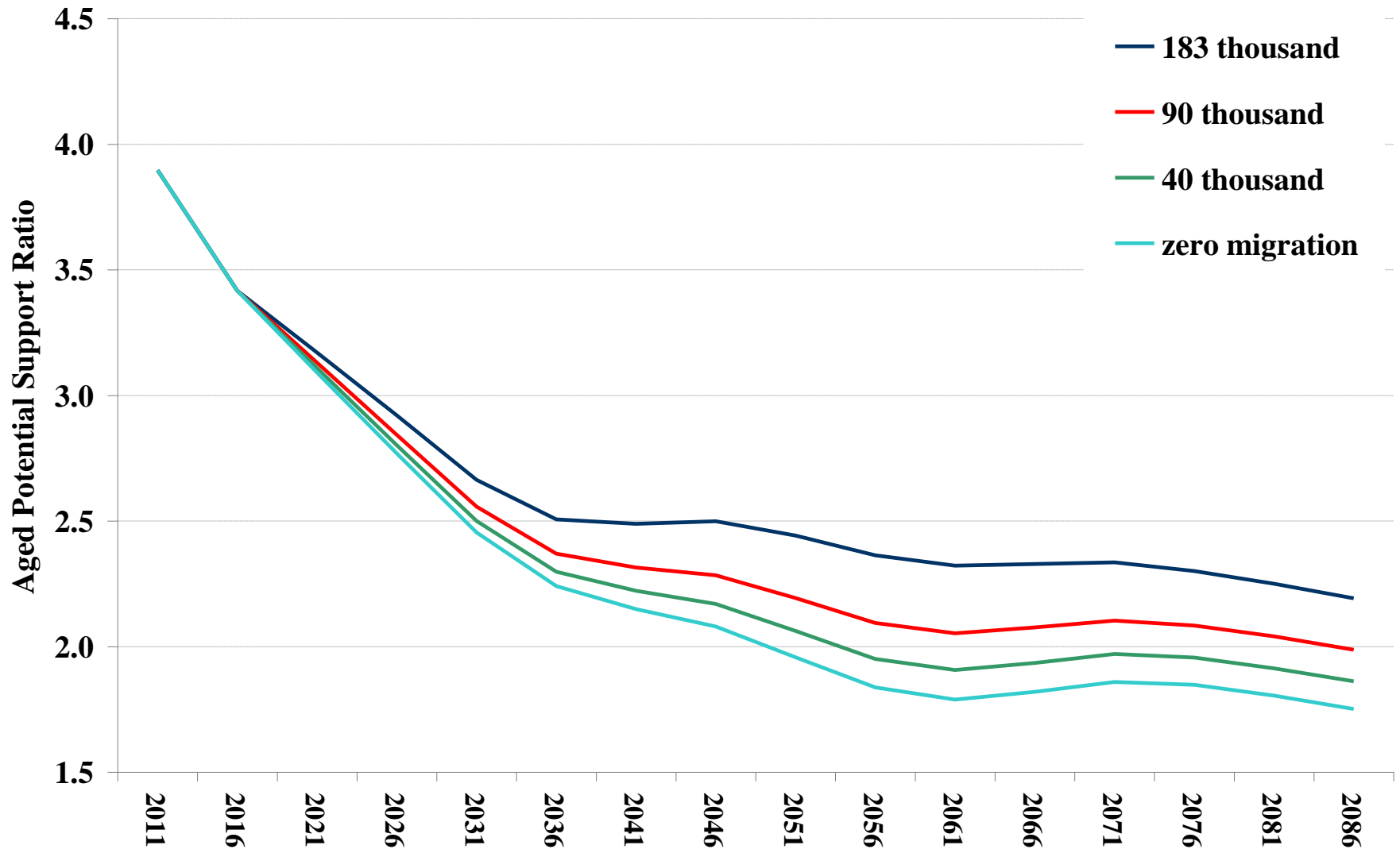
Distortion and dependency in economy (e.g. NHS, business and university vested interests).

Reduces productivity, distracts attention from training, education.

Over 80% of additional households headed by person born abroad.

Capital requirements and congestion costs of population growth.

# Effects upon age-structure. UK Potential Support Ratio 2011-86 (population 15-64 / population 65+) at different levels of net annual immigration.

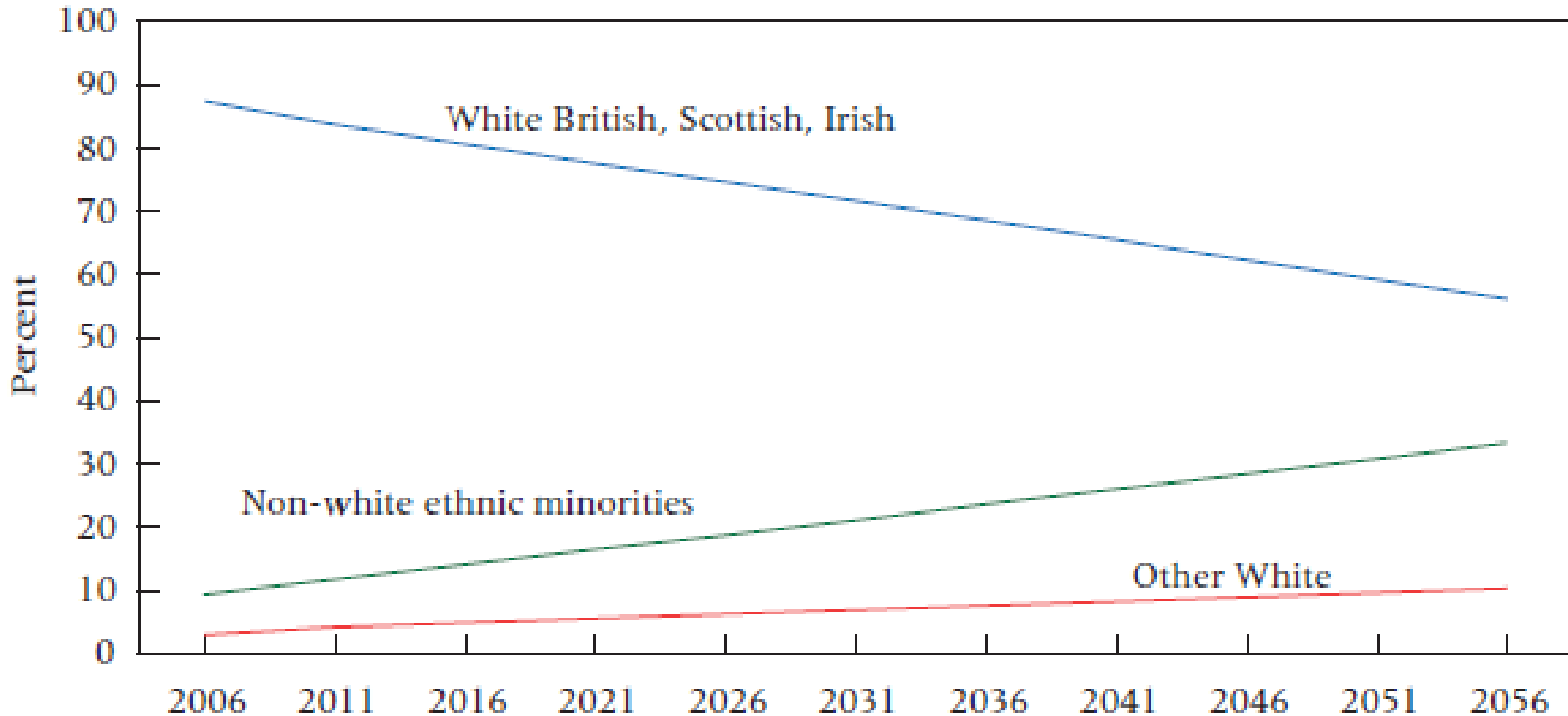


Growth of ethnic minority population, England and  
Wales 1951 – 2011. Sources: 1971 – 2011 Census, LFS. 1951,  
1961 estimated.

	Ethnic Minority number (millions)	percent total	percent annual growth
1951	0.05	0.1	20.8
1961	0.40	0.8	12.3
1971	1.37	2.5	4.2
1981	2.09	3.9	3.7
1991	3.02	5.5	7.7
2001	6.51	12.5	5.2
2011	10.94	19.5	

A projection of ethnic change in the UK 2006 – 2056. TFR = 1.84, net immigration = 180,000 / year. Source: Coleman 2010.

**FIGURE 2** Standard scenario, percent of UK population in three major ethnic categories, 2006–2056



# Migration consequences of policy options

(as in briefing notes).

## 1. Maintain free movement.

Theoretically no change, but some reduction likely anyway if European economies continue to improve and if UK economy damaged by Brexit. Depends on Brexit terms

## 2. Keep free movement with restrictions.

Probably impossible. If Cameron could have secured some restrictions, probably 'Remain' would have won.

## 3. End free movement but still favour EU.

How much favour? Difficult to evaluate. Possibly objectionable on non-discriminatory grounds.

## 4. Make rules the same for all immigrants. (visas?)

Labour migration restriction to pre-arranged skilled employment (points-based system?) would reduce EU migration. But overall reduction would need curbing non-EU migration (e.g. family and dependants), removals, illegal and overstaying, improved counting, and population register.

# Conclusions

Migration the primary driver of population change.

The only demographic component (potentially) directly controllable by policy.

Brexit offers chance to reduce EU flow but big reductions in non-EU also needed to meet government target.

Economic consequences complex, some beneficial, but little or no overall benefit to the average individual.

Migrants the only certain beneficiaries of migration.

Arguably harmful effects in some sending countries (brain drain, skills shortage, depopulation)

Moderates pace of population ageing but cannot solve it.

Social consequences most important; population growth, pressure on schools, NHS, housing.

Continued large-scale migration would lead to ethnic transformation in most Western countries.

# Relative size of live births, natural increase and net migration around 2010, selected Western countries.

Selected Western countries					
Comparisons of live births, net immigration and natural increase 2010					
	Population	Live	Natural	Net	Net migration
	1st Jan 2010	births	increase	migration	as percent
		data in thousands			of births
Switzerland	7786	80	13	61	<b>75</b>
Belgium	10840	127	23	89	<b>70</b>
Norway	4858	61	17	42	<b>69</b>
Italy	60340	562	-7	312	<b>55</b>
Austria	8375	79	2	27	<b>35</b>
Denmark	5535	63	9	17	<b>27</b>
UK	62027	807	246	163	<b>20</b>
Germany	81802	678	-181	130	<b>19</b>
Spain	45989	485	107	60	<b>12</b>
France mét	62791	802	262	75	<b>9</b>
Greece	11305	115	6	-1	<b>-1</b>
Total of above	361648	3860	495	975	<b>25</b>
Australia	22696	293	149	176	<b>60</b>
Canada	34108	381	127	216	<b>57</b>
New Zealand	4370	64	35	10	<b>16</b>
United States	298363	4217	1840	844	<b>20</b>

# Is migration capable of being controlled or managed?

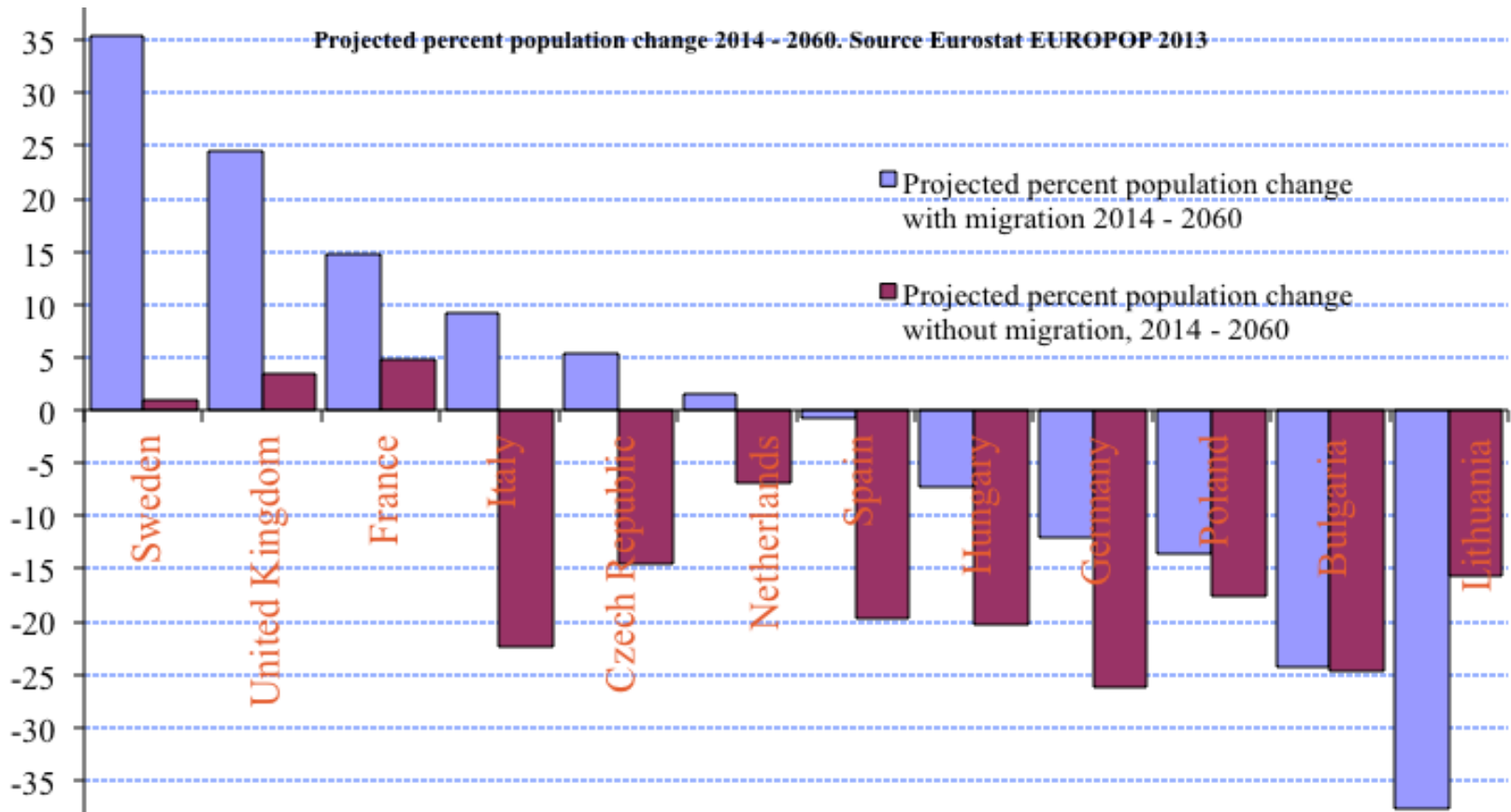
In theory - yes (*vide* Iron Curtain, Gulf States)

In practice – very difficult in liberal democracies. Human rights, international agreements, EU membership, economic needs, pressure from resident immigrant-origin populations.



# Projected percent population change 2014 – 2060, selected European countries, with and without migration.

Ranked according to population growth with migration • Source: Eurostat EUROPOP2013.



# Immigration: Population born abroad 2001, 2011. OECD selected countries (thousands and percent)

	2001		2011		
	1000s	percent	1000s	percent	
Australia	4482.1	23.1	Australia	6029.1	26.7
Estonia	245.3	18.0	New Zealand	1040.7	23.6
New Zealand	698.6	18.0	Canada	6933.4	20.1
Canada	5448.5	17.6	Ireland	752.5	16.8
Austria	1112.1	13.8	Austria	1349	16.0
Belgium	1112.2	10.8	Estonia	210.8	15.7
France	6260.6	10.5	Belgium	1643.6	14.9
Netherlands	1674.0	10.4	Norway	616.3	12.4
Greece	1122.9	10.3	France	7358.2	11.6
Ireland	356.0	9.2	Netherlands	1906.3	11.4
Norway	315.1	7.0	Iceland	34.7	10.9
Iceland	18.3	6.4	Italy	5457.8	9.0
Portugal	651.5	6.3	Portugal	871.8	8.3
Denmark	321.8	6.0	Denmark	441.5	7.9
Czech	448.5	4.4	Greece	750.7	6.6
Italy	2240.0	3.9	Czech	668.8	6.4
<b>Hungary</b>	<b>300.1</b>	<b>2.9</b>	Finland	266.1	4.9
Finland	145.1	2.8	<b>Hungary</b>	<b>473.3</b>	<b>4.7</b>
Slovak	119.1	2.2	Slovak	207.6	3.9
Poland	775.3	2.0	Poland	674.9	1.8