

The economic impact of migration is much debated, but little understood. A recent House of Lords select committee report claimed that the benefits of immigration to the existing UK population were “small” – and that having more people around actually makes us worse off.<sup>1</sup> Its conclusions, echoed by such illustrious commentators as Martin Wolf in the Financial Times as well as by Adair Turner in a lecture at the London School of Economics, have been widely deemed definitive, but are in fact deeply flawed.<sup>2</sup> This paper aims to set the record straight.

The Lords’ report rubbished four arguments often made in favour of immigration by the government, businesses and others: that it boosts the size of the economy (gross domestic product, or GDP); is needed to fill labour and skills shortages; generates fiscal benefits; and is needed to defuse the ‘pensions time bomb’. It further claimed that an increase in the population through migration – net immigration – was harmful. It recommended that the government set an “explicit and reasoned indicative target range for net immigration and adjust its immigration policies in line with that broad objective” – in effect, an immigration cap, akin to that proposed by the Conservatives.

It is true that the arguments deployed in favour of immigration are often flimsy, as I have argued repeatedly elsewhere.<sup>3</sup> But punching holes in shoddy arguments scarcely undermines

- 1 House of Lords Select Committee on Economic Affairs, ‘The economic impact of immigration’, April 2008.
- 2 M Wolf, ‘Four falsehoods about immigration’, Financial Times, 4 April 2008.
- 3 P Legrain, ‘Britain’s immigration muddle’, The Guardian, 17 October 2007.

# The economics of migration

September 2008

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CENTRE:FORUM

the broader case for freer migration, any more than pointing out fallacies in Thomas Friedman’s book ‘The world is flat’ discredits the broader case for globalisation. Nor is the Lords’ misanthropic opinion that more people are a problem logical. After all, if an influx of people is detrimental, surely it would be economically desirable to control migration within Britain too? People who move around the country are also migrants – and London’s population, for example, has swollen by more than a tenth over the past 30 years due to new arrivals. Yet the fact that critics of migration do not argue that keeping out people from Ipswich or Scotland would make

***Economists calculate that removing immigration controls could more than double the size of the world economy***

Londoners better off highlights that their arguments do not stack up. Dodgy economic arguments that would normally be torn to shreds are easier to pass off when they validate people's anti-immigrant prejudices.

The biggest flaw with the Lords' report is that they dismissed, or failed to consider properly, the true economic benefits of migration: gains from trade, increased flexibility, and the dynamic benefits of diversity. Just as the free movement of goods and services is beneficial, so too is that of people who produce goods and services. The emerging pan-European labour market is extending the gains to Britain of the EU's single market, encouraging the allocation of labour to its most efficient use. It enables Britain to specialise in what it does best, reap economies of scale, foster dynamic clusters, and improve the variety, quality and cost of local products and services. Increased mobility also makes the economy more flexible, allowing it to adapt more readily to change, thus boosting growth and stability. Last but not least, foreigners' diversity and dynamism boost competition, innovation and enterprise, raising long term productivity growth and hence the living standards of the existing UK population.

There are good reasons to believe that these gains are large. Unfortunately, the shortage of UK-based evidence makes it almost impossible to quantify them precisely. The government urgently needs to commission an independent study that seeks to do so, based on better statistics

and a rigorous analysis, along the lines of the Stern report into the economics of climate change. But in the meantime, the Lords were wrong to conclude that the benefits of migration are negligible – absence of proof is not proof of absence.

As Robert Winder documents in 'Bloody foreigners', immigrants have made a huge contribution to these isles throughout history – and modern Britain would be very different, and undoubtedly much poorer, without them.<sup>4</sup> Little Englanders who put the Queen on a pedestal, tune in religiously to Trevor Macdonald, cheer on the England football team, love a curry, shop at Tesco, voted for Michael Howard's Conservatives in 2005 or wish that David Miliband would replace Gordon Brown in 2008 conveniently forget – or do not even know – that all are partly of foreign descent. At the same time, sober economists should not confuse the convenient abstraction of their models with reality, neglecting the palpable evidence that newcomers can make a big difference. Economic models do not allow for a Barack Obama or a Kelly Holmes.

Economic theory also suggests that allowing people to cross borders more freely would bring huge benefits. From a global perspective, the potential gains from freer migration are huge. When people from poorer countries move to rich ones, they too can make use of advanced economies' superior capital, technologies and institutions, making them much more productive. Their improved productivity makes them – and the world – better off. Starting from that simple insight, economists calculate that removing immigration controls could more than double the size

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<sup>4</sup> R Winder, 'Bloody foreigners', 2004.

of the world economy.<sup>5</sup> Lowering them even slightly would yield disproportionately big gains.

Admittedly, such figures are little more than back-of-the-envelope calculations. They provide an order of magnitude, not a precise estimate. But if anything, they underestimate the true gains from greater openness because they ignore its much larger dynamic benefits, notably the faster economic growth that increased competition, innovation and enterprise could generate. Just as the freeing up of international trade and finance since World War II has helped power a huge rise in living standards across the world, increased international labour mobility could deliver vast economic gains over the next fifty years.

Critics object that while the global gains may be great, those to Britain may not be. Assume, for the sake of argument, that they are right. Does that imply that the British government should tightly restrict immigration? Yes, they say: immigration policy should be based solely on its impact on the welfare of the existing resident population. Really? It is one thing to believe that the government should give greater weight to the welfare of the UK population in its decisions, quite another to argue that it should give none at all to the well-being of those outside Britain. If that logic was applied more broadly, the government would spend nothing to help people starving, drowning in international waters or being slaughtered in far-off countries. Certainly, that is

### ***Our immigration restrictions are not just morally wrong; they are economically perverse***

not how the government behaves, nor how voters expect it to act: international aid, for instance, is relatively small, but not zero, while the government routinely argues that EU agricultural protectionism which harms African farmers should be reduced. How, then, can it be right to deny people much poorer than ourselves the opportunity of a better life, if we gain from it, however slightly – or, indeed, even if we lose from it somewhat?

#### **The trade benefits of migration**

Our immigration restrictions are not just morally wrong; they are economically perverse. There are good reasons to believe that the economic benefits of freer migration are large, not just for immigrants themselves, but also for the existing UK population. It is widely accepted that Britain benefits from free trade, not just within the EU single market, but also globally. Presumably then, the emergence of a pan-European labour market also benefits Britain. After all, when Britons go abroad for surgery, it is considered trade, and when foreign surgeons come here, we call it migration – yet the economic impact of the operations on the existing UK population is equivalent. But where services have to be delivered locally – old people cannot be cared for from afar; taxi drivers have to operate locally; food and drink have to be served face to face – international migration is the only form of international trade that is possible. And just as it is often cheaper and mutually beneficial to import clothing from China and IT services from India, it often makes sense to import services that have to be delivered on the spot. Britons

5 C Hamilton and J Whalley, 'Efficiency and distributional implications of global restrictions on labour mobility: calculations and policy implications', *Journal of Development Economics* 14 (1-2), 1984; J Moses and B Letnes, 'The economic costs to international labor restrictions: revisiting the empirical discussion', *World Development* 32(10), 2004.

***A selective immigration policy cannot possibly determine the right number or mix of people Britain needs now, let alone how these will evolve in future***

accept that it is mutually beneficial to import professional services from Americans, be they in New York or London; surely the same logic applies to Polish plumbers, Indian IT workers, Filipino care-workers, Congolese cleaners and Brazilian barstaff?

**High and low skilled migration**

The conventional wisdom that Britain benefits from high-skilled immigration but not from the lower skilled variety is economically illiterate. It is like arguing that Britain benefits from importing American software, but not Chinese clothes. In fact, the gains from migration depend largely on the extent to which newcomers' attributes, skills, perspectives and experiences differ from those of existing residents and complement ever-changing local resources, needs and circumstances. A selective immigration policy cannot possibly determine the right number or mix of people Britain needs now, let alone how these will evolve in future. Clearly, then, the pseudo-scientific manpower planning of the government's new points-based system is highly unlikely to deliver an appropriate mix, while the Conservatives' proposal for an annual immigration quota is even more wrong-headed. Just think how damaging such policies would be if they were applied between England and Scotland; why should it be any different between England and the US? Allowing people to work wherever they want and companies to hire

whoever they want would clearly deliver a better outcome.

Let me be clear: I am not saying that a higher level of immigration is intrinsically better for the economy. That would be as stupid as arguing that Britain should try to maximise the volume of foreign trade, or attract as many high skilled migrants as possible. Rather, the level and pattern of cross-border mobility that would exist in the absence of controls would be preferable to that which exists now, which in turn is preferable to a wholly closed national labour market. In short, I am arguing for freer migration, not a higher immigration target. Short of completely free migration, the second best policy is a uniform tax on employing foreign workers that does not arbitrarily discriminate among types of worker or cap the total number.

While it is impossible to predict who would move across borders if people could move freely, one can suggest particular benefits of certain types of people doing so. Highly skilled foreigners are vital for fostering global clusters: London would be a local financial centre, not a global one, if it was not open to professionals from around the world. As the number of university graduates from China, India and other emerging markets soars in coming decades, it will be increasingly important for companies based in Britain to be able to draw on the widest possible pool of talent. Yet economic theory suggests that the gains to Britain from less skilled migration are potentially greater, since low skilled labour is relatively scarce here. The UK has an ageing, increasingly well-educated population, while developing countries have a younger, generally less educated one, so their workforces tend to complement each other.

Critics who counter that "we could make everything ourselves if we

had to" may be literally correct – Robinson Crusoe scraped by alone on his island – but autarky would make us all much poorer. This is expressed in a more sophisticated, but equally wrong-headed, way by those who argue that we could make do without migrant labour. Of course, alternatives may exist – paying higher wages may induce a higher local supply of labour, or over time encourage people to acquire the skills required for jobs in demand; some jobs can be replaced with machines or computers; some tasks can be performed overseas – but closing off one's options clearly has a cost. Without foreign labour, for example, English strawberries would go unpicked, or be so prohibitively expensive that we import Spanish ones picked with foreign labour instead. And despite the high wages on offer, Britain suffered from shortages of skilled crafts people, such as plumbers, for decades until the arrival of Polish ones. Like trade barriers, immigration controls reduce the welfare of the UK population – and by raising the cost of products and services, they harm the poor most.

The paradox of productivity growth is that while Britain's future prosperity depends on developing new high productivity activities and nurturing existing ones, a large share of future employment will be in low skill, low productivity location specific activities. Why? Because such jobs cannot readily be mechanised or imported. The fastest area of employment growth in advanced economies is not high tech, but care for the elderly.

The US Department of Labor estimates that over half of employment growth in the 25 occupational categories in the United States showing the largest absolute increases between 2000 and 2010 will be in low skilled non-tradable services. In other words, jobs such as food preparation

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and service, retail, security guards, waiters, truck drivers, nursing aides, home health aides, cleaners, labourers, freight, stock and material movers, landscaping and caretaking, personal and home care, receptionists, hand packers and packagers. The Institute for Employment Research forecasts that low skilled jobs will still account for over a quarter of the UK workforce in 2012. But the supply of low skilled workers in Britain is shrinking fast, as less skilled older workers retire and younger ones with higher aspirations replace them. Whereas 28 per cent of working age women aged over 50 have no formal qualifications, only 7 per cent of men and 8 per cent of women in their 20s do not, while even those with no qualifications do not want to do certain dirty, difficult and dangerous jobs.

Consider old age care. The UN Population Division forecasts that the share of Britain's population aged over 60 will rise from 21 per cent in 2006 to 29 per cent in 2050, with the share of over-80s – those most likely to need care – doubling from 4.4 per cent to 8.7 per cent over the same period.<sup>6</sup> Many will need looking after – the cost of care UK-wide is forecast to double to £24 billion by 2028 and then rise to £41 billion (in today's prices) by 2041 – yet retirement homes and local councils cannot find suitable British applicants for care-working vacancies, nor can the elderly be cared for by a robot or from overseas. Persuading

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6 UN Population Division, 'Population ageing 2006', 2006.

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young local people who would rather do something else to work in a retirement home would require a substantial wage hike – and that implies pensioners making do with much less care, big budget cuts elsewhere, or large tax rises. But migrant workers face a different set of alternatives: since wages in Britain are a multiple of those in, for example, the Philippines, Filipinos are happy doing such work. This is not exploitation: it makes everyone – migrants, taxpayers, Britons young and old – better off. It does not undercut wages, since locals do not want these jobs in any case. And it does not undermine social standards: if there is abuse, legal migrants have recourse to unions and the law. Nor does it entail creating a permanent underclass. If migrants are temporary, as most aspire to be, their point of reference is their home country – and thanks to their work in Britain, they return home relatively well off. If they end up settling, their wages tend to rise over time as they gain skills, contacts and experience. Their British-born children ought to have the same opportunities as other British children. If it turns out that some children are left behind, whoever their parents may be, it is a reason to redouble efforts to ensure equality of opportunity, not to keep out immigrants.

**A more flexible economy**

Gains from trade are one powerful reason why freer migration would be good for Britain. A second is that it would make the economy more flexible. It is generally accepted

that labour mobility within Britain is economically beneficial; a priori, then, the same is true within Europe, or indeed globally. If it is a good thing for people to move from Carlisle to Cambridge when their labour is in demand, surely the same applies to those moving from Calais or Krakow. And if it is desirable for Merrill Lynch to be able to hire the right people in the right place at the right time, the same is surely true for a small machine tools business that has just received a big order from China but cannot find the requisite employees locally, or an organic farmer who cannot meet surging demand without foreign labour.

Increased mobility makes the economy more flexible and adaptable. Job shortages can quickly be met by migrant workers, who tend to be more willing, once arrived, to move to where the jobs are, and to change jobs as conditions change. How else would the massive increase in doctors and nurses over the past decade have been achieved? How else will preparations for the 2012 Olympics be finished on time?

The benefits of increased mobility are particularly great at a local, micro level: the smaller an economic unit is, the more it has to gain from accessing a wider pool of labour. But they are also significant at an economy wide, macro level. Greater flexibility enables the economy to grow faster for longer without running into inflationary bottlenecks. That enables British people to enjoy higher living standards, lower unemployment and lower interest rates than otherwise. The opening of borders to Poland and the other new EU member states in 2004 gave a new lease of life to the UK economy. Over the past five years, GDP per person has risen by 2.2 per cent a year, faster than in any of the other G7 rich countries.

Increased mobility is as beneficial in a downturn as it is in an upswing.

Contrary to the claims of those who warned that recent migrants would swell the dole queues when the economy soured, they are increasingly moving on to parts of Europe, including Poland, that are faring better. Of the million or so east Europeans who have come to work in Britain since 2004, over half have already left again.<sup>7</sup> Most Poles are like the British brickies in 'Auf Wiedersehen, Pet' who went to work in Germany in the 1980s: they came for better paid jobs, not to settle. Already in the first three months of this year, when the economy was flagging but not yet as weak as it is now, the number of migrant workers from the A8 accession states registering to work in Britain was 25 per cent lower than in the third quarter of 2007.<sup>8</sup> By heading elsewhere as the UK economy weakens, migrant workers will help smooth its adjustment: unemployment will rise less than in previous downturns, making the recession shorter and shallower and putting less of a strain on public finances.

### The benefits of diversity

The biggest benefit of greater openness is the greater diversity and dynamism that it brings. Migrants are a self-selected minority who tend to be young, hard working and enterprising. Like starting a new business, migrating is a risky enterprise, and hard work is needed to make it pay off. An influx of young, industrious types not only boosts the productivity of the economy directly; it also tends to stimulate greater productivity

7 N Pollard et al, 'Floodgates or turnstiles? Post-EU enlargement migration flows to (and from) the UK', Institute for Public Policy Research, April 2008.

8 Whereas 57,270 A8 workers registered to work in the East of England in the third quarter of 2007, 42,790 did so in the first quarter of 2008. Home Office, 'Accession monitoring report, May 2004 – March 2008', 2008.

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gains from native workers. Polish builders may spur their British counterparts to up their game, for example, as well as transferring new skills to them.

It is well known that our future living standards depend largely on long term productivity growth. Yet the partial, static neo-classical models by which the economic impact of migration is generally assessed take no account of the potentially huge dynamic benefits of an open society – increased competition, innovation and enterprise – not to mention the consumption benefits of diversity: a wider choice of ethnic restaurants, fusion food, R&B music, salsa classes, the Notting Hill Carnival. If free trade was judged by the same yardstick, one might also conclude that Britain scarcely benefited from it.

These dynamic gains may be hard to measure at a macro level, but policymakers cannot afford to ignore them. Outsiders' different perspectives and experiences and burning drive to succeed help stimulate the new ideas and businesses on which our future prosperity depends. History and global experience shows that the exceptional individuals who come up with brilliant new ideas often happen to be migrants. Instead of following the conventional wisdom, they tend to see things differently, and as outsiders they are more determined to succeed. Some 70 of America's 300 Nobel laureates since 1901 were born abroad; 22 of Britain's 114 Nobel prize winners are foreign born.

Immigrants' collective diversity is also vital. Most innovation comes

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from groups of talented people sparking off each other – and foreigners with different ideas, perspectives and experiences add something extra to the mix. While ten heads who think alike (however talented) are no better than one, by sparking off each other a diverse group can solve problems better and faster, as a growing volume of research shows.<sup>9</sup> Just look at Silicon Valley: Google, Yahoo! and eBay were all co-founded by immigrants who arrived not as graduates selected by some clever points system, but as children. Nearly half of America's venture capital funded start-ups were co-founded by immigrants.<sup>10</sup>

The value of diversity does not apply only in high tech: an ever increasing share of our prosperity comes from solving problems – such as developing new medicines, computer games and environmentally friendly technologies, designing innovative products and policies, providing original management advice. Consider HIV research. For years, American researchers struggled to find an effective anti-HIV medication. They came up with all sorts of drugs that worked more or less well, but none did so for long. Then a Taiwanese immigrant, David Ho, came up with a bright

new idea: why not try a cocktail of drugs? And it worked. Think how many lives that has saved worldwide.

Diversity is also a magnet for talent. Go-getting people are drawn to cities like London because they are exciting and cosmopolitan. As Richard Florida documents: "Regional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas."<sup>11</sup>

The contribution of newcomers is potentially vast – yet inherently unpredictable. Nobody could have guessed, when he arrived in the United States aged six as a refugee from the Soviet Union, that Sergey Brin would go on to co-found Google. Had he been denied entry, America would never have realised the opportunity that had been missed. How many potential Brins does Britain turn away or scare off – and at what cost?

As the 19<sup>th</sup> century philosopher John Stuart Mill rightly said: "It is hardly possible to overrate the value, for the improvement of human beings, of things which bring them into contact with persons dissimilar to themselves, and with modes of thought and action unlike those with which they are familiar... there is no nation which does not need to borrow from others."<sup>12</sup>

Of course, diversity can also cause friction. A fruitful exchange of ideas requires communication and an open mind. Making the most of diversity within companies requires shared goals and values. Society as a whole needs common institutions and laws underpinned, however imperfectly, by liberal values – and Britain has these. Reaping the full economic

9 S Page, 'The difference: how the power of diversity creates better groups, firms, schools, and societies', 2007.

10 National Venture Capital Association, 'American made: the impact of immigrant entrepreneurs and professionals on US competitiveness', 2006.

11 R Florida, 'The rise of the creative class: and how it's transforming work, leisure, and everyday life', 2002.

12 J Stuart Mill, 'Principles of political economy', 1848.



benefits of diversity requires vigorous anti-discrimination laws, encouragement of social mobility, and tolerance of differences – all of which are desirable in any case. (Greater diversity also has social and cultural implications, which are discussed in depth in an earlier essay I wrote for CentreForum, as well as in my book, ‘Immigrants: your country needs them’.)<sup>13</sup>

These three key economic benefits – gains from trade, increased flexibility and the dynamic boost from diversity – urgently need quantifying at a UK level. If, as expected, they prove to be large, they provide the means to compensate any losers from immigration, offset any other social costs and still leave Britons better off. Extra tax revenue and higher economic growth, for example, make better healthcare, education and transport more affordable. And if we are counting immigration’s purported social costs, we should not ignore its palpable benefits, to which anyone with a partner, parent, relative, friend or colleague of foreign descent can testify.

### The costs of immigration

Often, though, the costs of immigration are more perceived than real. Immigrants are said to take local workers’ jobs, as if there were only a fixed number of jobs to go round. We heard similar arguments when women began to enter the labour force in large numbers: many men thought that if women worked, there would be fewer jobs for them. But of course, people don’t just take jobs, they also create them. They create jobs as they spend their wages – because they stimulate extra demand for people to produce the goods and services they consume – and they create jobs as they work, because they stimulate

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demand for complementary workers: an influx of builders, for example, boosts demand for those selling building supplies, as well as for interior designers.

When opponents of immigration argue that immigrants harm the job prospects of British workers, they implicitly assume that they compete directly with them in the labour market – and that the economy never adapts to their arrival. If immigrants were identical to native workers and suddenly arrived in an economy with no vacancies, they would indeed have a temporary negative impact on local workers, until investment caught up with the increased supply of workers and demand for goods and services.

But immigrants and British workers are not identical. The newcomers, after all, are foreign: they speak the local language less well, they have fewer contacts and less knowledge of local practices, and low skilled migrants may have less education and fewer skills than local workers. At most then, they are imperfect substitutes for local workers, and compete only indirectly with them in the labour market. Some individuals may lose out: an unreliable British builder who does shoddy work may find himself out of work. But even if Polish builders are willing to work for lower wages than British ones, they don’t necessarily deprive British brickies of work. For example, if home repairs are cheaper, more people, including poorer British people, can afford house improvements, while reliable, established British builders may be able to charge richer clients more. Mostly, though, immigrants take jobs that local workers cannot or will

13 P Legrain, ‘Migration’ in ‘Globalisation: a liberal response’, CentreForum, 2007; P Legrain ‘Immigrants: your country needs them’, 2007.

***The problems often blamed on migrants are mainly due to organisational failures in the public sector***

not do, and thus do not compete with them at all. On the contrary: immigrants often complement British workers' efforts, raising productivity and thus lifting their wages. A foreign child minder may allow a doctor to return to work, where her productivity is enhanced by hard working foreign nurses and cleaners.

There is little evidence that immigrants harm the prospects of British workers – which is perhaps why the TUC, which after all represents their interests, has supported opening our borders to Poland and the other EU accession countries. Despite the increase in immigration in recent years, the employment rate for British workers remains at a historic high (although it is now likely to fall as the global credit crunch pushes Britain into recession) and wages continue to rise – so fast, indeed, that the Bank of England is worried they are rising too fast.

Nor is it true that migrants are a burden on the welfare state. Migrants may have particular needs – such as translation services, help in learning English, and better information about local norms and working practices – that need addressing. But far from 'jumping the queue' for social housing, for example, newly arrived migrant workers are not even entitled to it. Other problems that are often blamed on migrants are mainly due to organisational failures in the public sector – such as a lack of timely and accurate statistics, poor planning and budgeting, and, above all, difficulties in responding rapidly to local communities' changing needs. In particular, because taxes are generally paid

to central government, while services are provided locally, booming areas such as Slough which benefit from an influx of workers often feel the pinch in terms of public services. Migrant workers are not to blame for this: government inefficiency is.

Overall, recent migrants are not only self-financing, they are generally net contributors to public finances for four reasons. First, Home Office figures show that they are mostly young (82 per cent of workers are aged 18-34) – and thus healthy.<sup>14</sup> Second, they are generally without dependents and therefore not making use of state education.<sup>15</sup> Third, they are overwhelmingly in work (97 per cent work more than 16 hours a week, 87 per cent more than 35 hours) and thus paying income tax, national insurance, not to mention VAT and council tax. And fourth, they are not entitled to most welfare benefits or eligible for social housing until they have been resident and in work for at least 12 months. The NHS relies on foreign staff – and migrants are also increasingly filling unpopular social care vacancies, with some 21,000 new arrivals from the A8 taking up jobs since May 2004. And through their broader contribution to economic growth, migrants help make the welfare state more affordable for everyone.

Fewer than 6,000 applications from A8 citizens for income-related benefits (income support and income based jobseekers allowance) have been allowed to proceed for further consideration. Some 102,000 applications for child benefit of £12 to £18 a week have been accepted. A mere 1,130 applications for homelessness assistance have

14 Home Office, 'Accession monitoring report, May 2004 – March 2008', 2008.

15 Some 93 per cent had no dependents with them when they registered for work.

been accepted since May 2004, 0.3 per cent of the UK total over that period. Of the 10.1 million council and housing association tenants in Britain, only 183,300 – less than 2 per cent – arrived in this country in the last five years. More than 60 per cent of recent arrivals are living in private rented accommodation, with most newcomers banned from access to social housing initially. Those who are eligible must meet the same criteria of need as UK born applicants. According to the latest figures, of the 170,263 lettings in the social housing sector in 2006-07 in England where the nationality of the named tenant was collected, less than 1 per cent went to new migrants from eastern Europe.

### Too many people?

But what about the “cost” of having extra people around? As recent experience confirms, when people can move freely, most choose to do so only temporarily. Britain’s open door for east Europeans has proved to be a revolving one. It does not follow therefore, that a wider opening of borders entails an ongoing rise in the permanent population. Like the 30 million foreigners who visit each year for tourism and business, temporary migrants add to the current population but not to long term population growth. Indeed, since there are more Britons living abroad than foreigners living in Britain, the UK population is now lower, not higher, because of net migration. Strains on public infrastructure have more to do with decades of under-investment than excess population. The Netherlands is more densely populated than the UK, yet its trains are not overcrowded; the city of Paris is more densely populated than London yet its Metro is less cramped than our Tube.

While the Government Actuary’s Department (GAD) recently projected, by extrapolating

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recent trends decades forward, a 10 million increase in the UK population by 2031, there is no reason why this should turn out to be true. The GAD projection is simply a possible scenario, not a forecast, let alone a certainty.<sup>16</sup>

There is good reason to think that the recent rate of population growth will not be sustained. The increase in the population in recent years is largely due to the one-off opening of our borders to Poland and the other new EU member states – and it appears to be mostly temporary. Many Poles are, in effect, international commuters who split their lives between Britain and Poland – and with the Polish economy looking perkier while Britain’s slows and the falling pound devalues wages here, many Poles are returning home.

Seemingly inexorable trends often reverse unpredictably. Lest we forget, as recently as the 1990s many were worried about the prospect of a falling population. In 2001, as the oil price plunged below \$10 a barrel, analysts did not envisage that it would soon soar to over \$100 a barrel. So yes, the UK population may rise significantly over the next 25 years. Or it may rise only a little. Or it may not rise at all.

Even if the population does rise, since when are other people such a bad thing? Personally, I happen to like having other people around. While population growth can cause strains on infrastructure and public services unless it is matched

16 A Murray, ‘Does Britain need a population policy?’, CentreForum, January 2008.

by correspondingly increased investment, it is not inherently undesirable. Many British people do not appear to think that living at close quarters is terrible: they opt to live in Glasgow rather than the Grampians, and flock from Lancashire to London. Far from being a problem, more people can be a boon. Other people are what make our lives special, and the more people there are, the greater the chances of coming up with the new ideas that transform our lives for the better.

If you are worried about the environmental impact of population growth, migration is not necessarily a problem. From a global perspective, migratory flows merely alter where people are located, not the total number. And it is difficult to argue, if you care about the planet, that Britain is less able to cope with extra people than, say, Bangladesh. Moreover, there is no reason why a rising population cannot go hand-in-hand with more eco-friendly living. For example, while London's population has risen considerably in recent years, traffic congestion has fallen thanks to the congestion charge.

It is a myth that Britain is full up. The Daily Mail used this argument in the 1930s as a pretext for keeping out German Jews, yet somehow Britain has accommodated over 10 million extra people since. While parts of the country are more densely populated than others, there is still plenty of space: nearly three-quarters of Britain is agricultural land. At the government's target density, the 3 million new homes it is planning to build – mostly to accommodate pent-up demand due to more people living apart rather than recent immigration – would take up a measly 0.31 per cent of Britain's total surface area, and even less if they are built on brownfield sites. And in any case, many recent migrants are revitalising sparser populated

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areas: more migrants from the EU accession states have registered to work in the East of England than in any other region, including London and the South East.

In our globalising world, where the economy is forever changing and opportunities no longer stop at national borders, it is normal and desirable for people to move freely, not just within Britain but also internationally, whether they are Polish plumbers or British bankers. Freedom of movement is not just a matter of human rights and international solidarity; it is in our self-interest. Of course, immigration has political and cultural implications as well as economic ones. Opinions differ as to whether they are largely positive or negative. But if Britain is to have a proper, honest debate about immigration, we should at least be clear about what is at stake. Ultimately, the choice is between an open, dynamic and progressive society and a closed, stagnant and reactionary one.

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