

The progressive quandary: how to design an immigration policy that balances competing objectives



There is a tension between strong employment rights, a supportive welfare state, equal rights for migrants and locals, and an open, non-selective immigration policy that creates hard decisions for progressive politicians – but the quandary should not be avoided, says [Alan Manning](#).

Those on the progressive side of politics tend to be in favour of strong employment rights for workers and a generous welfare state for those unable to work, whether because of unemployment or sickness/disability. And when it comes to migration policy, they tend to be in favour of equal rights for locals and migrants and an immigration policy that is relatively open and non-selective.

There are ways in which one can use the academic literature on the impacts of immigration to argue that one can have all the above: [the studies](#) that find that, at worst, migration only slightly depresses the wages of locals; and that migrants, taken as a whole, [often pay slightly more in taxes](#) than they receive in benefits and public services.

While these studies show that immigration does not necessarily reduce wages or worsen the public finances, there are risks in using this research to draw universal conclusions about the impact of immigration, regardless of the level, or type, of immigration. There are reasons to think their findings apply mostly to the situation under the current restrictions on immigration, restrictions which are designed to limit the impact on wages and the public finances.

To see that there are circumstances where immigration may reduce wages, consider the Gulf and Singapore where full-time live-in domestic help can be hired for very low salaries, perhaps £8,000 a year. Many local households take advantage of this and this migration benefits locals. But it comes at the cost of these migrants having fewer rights than locals with, for example, no prospect of ever becoming a citizen. As Philip Martin and Martin Ruhs have [written](#), there seems to be a trade-off between the number of migrants and the rights those migrants have.

In the UK, hiring live-in domestic help costs so much that very few households can afford it. It is not that the migrants going to the Gulf or Singapore want to go there and not to the UK. But the combination of UK labour laws (like the minimum wage or collective bargaining) and the immigration rules (which would not allow migrants into the country) prevent them from migrating to the UK. These rules protect locals from the possibility that migrants might depress wages but have the impact of limiting the demand for work permits from employers, making the immigration system more restrictive as a result. The greater the protections for locals, the lower the level of immigration is likely to be.

To keep immigration open, one could expand the types of immigration that do not require a job offer. Some of these migrants might end up not working at all and what happens then is important. If there are 'no recourse to public funds' policies, migrants will have fewer rights than locals but there is little cost to the locals of sustaining the migrants without work. However, these migrants will end up among the poorest people in our society. Their children could be in extreme poverty yet will go on to become citizens. This can all be mitigated by giving migrants the same access to the welfare state as locals, but then one risks a negative effect on the public finances. Most studies find that the impact of migrants, taken as a whole, on the public finances is small (sometimes positive, sometimes negative) but there are huge differences in the net contribution at the individual level, largely based around whether someone is in work or not. Expand immigration routes that do not require a job offer, prevent very low wages, and give equal access to the welfare state and it is quite possible that this will worsen the public finances.

In 2004, David Goodhart formulated [the 'progressive dilemma'](#) that immigration leads to increased diversity that threatens the sense of solidarity within the community which sustains the welfare state. One can debate whether one can create a common identity to avoid this, but some types of immigration can undermine the welfare state's fiscal sustainability. Ensuring this does not happen leads us down the path of a more restrictive, selective immigration policy.

Taken individually, the objectives of (1) strong employment rights, (2) a supportive welfare state, (3) equal rights for locals and migrants, (4) a relatively open, non-selective immigration policy all seem achievable. There are often policies that can improve outcomes in one dimension without harming the others. But, deep down, there are tensions between them. For progressives who see all the objectives as laudable, there is then a very uncomfortable decision to make about how to balance them. A decision so uncomfortable that it is very tempting to convince oneself there is no tension at all. But this does not make the tension go away and risks leaving the immigration policy space to those with a less progressive vision of the good society, who are more than happy to sacrifice one of these objectives for others. How to design an immigration policy with an appropriate balance between the competing objectives is the progressive quandary.

About the Author



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