

LSE Centre for Economic Performance: Immigration and the UK Labour Market

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A new series of [Election Analyses](#) is now available from the LSE's Centre for Economic Performance (CEP). The series will discuss the research evidence on some of the key policy battlegrounds of the 2010 General Election, including macroeconomic policy, immigration, health, education, crime, poverty and inequality, labour market policy, regional policy, energy and the environment, financial regulation and bankers' bonuses, and foreign aid.

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The first CEP Election Analysis, by [Jonathan Wadsworth](#), examines the research evidence on immigration and the UK labour market. The publication is summarised below and can be found in full on the [CEP Election Analysis Site](#)

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- Immigration to the UK had been rising from 1995 to 2008. Inflows to the UK had been falling since 2006 and now the stock of immigrants has also fallen back. This is because immigration almost always falls during a recession.
- By late 2009, 14% of the UK's working age population had been born abroad, up from around 8% in 1995. There are now 5.3 million adults of working age in the UK who were born abroad.
- The UK has a lower share of immigrants in its total population – (10.2%) than Australia (25%), Germany (12.9%) or the United States (13.6%).
- Immigrants are arriving from many more countries than in the past.
- Poland, India and Pakistan are now the countries that contribute the biggest proportion of new arrivals, followed by South Africa and the United States.
- Compared with the UK-born, immigrants are younger and better educated. The most recent immigrants are even more educated.
- Immigrants are concentrated in London. About 60% of Brent's working age population was born overseas compared with under 3% in Knowsley.
- Aside from arrivals from other members of the European Union (EU), the number of new immigrants who are allowed to work in the UK is now controlled by the government through a 'points' system.
- Immigrants, on average, are less likely to be in social housing than people born in the UK, even when the immigrant is from a developing country. Only immigrants who became UK citizens are neither more nor less likely to be in social housing than UK-born individuals.
- There are potential economic benefits associated with migration, especially to fill gaps in the UK labour market – where there are shortages of workers, whether high- or low-skilled. While there may be costs to particular groups, there is little evidence of an overall negative impact on jobs or wages.

[Click here](#) to download the full report.