

Out of the kitchen, into the economic reality: Why Europe needs migration

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[Ian Goldin](#) argues that we need to defuse the growing anti-immigrant sentiment in our society. Not only is there no clear empirical evidence suggesting that migration drives down wages, or that migrants 'steal' jobs, there are a number of reasons why it is desirable for society. Migration needs to be reinserted into our economic strategy for growth as it is in everyone's interest.



Last week, the Labour leader of the opposition in the UK, Ed Miliband, made his first major address on immigration. Concerned that immigration dominates dinner discussions in 'every kitchen', he argued that the influx of migrants from Eastern Europe had driven down wages, reduced employment opportunities for domestic workers, and that Labour had essentially got it wrong. It is time, he said, 'to have the conversation' about immigration – to address the concerns of everyday Brits, worried about jobs, housing and economic opportunity.

Miliband is right to call for a deeper, more honest discussion about immigration. We need to put the current debate in the broader perspective, and try and lift the discussion in order that we can see what the fundamental issues are.

But firstly, we must address the myths and misinformation around migration. There is a puzzling lack of consistency and understanding not only among politicians and commentators but also amongst our top economists as to the contribution of migration to today's society. As Jonathan Portes and others have rightly [argued](#), there is no clear empirical evidence that European immigrants have undercut domestic wages here in Britain, or 'taken jobs'. Indeed, the evidence suggests that immigration can often increase labour demand, and importantly immigrants fill labour gaps that the domestic workers are reluctant to do. Whereas the classical economists such as Adam Smith and John Stuart Mills saw the free circulation of labour as essential to economic development, today's economists too often are happy to see increasing flows of trade, finance and information but favour stricter restrictions on migration. This is economically indefensible and short-sighted.



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In my recent book, [Exceptional People](#), my co-authors and I argue that migration is desirable for four key reasons: it is a primary source of innovation and dynamism in our societies; it responds to labour shortages and serves unmet needs; it meets the demographic and rapidly escalating dependency challenges posed by aging populations; and it provides an escape from poverty and persecution.

Debates about migration are too often characterized by layers of misconception. More fact based discussion is urgently needed. At the same time, perceptions are vitally important and successive governments have failed to take the legitimate concerns of people and local authorities into account. There are clear

geographical trade-offs as the cost of migration is often born by a local community, where the benefits are widespread across the whole of society. These are issues of fiscal policy and local governance. How do you support Slough, for example, where over 30% of the population are migrants? We cannot expect the community of Slough to deal with this alone; appropriate support must be provided. We also need to accept that this is an inter-temporal issue: the benefits of immigration are mainly brought to us in the medium term, whereas the costs are in the present.

Just as the freeing up of trade has been the result of a 50 year process of hard negotiation, migration is also a longer term game. We need more migrants, but they need to be brought into society. In other words, we need a contract which if people are in our society we will respect them and treat them as we would a citizen, with pension portability rights, appropriate health and safety expectations, minimum wages, and other decent conditions. But we also need to recognize that migrants need to pay taxes; they need to accept the obligations and responsibilities that go with those rights.

It is time to take the conversation out of the kitchen, to defuse the growing anti-immigrant tensions of today's society, and to reinsert migration into our economic strategy for growth. More, but better managed, migration is in everyone's interest.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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