

The net migration target is one of the strangest political fetishes in recent history

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*The net migration target is one of the strangest political fetishes of modern political history, writes **Jonathan Wadsworth**. He argues that it is far from obvious why any government would seek to target something over which it has very little control. Even if migration from the EU fell to zero, the net migration numbers would be way above the 100,000 target. He concludes that the evidence of immigration's impacts in the UK is that it seems to matter much more politically than it does economically.*



Had things gone as most commentators expected, the UK would now be entering hard Brexit talks with the near certainty of leaving the single market and/or customs union and the consequent ending of free movement of people from the European Union. Over one week later and that near certainty no longer seems as certain, with murmurings of a softer Brexit and the implication that allowing freer movement of labour from the EU may now be up for discussion. Yet any rowing back on ending free movement would immediately conflict with the net migration target of 100,000 – a key feature of the Conservative party manifesto. If we assume that this is still in play, the continued allowance of free movement from the EU – around half of the net migration number – would obliterate any attempts to hit such a target within a parliament.

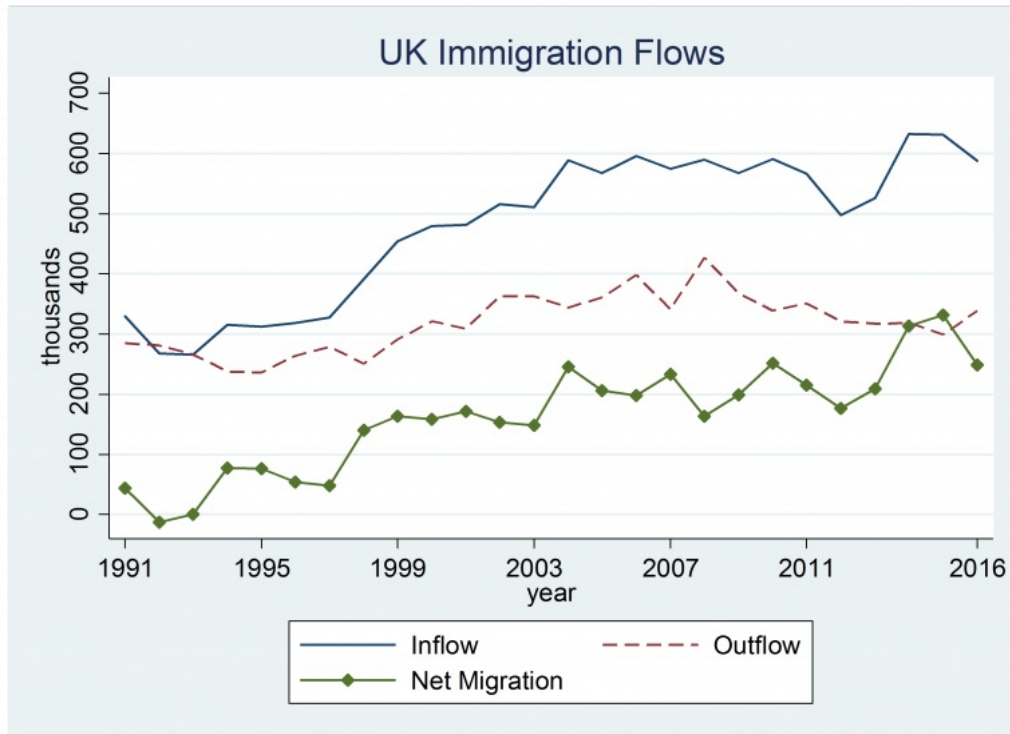
The net migration target is one of the strangest political fetishes of modern political history. While sensible arguments could be made for placing some restrictions on immigration – no country allows unrestricted migration – it is far from obvious why any government would seek to target something over which it has very little control. Simply put the net target is the result of the difference between the numbers of migrants coming into the UK and the number leaving. The government can currently control, at best, around half of the inflow – that from outside the EU. Even that is moot since student numbers, the majority of entrants from outside the EU, are not regulated. With a hard Brexit, it could potentially control the other half of the inflow. With or without Brexit it can not and will never have, any control over the numbers leaving. Yet changes in these uncontrollables can and do affect the target.

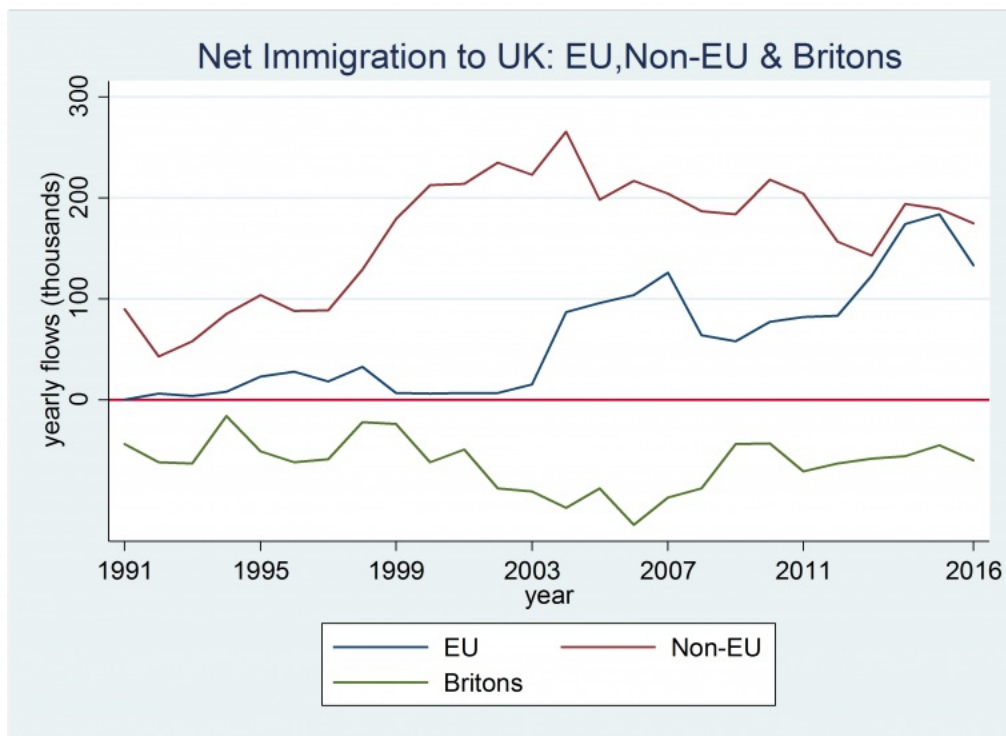


Image by [hataratkelo](#).

A good example of this underlies the recent fall in net migration, shown in Figure 1 below. Undoubtedly net migration has fallen considerably (by around 100,000) over the past year. The irony is that this fall is mostly driven by factors over which the government has no control – namely a rise in the number of EU (mainly A8) migrants leaving the UK and a rise in emigration of British citizens (the green line in the second panel is below zero which means net emigration of British citizens).

Figure 1: UK Immigration Flows, 1991-2016





Source: ONS (2017)

Going forward, if the UK economy stalls while many of the EU economies grow more rapidly then there may be further falls in the net migration figure – again for reasons beyond government control. Migrants seeking work will be attracted to the best employment opportunities. If there are suddenly more opportunities in mainland Europe we would expect more migrants to choose Germany, France or Spain rather than the UK (the 15 per cent fall in sterling relative to the Euro also makes UK wages 15 per cent less attractive relative to a job in the Eurozone to prospective migrants). So the inflow to the UK could fall over the next few months reducing the net migration numbers without the government having done anything other than preside over a stalled economy.

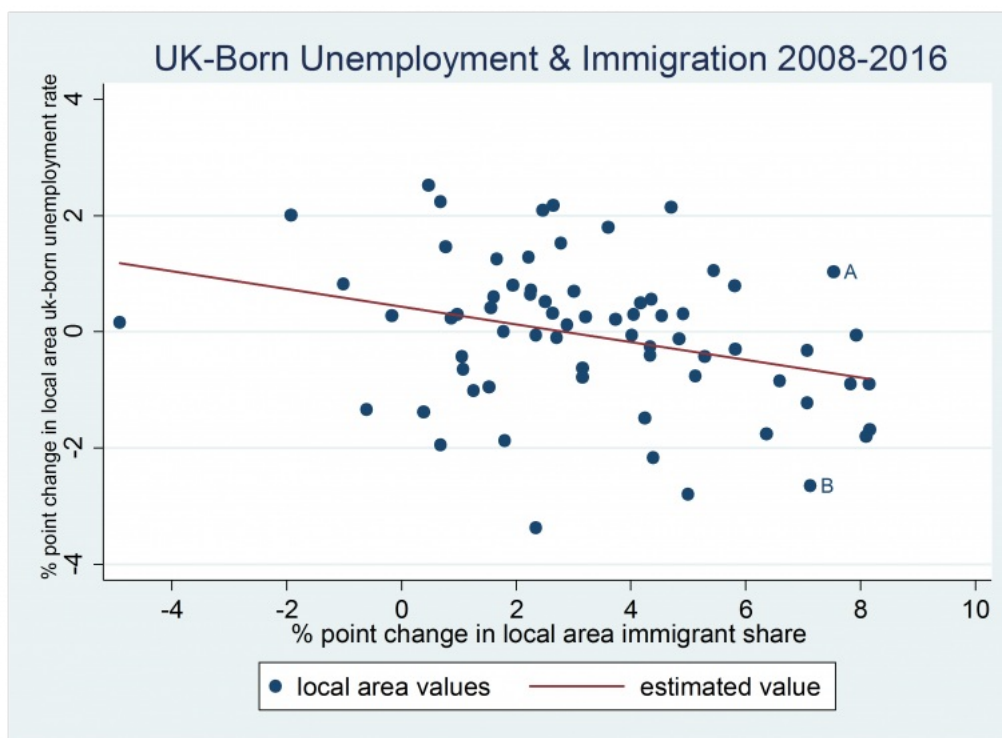
Even if migration from the EU fell to zero, the net migration numbers would be way above the 100,000 target and require any government intent on trying to hit the target to make some (infeasible) restrictions on student numbers from outside the EU.

there is no positive relationship between immigration and unemployment rates of those born in the UK

But, but, but the real question is whether it matters if immigration comes down a lot or a little. With regard to pay and job prospects, the answer is probably not much. As Figure 2 below illustrates, large rises in immigration had very little effect on jobs (and pay) of either skilled or less skilled UK-born workers. The solid red line summarises the relationship between immigration and UK-born unemployment rates. If immigration increased unemployment, we would expect a strong *upward* sloping line: more immigrants would mean more unemployment for local workers. It is clear from the graph that there is no positive relationship between immigration and unemployment rates of those born in the UK. If anything, the relationship is negative, suggesting areas with more immigration experienced larger falls in unemployment for the UK-born over this period. Look at two areas – dots A and B in Figure 2. Both have had increases in the immigrant share well above the national average for this period. In area A unemployment for the UK-born has risen by over 1 percentage point, which is also above the national average. So in area A it feels like immigrants are bad for jobs. But area B has had a similar increase in immigration, while unemployment here has fallen by 2 percentage points. Therefore, just because immigration and unemployment both go up in an area does

not mean that immigration is the reason for rising unemployment since it is quite easy to find areas where immigration went up and unemployment fell. Something else must underlie the prospects of UK-born individuals in areas with rising unemployment.

Figure 2: Unemployment rates of UK-born and immigration



Notes: Each dot represents a UK local area. The solid line is the predicted ‘best fit’ from a regression of changes in unemployment on the change in share of immigrants in each UK local area. These are weighted by the sample population in each area. Source: CEP analysis of Labour Force Survey.

And if immigration had little effect when it went up a lot, it is hard to think why or how a large *fall* in immigration would have any large effects either.

And that is probably the crux of the immigration issue. Immigration matters much more politically than it does economically. All the empirical work that has been done on UK immigration shows very small effects, either positive or negative, though its influences in cultural matters probably extends much further. True any reduction in EU immigration would make paying the deficit off a little harder – since EU migrants pay more in taxes than receive in benefits and public services (whereas UK-born and non-EU migrants receive more in benefits than they pay in taxes), but these net payments are not very big. Certain firms and sectors would also have to look around for different sources of labour or methods of working (though any firm that relies on a never ending supply of EU workers in an environment of free movement has an unstable business model), but the number of sectors affected is relatively small and the adjustment will always be at the hiring margin not the entire workforce.

Perhaps one of the best things that could come out of the election is that we learn to stop worrying so much about immigration.

This post represents the views of the author and not those of the Brexit blog, nor the LSE.

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