



# COMMENTARY

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## New migrants, “new” jobs, old confusion...

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[www.migrationobservatory.ox.ac.uk](http://www.migrationobservatory.ox.ac.uk)

Any press release or report that has the word “immigration” alongside “jobs”, “benefits”, or “unemployment” has a good chance of igniting furious debate in the British media. This was evident once again in January this year when a flurry of reports about immigration, unemployment and benefits suddenly filled Britain’s news media (Daily Express, Daily Mail, Independent).

>>Read our commentary “Migrant workers – taking our jobs - or not?”

These reports followed a spate of headlines over the past couple of years (Express, Telegraph, Mail) suggesting that immigrants have filled most (sometimes all) of the “new” jobs in the UK – a claim still repeated regularly in some media outlets.

It is valid to ask what proportion of new jobs in the economy migrants are taking up, but the problem is that we do not have good data to calculate this figure accurately.

### Approach 1: Change in the number of people employed

Many media and political commentators have espoused the argument that migrants have taken most of the new jobs in recent years by comparing the increase in total employment in the economy with the increase in the number of migrants in employment. By the logic of this approach, if total employment increases by 100,000 and the number of migrants in employment expands by the same number, then the conclusion reached is that migrants have “taken 100% of new jobs”. At first glance, this might seem like a reasonable interpretation of the data, but in reality it is misleading.

If we compare employment figures for the first quarter of 2010 with the first quarter of 2011, for example, (see Table 1 below) we can see that total employment in the UK increased by 412,000 (i.e. 29,133,000 - 28,721,000), while at the same time the number of foreign-born people in employment in the UK increased by 335,000. So, from this one might – inaccurately – deduce that 81% (i.e. (335,000/412,000)) of new jobs had gone to migrants.

Table 1 - Employment levels: total and foreign-born

	Employment levels of all workers	Employment levels of foreign-born	% of annual employment change due to the foreign-born
2010 Quarter 1	28,721,000	3,709,000	
2011 Quarter 1	29,133,000	4,044,000	81%

Note: source is the ONS labour market statistics dataset.

The problem is that data relating to changes in the number of people employed capture a net-effect that does not give us specific information about the total number of “new jobs” in the economy. Every year new jobs are created and some of the existing jobs disappear. If one “new” job is created while an existing job disappears, it is possible that total employment will not change. Likewise (and assuming that people hold only one job) if two “new” jobs are created, and one existing job disappears total employment will increase by 1 – even though there are two “new” jobs.

So, the addition of 412,000 people in employment during the first quarter of 2011 compared to the same period in 2010 is a net-increase that does not measure the total number of “new” jobs in that year. Many more “new” jobs could have been created during that period, but many other existing jobs could also have come to an end.

If you divide the workforce into two groups – one that has increased in number, and another that has remained static – and ask which one has been responsible for the greatest change in employment, then the group that grew

will always appear to be responsible for 100% of the change. But this does not mean that specific group “took all the new jobs.”

So, the figures in Table 1, reflect the fact that that for some quarters migrants represent a group that grew in size more than the UK-born, and migrants therefore account for a larger proportion of the overall change in employment.

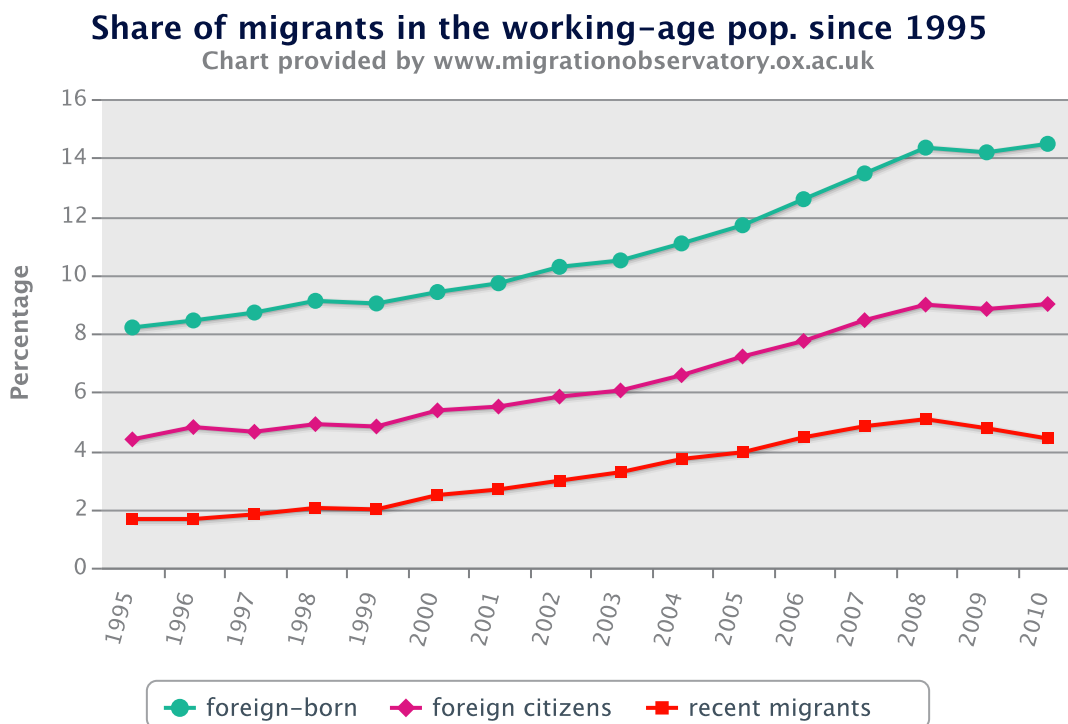
### Approach 2: New hires

An alternative way of exploring the issue of immigration and jobs in the UK is to look at the share of migrants in ‘new hires’ – defined as people who took up a job over the past 12 months (this approach was first suggested by Jonathan Wadsworth, a labour market economist at Royal Holloway University).

It is important to emphasise that ‘new hires’ is also not a perfect measure of ‘new jobs’ in the UK. A ‘new hire’ could indicate a worker taking up a job that did not exist before, and that adds to the total number of jobs in the economy, but it could also reflect labour turnover, i.e. a worker taking up a job that previously existed but was vacated by the previous worker. The measure also does not take account of the fact that a worker could have started more than one job in a given year, or may hold down more than one job at a time. Yet, this measure at least provides some idea of who is being hired in the UK in a given year.

Figure 1 below shows the share of migrants in new hires in the UK in 1995–2010. Focussing on foreign-born people, the share of migrants among new hires in 2010 was 16%. The respective share was 12% for foreign citizens and 8% for recent migrants (foreign-born persons who have lived in the UK for less than 5 years).

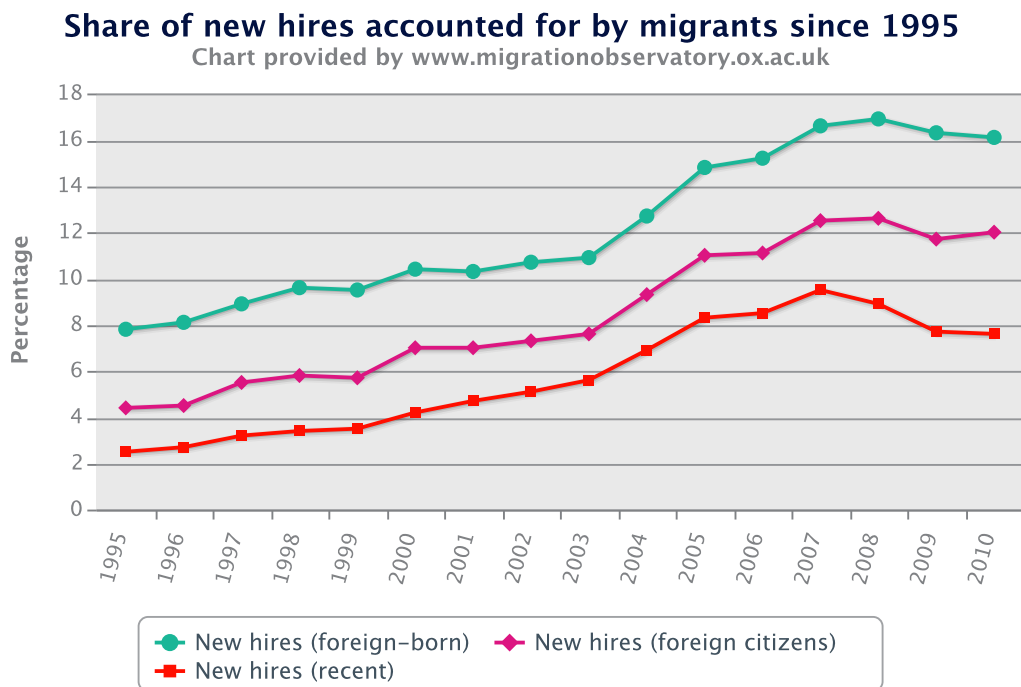
Figure 1



Source Labour Force Survey, Q1–4

Figure 2 shows the share of migrants in the UK working age population. Foreign-born people accounted for a little over 14 per cent of the working-age population in 2010, up from 8 percent in 1995.

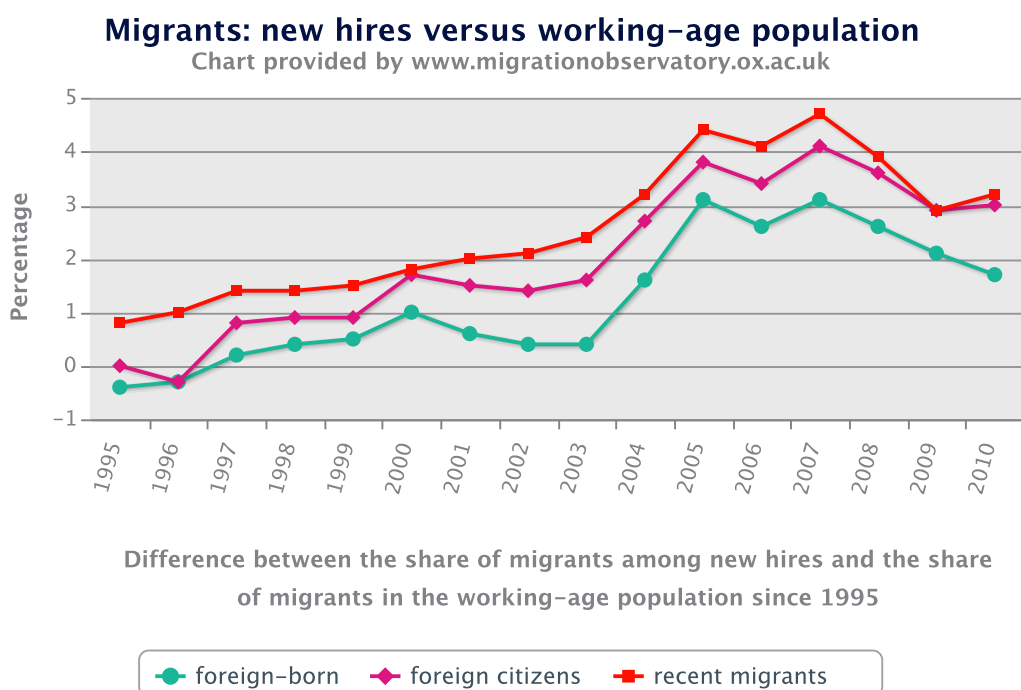
Figure 2



Source Labour Force Survey, Quarter 4

Figure 3 presents the difference between the share of migrants in the new hires data and the share of migrants in the UK working age population for the same period. The main conclusion from these figures is that the share of migrants among new hires is not very different from the share of migrants in the working-age population. The biggest difference during the period presented in Figure 3 is for recent migrants in 2007 and even in that case the difference between the share of recent migrants in new hires and the share of recent migrants in the working age population was less than 5%.

Figure 3



Source Labour Force Survey, Q1-4

So we have two different variables (employment change, and new hires), both limited in different ways, telling different stories about immigration and new jobs in the UK. But even if we had reliable information about the number of new jobs taken up by migrants every year, this would still not provide any reliable insights into the impacts of immigration on the employment prospects of British workers. The number of jobs in an economy is not fixed (the ‘lump of labour fallacy’). Immigration raises labour demand as well as labour supply, which, in turn, can lead to an increase in the number of jobs available. It is unclear how many of the jobs taken by new migrants would exist in the British economy if immigration had not occurred.

This leaves a newspaper sub-editor with a rather less attention grabbing headline: “Migrants account for 16% of newly hired people, but we’re not sure if they’re doing newly created jobs or not, and we don’t know whether those jobs would exist if the migrants weren’t here”. This is much more accurate than “Migrants take 81% of new jobs,” but it’s rather less likely to make it into print.



### The Migration Observatory

Based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford, the Migration Observatory provides independent, authoritative, evidence-based analysis of data on migration and migrants in the UK, to inform media, public and policy debates, and to generate high quality research on international migration and public policy issues. The Observatory’s analysis involves experts from a wide range of disciplines and departments at the University of Oxford.



### COMPAS

The Migration Observatory is based at the ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford. The mission of COMPAS is to conduct high quality research in order to develop theory and knowledge, inform policy-making and public debate, and engage users of research within the field of migration.

[www.compas.ox.ac.uk](http://www.compas.ox.ac.uk)

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