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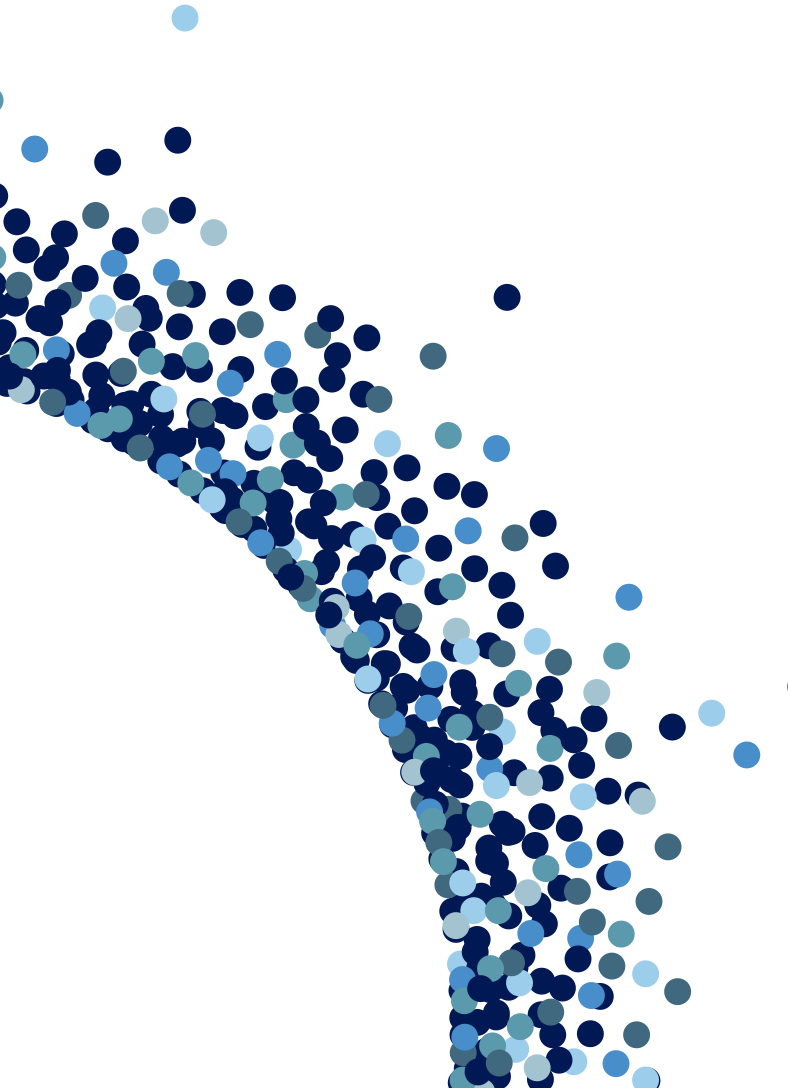
AT THE UNIVERSITY OF OXFORD

POLICY PRIMER

Demographic Objectives in Migration Policy-Making



AUTHOR: DR ALESSIO CANGIANO
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COMPAS
CENTRE ON MIGRATION, POLICY & SOCIETY

UNIVERSITY OF OXFORD

www.migrationobservatory.ox.ac.uk

This policy primer reviews key issues and challenges in setting and achieving demographic objectives – such as managing the size and age structure of the population – in migration policy-making. It also discusses the regional and environmental impacts of population growth and density and their relationships with current and projected migration trends.

The issue: What role for demography in UK migration policy debates?

The stance of the UK Government on population policies was long characterised by a non-interventionist approach. This is well-illustrated by the statement that was presented at the UN Conference on Population in Mexico in 1984 and restated ten years later at the International Conference on Population and Development in Cairo (ONS 1993: 1-2): "The United Kingdom government does not pursue a population policy in the sense of actively trying to influence the overall size of the population, its age-structure, or the components of change except in the field of immigration. Nor has it expressed a view about the size of population, or the age-structure, that would be desirable for the United Kingdom. [...] The 'ageing' of the population does raise social and economic issues. However, it is believed that these will prove manageable; and also, to a degree, that society will adapt". Consistent with this 'laissez-faire' attitude, government legislation on immigration and asylum has not connected the issue to wider demographic trends or debates. For example, the last paper setting out the previous government's five-year strategy and objectives underlying the introduction of the current points-based system (Home Office 2005), while including explicit recognition of the economic benefits of migration for the UK, still made no mention of the potential for managed migration to help address some of the challenges associated with demographic change (Dixon and Margo 2006).

However, since the end of the 2000s demographic issues have gained significant ground in migration policy debates, which have been influenced by emerging evidence that net migration (the balance between in- and out-migration flows) has become a major driver of UK population change. Recent debates have witnessed a significant departure from the long-standing non-interventionist approach, with a focus on the need to control population growth. In his speech on 'the challenges of a growing population', David Cameron outlined his 'vision' of Britain's demographic future (Cameron 2007). In Cameron's words, Britain's current level of population growth is 'unsustainable', largely because immigration and family breakdown (i.e. the increase in one person households) are 'too high', and this represents a challenge to meet the need for housing, transport and public services. The demographic argument has been given significant weight in current debates to reform the immigration system. Plans to cut net migration 'from hundreds of thousands to tens of thousands' (Conservative Manifesto 2010) by introducing a cap on immigration of third-country nationals have been presented as a policy measure designed to curb immigration-driven population growth over the medium to long term. In fact, pessimistic views about the unsustainability of future population growth have been fuelled by the most recent revisions of the demographic projections carried out by the Office for National Statistics (ONS) suggesting that the UK population will 'hit' 70 million in the next two decades (ONS 2009) - largely as a result of assumptions on future levels of net migration in line with record inflows observed since the 2004 EU enlargement.

On the other hand, debates on migration and demographic sustainability are played out in a very different way in Scotland, whose population was in decline from the mid-1970s to the early 2000s and is currently growing slowly mainly because of the positive contribution of net migration (GROS 2010: 7). Jack McConnell as First Minister referred to Scotland's declining population as 'the single biggest challenge facing Scotland as we move further into the 21st century' (Scottish Executive 2004: 1). Macro-economic estimates of the effects of Scottish demographic trends in absence of future net migration suggest that

by 2031 employment would shrink by 6.9 per cent, competitiveness by 2.8 per cent and GDP per head by 5.3 per cent (Wright 2008). The Scottish Government has clearly set population growth as an objective of its economic growth strategy – with a specific target to match average European population growth over the period from 2007 to 2017. Migration is expected to play a substantial role in helping ensure that this target and other performance indicators are met. The Scottish Government is taking action to attract migrants and encourage their settlement, reduce out-migration and ensure that Scotland's circumstances are actively considered in central decision-making on migration policy (Scottish Government 2007). Although Scotland does not have control over entries of third-country nationals independently from the UK, it has a separate shortage occupation list for employers wishing to hire non-EU migrants on work permits (MAC 2008) and a specific programme (the 'Fresh Talent' initiative) to encourage foreign students at Scottish universities to work and settle in the country after graduation (Scottish Executive 2004).

Evidence on the environmental impact of migration is limited and contested

The rise in immigration levels, with its implications for population projections, has fuelled the idea that Britain's demography is not 'sustainable', including a widespread belief that England is 'overcrowded'. Population growth is an oft-mentioned factor in public debates about growing housing needs, congested road networks and public transport, loss of countryside to eco-town developments, and the challenges faced by local authorities which have to adjust their capacity to provide public services for a rapidly increasing number of residents. The underlying rationale for these concerns is relatively self-evident. A larger population consumes more natural resources (e.g. energy supplies), pollutes more, requires building new homes and infrastructures and expanding public service provision. Moreover, migration has a negative impact on resource depletion and carbon emissions at the global level when people move from developing to developed countries because they increase their levels of consumption.

Despite the lack of comprehensive evidence on the specific impact of migration in these fields, some data clearly point to the significant contribution of migration to the demand for accommodation, services and infrastructure. For example, the House of Commons' inquiry on housing concluded that the number of households is increasing faster than current house-building levels, with potential future housing shortages in many parts of England (House of Commons 2006: 7). Based on the current net migration assumptions of the official population projections (+180,000 per annum), net migration would account for over a third (36%) of the projected increase in households between 2008 and 2033 (DCLG 2010), thereby representing a significant driver of demand for new housing.

However, a number of caveats need to be considered when assessing the environmental impact of migration. First and most obviously, it is necessary to distinguish between short-term and long-term impact: while it is certainly true that rapid population growth over a short time period – for example due to a sudden, unplanned inflow of new immigrants – may impose a strain on public services and infrastructure, in the long-term capacity can be adjusted to meet greater demand.

Second, it is important to situate the issue in an international context. Currently, migration is the most dynamic component of population change in many destination countries, and the UK has a smaller proportion of immigrants and/or lower rates of net immigration than the US, Canada, Australia and several European countries such as Spain, Italy and Ireland (Matheson 2010). Also, a cross-national perspective suggests that there is no inverse correlation between population density and general well-being. Very densely populated countries can be found among both the most and least developed (according to various human development indices) countries in the world (e.g. Netherlands and Haiti), and the same is true for sparsely populated countries (e.g. Norway and Niger) (UNDP 2010). Therefore, the fact that England is a relatively densely populated territory should not be considered as a factor of environmental degradation per se, especially if the environment is understood in a broad sense as the set of factors affecting the population's quality of life.

Some observers also suggest that the public perception of Britain as an overcrowded territory often exaggerates the actual pressure of the population on

the environment. For example, Finney and Simpson (2009: 79) argue that the increase in housing demand over the past half century has been less driven by population growth than by the increase in the number of one person households (bringing about a reduction in the average household size in England and Wales from 2.9 in 1971 to 2.4 in 2006); a trend towards living in larger properties (with an increase in the proportion living in semi-detached and detached houses); and an increase in second home ownerships ('commuter pads' in city centres and countryside homes). Murray (2008) points out that only 8 per cent of Britain's land is built environment, and that even if 3 million new homes were built outside built-up areas, this would amount to just a 1 per cent loss of non-urban land. The idea that long-term residents move out of cities into the suburbs and rural areas as a result of increasing immigration – a phenomenon often termed 'White flight' – is also contested. Finney and Simpson (2009: 81-82) suggest that there is stronger evidence that immigration has been a consequence of the movement of White Britons out of cities, i.e. that counter urbanisation, the spread of commuting and the replacement of heavy industry with a more dispersed service economy have freed up affordable housing and created demand for low-paid workers in British cities – see also Sussen (2001).

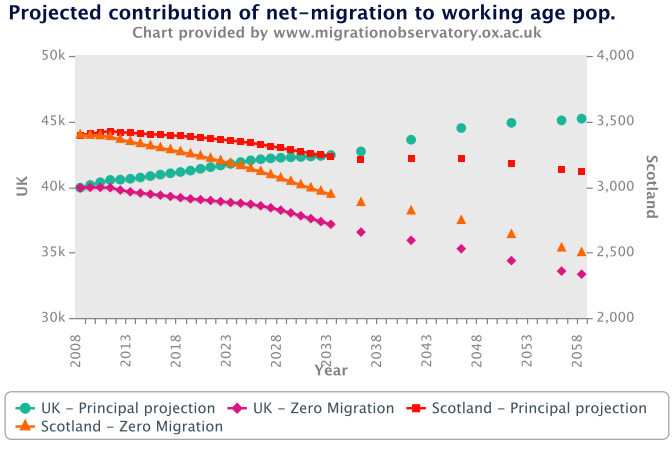
Finally, a rigorous analysis of the local and environmental impact of migration should take into account the differential patterns characterising the migrant population, e.g. a higher propensity of recent migrants to settle in large cities, live in rented, shared accommodation, minimise consumption, use public transport and so on. For example, 2001 census data by ethnicity for England and Wales show that black and minority ethnic families tend to live in larger households (mean household size was 2.31 for White Britons and 2.96 for all ethnic minorities) and take half the land space than White Britons (Finney and Simpson 2009: 80-82). Availability of this type of data is, however, limited.

Migration can help sustain workforce size, but cannot prevent ageing

A key question widely debated in policy circles, particularly at international level, is whether migration is a possible solution to the economic and social challenges associated with population ageing and decline – i.e. the sustainability of pension systems, the provision of long-term care for older people, labour and skill shortages, higher labour cost, a decrease of the relative influence in the global economy. The question has been brought to the attention of policy-makers at the beginning of last decade by the United Nations' report on 'replacement migration' (United Nations 2000) – although several earlier studies had already explored the issue (Blanchet 1989, Coleman 1992). The general conclusion of these studies has been that, although highly positive net migration can contribute to sustaining population and workforce growth, in the long run it cannot prevent population ageing under any plausible and politically sustainable scenario.

This point can be illustrated in relation to the UK and Scottish population trends. According to the current ONS population projections (base-year 2008), which assume the continuation of highly positive net migration approximately at the current levels, the UK working-age population is not expected to decline over the next decades (Figure 1). However, assuming zero net migration at all ages throughout the projection period, the working-age population would begin to decline from 2015, showing that current levels of net migration would make a substantial contribution to maintaining the size of the UK workforce. The comparison of the two scenarios for the population of Scotland also shows a significant contribution of net migration to workforce size but ongoing migration trends would not be large enough to prevent a contraction of the workforce.

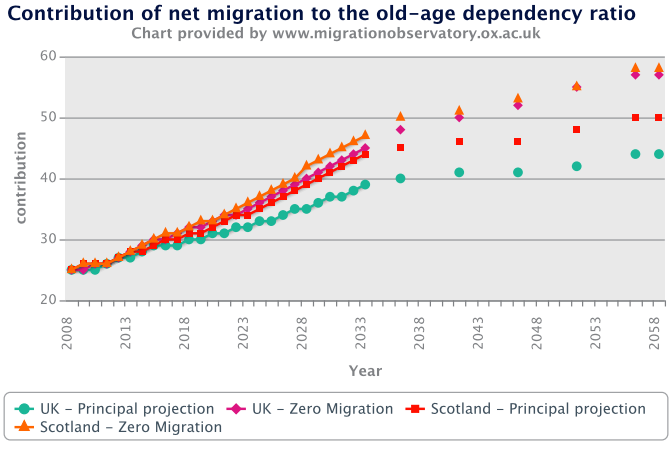
Figure 1



Source: Office for National Statistics, 2008-based population projections

Although the UK population is projected to age more slowly than most other European countries over the next decades (Matheson 2010), Figure 2 – comparing the old-age dependency ratio (i.e. the number of people aged 65 and over per 100 people aged 16-64) in the ONS principal projection and zero net migration variant – shows that the continuation of positive net migration flows at about the current levels would only partly slow down population ageing. Moreover, the contribution of net migration in mitigating demographic ageing decreases if projections are carried forward beyond 2050 because larger numbers of immigrants are found among the older population. This is in line with the United Nations' hypothetical scenarios calculating the net migration levels that would be needed to prevent population ageing, confirming that in order to keep constant its old-age dependency ratio until 2050 the UK would need to receive on average more than one million 'net migrants' per year (UN 2000: 72), i.e. nearly six times more than the current levels. In terms of population size, the outcome of this exercise would imply a total UK population of 136 million in 2050 – undoubtedly a problematic scenario for a country that is already widely regarded as 'overcrowded'.

Figure 2



Source: Office for National Statistics, 2008-based population projections

The 'ceteris paribus' assumption – in this context, the assumption that migration is the only factor of change, all the rest remaining equal for the projection period – is only a useful hypothetical construct. A wide range of factors, and related policy adjustments, can affect the demand for immigration by altering labour demand or labour supply. Mobilizing labour reserves from the inactive, unemployed and under-employed population; retraining workers to meet the need for specific skills; developing and adopting labour-substitutive technologies; and outsourcing and importing goods and services that do not need to be produced locally are all potential alternatives to importing overseas labour. Each of these adjustments involves costs, is subject to constraints in its implementation, and taken in isolation may not fully compensate for demographic shortages in the long term. However, in countries with moderately low fertility such as the UK, a combination of these strategies has the potential to significantly reduce, or even eliminate, possible demographically-induced mismatches between labour demand and supply (Coleman 2006). Therefore, there is no simple equation 'demographic gaps equal demand for replacement migration', as the strength of this causality largely depends on various labour market developments.

The management of international migration: a weak tool of demographic policy

The scope for using international migration as a policy instrument to meet 'desirable' demographic objectives is also affected by various practical constraints. A first important challenge for long-term demographic planning is that migration trends are subject to a high degree of uncertainty and are extremely difficult to predict. To a lesser extent this also applies to natural change. Current debates around the environmental sustainability of UK population growth and Government's plans to curb net migration are highly influenced by the latest official demographic forecasts suggesting that the UK population will 'hit' 70 million in the next two decades (ONS 2009). In the principal projection variant migration accounts for two-thirds of projected population growth – including the additional contribution of new migrants to natural change (Cangiano 2011). Yet the projected population size in 2031 is currently 10 million higher than in the 1994-based projections (see Figure 3).

Figure 3

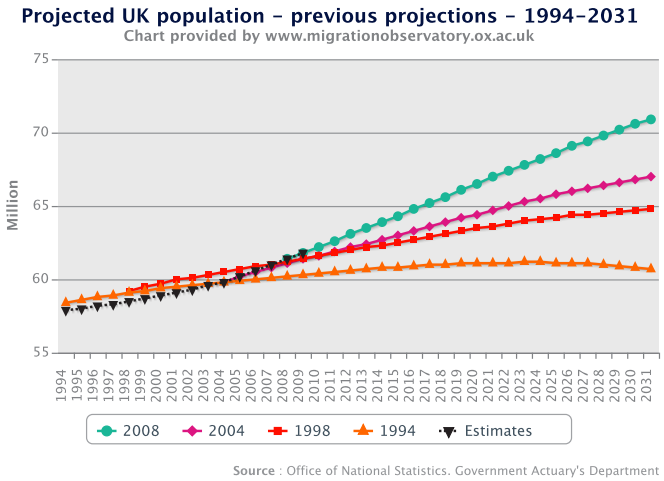


Table 1 - Summary of assumptions

Projection base-year	Annual net migration (long-term)	Total Fertility Rate (long-term)	Life expectancy at birth (2031)	
			Men	Women
1994	0	1.80	78.3	83.2
1998	95,000	1.80	79.2	83.4
2004	145,000	1.74	81.4	85.0
2008	180,000	1.84	82.9	86.6

This change is the result of revised assumptions accounting for a moderate increase of fertility, a more pronounced decline of mortality, and higher net migration. In particular, long-term net migration assumptions have been continually increased in the different sets of projections produced since the mid-1990s, from zero net migration assumed in the 1994-based projection to 180,000 per year in the 2008-based projection - the latter assuming net immigration just below the peak levels observed after the 2004 EU enlargement. Earlier projections carried out in the 1970s and 1980s even assumed net migration outflows for the following decades, reflecting the trends observed during the 1970s (Shaw 2007). While the most sensible approach demographers can follow is to formulate net migration assumptions that reflect the continuation of the most recent observed trends, there is no certainty that in the long term the current scenarios will prove to be more accurate than earlier projections. This difficulty in accurately predicting migration trends – and particularly the fact that assumptions based on short term and hard to anticipate swings in migration movements can have such an impact on long-term demographic projections – presents a serious challenge for any government aiming to manage migration with a view to meeting demographic targets.

A second problematic aspect of building long-term demographic objectives into migration policy-making is that the government has no or limited control over significant parts of the flows determining the net migration aggregate. Out-migration as well as in-migration of British and other EEA-nationals can not be limited – for example, recent increases in net immigration were driven largely by reduced net emigration by British nationals. The regime of free-circulation of EEA citizens and non-EEA permanent residents, combined with the great diversity of demographic trends across the EU, means that it would be difficult to adopt an immigration policy inspired by demographic objectives also within a shared European system of migration governance. In addition, the functionalistic logic underlying labour migration policies (and, to a lesser extent, student migration) cannot be easily applied to the governance of family- and asylum-related inflows, which are governed by international or UK legal frameworks inspired by human rights objectives.

Issues related to the pressure put by immigration on public services, local infrastructure and the quality of the living environment are also difficult to address because governments do not control internal mobility. Crucially, all these concerns are contingent on where migrants settle and whether there is the capacity to respond at local level. From this point of view, a system based on national quotas may not represent an effective solution unless other structural reforms are implemented to promote the redistribution of the population from the most over-stretched areas to areas actively seeking to attract migrants to sustain their population (e.g. Scotland).

It is worthwhile noting that a pro-active immigration policy driven by explicit demographic objectives is likely to encounter even more public opposition than a policy inspired by an economic logic – e.g. the recruitment of foreign workers to meet labour shortages. In spite of their demographic realities, many European countries still do not see themselves as 'immigration countries', nor

do they accept that immigration could be an inevitable or even necessary process transforming their societies. Strong public concerns that immigration could change the ethnic profile of the population, jeopardising cultural values and national identities, mean that governments would find it extremely difficult to convince their electorates of the need for a pro-active immigration policy in the name of demography. Therefore, even in countries where population projections suggest that severe demographic gaps could hinder future economic and welfare sustainability, it is likely that migration policy will remain driven by short-term, ad hoc planning (Reher 2007).

Demography and migration: the need for a holistic policy framework

Demographic sustainability is a notoriously imprecise concept, and demographic objectives – such as a desirable pace of population growth or a stable age structure – only make sense in policy terms when their broader economic, social and environmental implications are taken into account. Therefore, the overarching conclusion of this primer is that any policy that makes a certain level of net immigration an objective on the grounds of concerns about population trends requires simultaneous consideration of various policy domains. From a demographic perspective, the impact of international migration needs to be assessed alongside other demographic dynamics, namely fertility and internal population mobility. To that end, the introduction of a Minister for Demography, Migration and Citizenship has been suggested as a possible step to frame immigration policy within a broader, explicit and mature debate about demography as a whole (Dixon and Margo, 2006). In social and economic terms, the 'need' for immigration and its potential as a policy tool for countering demographic ageing and filling demographic gaps in the workforce can only be defined and understood in the broader context of education, labour market and welfare developments. From an environmental perspective, the negative externalities typically associated with population growth should be examined in the overall context of environmental policies (e.g. to reduce per capita emissions and maximise resource efficiency) – and, even more broadly, within debates regarding the trade-offs necessary in maintaining our future prosperity and well-being.

Moreover, it is necessary to reflect upon whether it makes sense to consider the potentially negative externalities of migration in isolation. Measuring the impact of immigration on the environment is a difficult task whose results highly depend on limited data and on the indicators factored in the analysis. In political terms, focusing the migration debate purely on its environmental sustainability raises significant ethical issues, with a risk of putting the blame on migrants for environmental degradation, thereby fuelling anti-immigrant sentiments and undermining social cohesion.

There are, in addition, a number of challenges related to the implementation of demographically-inspired migration policies: first of all, the difficulty of specifying 'desirable' demographic objectives – e.g. the notion of a 'sustainable' population growth – and of building long-term public consensus around these objectives, particularly if this means to encourage migrants not only to come as temporary workers, but to settle into a country and become part of its population and society; second, the high unpredictability of global migration trends and their determinants; third, the lack of control over large parts of population movements (EU nationals, emigrants and internal migrants). These practical constraints imply that, even if a country decided exactly the 'ideal' levels of net migration it wanted to receive, it would be difficult to achieve this target on the basis of annual 'caps' or quotas.

Finally, it is worthwhile emphasizing that the relationships between migration and demographic change have to be understood from a global perspective. In particular, the fact that ageing and contracting demographics are likely to act as powerful drivers of a demand for immigration in Europe and other advanced economies does not imply that the supply of potential migrants from (hitherto) growing populations in the South of world will be unlimited and unconstrained. On the contrary, the same demographic processes acting as a pull force in today's immigrant-receiving countries will soon start to operate in many of the sending countries which have supplied large number of migrants in the recent past – e.g. South Asia, Latin America and, even more, in Central and Eastern European countries of origin – easing the pressure on the labour market and increasing care needs for the older population (i.e. the opportunity-cost of care-

related migration). Therefore, possible demographic objectives in migration policies should be formulated in a way to foster synergies between demographic trends of source and receiving countries and within a coordinated global governance framework.

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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.

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About the author

Dr Alessio Cangiano
Research Officer, COMPAS
alessio.cangiano@compas.ox.ac.uk
www.compas.ox.ac.uk

Press contact

Rob McNeil
robert.mcneil@compas.ox.ac.uk
+ 44 (0)1865 274568
+ 44 (0)7500 970081