

Immigration is a boon for society, and the EU should be praised for encouraging it

Populist rhetoric is hurting Britain, writes Petros Fassoulas.

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If there is one thing that the British tabloid press and populist politicians (and many others besides) get exercised with and enjoy exaggerating about even more than the EU, it's immigration. No less during a time of economic crisis when scapegoats and easy answers are on high demand.



Immigration has been a cause célèbre for the coalition since coming to power. Promises to cut numbers of immigrants, attacking foreign students, even questioning the free movement of people in the EU have been employed to appease and at the same time fuel populist sentiments. It is also used as a stick to attack the UK's membership of the EU, which is blamed for any perceived or real increase of immigrants. Rhetoric against immigration and the EU alike has been rife recently and it has been further inflamed because Bulgarian and Romanian citizens (whose countries joined the EU in 2007) are to be given access to the British labour market at the end of the year. Senior Conservative Ministers are already creating an atmosphere of speculation around the notion that such a move will produce

negative effects.

But as it's often the case with populist causes and tabloid obsessions the facts are widely ignored. Take the charge that immigrants come here to pillage Britain's generous welfare system, for example. Figures from an IMF Working Paper collated as recent as 2011 paint an interesting picture. When measuring the gross replacement rates (the ratio of unemployment benefits a worker receives relative to the worker's last gross earning) in the first year of unemployment across the world, Britain fares remarkably poorly. As one works his way down this table he quickly realises that our welfare system does not look all that generous, does it?

Country	Gross Replacement Rate, year 1	Ranking
Netherlands	0.7	1
Switzerland	0.687	2
Sweden	0.685	3
Portugal	0.65	4
Spain	0.635	5
Norway	0.624	6
Algeria	0.612	7
Taiwan	0.6	8
Ukraine	0.56	9
Italy	0.527	10
Denmark	0.521	11
Russia	0.505	12
Tunisia	0.5	13
Finland	0.494	14
France	0.479	15
Bulgaria	0.473	16
Canada	0.459	17
Romania	0.45	18
Hong Kong	0.41	19
Austria	0.398	20
Belgium	0.373	21
Argentina	0.354	22
Germany	0.353	23
Greece	0.346	24
Azerbaijan	0.338	25

Egypt	0.329	26
Venezuela	0.325	27
Belarus	0.313	28
Israel	0.307	29
Japan	0.289	30
United States	0.275	31
Kyrgyzstan	0.255	32
New Zealand	0.254	33
Latvia	0.253	34
India	0.25	38
Korea, South	0.25	37
Uruguay	0.25	36
Uzbekistan	0.25	35
Ireland	0.238	39
Hungary	0.235	40
Poland	0.226	41
Czech Republic	0.225	42
Australia	0.21	43
Turkey	0.206	44
Albania	0.202	45
United Kingdom	0.189	46
Brazil	0.152	47
Estonia	0.132	48
Lithuania	0.117	49
Chile	0.115	50
Georgia	0.09	51

It is hard to imagine that the hoards of Romanians and Bulgarians the Tories, UKIP and the right-wing press fear about will ignore pretty much every other country in the EU just to come here. Their narrative would have been a tiny bit more believable if at least the weather in Old Albion was a tad better.

Another popular charge against immigrants is that “they” are a burden on Britain’s welfare system. Again, the facts seem to disagree. A study by Christian Dustman, from the UCL’s Centre for Research and Analysis of Migration [2], found that in the year to April 2009 workers from Eastern Europe contributed £1.37 in taxes for every £1 of services they used. Native Britons on the other hand contributed just 80 pence for every pound of services they consumed. So, far from being a burden to our welfare system, immigrant workers make a

considerable contribution to it.

What about the issue of unemployment and the way immigration impacts upon it? Rhetoric tends to focus, especially during periods of economic contraction, on how immigrants force native Britons off the job market. But that is not necessarily the case, the National Institute of Economic and Social Research analysed the impact of immigration on the UK labour market using National Insurance registrations by foreign nationals [3] and concluded that “there is no association between migrant inflows and claimant unemployment”. Furthermore, the NIESR tested for “whether the impact of migration on unemployment varies according to the state of the economic cycle and found no evidence of a greater negative impact during periods of low growth or the recent recession”.

Apart from ignoring the facts and being based on scaremongering and scapegoating, the current rhetoric on immigration and the free movement of people in the EU gives the impression of a nation ready to raise the drawbridge and close itself off from the rest of the world. As a result it strands talented students and skilled labour overseas. Boris Johnson, the Mayor of London, warned that it is “making it difficult for universities and the City to attract talent from abroad [4]”. Nicola Dandridge, chief executive of Universities UK, went even further when she said, among other things [5], that the flurry of recent statements by senior ministers calling for a crackdown on “bogus students” had given the impression that overseas students were no longer welcome and was driving them towards competitor countries such as the US, Canada and Australia.

The Guardian newspaper quoted a study by the Department for Business, Innovation and Skills [6] which found that “overseas students are estimated to bring £8bn a year into the economy, a figure projected to rise to £16.8bn by 2025, according to a study”. Not a negligible sum, and one that the government’s rhetoric and policies risk jeopardising.

Immigration is neither a burden on our welfare system nor a threat to the domestic workforce, certainly not in the scale implied by certain politicians and newspapers. On the contrary, immigrants, who often take up jobs natives do not desire (the social care sector being a prime example) make a significant contribution to the economy (by spending on goods and services in this country and contributing to national GDP), the taxation and welfare system, the talent pool available in the labour market and last but not least the cultural wealth of Britain. Instead of demonising them we should be celebrating the role they play in this country.

Update:

Removed a paragraph incorrectly implying other countries had not yet opened their labour markets up to Romania and Bulgaria.