

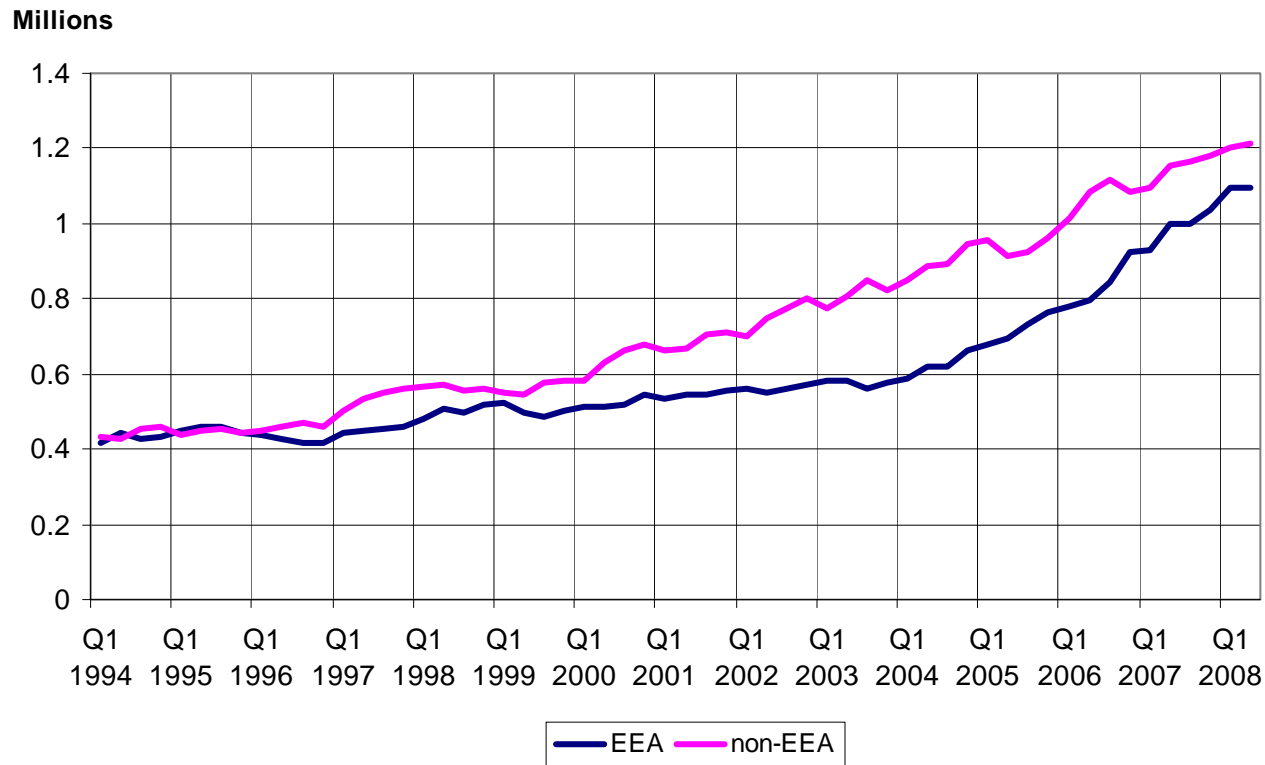
**BERR** | Department for Business  
Enterprise & Regulatory Reform

MIGRATION IMPACTS FORUM – October 2008  
EMPLOYMENT

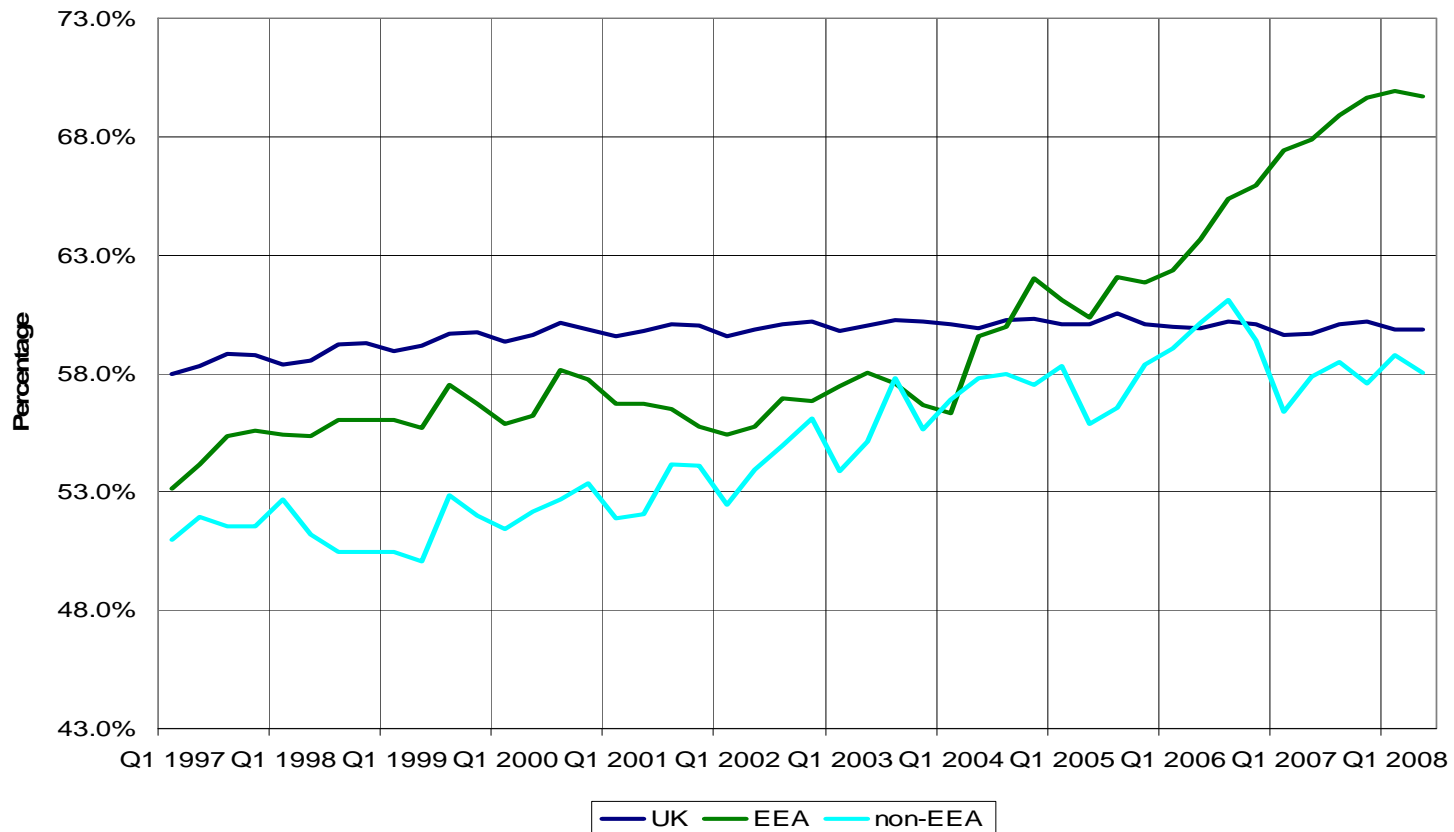
## The UK economy has experienced strong employment growth since 1997

- Between Q2 1997 and Q2 2008, total employment in the UK increased by 3m.
- Over half (56%) of this increase is accounted for by UK nationals
- Non-UK nationals now make up 8% of total employment
- Employment growth has been strong among both EEA (incl. A8) nationals as well as non-EEA nationals.

## Employment has grown among both EEA (incl. A8) nationals and non-EEA nationals



## Employment rates\* have also increased, especially among EEA nationals driven by A8 inflows since 2004

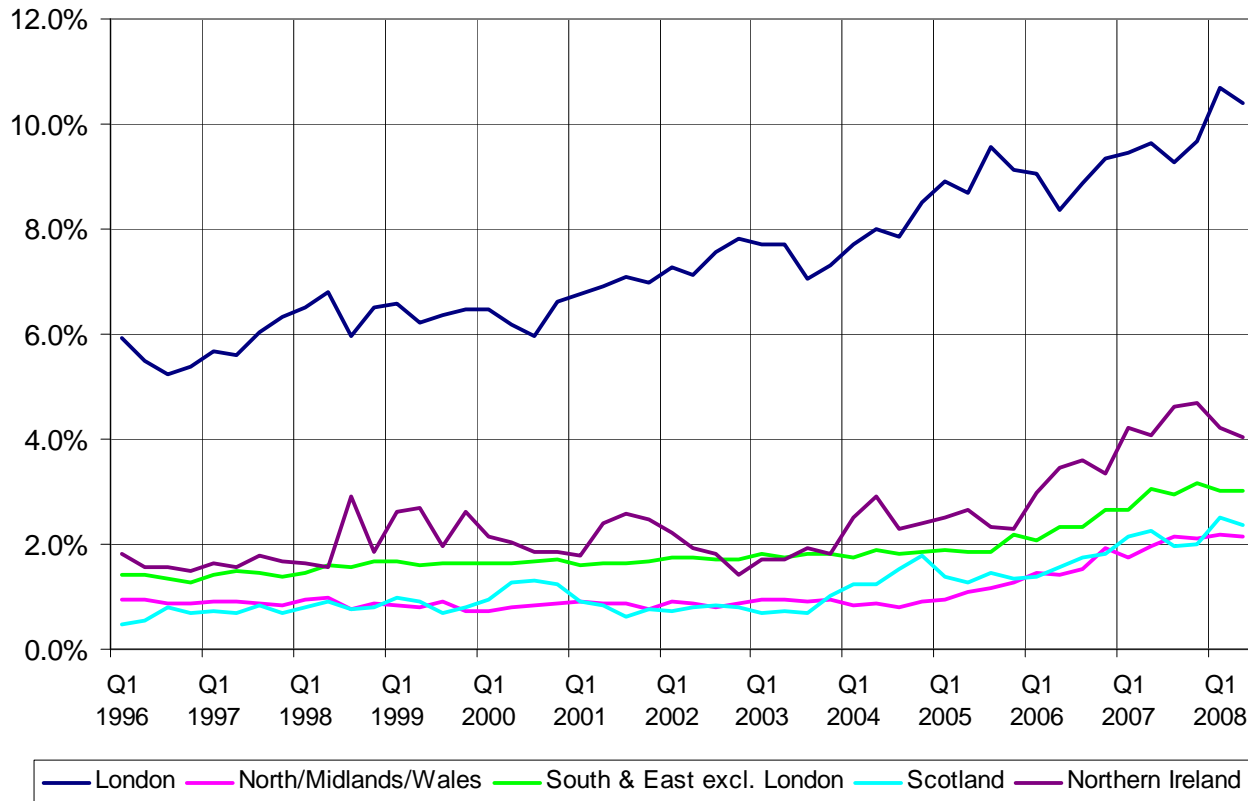


\* Defined here as employment 16+/population 16+; Source: BERR analysis using LFS

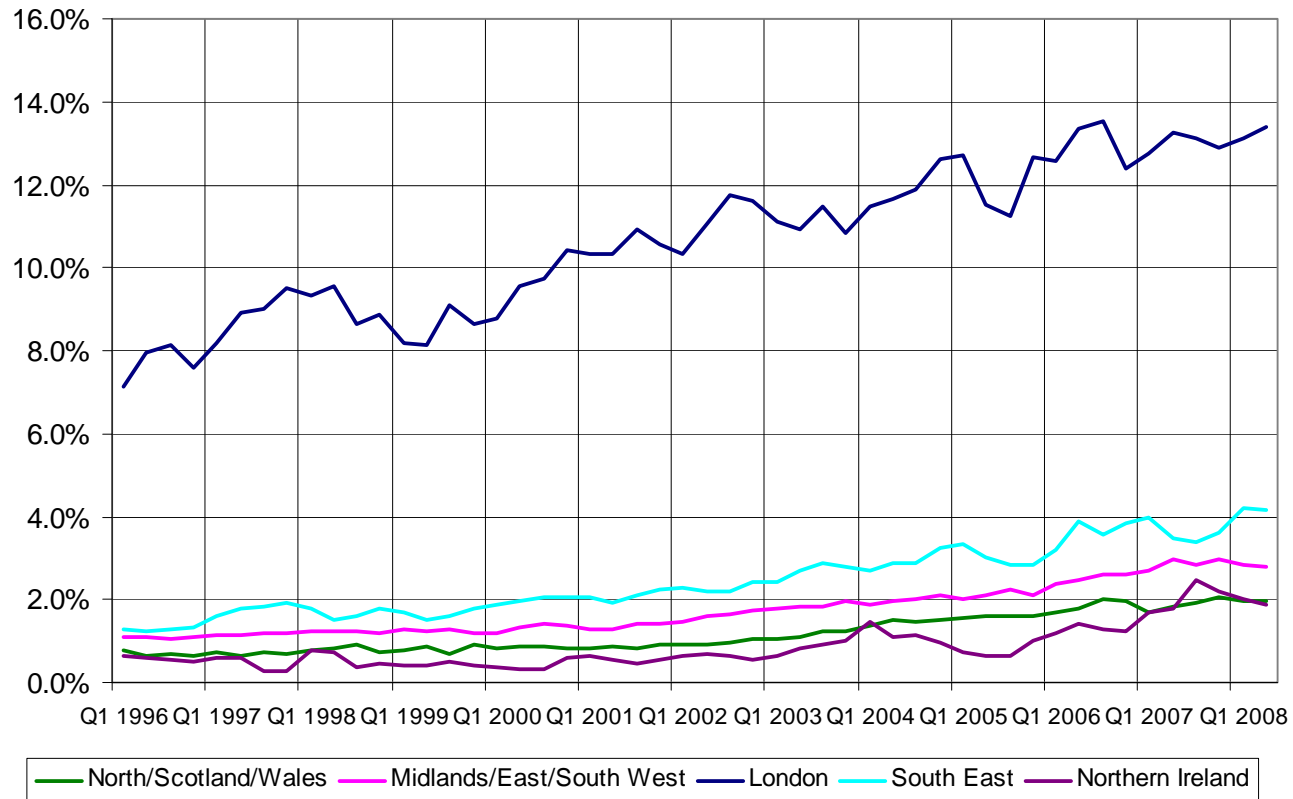
## Employment growth has been spread across the regions

- Employment has grown steadily in all UK regions since 1995
- London was - and remains - the region with the highest share of non-UK national employment
- Non-UK nationals have increased their share of total employment across all other regions too.

## EEA nationals now account for a larger share of total employment in each region...



## ...and the same is true for non-EEA nationals



## Economic impacts of migration

- Government and independent research continues to find no significant evidence of negative employment effects from migration.
- The Work Foundation conclude migrants have contributed to UK economic growth and have not displaced British workers. In their absence, the UK would have experienced slower growth, higher inflation and higher interest rates
- Migration has helped by meeting labour and skills shortages in the public and private sectors.

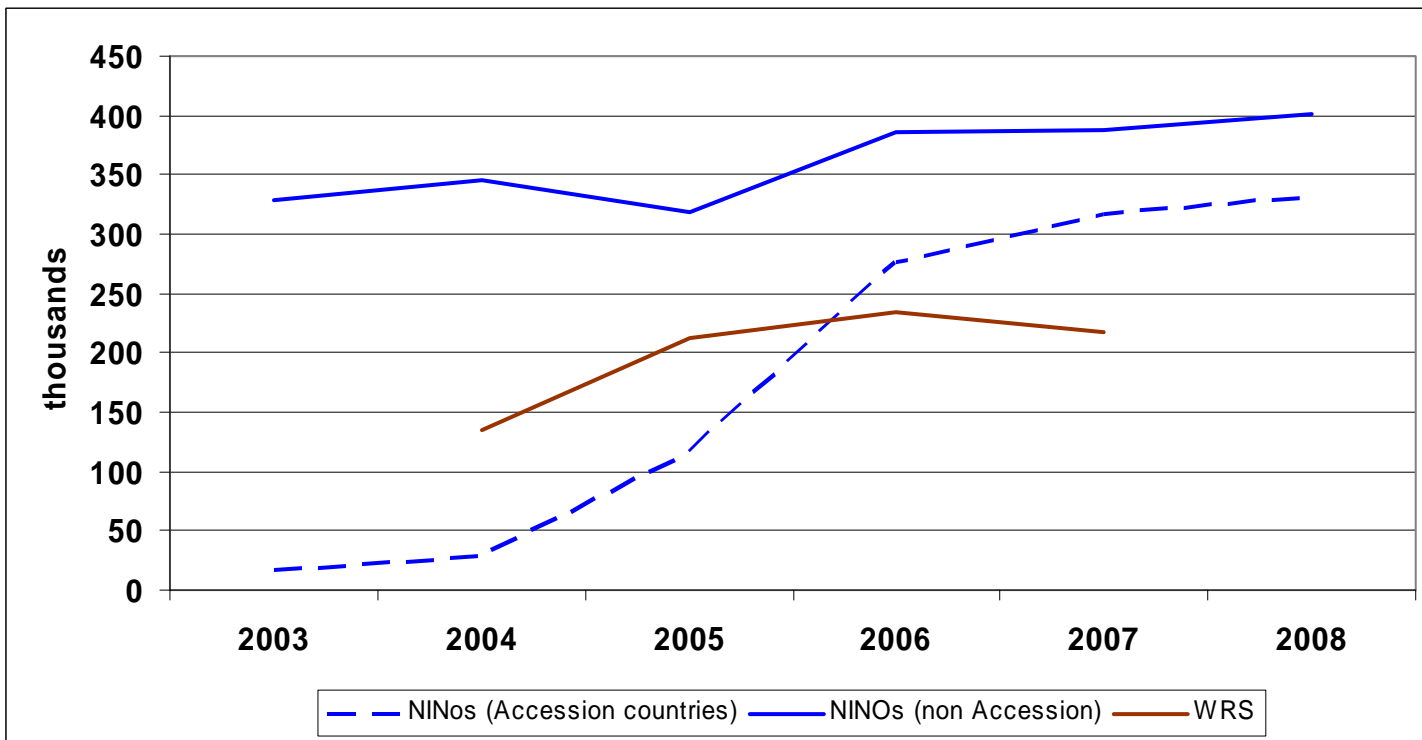
## The evidence suggests immigration in general does not have a major impact on labour market outcomes....

- *“The empirical evidence from around the world suggests little or no evidence that immigrants have had a major impact on labour market outcomes such as wages and unemployment.”*
  - Blanchflower, 2007
- *“...if there is an impact of immigration on unemployment then it is statistically poorly determined and probably small in size.”*
  - Dustmann, 2002
- Dustmann (2007) found that for the UK immigration had a positive effect on wages of native workers overall. Gains at the top and middle of the earnings distribution were set against a ‘very modest’ dampening of wage growth at the bottom end. The research also noted that the National Minimum Wage has played an important role in insulating wages of low-skilled workers from a larger impact.

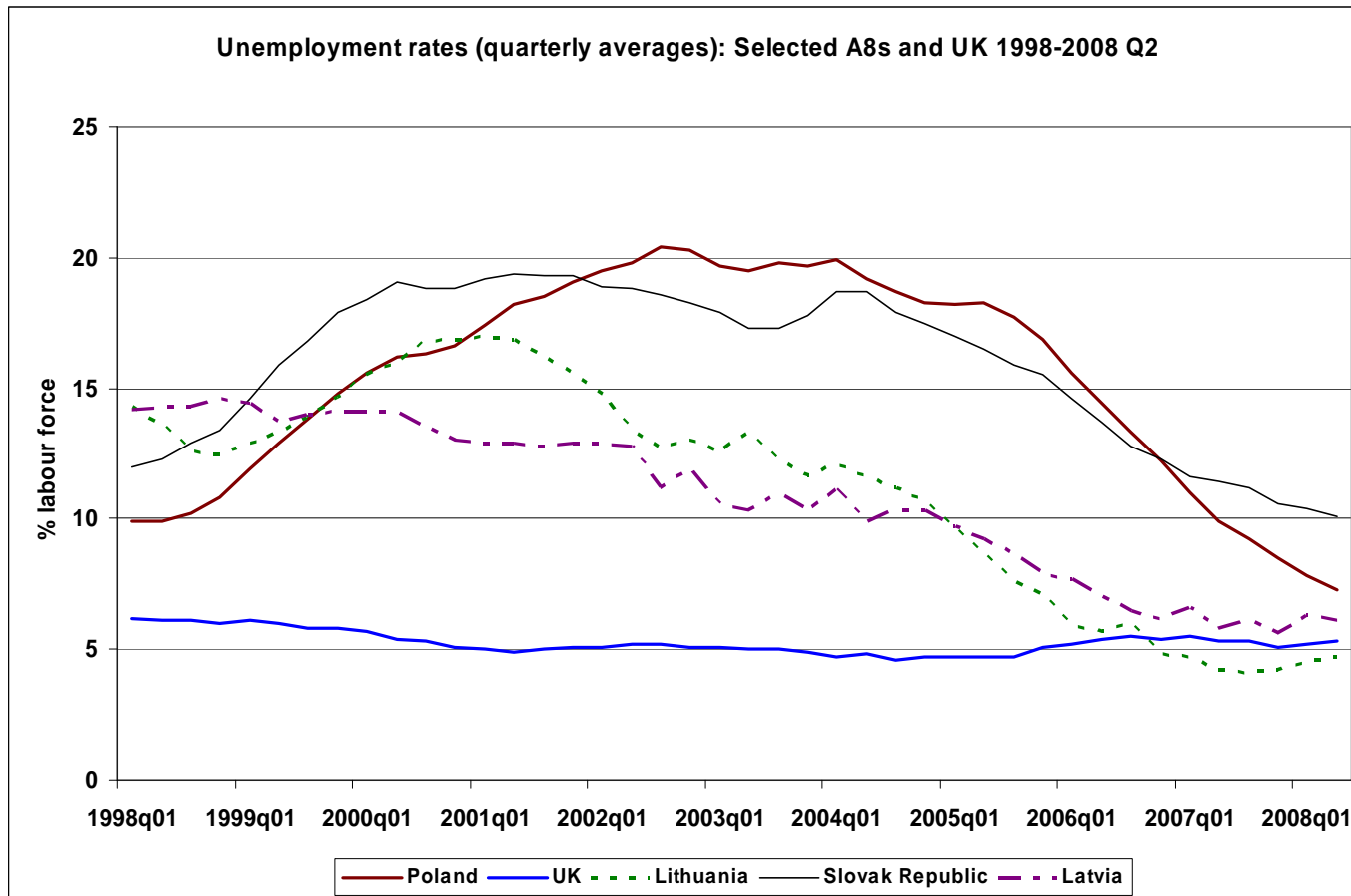
## ...equally the recent A8 migration has not had an adverse impact on native workers

- The recent flows of migrants from the EU Accession countries have provided a particularly strong test of the labour market impact of immigration.
- New DWP research finds no adverse impact on claimant unemployment – including for young and low skilled workers.
- The DWP research found no statistically significant impact on wages from A8 migration, either overall or at any point in the income distribution.

## Recent evidence suggests A8 inflows are beginning to level off...



...as relative labour market conditions improve in the accession countries



## References

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