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Migration, Migrants and Policy in the United Kingdom

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Migration, Migrants and Policy in the United Kingdom

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Migration, Migrants and Policy in the United Kingdom

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ABSTRACT

Migration, Migrants and Policy in the United Kingdom*

This paper draws together, in the form of a survey, a number of different aspects of the United Kingdom's international migration experience since the Second World War. The areas covered include changes in the volume and composition of international migration and the factors influencing migration; the background to, and the development of, restrictions on immigration; and the links between immigration policy and race relations. This is followed by an examination of the education and labour market status of immigrants and ethnic minorities as compared with native- born whites. Results from recent econometric research on wage and employment differentials are presented and interpreted in the wider context. Finally, the possible effects of migration on the economy at large are briefly discussed.

JEL Classification: J15, J61

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Introduction

International migration has been an important phenomenon in Britain. During the last 50 years migration in general, and immigration in particular, has become a key policy issue. Economic considerations have always been a part of the debate, but they have been subordinated to the more overtly social and political questions. For this and other reasons the economic analysis of international migration, the experience of migrants and their impact on the wider economy is less advanced than is the case for some other countries in Europe and North America. The purpose of this paper is to draw together a number of somewhat disparate threads embracing the history of migratory movements, public policy towards immigration and race, the economic experience of immigrants and the overall impact on the economy. The first section charts the changing historical pattern of migration to and from Britain. This is followed by a sketch of the development of immigration policy linking it with developments in domestic race relations. This highlights the important distinction between migrants and ethnic minorities. We then examine the numbers, composition, educational qualification and labour market status of ethnic minorities in Britain in the 1990s. In the light of new research analysing the labour market experience of immigrants, we review this literature in depth and present some of the new findings on employment, unemployment and earnings of migrants, distinguishing between different ethnic groups and between immigrants and the native born. In the final section we offer some speculations about the possible overall effects of migration on the British economy.

1. Migration to and from the UK: The Changing Balance

The Historical Pattern

Like most countries of Western Europe, Britain has traditionally been a country of emigration. In the late nineteenth century (1870-1913) net emigration of British citizens amounted to 131,000 or 3.4 per thousand per annum of the UK population. The total net loss was 5.6 million and it is estimated that in the absence of this net movement the population would have been 16

percent higher than it actually was in 1911. It therefore had important effects on the demographic structure of the population and on conditions in the labour market. But migration was then, and it remains now, a two way process. In the late nineteenth century the inward movement of British citizens averaged about half of the outward movement. These figures are from (third class) passenger movements between UK ports and destinations outside Europe. While some of them would have been short-term visitors, the vast bulk of them were emigrants, travelling in the steerage compartments of emigrant ships.

The overwhelming majority of British emigrants went to English speaking destinations in the New World. Of total gross emigration 1870-1913, 53.8 percent went to the United States, 25.4 percent to Canada, and 16.5 percent went to Australia and New Zealand combined. Of the remainder, the majority went to Cape Colony and Natal; present day South Africa. Besides being English speaking, these countries had strong imperial or historic ties with Britain. Most emigrants were young and about three fifths were male. Most travelled as individuals rather than in family groups but they typically were joining friends or relatives in the destination country. They were largely induced by high wages (relative to Britain) and by essentially free entry - indeed for much of the period there were subsidised passages to the southern hemisphere.[1] Very few emigrants went to other parts of the empire and to non-empire countries (other than the United States), and those who did so usually returned.

About half of the gross emigration, and an even larger share of net emigration, was from Ireland, then part of the UK The Irish migration which became a flood following the great famine of the late 1940s, flowed to the same destinations as those from mainland Britain, although a rather greater share went to the United States. For Ireland alone, rates of emigration were the highest anywhere in Europe and, largely as a result of the exodus, the Irish population fell by a third between 1951 and 1913. A significant minority of the Irish migrants went to Britain, although

[1] For a detailed analysis of the structure and determinants of UK emigration 1870-1913, see Hatton (1995). On emigraton from Europe in general, its causes and effects, see Hatton and Williamson (1998).

formally this was internal migration.[2] Within Great Britain, the Irish were by far the largest group of immigrants as revealed by census enumerations. But there was also a small net inflow of non-British citizens which grew with the arrival of significant numbers of eastern European Jews from the 1880s. There were very few immigrants from countries outside Europe.[3]

The era of mass migration ended shortly after the first World War. The American Immigration Acts of 1921 and 1924 are often seen as a watershed for international migration. British emigration to the United States fell to a fraction of its former levels and it never even reached the quota level. Emigration to other destinations also declined in the 1920s as compared with before 1914. In the 1930s, for the first time, there was net immigration to Britain, and this despite continued immigration from the (now independent) Irish Free State. Nevertheless, the pattern and composition of international migration remained essentially that of the pre-war era. It was only after the second World War that it began to change.

The post-war period

International migration revived after the second World War. As the costs of travel declined and air travel became more common, the number of travellers is no longer an adequate measure of migration. The most useful source for post-war statistics is the *International Passenger Survey* (IPS), a survey of arrivals and departures by sea and by air. Migrants are identified in these statistics as those who have been abroad for at least a year and intend to stay for at least a year after arriving or who are departing for an intended stay of at least one year abroad. The survey samples only about 0.2 percent of all passengers and only a small minority (about 1 percent) of these are migrants. Although the survey collects data on age, sex, nationality and reasons for migration as well as the country of origin or destination, the sample size is too small to draw reliable inferences about small

[2] Irish emigration declined over time, largely because of the improvement in Irish wages and living standards relative to those in destination countries (Hatton and Williamson, 1993).

[3] The statistics suggest substantial inward and outward movements of foreign citizens but many of these were European migrants transiting through British ports. Because the statistics only count journeys to and from extra-European ports they cannot be used to calculate net migration of foreign nationals to Britain.

sub-groups.[4] Until 1963 the survey excludes those travelling to and from European countries. From 1964 these were included although Irish migrants are still excluded from the statistics.

Other sources, though more useful for some purposes, are less comprehensive in coverage. The *Labour Force Survey* (LFS), an annual survey analysed more extensively below, identifies foreign migrants who are potential members of the labour force and includes a question on length of stay. Work permit data from the Department of Employment and National Insurance registrations from the Department of Social Security provide a complete count but they embody different criteria related to employment. The Home Office data on immigration control, settlement and asylum reflects the process of naturalisation rather than covering all immigrants. All these sources, like the decennial census and other population surveys mentioned below, are sources of information on immigrants but contain nothing on emigrants.[5]

Between 1946 and 1993 the IPS data indicates that total emigration was 9.5 million while immigration was 7.6 million. The net emigration balance of 1.9 million represents only about 40,000 per year or less than one per thousand per annum. Net emigration was highest in the early years up to the mid-1960s. As Figure 1 shows, from 1979, the first year of net immigration, the net outward flow in some years was balanced by a net inward flow in others. As Figure 2 shows, this change in the balance was largely due to a decline in the net outflow of British citizens rather than due to a rise in the net inflow of foreign nationals. British citizens include those born abroad and naturalised immigrants. But the pattern is the roughly the same for the British born and it is driven largely by a rise in the inflow rather than by a decline in the outflow.

The long run trend in the net balance would look somewhat different if the Irish were included. Migrants from the Irish Republic remain the largest single group of foreign nationals enumerated in Britain. Net immigration of Irish was about 20,000 per annum in the 1950s but it declined sharply and turned into an outflow of about 13,000 per annum in the 1970s before reviving

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[4] The standard error for the whole survey for 1990 is 12,000 on a base of 267,000, or 4.5 percent. For a subset of the sample, for instance migrants to and from Europe, it is proportionately larger: 8,000 on a base of 66,000 (Bailey, 1992, Appendix).

again in the 1980s (Garvey, 1985, p. 30). Thus if the Irish were included in the statistics, the net emigration balance of the early post-war decades would be much reduced sharply and the long run downward trend would be somewhat attenuated. If corrections are made for the net flow from Ireland and for those (not initially counted as immigrants) who became asylum seekers or sought to stay on grounds of marriage, then the net inward balance from 1982 to 1994 would average about 40,000 per annum (Coleman, 1996, p. 209).

The destinations of British emigrants followed its historical pattern until the early 1970s. Although net emigration to the United States remained modest there were high rates of net emigration to Australia, Canada, New Zealand and South Africa until the mid 1970s. The bulk of the decline in the net emigration balance can be accounted for by the falling net emigration to these traditional destinations. The counter-balance to the net emigration of British citizens was the net immigration of non-British citizens. As Table 1 indicates, the bulk of these were from former colonies and from Commonwealth countries. From the mid 1980s, net immigration from these countries declined somewhat and there was a modest but growing net immigration from Europe, both within and outside the European Union.

Although immigration from the countries of the New Commonwealth, including Pakistan (henceforth NCW) has been the focus of debate and policy, it accounts for only a quarter of total gross immigration. As we shall see, the focus of attention has been almost exclusively on the immigration of ethnic Asians and blacks.[6] The arrival of large numbers of non-white immigrants in Britain is the major new feature of the post-war period. The beginning of this new era is often marked by the arrival in 1948 of an immigrant ship, the *Empire Windrush*, carrying 492 immigrants from Jamaica.[7] In the first post-war decade the numbers arriving were small but growing, and mostly from the Caribbean. From the late 1950s these were joined by growing numbers from India

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5 For a more detailed discussion of these sources of statistics and a comparison of flow data derived from them, see Ford (1994).

6 The figures for gross immigration from the New Commonwealth and Pakistan include a significant minority of white immigrants and they therefore overstate the numbers of ethnic blacks and Asians. However this is offset to an unknown extent by the arrival of blacks and Asians from other countries.

7 The *Empire Windrush* is important only because of the public comment and parliamentary debate it aroused. Other ships which arrived shortly before or after attracted less attention.

which rose to a peak in the 1960s. These surges were followed by one from Pakistan and which peaked in the 1970s and one from Bangladesh which reached its height in the 1980s. Since the mid-1980s these waves have subsided and the sources of net immigration have become more diverse.

Economic Incentives and Policy

Migration movements are sometimes characterised as systems or regimes. One typology divides these migration systems into settlement systems, labour systems, refugee systems and illegal immigration systems (Coleman, 1994, p. 46-7). Such typologies do not have strong analytical roots and they relate more to the legal and political framework under which migration takes place rather than to the fundamentals driving immigration. Furthermore, because of persistence in migration patterns migration streams often continue long after the original basis for them has disappeared. Nevertheless they are useful as a preliminary guide and for drawing comparisons between countries.

As we have seen historic, imperial and linguistic ties have been an important feature underlying the pattern of British emigration. In the case of the United States it lasted for two centuries after the end of empire. The quota system of the 1920s effectively continued the preferential treatment of British immigrants until 1965. Preferential treatment of British immigrants to Canada and Australia lasted up to the post-war period. Free access for British immigrants to Canada was ended in 1948 but in preferential treatment lasted much longer. In Australia, until 1945, policy was aimed exclusively at attracting British and Irish immigrants to the exclusion of all others, and the positive inducement of assisted passages lasted until 1983.[8] While these permissive conditions were reinforced by chain migration effects, the chief driving force in the long run was the substantial economic incentives as reflected in the gaps in real wages and per capita income.

While Irish immigration is the most important example of persistent inward migration conditioned by historic connections, it also has some characteristics of a labour system. As one observer puts it: “the Irish have long been the UK’s unsung gastarbeiter, a fact that has attracted surprisingly little attention” (Ford, 1994, p. 67). But Irish immigration is perhaps the clearest

example of the powerful economic forces driving immigration. Econometric studies show that Irish immigration was very sensitive to economic conditions in Britain particularly differentials in unemployment rates and wage rates (see O'Grada and Walsh, 1994, Appendix A). The long run decline in Irish immigration can be accounted for by the growth of Irish income and living standards relative to Britain and the growing attractiveness of other destinations.[9] Econometric estimates for net immigration as a whole suggest that, in the 1970s and 1980s, the key short-run forces were differentials in wages, unemployment and employment growth. It has also bee found that the costs of housing act as a deterrent to immigration (Muellbauer and Murphy, 1988).

The major new element in British migration history, the arrival of immigrants from the New Commonwealth and Pakistan fits uneasily with the concept of a settlement system although colonial ties are important. Neither can it easily be characterised as a guest-worker-type labour system. As we shall see very few of these immigrants were directly recruited to either through government programmes or directly by employers. Only about 10 percent came with a specific offer of a job (Coleman 1994. p. 38-9). These immigration flows took place despite a policy stance to keep them out rather than because of positive encouragement. British Government policy has evolved through taking progressively tougher measures against a perceived incipient flood of immigration from the NCW countries. In the face of such policies, the size of these incipient flows is hard to judge. But it has been argued that emigration from less developed countries increases as economic development takes place (Massey, 1988). If so then this would help to explain why there was less pressure in the earlier years and why the policy of exclusion was progressively escalated. [10]

A minority of immigrants to Britain enter on work permits. Before 1971 work permits were not required for immigrant workers from the Commonwealth and from 1973 they ceased to be required for immigrants from EU countries. Those entering on work permits or with 'first permission' declined from 36,000 in 1973 to less than 16,000 in the early 1980s before rising again

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8 For an outline of these policies, see Paul (1997, pp. 30-9).

9 Irish industrial earnings rose from 70 percent of those in Britain in 1950 to 90 percent in 1990 (O'Grada and Walsh, 1994, p. 130-1).

10 This is also consistent with the progressive weakening since the 1950s of the link between domestic economic conditions and the immigration rate from New Commonwealth countries (Peach, 1978)

to 35,000 in 1990 (Coleman and Salt, 1992, p. 461; Coleman, 1994, p. 53). In the 1980s about 40 percent of these were long term permits, 43 percent were short term and 17 percent were for trainees entering under the Trainee and Work Experience Scheme. More than four fifths of these were classed as managerial or professional and more than two fifths were moving as transfers within the same firm. These highly skilled workers tend not to settle permanently and are sometimes called 'executive gypsies' (Coleman and Salt, 1992, p. 436). Labour migrants from EU countries, not requiring work permits tend to be less skilled, particularly those from Southern Europe.

Among immigrants from outside the EU, acceptances for settlement by the Home Office declined from about 80,000 per annum the early 1970s to 50,000 per annum in the early 1990s. The proportion from NCW countries declined from about 60 percent in the 1970s to less than 50 percent in the 1980s. By the late 1980s more than two-thirds were entering as husbands, wives or dependants (mainly children). Among immigrants from the Indian subcontinent, there was a sharp decline in the number of children admitted but some increase in the number of fiancees, wives and husbands (Coleman and Salt, 1992, p. 453; Coleman, 1994, p. 57). These flows largely are the persistent effects of earlier labour migration and the shift from children to spouses reflects the decline in young first generation immigrants and the maturing of the second generation.

A very small proportion of those accepted for settlement have been refugees although those granted asylum or 'exceptional leave to remain' is the fastest growing category since the early 1980s. Prior to this few asylum seekers applied or were accepted but with certain exceptions such as the 29,000 Ugandan Asian refugees who were admitted in 1972/3. In 1979 there were only 1,563 applications and this total increased gradually to 5,000 in 1988 and then surged to a peak of 45,000 in 1991. Nevertheless, applications to the UK still remain much lower than those to other European countries such as France and Germany. In part, this is because such a small proportion (less than 5 percent) of applications have been accepted.[11] Although applications from specific countries can be related to specific wars and disturbances as reflected in increases in applications from Iran, Sri

[11] Although relatively few have been granted refugee status, much larger numbers have been given 'exceptional leave to remain'. Thus in 1992, of the 34,900 cases on which decisions were made, only 3 percent were granted refugee

Lanka and Poland in the early 1980s and from Somalia and Ethiopia in the late 1980s many others are not so directly linked. Changes in laws governing asylum during the 1990s raised rejection rates even among groups such as Sri Lankans, Turkish Kurds and refugees from the Balkan states (Skellington, 1996, p. 76). The British Government's hard line on 'economic refugees' seems likely to have diverted many potential applications to other countries that are seen as more receptive.

2. British Government Policy on Immigration and Race

The Evolution of Immigration Policy

The British Government's immigration policy has developed through a number of stages. It has be driven essentially by concerns about race rather than by concerns about immigrants *per se.* The total numbers of immigrants or the gross immigrant flow has rarely been a matter for concern. Much more important has been the preoccupation with the colour, creed and ethnic background of immigrants. As a result, immigration policy has not been directly influenced by prevailing conditions in the labour market. Thus immigration policy cannot be seen, even in the early post-war period, as anything resembling the guest-worker systems of France and Germany. Policy has been conditioned largely by relations with Commonwealth countries and in particular with the New Commonwealth. Policy developments can be seen largely as a retreat from obligations created under the British Empire and only gradually given up under the Commonwealth.

Until 1905 there was an open immigration policy. The Aliens Act of 1905, which gave the Home Secretary the power to refuse entry to those who were infirm, criminal or who could support themselves, was strengthened in by the Acts and Orders of 1914, 1919 and 1920. Although these gave wide ranging powers over immigration, they applied only to non-British subjects. All subjects of the Crown were entitled to free entry to Britain and this covered all Britain's Colonies and Dominions. The Nationality Act of 1948 essentially reaffirmed that right and extended it to the

status but a further 44 percent were given exceptional leave to remain. Those granted exceptional leave to remain declined sharply after 1993 amounting to only 15 percent in 1994 (Coleman, 1996, p. 205-6).

newly independent former colonies. This commitment, a symbol of Commonwealth solidarity, quickly proved to be an enduring stumbling block to the development of an immigration policy which would keep out some (mainly non-white) immigrants and allow relatively free entry to other (mainly white) immigrants. From 1945 it created a tension which remained unresolved until the Commonwealth Immigrants Act of 1962.

Even before 1948 there was no free entry for immigrants from the British Empire in Asia and Africa. Immigration was restricted by the actions of British officials in Empire countries. The 'problem' of black and Asian immigrants was largely one of seamen who failed to return to their country of origin and stowaways. But with the growing movement to independence, beginning with India and Pakistan in 1947, British officials lost the power to control immigration from these countries at source. Instead the British government urged the governments of India, Pakistan, countries of the Caribbean and West Africa to impose their own restrictions, often under the implicit threat failure to do so would hasten the enactment of legislative controls. As Spencer (1997) shows, the success or failure of such diplomatic methods is reflected in the pattern of early post-war immigration. In the early 1950s the government of Jamaica did not co-operate with these policies while the governments of India and Pakistan did. As a consequence, in the early years, non-white immigration came largely from the Caribbean and not from the Indian sub-continent.[12] This fragile balance could not last long and "when the system broke down in 1959-60, the recourse to legislation was swift" (Spencer 1997, p. 38).

The growing numbers arriving from the New Commonwealth occurred despite, rather than because of, British Government policy. Very little positive encouragement was given to immigration despite the very tight labour market as reflected in an unemployment rate of less than two percent in the two decades after 1945. The settlement of some 100,000 polish immigrants (many of whom were ex-servicemen) under the Polish Resettlement act of 1947 and the recruitment of some 86,000 workers from the Baltic States, Yugoslavia and the Ukraine under the European

Voluntary Workers programme were short term consequences of War and reconstruction.[13] It is notable that, at the very same time, ex-servicemen and wartime immigrants from Jamaica the West Indies were being repatriated from Britain, or discouraged from returning to Britain. But boom conditions continued to draw immigrants, and this led to mounting concern in the 1950s about the growing non-white communities. Nevertheless, restrictive legislation was delayed. The essential problem for the government was how to restrict immigration from some parts of the Commonwealth and not from others, and how to limit entry from Commonwealth countries while maintaining free entry from the Irish Republic (outside the Commonwealth), without rupturing Commonwealth relations.[14]

The Commonwealth Immigration Act of 1962 represents the first break with the past only in the sense that that a long standing desire to restrict New Commonwealth immigration was embodied in legislation. The timing of the legislation reflected the declining importance of the Commonwealth and the rising tide of African, Caribbean and Asian immigration; it owed very little to domestic labour market conditions. [15] From 1st July 1962 new conditions were laid down for entry. In order to enter Britain an immigrant needed to be issued with a voucher which would be issued to those either with a pre-arranged job (Category A), special skills (Category B), or where there were specific domestic needs for labour (Category C). The 1962 Act also allowed the admission, in addition to the primary migrants, wives, fiancées and children up to age 16. In practice a somewhat wider variety of dependants were admitted. In 1965 and 1969 these conditions were tightened, admission under category C was abolished, and the numbers admitted under A and B were

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12 Other factors were important as well in the early Jamaican immigration: high unemployment in Jamaica and the restriction of West Indian immigration into the United States under the McCarran-Walter Immigration Act of 1952 (Layton-Henry 1992, p. 31).

13 The Poles were mainly army personnel exiled to Britain during the War. Those entering under the EVW scheme were displaced persons from camps in Germany and Austria. Considerable help was given to the Poles to resettle but those recruited under the European Voluntary Workers' scheme received less favourable treatment and many of them returned home (Rees, 1993, pp. 92-5). For a detailed history of the EVW scheme, see Kay and Miles, 1992.

14 These tortuous negotiations are described by Paul (1997, pp. 93-106).

15 Confidence in the usefulness of Commonwealth links was seriously undermined by the Suez crisis of 1957 and by the growing view that Britain's future economic security lay with Europe not the Commonwealth, a view which found expression in Britain's first application to join the European Economic Community in 1961. According to Spencer: "The government concern since 1949, through a period of full employment had been to find ways to control immigration from the Caribbean, Africa and the Indian sub-continent, not immigration in general. The timing of its discussions of the

restricted. This tightening of the rules during the 1960s reflects the continuing immigration from the New Commonwealth, running at between 30,000 and 50,000 per annum--numbers far in excess of those in the 1950s.

Free right of entry was maintained for those with passports issued by the British government and those who were born in the UK until the Commonwealth Immigrants Act of 1968, when UK passport holders were made subject to immigration controls unless they, a parent or a grandparent had been born, adopted or naturalised in Britain. The Act was provoked by the arrival of growing numbers of Asians formerly settled in the east African countries of Kenya, Uganda and Tanganyika. Many of these settlers had exercised their right to British passports when the host countries became independent.[16] The 1971 Immigration Act can be seen as a step to redefine British citizenship in line with this immigration policy. It distinguished 'patrials' and 'non-patrials.' Patrials were defined as British or Commonwealth citizens who had themselves, or whose parent or grandparent, been born adopted registered or naturalised in Britain; non-patrials had no more rights than aliens. The 1971 Act was symbolic in two ways: it ended the unrestricted entry of British subjects (honoured more in the breach than in the observance) and it became effective on the same day (January 1, 1973) that Britain joined the European Community--opening new rights of entry to EC nationals.

The decade 1962-1971 marked a defining shift in the legal framework for British immigration policy - a shift away from Commonwealth obligations and towards redefining British citizenship. It kept the door open to the descendants of (relatively recent) British settlers, mostly in the United States Canada and Australia while closing it to the chiefly non-white immigrants from the New Commonwealth and Pakistan. But despite increasingly restrictive legislation immigrants from the New Commonwealth and Pakistan continued to flow in. During the early 1960s an increasing proportion gained entry on the basis of family reunification rather than as primary immigrants. It was estimated that under the voucher system, each voucher taken up admitted on average 3.7 immigrants (Spencer, 1997, p. 139).

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question had everything to do with variations in the number of Asian and black immigrants arriving and nothing to do with population flows in general or the number of job vacancies in British industry (1997, p. 127).

Controlling the numbers admitted under various forms of family reunification became a major concern from the late 1960s. In 1969 entry was refused to foreign husbands and fiancés of settled migrant women but, because of the unequal treatment of the sexes that this implied, the rule was removed in 1974. But a new test of the genuineness of the relationship was imposed in 1977 and in 1980 the test was strengthened and the right was restricted to the husbands or fiancés of women who were either born in Britain or who were British citizens.[17] These rules were challenged on the grounds of discrimination under the European Convention for Human Rights and the British Government response in 1985 was to 'level down' by extending the existing restrictions on husbands (and fiancés) to wives (and fiancées) (Howard, 1993, pp. 110-113). These rules were further tightened in the Immigration Act of 1988 which extended the “independent of public fund” test to the dependants of pre-1973 immigrants.

The debate of the late 1970s raised once more the issue of unequal treatment of different groups of British citizens. Until then British nationality was still defined by the 1948 British Nationality Act under which there were still some 950 million British subjects throughout the world (Coleman and Salt, 1992, p. 440). This was changed under the British Nationality Act of 1981 which was an attempt to bring British nationality more in line with immigration policy. The Act superseded the traditional status of British subject and created three types of British citizenship: British citizens, British Dependent Territories citizens, and British Overseas citizens. Only the first of these gave automatic right of entry and it extended only to those born adopted or naturalised, or registered as citizens or those permanently settled, and it descended only to the first generation of citizens born abroad to British citizens born in the UK (see Layton-Henry, 1992, pp. 191-5).

In the early 1990s the perceived threat was the growing number of asylum seekers, most of whom were regarded as poor unskilled ‘economic migrants’ rather than genuine asylum seekers. There was also growing concern about the number of immigrants entering Britain on tourist visas who subsequently claimed asylum. The Asylum and Immigration Act of 1993 removed a visitor’s

16 The Ugandan Asians who arrived in 1972/3 were admitted by special dispensation outside the Act.

right of appeal if refused entry. The Act evidently halved the number granted asylum between 1993 and 1994. It also increased dramatically the number held in detention pending decisions at the same time as raising the number who were repatriated. A further Asylum and Immigration Act of 1996 removed the right to all state and local authority benefits (including housing) from those claiming asylum after arrival and those whose applications had been rejected but who still remained. Thus immigration policy in the 1990s once more represents a tightening of restrictions in response to perceived threats of undesirable immigration.[18]

Race Relations Policy

Black and Asian populations have been seen as separate and distinct both ethnically and culturally and this has been reflected both in immigration policy and in the treatment of these groups within the UK. In the early post-war period black and Asian immigrants were viewed with suspicion and they were considered less likely to assimilate. Thus The Royal Commission on Population concluded in 1949 that additional immigrants could only be welcomed without reserve if "the migrants were of good human stock and were not prevented by their religion or race from intermarrying with the host population and becoming merged in it" (quoted in Holmes, 1988, p. 210). Thus assimilation was viewed as the key objective with regard to immigrants and at that time this meant complete absorption. The contrast between the official view of blacks and Asians and of Europeans as immigrants could not have been sharper. The fact that women from the Baltic were recruited precisely in order that they "would intermarry and add to our native stock" makes the point (Kay and Miles, 1992, p. 124). The fact that miscegenation was regarded with abhorrence effectively meant that, for non-white immigrants, a lack of assimilation on the one hand, and full integration on the other, were both undesirable.

The basis of deep-rooted prejudice against blacks and Asians has been attributed to Britain's imperial past. Peoples who, until very recently, been subject peoples, been cast in the role of

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17 The 1980 regulations permitted elderly dependents to enter only if they were wholly maintained by their children or grandchildren living in Britain.

servants or slaves and widely depicted as culturally and socially inferior (Layton-Henry, 1984, pp. 1-7). This seems to have been the view held by senior government officials, at least until the 1960s. Prejudice against black an Asian immigrants was often justified by the notion that they brought with them disease, crime and low morals and that they were not suitable for employment and likely to be a burden on the welfare state. But despite its best efforts, the Interdepartmental Working Party of 1959-61 found very little evidence to sustain a case against these communities (Spencer, 1997, pp. 109-115).

Much clearer was the fact that non-white immigrants were a focus of racial tension in working class communities and this was reflected in spates of race riots in inner city areas where blacks and Asians were concentrated. Such unrest occurred in Liverpool in 1948 and in Deptford and Birmingham in 1949, and broke out again much more seriously in 1958 with prominent disturbances in Nottingham and Notting Hill in London. Race became a key issue in the 1964 election when an overtly racist Conservative candidate ousted the shadow foreign secretary, winning the constituency of Smethwick against the national trend. Political tension flared again in 1968 when the anti-immigrant National Front came to prominence and the senior Conservative politician Enoch Powell made his infamous speech warning of "rivers of blood" unless the immigrant tide was stemmed.[19] The fact that this antagonism was based on race rather than class or culture is reflected by the negative reaction to the Kenyan Asians (Layton-Henry, 1992, p. 53).

The 1960s saw immigration and race moving to the top of the political agenda. It was driven by the growing visibility of immigrant communities, fear of the violence and unrest, increasing polarisation of political opinion, and growing evidence that there was serious racial discrimination against non-whites, particularly in the spheres of housing and employment. This escalation in the importance of race as a political issue was paralleled by progressive moves in race relations policy. In 1962 the (non-statutory) Commonwealth Immigrants Advisory Council was established to advise

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[18] The denial of immigration opportunities to the citizens of Hong Kong is a classic example.

[19] Powell specifically attacked the Bill that was to become the Race Relations Act, 1968, arguing that the numbers and concentration of Black and Asian immigrants would pose serious barriers to assimilation and proposing not only a stop to immigration but also a policy of repatriation of non-white immigrants and their children. This anti-immigrant stance was widely supported in the opinion polls (Layton-Henry, 1992, p. 80).

the government the promotion of racial harmony. The Race Relations Act of 1965 made it unlawful to practise discrimination but provided no effective tools to counter it. This was followed by the Race Relations Act of 1968 which strengthened the Race Relations Board formed under the 1965 Act and specifically outlawed racial discrimination in employment, housing and a number of other spheres. Both these Acts also set up bodies to positively promote racial harmony.

It is notable that in the 1960s initiatives on race relations marched almost in lockstep with increasing restrictions on immigration. These two arms of policy have sometimes been seen as contradictory; pro-immigrant on the one hand and anti-immigrant on the other (Spencer, 1994). They have sometimes been explained as a response to growing politicisation and polarisation of the race issue: appeasing the anti immigrant lobby with tougher immigration controls and appealing to pro-immigrant sentiment with positive efforts to promote racial harmony and to outlaw discrimination (Jones, 1977, pp. 160-2,). While these measures were undoubtedly a response to social and political pressure, both strands of policy can be seen as reflecting the growing assimilationist view of New Commonwealth immigration.[20] Promoting equal opportunity and fostering improved race relations would, it was hoped, diffuse social tensions while restricting immigration would reduce further tensions arising from the arrival of new cohorts of (yet to be assimilated) immigrants.

Despite these measures, racial disharmony continued into the 1970s. Evidence accumulated of discrimination towards non-whites, even after anti-discrimination legislation,[21] and a further Race Relations Act was introduced in 1976. This Act included indirect discrimination - any unjustifiable requirement which would disadvantage a particular racial group - and it set up a new Commission for Racial Equality. The restrictionist tendency also remained strong. In 1978 Margaret Thatcher acknowledged that some conservative supporters had switched to the National Front and she promised that a new Conservative government would allay peoples fears that they “might be

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20 That view and the difficulties associated with presenting can be identifies in the debate about the 1996 Asylum and Immigratiin Act (Spencer, 1998).

21 The most compelling evidence was from “situation tests” by Political and Economic Planning in which similarly qualified white and non white actors applied for jobs and for rental housing. These indicated that blacks and

swamped by people of a different culture". While the incoming government drew support away from the National Front and introduced the 1981 Nationality Act, it did nothing to quell social tension which, in most peoples minds, worsened between 1975 and 1981 (Anwar 1986, p. 27). The riots which broke out in 1981/2 in the inner city areas of Toxteth (Liverpool) and Brixton (London) in 1981 were widely believed to have had a strong racial element[22] and the number of individual racial attacks also increased (Layton-Henry, 1984, p. 116).

During the 1980s racial tensions were never far from the surface and evidence of deep-seated racial prejudice continued to accumulate. Despite the Race Relations Act, a number of studies showed continuing discrimination in housing, employment and education. More troubling still, was the evidence of violence against ethnic minorities. Police statistics indicated a doubling of the number of racial attacks between 1988 and 1993/4. Although statistics from the British Crime Survey show no sharp increase over this period they reveal a much higher level of racial incidents than do the police statistics (Virdee 1995, p. 24). Indeed it seems likely that these statistics reflect increased reporting and growing awarness of racial incidents rather than heightened intensity. The focus of race relations policy in the 1990s was on the criminal justice system but efforts to introduce new legislation with stiffer penalties for racially motivated crimes failed to gain Parliamentary support.[23]

Thus while the essential framework of race relations policy remained unchanged in the 1980s and early 1990s, there was a growing focus on the way that public policies towards law and order education health, as well as employment impinged on non-whites. At the same time the focus shifted away from immigrants and towards ethnic minorities. While the government stuck firmly to the assimilationist approach there was a growing weight of opinion that attempts to anglicise ethnic minorities, particularly in education, were not only failing to counter disadvantage but reinforcing

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Asians had a much higher probability of being refused - even when compared to non-white foreigners. On the influence of these studies, see Layton-Henry (1992 pp. 56-7).

22 This was also suggested in the Report by Lord Scarman on these incidents.

23 Biases in the attitude of the metropolitan police towards ethnic minorities was brought into sharp relief by the enquiry following the failure to bring to justice the murderers of a black youth, Stephen Lawrence. There has also been a vigouous debate about whether blacks and Asians are more likely to be arrested and imprisoned than whites (Ftizgerald 1988).

separateness.[24] The alternative, multi-cultural approach, argued for the integration of ethnic minority cultures into the mainstream. Thus the burden of adjustment would shift away from ethnic minorities and towards the white population. But, in practical terms, this approach has yet to gain much ground in public policy.

3. Immigrants and Ethnic Minority Groups in Britain

Numbers and Distribution

The sources of data concerning immigrants and ethnic minority groups living in Britain have been limited until comparatively recently. Prior to 1971 the decennial census recorded only place of birth. Census statistics show that, in 1951, 4.4 percent of the population of England and Wales was foreign born, rising to 6.5 percent in 1971 and increasing more slowly thereafter. In 1991 the foreign born were 7.4 percent of the population of Great Britain and 45 percent of these were born in the NCWP countries. Some of the foreign born would have been of British extraction and many more would have become British citizens. Only about 3 percent of the resident population enumerated in 1991 were citizens of foreign countries.

Over time, place of birth became an increasingly poor indicator of the size of the ethnic minority population because of the growing numbers of second generation immigrants. In the 1971 census a question was asked about parental birthplace (and also date of migration) and from this, and an analysis of surnames (in order to eliminate those of British origin born in NWCP countries), an estimate was derived for the population of NCWP origin. It indicated that ethnic minorities were 2.7 percent of the population of Great Britain but this estimate was considered to have a wide margin of error. This estimate was updated to 1981 suggesting a population of over two million or 4.0 percent.[25] The proposal to include a question on ethnic group in the 1981 census was

[24] As one observer puts it, educational policies "were formulated as much out of concern for the effects of the growing immigrant school population on the opportunities for white pupils as in response to the needs of the minority ethnic groups themselves" (Mason, 1995, p. 69)

[25] For a comparison of alternative estimates for 1981, see Jones, 1996, p. 11.

abandoned (itself a reflection of the sensitivity of the race issue). Not until 1991 was a question on ethnicity included in the census and this indicated an ethnic minority population of just over 3 million, or 5.5 percent.

The most important alternative source on the population stock is the Labour Force Survey (LFS). This was undertaken biennially from 1973, annually from 1983, and quarterly from 1991. Estimates from the LFS indicate numbers for the ethnic minority population which are broadly consistent with census based estimates for 1971, 1981 and 1991. In the following section we use the data from the LFS to analyse employment status and wage outcomes for immigrants and ethnic minorities as compared with the native white population. Alternative sources are the influential surveys undertaken by the Policy Studies Institute in 1966/7, 1974/5, 1982 and 1994. These oversample the ethnic minority population and have been an important source of evidence on the characteristics of different ethnic minority groups and for comparison with the white population.[26]

There are a number of different ways of defining the ethnic minority population, principally according to colour or race, religion, language or culture, or country of extraction. The 1991 census divided ethnic minority populations into seven groups (plus other), based on a combination of race and region of extraction. Of the 5.5 percent who categorised themselves as ethnic minorities, Indians, Pakistanis and Bangladeshis make up about a half while those describing themselves as Black Caribbean, Black African or Black Other make up a further 30 percent. As Table 2 shows, nearly half of the total ethnic minority population was born in Britain although only about a third of the Black Africans, Bangladeshis, Chinese and Other Asians were second generation. The proportion is particularly high for Black Other, many of whom described themselves as 'Black British'.

The proportions of men and women is fairly equal, a notable convergence as compared with a decade earlier, partly reflecting the influence of family reunification.[27] But the age structure is

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[26] One crucial difference between the LFS and the PSI studies are that the former surveys are undertaken only in English whilst the latter offer the option of an interview in the respondents first language. The LFS therefore may not capture those immigrants with poor English language ability.

[27] LFS data for 1982 indicates that females were 43 percent of African Asians, 42 percent of Pakistanis and 41 percent of Bangladeshis (Jones, 1993, p. 21).

rather less similar to that of the white population. As Table 2 shows, except for Black Caribbeans and Black Other, the share aged 60 or over is less than ten percent. This reflects the fact that most immigrants were young on arrival (typically in their twenties or younger) so that only those remaining from the earlier cohorts of immigrants have reached retirement age.[28] The counterpart is the large proportions of those under sixteen, the vast majority of whom were born in Britain. This feature is also heightened by relatively high birth rates and large family sizes for some of the ethnic minority groups, particularly the Pakistanis and Bangladeshis. LFS data reveals that a third of Pakistani and Bangladeshi families had three or more dependent children under 16 (Jones, 1993, p. 19).

Census and other data also reveal a very marked concentration of ethnic minority populations in certain parts of Britain. These concentrations were established early on in the settlement patterns of successive waves of immigration. Ethnic minority populations remain heavily concentrated in urban centres with 45 percent located in the Greater London area alone as compared with 10 percent of the white population. Other major areas of settlement are the Midlands and the industrial/urban parts of Lancashire and Yorkshire. Even within urban areas, minority populations are concentrated in certain localities, often the more depressed inner city areas. Thus in the London area, in the boroughs of Brent, Newham, Tower Hamlets, Hackney, Ealing and Lambeth, ethnic minorities exceeded 30 percent of the population in 1991. Many of these areas have ethnic communities dominated by one particular ethnic minority group. For example Bangladeshis make up 23 percent of the population of Tower Hamlets, Black Caribbeans make up 15 percent of the population of Lambeth while Indians predominate elsewhere in London (e.g. Brent, Newham and Ealing) and in the Midlands. [29]

The overall numbers of ethnic minority groups, their demographic structure and their concentration in certain urban areas has a number of implications. First, their exposure to the

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28 It may also be the case that some of these immigrants have return migrated upon retirement.

29 As Peach (1998) shows geographic concentration is much more marked among Bangladeshis and Pakistanis than among Indians or Caribbeans. Even greater concentration can be discerned when these broad categories are divided into localities of origin--often reflecting chain migration effects. Thus the concentration of those with Jamaican origins in the Clapham area is often traced back to the arrivals on the *Empire Windrush* who were initially accommodated there.

predominantly white British culture may be less than it would appear at first sight. Second and more important, as the literature from the 1970s onwards has increasingly emphasised, these ethnic minorities must be considered as communities and not just as individuals or families. Third, the sustainability of distinctive cultures is both a cause and a consequence of geographical concentration.

Language Fluency, Education and Skills

Education, vocational qualifications and language fluency are important for adaptation to the host country environment and for success in the labour market. Lack of these skills can be a key source of disadvantage. Many of the early post-war immigrants had little education and poor language skills. But these deficits relative to the white population have eroded over time because of rising education levels in source countries, because of the changing selectivity in migration and because an increasing proportion of ethnic minorities have been educated in Britain. The 1991 census contains information on higher educational qualifications but the best source of information is the most recent PSI study of ethnic minorities. This is because interviews were conducted by a member of the same ethnic minority group as the respondent, in the interviewees' first language and language fluency was assessed by the interviewer rather than self-reported (see Berthoud and Modood, 1997, p. 11).

Table 3 extracted from the PSI study shows that fluency among ethnic minorities ranged from 91 percent for African Asian men to only 40 percent for Bangladeshi women. Although rates of fluency were significantly lower for those not born in Britain, they rise sharply with length of time since migration, particularly for those groups with initially low levels of language fluency. This finding is consistent with the results from studies of other countries such as the United States and Australia[30] where increases in fluency have been linked to improvements in wages and labour market success. However, those who were over the age of 25 at migration appear to have improved their fluency less markedly - a finding also consistent with other evidence. The PSI data also

suggests that language acquisition is less marked when the individual concerned lives in an area in which there is a high density of members of the same ethnic minority group, particularly where they comprise more that ten percent of the population (Berthoud and Modood, 1997, p. 62). Of course this may also reflect a tendency for those with poor language proficiency to gravitate to high ethnic minority density areas. Shields and Wheatley Price (1999c, 1999d) have demonstrated that these results are robust to mulitvariate analysis.

While studies of earlier periods showed significantly lower educational attainment among ethnic minorities as compared with whites the most recent evidence suggests a significant catching up. The earlier studies noted a tendency for polarisation in the educational attainment of ethnic minorities--with large proportions both of highly qualified individuals and of individuals with no qualifications. This too has become less marked as a larger share of the ethnic minority population has been educated in Britain. As Table 3 indicates, among men, slightly larger proportions of Caribbeans and Pakistanis and much larger proportion of Bangladeshis have no qualifications or qualifications below 'O' level, as compared with whites. Among women, Pakistanis and Bangladeshis stand out. It is notable also that Indians, African-Asians, and Chinese have much larger proportions with degree level qualifications than whites.

These comparisons tend to conceal some important compositional differences. Since early migrants tended to be less qualified than later migrants and since first generation immigrants as a whole tend to be less qualified than the second generation, the younger members of most of the ethnic minorities compare even more favourably with whites. Although among young males aged 16-24, ethnic minorities as a whole had 32 percent with no or sub-'O' level qualifications compared with 22 percent for whites, the proportions are equal for females.

More notable are the high participation rates in post 16 education among ethnic minorities, particularly among Indians and African Asians and to a lesser extent among Pakistanis and Bangladeshis. According to Berthoud and Modood's findings "No ethnic group had a lower participation rate in post-16 education than white people and some had a much higher rate" (1997,

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30 See for example, Chiswick and Miller (1995).

p. 76). In Table 4 the percentage of 16-24 year old males in full-time education, calculated from the Quarterly Labour Force Survey, is provided by both ethnic and immigrant status. These figures confirm the PSI study but also highlight interesting differences between the native born and foreign born. Amongst Whites, Blacks and Mixed/Other ethnic groups immigrants have participation rates 15-20% higher than their native born counterparts, whilst Pakistani and especially Indian native born males are more likely to engage in full-time education. Interestingly, Irish immigrants have a lower participation rate in full-time education than any other group.

Thus although among ethnic minority adults there remain significant numbers with low language proficiency and little education, the evidence indicates a very strong educational drive, as reflected by the behaviour of the younger (mostly second or third) generation, amongst Indian and, to a lesser extent, Pakistani men (see also Leslie and Drinkwater, 1999). Whilst black native born young men are less likely to engage in full-time education than their foreign born counterparts they still have a much higher participation rate than whites. It has been suggested that this is a reflection of lack of job opportunities for young ethnic minority workers. But survey evidence indicates that ethnic minority respondents are no more likely to cite poor job prospects as a reason for continuing in education than whites (Jones, 1993, p. 35; Berthoud and Modood, 1997, p. 77).

Labour Market Status

Table 4 also provides information on the labour market status of working age men. The different percentages of 16-24 year old men, active in the labour market, largely reflect their educational activity. Amongst 25-34 year olds, 90-95% of men are active in most categories. The slightly lower rates for foreign born blacks and Mixed/Other reflects the higher proportion of these groups still engaged in full-time education and the relative attractiveness of University level education in the United Kingdom for mature and post-graduate studies. The lower activity rates reported for Indian native born, Irish and Pakistani foreign born 35+ year olds may indicate that these groups have increased probabilities of being long-term sick or unable to work, since they are no more likely to have retired early than other groups.

The self-employment rates, given in Table 4 show that there is a greater propensity to be work for oneself amongst Indians and Pakistanis compared with the native white population. Qualitative evidence indicates that this is a positive choice among Indians while, for Pakistanis, it is more likely to be associated with poor employment prospects (Metcalf, Modood and Virdee, 1996)[31]. It may also reflect the fact that some of these men were engaged in entrepreneurial activity in East Africa prior to immigration or the provision of culturally specific goods and services in their own communities. For Pakistanis this inclination has carried across the generations to the native born, whereas for native born Indians their self-employment rate is much closer to the white natives' rate. Interestingly white foreign born 35+ men and Irish immigrants are more likely, whilst all blacks are less likely, to be self-employed than native whites. Evidently, self-employment is not envisaged as an escape route from discrimination amongst blacks.

Finally, in Table 4 the International Labour Office definition of unemployment rates are given, again by broad age group. The youth unemployment problem is clearly evident, with the rate amongst young males being upto twice as large as that for over 25 year olds. There are also marked differences between ethnic groups that dominate the native born/foreign born comparisons (of which only the 16-24 year old black and 25-34 year old Pakistani differences are noteworthy). Irish-born males are less likely than other foreign-born whites to be unemployed when young, but are more likely when over the age of 25. All ethnic minority groups in all categories are more likely to be unemployed than whites. Black and Pakistani males have the greatest difficulty in achieving employment whilst Indian labour force participants seem to be able to access jobs almost as easily as native born whites. It is unlikely that the hypothesis of discrimination can account for these differences between culturally similar groups. However, these are only average differences and take no account of differences in characteristic endowments. We now turn to an review of more rigorous econometric evidence concerning the labour market performance of native and foreign born men.

31 More recent quantitative evidence can be found in Clark and Drinkwater (1998, 1999).

4. Immigrants, Ethnic Minority Groups and Jobs

The Literature

There have been few econometric investigations into the employment and unemployment experience of immigrants in the United Kingdom.[32] However, the labour market experience of the ethnic minority population has recently received considerable attention.[33] Blackaby, Clark *et al.* (1994), using pooled General Household Survey data, and Blackaby, Leslie *et al.* (1998), using information from the Quarterly Labour Force Survey of the United Kingdom, provide some evidence that the employment prospects for non-whites have worsened over time, and that difficulties accessing employment appear to be more serious than differences in earnings, once employed.[34]

Recently, Blackaby, Leslie and Murphy (1999) and Blackaby, Drinkwater *et al.* (1997) have used the annual Labour Force Survey (pooled over 1988-1991) and the 1991 Census, respectively, to investigate unemployment rates among Britain's ethnic minorities. They find, using an Oaxaca-type (1973) decomposition methodology, that for some groups (Black Africans and the Irish) characteristic differences explain the majority of the unemployment rate gap, whilst for other groups (Bangladeshis, Indians and Pakistanis), the differential rewards to these characteristics are to blame. The variations in the size of the latter component are attributed to a number of factors including different amounts of discrimination, the differential response of ethnic minority groups to discrimination (Blackaby, Leslie and Murphy, 1999), greater amounts of non-assimilation[35] by some

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32 Indeed, there is little descriptive evidence either. Salt (1995), using the Spring 1992 and 1993 Quarterly Labour Force Surveys, investigates whether the foreign (defined according to nationality) working population in the UK differs from that of the UK labour force, with regard to occupation and region of residence. He does not consider employment or unemployment rates. However, Woolford (1994) presents some descriptive statistics concerning the Irish (nationality) population in the UK, based on the Spring 1993 Quarterly Labour Force Survey. He shows that they are more likely to be unemployed, or working in the Construction sector, than other economically active persons in the UK.

33 Descriptive investigations include Daniel (1968), Smith (1977), Brown (1984), and Modood and Berthoud (1997) based on surveys of the West Indian and South Asian population, Jones (1993) who uses the 1988-1990 annual Labour Force surveys to provide a national picture, as does Sly (1994, 1995) using the Quarterly Labour Force Survey. Sly (1996) and Sly *et al.* (1997) use both the annual and Quarterly Labour Force surveys to examine trends in the labour market participation of ethnic groups over the last ten years.

34 See also Leslie *et al.* (1998).

35 It is unclear what Blackaby et al (1997) mean by this term.

groups and different endowments of unobserved ability, particularly in the English language (Blackaby, Drinkwater *et al.*, 1997).

As Blackaby *et al.* (1997) acknowledge, the use of such a decomposition methodology is problematic and provides results which are very difficult to interpret precisely. The variation in unemployment attributable to differential returns to characteristics also captures reporting errors in the data source, measurement errors endemic in the definitions of the characteristics used, and systematic variations in unobserved ability such as may be the case for immigrants (Chiswick, 1978, Borjas 1985, 1987). Furthermore, since the majority of non-whites in the UK were born abroad, any of their human capital which was acquired in a foreign country may not be perfectly transferable to the UK labour market (Chiswick, 1978). Recent immigrants may also lack the location-specific human capital necessary for labour market success in the UK (Chiswick, 1982), especially English language fluency.

In the study by Blackaby, Leslie and Murphy (1999), only a dummy variable is included for those born abroad, whereas, in the Blackaby, Drinkwater *et al.* (1997), separate logistic regressions are performed for all non-white natives as well as Irish and other white immigrants. However, there are no controls for country of origin nor an examination of the adjustment process over time spent in the United Kingdom[36]. Furthermore, the definition of unemployment, used in the 1991 Census leads to higher reported rates of unemployment (see Blackaby et al, 1997) and makes comparisons with other government surveys, and across countries, difficult.

Other studies that have examined these issues include Mayhew and Rosewell (1978) who used the 1971 census to investigate occupational crowding among immigrants. They found that Irish, Pakistani and West Indian workers were disproportionately working in low paid (undesirable) jobs whereas Indians and Commonwealth Africans had accessed better types of employment with White immigrants crowded into the higher paying jobs. Stewart (1983), using the National Training Survey, also finds a significant gap in occupational attainment for non-white immigrants, with respect to native-born whites. In addition, Gazioglu (1994) provides some evidence that

Bangladeshi and Turkish men, living in London, experience considerable job disamenities and Shields and Wheatley Price (1999a, 1999b) document the disadvantage experienced by non-white men in accessing employer-funded job-related training.

Wheatley Price (1998a, 1998b) was the first UK study to examine the employment and unemployment experience of male immigrants. Using the model of immigrant adjustment, proposed by Chiswick (1982) and Chiswick and Hurst (1998), hypotheses concerning the impact of education, potential labour market experience, familial characteristics and region of residence on the employment rate[37] and on the likelihood of being unemployed (according to the International Labour Office definition)[38] are examined for white and non-white, native and foreign born, males. The data, on males aged 25-64 and residing in England, were obtained from the Quarterly Labour Force Survey (QLFS) of the United Kingdom, pooled over two years (1993-1994).

New Results On Employment Adjustment

According to Wheatley Price (1998a), immigrant white men are less likely, on average, to be employed (76.1%) than their native born counterparts (80.1%). Among non-whites, there is little difference in the employment rate (68.8% for native born males, 66.9% for immigrant men). In his sample, over half of all foreign born whites arrived in the UK before 1965, with the proportion arriving over the next two decades continuously falling from 12.6% between 1965 and 1969 to 5.0% in the early 1980s. 16.5% of immigrant whites arrived in the last decade. Ireland is by far the largest source country, accounting for 30% of the sample. Many of the non-Irish white immigrants have British nationality and immigrated to the UK whilst they were still children (Shields and Wheatley Price, 1998). Immigrants without British or Irish nationality are most likely to originate in the USA, Canada, New Zealand and Australia, or in the rest of Europe.

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36 Indeed the 1991 Census does not record the year of immigration, thus making this analysis impossible.

37 The employment rate is defined as the total number of men who report being paid employees, self-employed, voluntary workers or engaged in government training schemes as a proportion of the total male sample

38 The economically inactive are excluded from this sample. Therefore this is not the opposite of the employment rate. The proportion of the population claiming unemployment benefit - the official measure of unemployment in the UK - is also examined by Wheatley Price (1998b). Since these results broadly follow the pattern of the ILO unemployment findings, and because they are not useful for inter-country comparisons, we do not report them here.

By contrast, only 7.8% of non-white immigrants were present in the UK before 1960. During the 1960s about 40% of this sample entered the country, with a further 17% arrived in the early 1970s. The proportion of non-white immigrants who arrived during the next ten years is dramatically smaller until 1985-1994, when about 16.5% of the sample arrived. Not surprisingly, less than 1% of non-white immigrants were born in the major western industrialised countries. However, the Indian subcontinent accounts for nearly 50% of the non-white foreign born sample (India - 24%; Pakistan - 15%) with a further 11.3% having been born in Kenya and Uganda, many of whom are of South Asian origin. The Caribbean, Africa and the Middle East are also major source regions.

The results of the logistic regression analysis of employment, undertaken by Wheatley Price (1998a), and based on Chiswick's (1982) model, are presented in Table 5 as predicted percentage probabilities of employment. The separate employment effect of each characteristic, on an otherwise average person, is shown for both the continuous and dummy variables.[39] A native born white male with average characteristics has a predicted employment rate of 83.3%. This compares with 80.2% for the average foreign born white male, 71.7% for a native born non-white and 69.4% for an average non-white immigrant.

Decreasing the number of years of education by two, from its mean value, reduces the employment rate of white natives by an average of 3.1%, by 3.56% for non-white natives, 2.79% for an average white immigrant and by only 0.11% for a non-white immigrant. This provides strong evidence to suggest that the education obtained by this latter group is either of such poor quality that it counts for nothing in terms of employment in England, or it is hardly transferable to the UK, perhaps due to language difficulties.

For native born whites, five years less in the labour market increases the probability of employment by 2%, whilst non-white natives lose 5.34%. In comparison, white immigrants gain only a 1.92% advantage, for five less labour market years abroad, whilst non-white immigrants

increase their probability of employment by 3.37%. Therefore white immigrant men receive lesser penalties, for potential work experience gained abroad than non-white men, reflecting the increased relevance of their acquired labour market skills to the UK environment or the fact that employers find such attributes easier to assess.

For immigrants, the extent of the initial employment disadvantage is evident from the predicted employment rates for those who immigrated between 1990 and 1994. Only 63.1% of white immigrants, with average characteristics and who arrived in that period, are likely to be employed, whilst the employment rate for non-white immigrants is predicted to be just 35.5%. Evidently, the white immigrants come with more pre-arranged jobs, are better informed about the opportunities available in the English labour market before they arrive, or are more effective in their initial job activity. For white immigrants, the employment rate rises to 80% and stays there after just a few years in the English labour market, closely following the pattern of assimilation found by Chiswick (1982) and Chiswick and Hurst (1998) in the United States.[40] There is also some evidence of cyclical factors influencing employment rates (e.g. 1980-84 and 1985-89) which may be caused by return migration, especially of Irish immigrants.

For the average non-white immigrant the initial assimilation in employment is rapid. Over the first five years, employment rates jump by nearly 24%. This pattern is in line with the predictions of Chiswick's (1982) model. The continued adjustment of non-white immigrants, over the first 20-25 years in the UK (to an employment rate of nearly 75%), indicates that these men must have been less well prepared for the English labour market, than whites. They take much longer to adapt, suggesting that this process may be hindered by their foreign qualifications, lack of English language fluency, adverse unobserved characteristics or discriminatory attitudes. Some of this disadvantage persists as their employment rates remain below those of white natives, though immigrants are more likely to be employed than non-white natives after about 15 years in England.

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39 For the continuous variables, the predicted employment is calculated for an average male with two less (or two more) years of education and five less (or five more) years of potential labour market experience. For the dummy variables we evaluate the predicted probability of an otherwise average person when each characteristic holds.

40 An alternative explanation of such findings is that they result from a decline in immigrant quality over time (Borjas 1985, 1987).

It is evident from the predicted probabilities associated with the country group dummy variables that place of birth is important in determining the employment prospects of immigrants. For white immigrants, having been born in the United States or West, Central and East Africa raises the employment rate by over 10% above the average for that group. Those coming from Canada, New Zealand, Australia, South West and North West Europe also experience at least a 5% employment advantage. White immigrants from Eastern Europe, the Middle East and North Africa, Hong Kong, Malaysia and Singapore have a lower predicted employment rate (by 7-8 %).

Amongst non-white immigrants, those born in Kenya perform the best (12% better than the mean person), with Sri Lankans (6.6%) and those from Hong Kong, Malaysia and Singapore (7.8%) also performing well above average. However, immigrants from Pakistan, the Middle East and North Africa have a 7-8% employment rate disadvantage, with those born in West Africa (11%), Central and East Africa (15%) and Bangladesh (16%) being least likely to find employment in the English labour market.

New Results On Unemployment Incidence

The results of a similar analysis of ILO unemployment are presented in Table 6 (also taken from Wheatley Price, 1998b). According to this study, a native born white male, with average characteristics, has a predicted ILO unemployment rate of 7.87%. This compares with 8.79% for the average foreign born white male, 20.8% for a native born non-white with mean characteristics and 16.5% for an average non-white immigrant.

Increasing the number of years of education by two, from its mean value, decreases the ILO unemployment rate of white natives by 2.57% percentage points and that of non-white natives by 1.33%. For the average white immigrant two more years of education lowers the predicted ILO unemployment rate by 2.26% and that of non-white immigrants by 1.27%. Evidently, non-whites face difficulties translating their education into jobs that whites do not.

Changing the years of potential labour market experience makes little difference to the predicted ILO unemployment rates of the white groups. The non-white native born, who are much

younger on average, are more likely to be unemployed (by 1.74%) if they have been in the labour market for five years less. The corresponding figure for the average non-white immigrant, reflecting the reward to potential labour market experience gained abroad, is 2.22%. There is an enormous increase in the probability of being unemployed for single, over cohabiting, men and for fathers of several dependent children. ILO unemployment rates vary systematically across the English regions, unlike employment rates. All groups find that living in the South is associated with the lowest unemployment rates, whilst living in London substantial increases the likelihood of unemployment for each group.

Focusing now on the foreign born groups we see that white immigrant men face a severe initial ILO unemployment rate of 19.8%. This disadvantage, in comparison with the average white native born worker, is eliminated after about 15-20 years, and thereafter white immigrants experience marginally lower rates. The 1985-1989 and the 1970-1974 cohorts, however, have much lower rates of ILO unemployment than a smooth adjustment process would predict. The surviving members of the first two of these cohorts of white immigrants may be positively selected, in terms of unobserved ability, or they are positively scarred by the economic climate prevailing at the time of immigration (see Chiswick *et al.*, 1997).

As far as non-white immigrants are concerned, the evidence in support of Chiswick's (1982) model is much stronger. In terms of ILO unemployment, the initial unemployment rate faced by recent non-white immigrants is very large at 41%. However, this rate is halved over the first 5-10 years as local labour market knowledge and skills are acquired, but never converge to that of white natives.

Even after controlling for all of the above variables, the country of birth of immigrants plays an important role in determining the unemployment rates of these men. For white immigrants, as was the case for employment, having been born in West, Central and East Africa, the USA or Canada, New Zealand and Australia results in the lowest unemployment rates (under 5%). Whites born in the Rest of the world, Italy, North West and South West Europe are also less likely to be unemployed than the average white immigrant male. Those born in Germany, South East Europe,

India, Hong Kong, Malaysia and Singapore, and in the Eastern Bloc experience ILO unemployment rates below the Irish (at 12.2%).

Amongst non-white immigrants, even those born in Hong Kong, Malaysia and Singapore, who have the lowest ILO unemployment rates, are more likely to be out of work than an average white immigrant. Those from Kenya have the next lowest rates, with immigrants from the Western industrialised countries of North America, Europe and Australasia, Uganda, South Africa, Sri Lanka, India and the Rest of the world also having below average predicted probabilities of unemployment. However, immigrants from Jamaica and the Caribbean are 2-3% percentage points more likely to be unemployed than an average non-white foreign born male, whilst those from Pakistan, the Middle East and North Africa and West Africa have ILO unemployment rates of about 24-25%. Non-whites from Bangladesh (26.9%) and Central and East Africa (32.2%) have the highest predicted percentage ILO unemployment rates of all male immigrants. These males must have either much poorer quality of schooling and labour market skills, face great difficulties transferring the human capital acquired before migration, be negatively selected in terms of unobserved characteristics or have little knowledge of the English language.

In summary, the results presented above show that there are large differences in the employment and unemployment experience of 25-64 year old males in the English labour market, according to ethnic and immigrant status. For both groups of immigrant workers, there is evidence that the adjustment process, outlined by Chiswick (1982) and Chiswick and Hurst (1998), is valid in the English labour market. For whites, convergence with the experience of comparable white natives occurs rapidly over the first 5 years in the English labour market and is completed within 15 years of immigration. However, non-white immigrants never attain the levels of labour market status enjoyed by whites. Their initial adjustment is also most rapid in the first 5 years in the UK and continues for a further 20 years.

5. Wage Outcomes

Employee Characteristics

Using data from the Quarterly Labour Force Survey, Table 7 provides a summary of the average characteristics for 25-64 year old, white and non-white, male employees in England in 1993-4. Among the white immigrant groups, those with British nationality entered the country at a relatively young age, whereas those with Other nationalities entered relatively late in life compared to Irish and non-white immigrants (Shields and Wheatley Price, 1998). Most of white British immigrants are children of temporary emigrants from the UK, who may have gone abroad in the Armed Services or in public service jobs. A large number would have returned to undertake education in the UK either alone, in boarding schools, or with their parents. This is reflected in the fact that they, uniquely amongst the immigrant groups, receive the majority of their education in the UK and have, on average, very little foreign potential experience.

Concerning acquired skills, white immigrants of British and Other nationalities have undergone more, but Irish men have received less, years of education than white native born workers. Non-white native and foreign born men also have acquired substantially more years of education than native born whites. With regard to potential experience the picture is reversed. All immigrants have less total years of potential labour market experience than white natives, again with the exception of the Irish who have substantially more. Most of this potential experience was undertaken in the UK, with White (Other) immigrants having received substantially more potential experience in their country of origin than Irish or non-white immigrants. Native-born non-white male employees have considerably less potential experience than all other groups, since they are much younger.

The ethnic composition of native born and foreign born non-white employees is very different. Blacks account for nearly 50% of the native born employees, but only 22% of the foreign born sample, whilst Indians are the largest immigrant group (40%) but contribute only 22% of native born employees. The relatively recent migrations of the Pakistani and Bangladeshi

communities is reflected in their proportion of the foreign born being nearly three times that of the native born sample. Even these figures may mask important differences in the country of origin. The black group consists of those originating in Africa, the Caribbean and elsewhere and the Indian group is comprised of those actually born in India and those born in East Africa. With larger sample sizes the differing labour market characteristics of these groups could be investigated.

Irish immigrants are more likely to be employed in the construction and transport sector, and are under-represented in the financial sector, than other groups. Non-white native and white (Other) foreign born males are the most likely to be employed in the financial services whilst non-white immigrants and white native born workers are mainly to be found in the manufacturing jobs. Non-whites are the most likely to be engaged in the non-financial service sector. White (British) foreign born male employees are substantially over-represented in the public sector and in managerial and professional occupations.

White (other) immigrants also are disproportionately employed in the higher occupational levels whilst non-white immigrant employees are the least likely to attain a managerial position. Non-white native born males do not appear to face the same difficulties as their occupational distribution is very similar to that of native born whites. Amongst white immigrants the Irish appear to have the least favourable occupational distribution and receive by far the lowest weekly wage. White (Other) and white (British) foreign born males earn substantially more than other employees with the former group also having the longest working week. Non-white men appear to earn significantly less, on average, than white natives and work shorter hours.

Econometric Investigations of Immigrant and Ethnic Minority Earnings

There have been two main problems with empirical studies of immigrant earnings in the United Kingdom, namely the absence of suitable data and the (almost exclusive) focus on discrimination. With regard to data, economic researchers have, until now, relied almost exclusively

on single annual General Household Surveys (GHS)[41] (Chiswick, 1980; McNabb and Psacharopoulos, 1981; Blackaby, 1986), pooled annual General Household Surveys (Blackaby, Clark *et al.*, 1994, 1995; Blackaby, Leslie *et al.* 1997; Bell, 1997), and small scale localised surveys (e.g. Dex, 1986; McCormick, 1986; Gazioglu, 1996)[42]. The first data source suffers from very small sample sizes[43]. Larger datasets can be obtained by pooling over a large number of years (leading to the second type of data) but this requires assumptions about the invariance of labour market conditions over time. The third source of data has been narrowly focused on particular groups in specific locations.[44]

There has been a need for a national picture and thus a nation-wide dataset.[45] The Quarterly Labour Force Survey (QLFS) of the United Kingdom, undertaken since 1992, is the only source which includes information on country of birth and the timing of immigration, a reliable ethnicity question, and information on earnings. By pooling a small number of quarters, statistically reliable sample sizes can be obtained to enable separate earnings functions to be estimated for white and non-white native born and foreign born groups (see Blackaby, Leslie *et al.*, 1998; Shields and Wheatley Price, 1998).

The second main failure of previous studies has been the focus on discrimination.[46] With the exception of Chiswick (1980) and Dex (1986) none of the earlier studies, cited above, took account of the fact that most of ethnic minority population in the United Kingdom, had been born abroad,

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41 Stewart (1983) uses occupational data from the National Training Survey but associates an average earnings figure, obtained from the General Household Survey, with it.

42 The series of Policy Studies Insititute (PSI) surveys, undertaken with mainly sociological questions in mind (Daniel, 1968; Smith, 1977; Brown 1984; Modood and Berthoud, 1997), contain only about 2,000 members of the ethnic minorities which, when a suitable sample has been isolated (e.g. immigrant men of working age), leaves relatively small sample sizes. In addition, only the data used in Smith (1977) and the most recent survey results (summarised in Modood and Berthoud, 1997) are still available. Although the fourth PSI survey provides only grouped wage data and contains no information on hours of work its main advantage lies in the quality of the samples of ethnic minorities and the inclusion of questions on English language speaking fluency.

43 The study, by Mackay (1996), using data from the British Household Panel Study, also suffers from a small sample.

44 Second generation West Indian school leavers in Birmingham and London in the case of Dex (1986), West Indian and Asian heads of households in Birmingham in McCormick (1986) and Turkish and Bangladeshi fathers and sons in a London borough in the case of Gazioglu (1996).

45 The 1991 Census of the United Kingdom and the annual Labour Force Survey (1973-91) have been found lacking in this regard since they did not ask information about income.

46 McNabb and Psacharoulos (1981), Dex (1986), Blackaby (1986), Blackaby, Clark *et al.* (1994, 1995), Blackaby, Leslie *et al.* (1996, 1997). Disadvantage is also the main focus of the PSI studies.

received some or all of their schooling there and may lack speaking and writing fluency in the English language[47]. The use of Oaxaca-type decomposition techniques to measure discrimination also ignores the fact that these immigrants may have different distributions of unobserved characteristics due to the self-selection processes associated with migration (Chiswick, 1978; Borjas, 1985, 1987). Furthermore, there has been little disaggregation into individual ethnic or immigrant groups, despite there being substantial differences in other aspects of their labour market performance (Jones, 1993) which cannot be explained by discrimination alone (Blackaby, Leslie and Murphy, 1999). In addition the earnings performance of white immigrants has been mainly ignored.

Chiswick (1980) was the first study to examine the earnings experience of immigrants to Great Britain. He found that there was little difference in the earnings of white native born and white foreign born workers, but that non-white immigrants earn substantially less. Interestingly, he shows that the non-white immigrants receive a lower return to schooling[48], than that received by white immigrants or white natives. He also finds, for all immigrants, that years of experience in the UK are no more productive than those attained before migration[49]. Recently, Bell (1997) found initial relative wage levels of black immigrants to be less than observationally equivalent natives. The gap was larger the more work experience had been obtained in the origin country. He also shows that the earnings of these immigrants tend to assimilate towards those of natives, when cohort effects are controlled for (Borjas, 1985). Amongst white immigrants, Bell (1997) finds an initial earnings advantage, over similar natives, which declines with time spent in the UK. In addition, Gazioglu (1996) has demonstrated the importance of English language proficiency for the earnings of Bangladeshi and Turkish male immigrants in London.

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47 Indeed the only one of these studies that has information on English language ability is Gazioglu (1996). Recently, however, Shields and Wheatley Price (1999c) have combined average hourly occupational wage information from the QLFS with the fourth PSI data in order to investigate the influence of language fluency on wages. Dustmann and Fabbri (1999) have investigated similar issues using the wage information in the PSI data. Both find that language fluency significantly increases earnings by 10%-20%.

48 Most of the discrimination studies also find this (see footnote 5).

A New Analysis of Earnings

Recently, Shields and Wheatley Price (1998) have investigated the earnings of 16-64 year old full-time male employees in the English labour market, using data collected for the Quarterly Labour Force Survey (QLFS) of the United Kingdom between December 1992 and November 1994. They separate native-born and foreign-born non-whites and isolate British, Irish, and Other nationalities in their sample of white immigrants. They control separately for education and potential experience obtained in the UK and that undertaken abroad. Furthermore, they attempt to control for sample selection bias in the employment decision and take into account the large failure to report wage information exhibited in the dataset, using a generalised extension of the Heckman (1976,1979) procedure (Behrman and Wolfe, 1984; Tunali, 1986). This "double selectivity" problem is rarely investigated in the literature. Their findings suggest that neglecting the problem of missing wage information may lead to biased estimates of the true wage-offer distribution.

Amongst the white native population, Shields and Wheatley Price (1998) report that an extra year of schooling yields a 5% rise in wages (see also Blackaby, Leslie *et al.*, 1998), holding other characteristics constant. For the immigrant groups the return is slightly lower (by 0.5 - 1%), confirming Chiswick's (1980) finding. White (Other nationalities) immigrants are the exception, receiving much higher returns (of 10.5%), possibly due to their higher concentration of degree level qualifications. Each immigrant group receives smaller rewards from education received abroad, suggesting that the schooling received in the home country is of poorer quality than in the UK, or it does not transfer well (Chiswick, 1980).

According to Shields and Wheatley Price (1998) the returns to potential labour market experience in the England are 3.8% for native-born whites (see also Blackaby, Leslie *et al.*, 1998). As Chiswick (1980) found, all immigrant groups receive a smaller reward to potential UK experience than natives. However, this may be because immigrant workers have spent longer spells in unemployment (Blackaby, Drinkwater *et al.* 1997; Wheatley Price, 1998b), are limited in their

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[49] Non-whites have lower returns to potential experience according to the discrimination literature (see footnote 5).

choice of occupation (Mayhew and Rosewell, 1978; Stewart, 1983; Shields and Wheatley Price 1999c), are denied access to on-the-job training (Shields and Wheatley Price, 1999a, 1999b) or have reduced promotional opportunities within occupations (Pudney and Shields, 2000). Non-white native born employees receive higher returns to years of UK education and greater rewards to potential UK experience than either white natives or non-white immigrants. These findings are not evident from the discrimination studies, which fail to distinguish between native and foreign born ethnic minorities (e.g. Blackaby, Clark *et al.*, 1994, 1995, Blackaby, Leslie *et al.*, 1997, 1998).

With regard to years of potential experience abroad, white (Other nationalities) immigrants receive higher rewards than they do for potential UK experience (Shields and Wheatley Price, 1998). This suggests that they may have migrated to the UK on the basis of employer-desirable labour market skills acquired in their home country. British and non-white immigrants also receive significant, but lower, returns to potential foreign experience than to potential UK experience. These groups may they face difficulties transferring labour market skills acquired abroad to the UK. Differential returns to potential UK and foreign experience were not found by Chiswick (1980).

In Table 8 the predicted hourly wage rates, resulting from the separate effect of each characteristic, have been calculated for the different groups native and foreign born male employees. The figures show that two more years of education carries a substantial wage premium for all groups, except the non-white immigrants. Five extra years of experience acquired abroad is valued more highly for Irish and white (Other) immigrants whilst it carries a negative premium for non-white foreign born employees, who also receive little reward to experience obtained in the UK.

Marital status and geographical location appear to be important influences on earnings for all groups with being married and living in London increasing hourly wages for all white groups. Non-white natives earn the most if they live in the South, whilst they foreign born counterparts receive the greatest rewards in the North. The highest wage rates exist in the financial sector for whites, except the Irish who, like the native born non-whites, are paid more if they are employed in the construction and transport industries. Non-white male immigrants earn the highest wage in public

sector employment whilst Pakistanis receive the lowest wage, amongst non-whites, irrespective of being native or foreign born.

Sources of Disadvantage and Suggestions for Future Research

Existing work and the new results reported in this paper show that the major labour market problem for non-white males in the United Kingdom is in accessing employment rather than receiving low wages. They experience lower employment and higher unemployment rates, in comparison with white workers, even when characteristic differences have been controlled for. However, the assumption in many existing studies that discrimination is entirely to blame is questionable on theoretical grounds and in the light of recent empirical research. There are substantial differences amongst the various ethnic groups and between native born and foreign born members of the same ethnic group. In addition, there are wide variations in the employment and unemployment experience of non-white immigrants according to the country of birth. By contrast, the earnings of non-white males are more homogeneous and compare more favourably with white native men.

Interestingly, white foreign born men are rewarded substantially, in terms of both employment and earnings, for the education and experience that they have acquired prior to immigration. Evidently the quality of the schooling they have received and the relevance of the labour market skills they have acquired make they human capital highly transferable to the United Kingdom labour market. In addition, the fact that most of these immigrants are fluent in the English language makes their human capital operational. By contrast, non-white immigrants receive little or no reward for their foreign educational qualifications and labour market skills. This may be because lack of language fluency reduces their productivity. Recent immigrants are significantly less likely to be employed regardless of ethnicity. However, this disadvantage is more severe and persists for much longer amongst non-whites.

There are some interesting differences in the labour market performance of non-white native born and foreign born men which are overlooked by studies focusing solely on ethnic differences. In

particular, whilst non-white immigrants are concentrated in the lower occupational categories non-white natives have an occupational distribution which closely mirrors that of white native born men. Both groups experience similar employment rates but non-white natives receive much greater rewards to education gained in the United Kingdom than do non-white immigrants (and even white native males). Furthermore, regardless of country of birth, it is evident that Pakistanis and Bangladeshis fare worst in the labour market, both in terms of employment and earnings whereas Indians compare very favourably with whites. Differences in English language fluency is the most likely explanation.

Indeed, the role that English language fluency plays in immigrant labour market performance is probably the most important area for future work. Preliminary analysis of the PSI data has investigated investigated the determinants of English language fluency and its impact on employment and earnings for Black Caribbean and South Asian immigrants in the United Kingdom. The first results suggest a large reward to language fluency in the United Kingdom labour market. Shields and Wheatley Price (1999d) find that fluency is associated with a 30% increase in employment probability compared with a similar individual with poor English speaking ability. Once employed both Shields and Wheatley Price (1999c) and Dustman and Fabbri (1999) find that fluent employees enjoy a 10%-20% wage advantage over non-fluent workers.

A second important area for study concerns the reasons behind the differences in labour market performance amongst the different ethnic minority groups. The separation of education and experience measures into pre- and post-migration human capital may be crucial in assessing what disadvantage may be due to differing characteristics and what may be attributable to discrimination. The performance of white Irish and EU nationality immigrants would also be an interesting and informative area for future research. In particular, the causes and consequences of return migration may become apparent if comparable datasets (e.g. Labour Force Surveys) are available in these countries. The results of such studies would be invaluable for the formation of future immigration policy in the United Kingdom.

In addition, for all these groups, other aspects of labour market activity have yet to be thoroughly investigated. For example, labour force participation, occupational distribution, self-employment, job tenure, job search activity, unemployment duration, promotion, training, sickness, absenteeism and the take-up of social security benefits could all be examined with existing data sources. As more Quarterly Labour Force Surveys of the United Kingdom become available further investigation of these issues will be possible together with a more detailed study of the early years after immigration, which would shed much light on the immigrant adjustment process.

6. The Impact of International Migration

What have been the effects on the UK economy of the trends in international migration? Although migration has been a controversial issue, its effects on the economy have been the subject of surprisingly little research. As a result few comparisons can be drawn with the studies of the labour market impacts, particularly on wages and employment, that have been conducted for the United States and some European countries such as Germany. Some studies of the impact of migration focus on its effect on the economy through altering the rate of labour force growth on wages, capital intensity, sectoral change and per capita income using neo-classical general equilibrium models. Others concentrate on the direct labour market effects of the changing composition of the labour force as a result of migration, raising the following questions. Are immigrants and natives complements in production? Do compete directly with and displace natives in certain segments of the labour market? How does migration change the overall balance of human capital in the economy? There are also a range of other issues: short term macroeconomic effects on demand and supply, impacts on the balance of payments, and effects on the government budget through differential tax contributions and benefit claims. For useful surveys of these possible impacts, see Greenwood and McDowell (1986, 1994), Borjas (1994), and on Britain, see Baines (1998).

There have been a number of recent studies of the effects of net emigration from Britain in the late nineteenth century. In the absence of international migration from 1870 the labour force in

1911 would have been 16 percent larger than it actually was. The general equilibrium effects of this drain of labour was to raise the real wage of unskilled labour by 12.2 percent by 1911 (O'Rourke, Williamson and Hatton, 1994). In the case of Ireland which was still part of the UK at that time the dramatic outflows from 1851 onwards would had the effect of raising the wage by as much as 30 percent above what it would otherwise have been in 1911 (Boyer, Hatton and O'Rourke, 1994). But there are two qualification to these results. First, if capital is allowed to be internationally mobile then slower labour force growth as a result of emigration would tend to lower the marginal productivity of capital and induce capital outflows (or reduce the inflow). In the presence of capital mobility the wage effect for Great Britain in 1911 would be reduced to 6.6 percent and for Ireland it would be fall even further, to about 11 percent. Second, these simple general equilibrium models do not distinguish different types of labour so that there is no scope for complementarity effects between migrants and those they left behind.

We do not have comparable studies for the more recent period but the potential effects seem likely to have been much smaller. Between 1951 and 1991 the UK population increased by a modest 15 percent. Depending on the method of calculation up to half this increase can be accounted for by immigration.[50] Since a larger share of immigrants than of the receiving population are of working age their short term impact on the labour force would be greater than the impact on population growth (See Table 2 above and Baines, 1998, p. 21). But it seems more appropriate to evaluate the effects of *net* migration rather than of immigration alone. As Table 9 shows, in the 1960s and 1970s net immigration provided a small but increasing offset to the (declining) rate of natural increase. From 1981 net immigration accounted for between a third and a half of total population growth. Over the whole 35 year period the net contribution was close to zero. It also seems unlikely that effects on the age structure of the population have been very important since the demographic profile of immigrants and emigrants are rather similar. For both groups the proportion of males slightly exceeds that of females and about three quarters of both immigrant and emigrant flows are

50 One reason for this is that immigrants and particularly those from the NCWP countries have higher birth rates (and therefore contribute more to population growth) than the indigenous population--although this difference is

aged between 15 and 45. Thus on purely demographic grounds the net effect of migration was small.[51]

It might be argued that the timing of migration is more important than the numbers involved. One possibility is that offsetting movements in migration could smooth out fluctuations in the natural increase of the population or in the labour force. There is little evidence of any consistent inverse movements of this kind. More important perhaps would be the sensitivity of migration movements to the domestic business cycle. In principle, such "guest-worker effects" could add an element of flexibility to the labour force and smooth out fluctuations in unemployment. But although net immigration is positively correlated with the business cycle the year-to-year effects of increments to the labour force are negligible compared with the magnitude of the swings in employment. More important, as illustrated in Figure 3 and in Table 9, the medium term impacts were the opposite of what the guest-worker model would predict. In the 1950s and 1960s when the unemployment rate averaged less than 2 percent there was net emigration. By contrast, in the last two decades when the unemployment rate averaged 8 percent there was net immigration.

It is possible that net international migration helped to ease the geographical relocation of the population and the labour force in response to the changing regional pattern of demand for labour within the UK. It has been widely observed that internal migration, while moving in the right direction, is rather unresponsive to regional unemployment and wage differentials (Pissarides and McMaster, 1990). There is little evidence about the effects of regional differences on immigrants' choice of destinations within the UK. But the regional distribution of immigrants changed very little over time and remained concentrated in urban centres, particularly those where employment growth slowed after 1979.[52] The first destinations of immigrants, particularly those from the New Commonwealth and Pakistan, tend to be determined by the location of earlier immigrants through

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diminishing with the second and third generations. It has been estimated that by the mid-1980s about two thirds of the growth in the ethnic minority population was due to net immigration and a third due to natural increase (Shaw, 1988).

[51] Net immigration seems likely to make a larger contribution in the future. The latest projections made by the OPCS suggest assume a net immigration of 65,000 per annum over the years from 1996 to 2021 which would contribute about half the projected population increase (Shaw, 1998).

chain migration effects, and not necessarily by economic differences between regions.[53] But even if it could be shown that immigration eased the process of geographic relocation this would not necessarily be the case for net migration as a whole. In the absence of opportunities to emigrate, it seems likely that the most mobile section of the population would have migrated internally instead of emigrating.

Studies of other European countries suggest that low skill immigrants compete directly with low skill natives but are complementary inputs with higher skill labour.[54] It has sometimes been argued that, in the early post-war years of buoyant labour demand, the inflow of immigrants had a key influence in certain sectors of the economy and that they took jobs that British-born workers would have avoided. From the late 1940s to the late 1960s NCW immigrants were readily accepted (and sometimes actively recruited) to work in low-wage, low-skill sectors and those with particularly poor or harsh working conditions.[55]

The most important examples are the Lancashire textile industry and particularly service sectors such as London Transport and the National Health Service. (Baines, 1998, p. 15). By the 1970s more than a quarter of all hospital employees were foreign born and the building industry was dominated by Irish immigrants. The contemporary evidence suggests that NCW immigrants were received with hostility by low wage native workers in sectors such as London Transport on the grounds that (among other things) they threatened wages and working conditions and weakened union bargaining power (Brooks, 1975, 328-30). We have no estimate of such effects but it seems likely that in the absence of immigrant labour supply, wages would have risen to attract larger numbers of native-born workers. There is no evidence one way or the other about whether

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52 See Peach, (1998, p. 1661). One study of NCW immigrants in the 1960's found that they "replaced about a third of the indigenous inhabitants lost from the conurbations". But it concluded there was little evidence that immigrants disproportionately entered the most rapidy expanding sectors (Jones and Smith, 1970, pp. 55, 62-3).

53 Muellbauer and Murphy (1988, p. 9) found that immigrants settling predominantly in the southeast of England had some 'displacement' effect on interregional migration from the southeast This is similar to the impact on the westward flow of population in the United States before 1914 as immigrants from eutope settled in the eastern cities (Hatton and Williamson, 1998, p. 168).

54 De New and Zimmermann (1994) find, for Germany in the 1980s, that a one percentage point increase in immigrant labour reduced the wages of blue collar workers by 5.9 percent but raised the wage of white collar workers by 3.5 percent.

55 For West Indians, the jobs they took and the conditions they experienced are discussed in detail by Peach (1968).

immigrants were complementary in production with native workers with different levels or sector-specific skills.

By the 1960s it was being argued that the key shortages in the economy were of skilled, and particularly highly skilled, labour. But again the evidence for a serious brain drain is not strong. The IPS figures record an net emigration of those with professional and managerial occupations between 1968 and 1982 of 190,000 but the net outward movement of manual and clerical workers was much larger These figures largely reflect the overall outward balance and at least by this crude measure the skill content of immigration was greater than the skill content of emigration. (see Baines, 1998, Table 3). From 1983 to 1993 the net balance of both the high skilled and the low skilled group were close to zero. But, as was highlighted in sections 4 and 5 above, immigrants and especially non-white immigrants evidently gain smaller returns in terms of access to jobs and the level of earnings than do the native-born. One interpretation of these findings would be that the skills embodied in immigrants are of lower value, either as a result of discrimination or because of lack of transferability than those embodied in the emigrant outflow.

Investigations of specific high skill sectors also failed to point to a serious brain drain. An international study suggested that in 1959-69 there was a small net outflow of university trained scientists and engineers. But there was no evidence that the quality of the inflow was inferior to the outflow. There was some evidence of downward mobility among scientists and engineers which suggested that supply was going faster than demand (Fuborg (ed.), 1974, p.139). An evaluation of the international migration among university-based scientists and engineers over the period 1984-92 found a slight rise in immigration compared with the previous decade and no change in emigration. Furthermore there was no evidence of any quality differences between immigrants and emigrants. The conclusion was that “there has not, in numerical terms, been a major exodus (or brain drain) from UK universities to other countries” (Ringe, 1993, p. 63).

Among low skill workers conditions in the labour market have deteriorated since the 1970s (see Nickell and Bell, 1995). Structural shifts in the economy and technological change have reduced the demand for unskilled labour. While the allocation of work permits and leave to remain

should have restricted the inflow of unskilled workers and those without pre-arranged jobs, its effects have been limited. Whereas immigrants in the 1950s and 1960s found it relatively easy to move into jobs, conditions in the last two decades have made this much harder. As we have seen from the analysis in sections 4 and 5 above, employment rates are especially low and unemployment rates especially high for the most recent immigrants. And these disadvantages are particularly marked for non-whites. But the important finding is that in terms of employment, unemployment, and wage outcomes, immigrants very rapidly improve their labour market status. For non-white immigrants unemployment rates are halved in the first 5-10 years and white immigrants also experience declining unemployment incidence with length of residence. The results for earnings also point in the same direction although not for non-white immigrants. Thus although lack of skills, or lack of transferable skills, put immigrants at an initial disadvantage and therefore provide limited economic benefit, the evident labour market mismatch is largely a temporary phenomenon.

Conclusion

In this survey of Britain's experience with international migration we have touched on a variety of aspects and we have drawn on a number of different literatures. Over the last half century international migration has evolved from its traditional pattern of emigration to the white settler economies with the significant addition of immigration from NCW countries towards the present, increasingly diverse, pattern of immigration and emigration. While the bulk of migration is driven by economic incentives, the free flow of labour has been mediated or distorted by growing policy intervention. But, as we have emphasised, immigration policies have not been closely linked to labour market conditions or to economic considerations in general. They have been driven almost entirely by fears of deteriorating race relations and consequently have become inextricably linked with domestic race relations policy.

In our outline of the growth and structure of the ethnic minority population we drew attention both to its growth (despite increasingly restrictive immigration policy) and to the economic status of ethnic minorities. One of the key indicators is education and it is worth emphasising the

rising educational levels of the ethnic minority population and in particular the strong drive to high standards of education among the second and subsequent generations. In considering education and labour market performance it is important to distinguish between immigrants and ethnic minorities and our presentation of recent research on labour market outcomes amply demonstrates this. Previous research has often interpreted labour market disadvantage as reflecting discrimination but the results presented above suggest that, in part, this disadvantage reflects the assimilation process whereby immigrants improve their labour market status with length of residence. Nevertheless significant disadvantages remain, especially for non-whites (whether first or second generation) which are not accounted for by education, experience or assimilation effects.

The final point we have briefly touched on is arguably most important issue from an economic perspective but is the least studied: the impact of migration on the labour market and the economy as a whole. Here it is important to distinguish between the impact of immigration (which has most often been the focus of attention) and the net impact of immigration and emigration taken together. Given its overall magnitude and composition, the impact of immigration seems at most to have been modest - probably negative for workers in some low skill sectors of the economic but possibly positive in other respects. The overall impact of net migration to and from Britain would seem to have been smaller still. On any reckoning it seems likely that the social and political impacts of migration (especially immigration) vastly outweigh any conceivable economic effects.

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Table 1

UK Net Migration by Country

(Country of next or last residence)

	1965-74	1975-84	1985-94
Commonwealth and Pakistan			
Australia	-507.6	-146.9	-115.0
Canada	-259.3	-121.1	-32.6
New Zealand	-80.5	-17.2	+28.3
South Africa	-114.7	-19.9	+52.0
Other African Commonwealth	+73.4	+46.6	+58.4
Bangladesh, India, Sri Lanka	+177.4	+117.1	+90.5
Pakistan	-	+99.6	+64.5
Caribbean Commonwealth	+12.8*	+7.7	+1.2
Other Commonwealth	+66.1	+32.2	+27.9
Foreign			
European Union	-2.8	23.6†	+63.6
Rest of Europe	+20.9	-29,0†	+22.2
United States	-29.6	-102.5	-63.1
Rest of America	+6.5	-2.0	-6.1
Middle East	+0.0.**	-89.2‡	-10.0
Other Foreign		+31.2	+51.0

Sources: OPCS International Migration, 1974, 1984, 1994

Notes: Average annual net migration in thousands (+ = net immigration)

* West Indies only

** Includes Pakistan

† EU countries before enlargement in 1981

‡ 1976 - 84 only

Table 2

Ethnic Minorities in the 1991 Census (GB)

Ethnicity	Population Share	Born Overseas	Female	Age Under 16	Age 60+
White	94.5	4.2	51.7	19.3	22.1
Black Carribean	0.9	46.3	52.1	21.9	10.9
Black African	0.4	63.6	49.7	29.3	2.7
Black Other	0.3	15.6	50.9	50.6	20.7
Indian	1.5	58.1	49.7	29.5	6.8
Pakistan	0.9	49.5	48.5	42.6	3.7
Bangladeshi	0.3	63.4	47.8	47.2	3.3
Chinese	0.3	71.6	50.5	23.3	5.7
Other Asian	0.4	78.1	52.6	24.4	4.1
Other Other	0.5	40.2	48.3	41.7	5.0

Source: 1991 Census, *Ethnic Group and Country of Birth* Vol;. 2, London: HMSO, 1993.

Table 3

Fluency in English and Education Qualifications

Ethnicity	English spoken fairly well		Highest Qualification below 'O' level		Highest Qualification degree	
	men	women	men	women	men	women
White	-	-	31	38	11	8
Caribbean	-	-	44	34	6	3
Indian	81	70	35	40	24	19
African-Asian	91	86	32	32	20	15
Pakistani	78	54	48	60	11	7
Bangladeshi	75	40	60	73	10	3
Chinese	76	76	31	25	26	17

Source: Berthoud and Modood 1997, p. 60, 65-66.

Table 4

Labour Force Status Of Working Age Males

Ethnicity	16 - 24 years old		25 - 34 years old		35 + years old	
	native - born	foreign - born	native - born	foreign - born	native - born	foreign - born
			Active In The Labour Market			
White	79.9	61.5	95.6	90.2	85.7	88.0
Irish	-	88.1	-	94.5	-	76.2
Black	65.9	51.4	91.3	78.0	93.8	81.5
Indian	55.9	64.2	91.8	91.6	74.5	86.6
Pakistani	54.9	59.3	95.7	94.4	.	77.3
Mixed/Other	59.2	40.6	88.3	73.2	81.3	85.2
	Full-time Education			*Self-employed*		
White	16.6	31.6	12.9	9.3	18.8	21.7
Irish	-	11.1	-	21.5	-	22.5
Black	26.5	41.0	6.5	9.1	.	8.8
Indian	42.1	30.2	13.9	20.1	.	25.6
Pakistani	40.0	37.0	18.2	17.3	.	28.4
Mixed/Other	35.8	55.3	9.6	12.1	.	20.4
			ILO Unemployed			
White	19.5	23.3	10.8	9.6	8.8	9.8
Irish	-	15	-	17.8	-	18.9
Black	48.3	66.6	32.2	34.3	26.6	27.0
Indian	26.7	23.5	13.7	11.2	.	13.2
Pakistani	43.9	43.0	30.0	22.0	.	24.9
Mixed/Other	33.0	27.5	17.6	21.1	.	14.2

Source: Authors calculations based on data from the Quarterly Labour Force Surveys of the United Kingdom.

Notes: Percentage rates of the whole working age (16-64 years olds) population are reported, except for the self-employment and ILO unemployment rates which are a percentage of the Labour force (or economically active population). They are derived using the whole sample of each Quarterly Labour Force Survey from 1992q4 to 1994q3. The 1991 Census weights were used to provide population estimates provided each reported cell contained a statistically reliable sample size (over 10000 equivalent persons), otherwise the cell is left blank. Full-time education rates are only reported for 16-24 year olds and self-employment rates are only provided for 25 + year old men as the other categories contained too few cases.

Table 5
Predicted Percentage Rates of Employment in England 1993-4: White and Non-White Males Aged 25-64 With Mean Characteristics

	Native Born		Foreign Born	
Variable	White	Non-White	White	Non-White
Person with average characteristics	83.34	71.71	80.22	69.42
2 less years of education	80.22	68.15	77.43	69.31
2 more years of education	86.05	73.01	82.74	69.54
5 less years of experience	85.39	66.37	82.14	72.79
5 more years of experience	78.95	73.48	76.38	63.01
Not married or living together	66.27	50.63	63.32	54.07
Married or living together	86.51	84.52	83.86	71.90
No dependent children aged < 16	84.73	77.75	81.03	71.74
One dependent child aged < 16	83.83	64.41	81.99	68.73
Two dependent children aged < 16	81.93	63.09	78.30	73.20
Three dependent children aged < 16	67.28	38.06	72.58	59.66
Living in the Midlands	83.87	76.52	77.44	68.72
Living in the North	79.36	73.12	78.81	67.11
Living in the South	86.16	78.70	82.72	78.03
Living in Greater London	82.08	66.12	79.08	67.22
Immigrated Pre-1955	~	~	80.15	72.20
Immigrated 1955-1959	~	~	84.64	77.36
Immigrated 1960-1964	~	~	84.42	73.84
Immigrated 1965-1969	~	~	83.32	73.91
Immigrated 1970-1974	~	~	79.33	74.81
Immigrated 1975-1979	~	~	79.47	72.29
Immigrated 1980-1984	~	~	64.53	65.98
Immigrated 1985-1989	~	~	80.07	59.17
Immigrated 1990-1994	~	~	63.14	35.52
Born in Ireland	~	~	75.97	~
Born in the USA	~	~	91.09	~
Born in Canada, NZ or Australia	~	~	87.19	~
Born in SW Europe	~	~	85.81	~
Born in Italy	~	~	82.81	~
Born in Germany	~	~	80.44	~
Born in NW Europe	~	~	85.64	~
Born in SE Europe	~	~	75.13	~
Born in Eastern Europe	~	~	71.94	~
Born in USA/CAN/NZ/AUS/EUR	~	~	~	73.51
Born in the Middle East or N Africa	~	~	72.30	61.49
Born in Kenya	~	~	~	81.37
Born in Uganda	~	~	~	73.73
Born in Central & E Africa	~	~	~	54.66
Born in W Africa	~	~	~	58.42
Born in W, Central & E Africa	~	~	91.12	~
Born in S Africa	~	~	83.35	68.76
Born in Jamaica	~	~	~	72.00
Born in the rest of the Caribbean	~	~	~	68.58
Born in the Caribbean	~	~	59.39	~
Born in Bangladesh	~	~	~	53.72
Born in Sri Lanka	~	~	~	76.01
Born in Pakistan	~	~	~	62.46
Born in Bangladesh, SL or Pakistan	~	~	73.56	~
Born in India	~	~	78.18	73.15
Born in HK, Malaysia or Singapore	~	~	72.92	77.25
Born in the rest of the world	~	~	80.54	73.75
Sample Size	67679	593	3206	3560

Source: Wheatley Price (1998a).

Table 6
Predicted Percentage Rates of Unemployment (ILO Definition) in England 1993-4: White and Non-White Males Aged 25-64 With Mean Characteristics

	Native Born		Foreign Born	
Variable	White	Non-White	White	Non-White
Person with average characteristics	7.87	20.75	8.79	16.52
2 less years of education	11.53	22.15	11.73	17.88
2 more years of education	5.30	19.42	6.53	15.25
5 less years of experience	8.09	22.49	8.58	14.88
5 more years of experience	7.94	20.60	9.10	18.74
Not married or living together	18.00	40.71	20.17	28.87
Married or living together	6.35	10.60	6.99	14.93
No dependent children aged < 16	6.87	16.88	7.64	14.83
One dependent child aged < 16	8.00	26.85	9.27	18.18
Two dependent children aged < 16	8.98	26.19	10.42	14.37
Three dependent children aged < 16	17.67	45.44	14.92	21.92
Living in the Midlands	7.31	18.70	10.05	16.11
Living in the North	8.77	21.20	8.02	17.01
Living in the South	7.09	17.13	7.36	11.01
Living in Greater London	9.94	29.24	10.42	19.07
Immigrated Pre-1955	~	~	6.70	18.52
Immigrated 1955-1959	~	~	8.24	12.55
Immigrated 1960-1964	~	~	7.31	13.69
Immigrated 1965-1969	~	~	7.90	13.83
Immigrated 1970-1974	~	~	7.52	13.62
Immigrated 1975-1979	~	~	11.84	14.77
Immigrated 1980-1984	~	~	19.32	20.88
Immigrated 1985-1989	~	~	7.49	25.68
Immigrated 1990-1994	~	~	19.82	41.00
Born in Ireland	~	~	12.19	~
Born in the USA	~	~	3.44	~
Born in Canada, NZ or Australia	~	~	4.02	~
Born in SW Europe	~	~	7.83	~
Born in Italy	~	~	6.42	~
Born in Germany	~	~	10.75	~
Born in NW Europe	~	~	7.03	~
Born in SE Europe	~	~	11.02	~
Born in Eastern Europe	~	~	11.92	~
Born in USA/CAN/NZ/AUS/EUR	~	~	~	14.90
Born in the Middle East or N Africa	~	~	13.59	24.76
Born in Kenya	~	~	~	10.17
Born in Uganda	~	~	~	10.50
Born in Central & E Africa	~	~	~	32.20
Born in W Africa	~	~	~	25.26
Born in W, Central & E Africa	~	~	2.23	~
Born in S Africa	~	~	8.64	13.48
Born in Jamaica	~	~	~	18.74
Born in the rest of the Caribbean	~	~	~	17.89
Born in the Caribbean	~	~	30.20	~
Born in Bangladesh	~	~	~	26.87
Born in Sri Lanka	~	~	~	12.65
Born in Pakistan	~	~	~	23.65
Born in Bangladesh, SL or Pakistan	~	~	12.36	~
Born in India	~	~	11.17	13.64
Born in HK, Malaysia or Singapore	~	~	11.49	9.11
Born in the rest of the world	~	~	6.32	10.47
Sample Size	59763	539	2774	2954

Source: Wheatley Price (1998b).

Table 7
Average Characteristics of White and Non-White Male Employees Aged 25-64 in England, 1993-4

	Native Born		Foreign Born			
Variable	White	Non-White	White - British	White - Irish	White - Other	Non-White
ACQUIRED SKILLS						
Years of education received abroad	~	~	3.77	8.68	12.29	10.65
Years of education received in the UK	11.9	13.0	9.84	3.02	2.48	3.05
Years of experience obtained abroad	~	~	1.16	3.88	6.44	4.08
Years of experience obtained in the UK	24.4	12.8	20.75	26.41	14.34	18.38
ETHNIC COMPOSITION (%)						
Black	~	47.8	~	~	~	22.1
Indian	~	21.6	~	~	~	40.1
Pakistani/ Bangladeshi	~	6.0	~	~	~	17.0
Mixed/ Other	~	24.6	~	~	~	20.8
INDUSTRIAL SECTOR (%)						
Construction/Transport	25.2	25.4	21.1	33.9	20.5	19.7
Financial Services	11.9	17.9	14.2	9.5	17.9	10.4
Manufacturing	32.4	23.9	24.5	25.9	29.9	34.1
Non-financial Services	12.6	18.7	13.4	13.2	17.0	17.4
Public	18.0	14.2	26.8	17.5	14.7	18.5
OCCUPATIONAL LEVEL (%)						
Managerial	21.2	20.1	34.2	19.0	25.0	12.9
Professional	13.2	10.4	19.9	11.1	17.9	12.9
Associate Professional	9.8	11.9	7.4	8.5	13.8	8.0
Clerical/ Secretarial	7.1	11.9	9.4	7.4	2.7	8.7
Craft and Related	17.5	14.9	8.5	15.9	10.7	17.7
Personal/ Protective	6.3	3.7	7.1	6.9	13.8	8.2
Sales	4.2	4.5	2.8	1.6	0.4	3.5
Plant and Machinery	15.2	15.7	8.3	19.6	10.3	19.4
Other	6.3	6.0	2.0	9.0	4.5	8.5
EMPLOYMENT CONDITIONS						
Weekly earnings (£)	354.5	302.1	420.2	335.6	455.6	300.6
Usual hours worked	44.8	42.3	44.9	46.3	47.2	41.9
Sample Size	20181	135	351	189	224	634

Source: Authors calculations based on data from the Quarterly Labour Force Surveys of the United Kingdom.

Table 8
Predicted Hourly Wage Rates For White and Non-White Male Employees in England, 1993-4 With Mean Characteristics

	Native Born		Foreign Born			
Variable	White	Non-White	White - British	White - Irish	White - Other	Non-White
Average hourly wage	6.22	5.31	7.34	6.24	7.87	6.08
2 more years of education received abroad	~	~	7.62	7.03	9.18	6.29
2 more years of education received in the UK	7.11	6.08	8.00	7.14	9.61	6.44
5 more years of experience obtained abroad	~	~	7.53	6.70	9.27	5.77
5 more years of experience obtained in the UK	6.45	6.16	7.53	6.11	8.42	6.17
Single, never married	5.33	4.75	5.94	5.06	7.57	5.73
Married or living together	6.63	6.38	9.83	8.12	8.35	6.46
No longer married	5.96	2.49	7.16	7.47	6.80	7.22
Living in the Midlands	5.99	4.94	6.67	5.45	8.07	5.23
Living in the North	6.49	5.62	8.07	7.34	8.30	7.87
Living in the South	5.94	7.06	8.23	6.47	7.29	6.49
Living in Greater London	7.33	5.41	8.34	8.16	8.28	7.38
Construction/ Transport	6.08	6.86	4.45	7.45	8.04	3.38
Financial Services	7.29	5.86	8.63	6.70	10.85	6.26
Manufacturing	6.34	4.91	7.77	5.94	7.65	6.70
Non-financial Services	5.62	5.62	6.40	5.90	7.84	4.85
Public	6.05	5.39	8.20	6.22	6.66	7.34
>25 employees at workplace	6.69	5.70	7.20	7.10	8.89	6.00
<25 employees at workplace	5.63	4.43	7.70	4.48	5.55	6.31
Black	~	5.68	~	~	~	5.54
Indian	~	5.40	~	~	~	6.32
Pakistani	~	4.47	~	~	~	5.30
Mixed / Other	~	4.72	~	~	~	6.09
Sample Size	27280	203	469	165	235	606

Source: Authors own calculations based on the uncorrected estimated log earnings functions reported in Table A1 of Shields and Wheatley Price (1998).

Notes: The reported wage rates are gross hourly earnings expressed in 1990 prices. The sample consists of full-time men of working age (16-64).

Table 9

Population Change and Net Migration, 1961-1996

Years	Population growth (000's)	Population growth (%)	Net migration (000's)	Migration share (%)
1961-66	367	0.69	-8	-2.0
1966-71	257	0.47	-56	-21.0
1971-76	58	0.10	-55	-94.8
1976-81	27	0.05	-53	-120.2
1981-86	83	0.15	+43	+51.8
1986-91	188	0.33	+60	+32.8
1991-96	199	0.34	+76	+38.2

Source: Calculated from *Population Trends* (various issues).

Figure 1:Total Immigration and Emigration, 1964-94

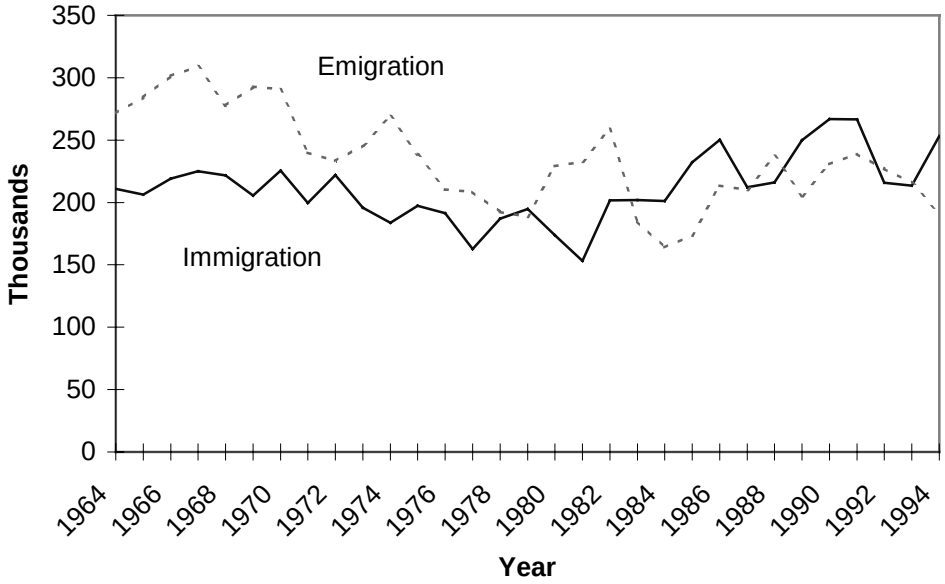

Figure 2: British and Foreign Net Immigration 1964-1994

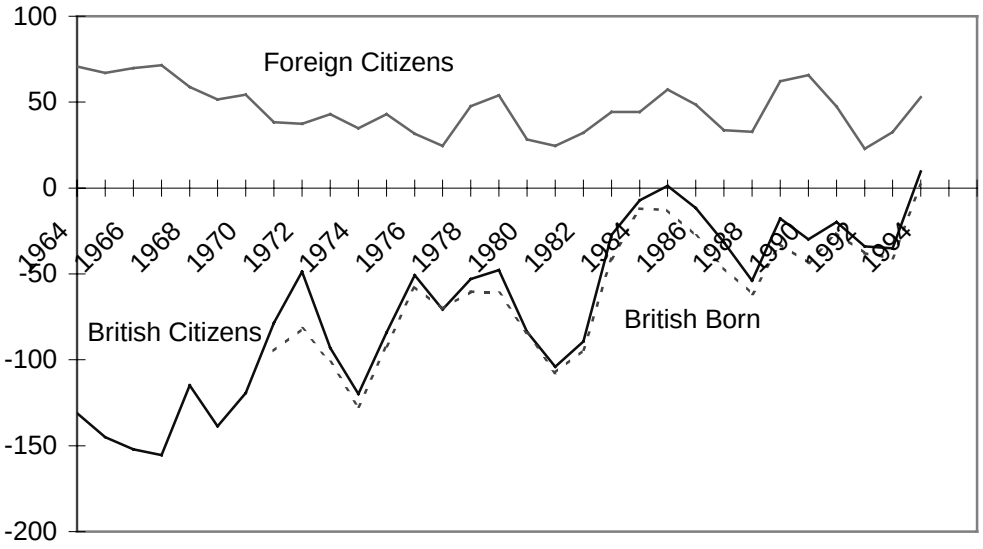
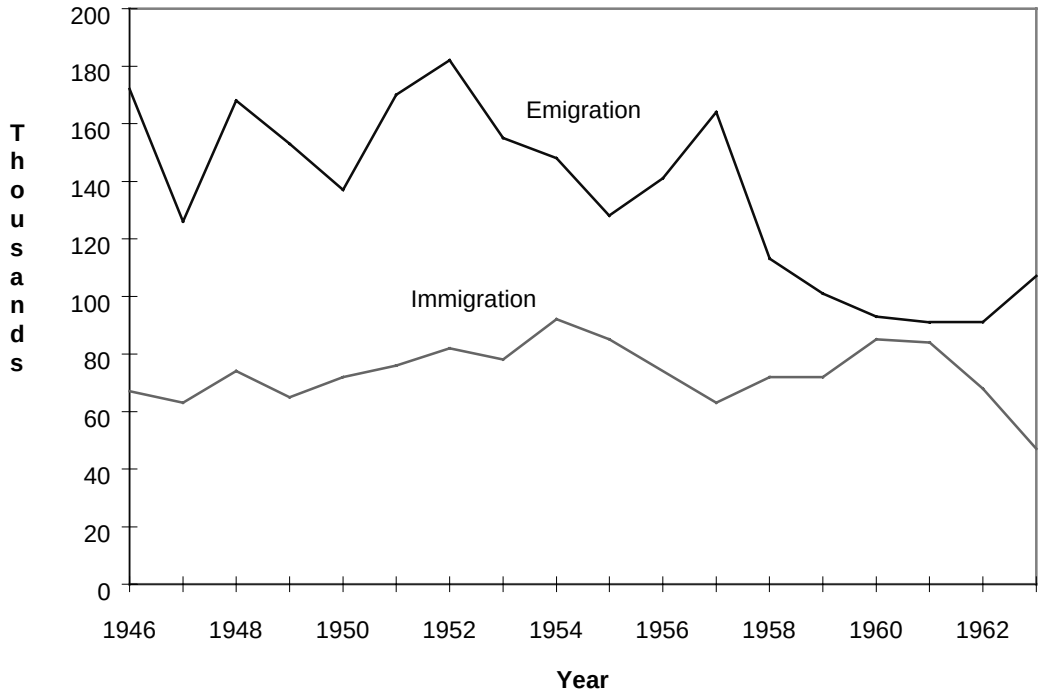
Figure 3: Immigration and Emigration, 1946-1963