

# **FULL REPORT OF RESEARCH ACTIVITIES AND RESULTS**

## **ESRC RES-163-25-0050**

### **UNDERSTANDING THE LABOUR MARKET IMPACT OF IMMIGRATION IN BRITAIN**

#### **1. Background**

Since the late 1990s Britain has experienced a dramatic increase in the number of immigrants; with a further rise in immigration since 2004, when the accession countries of Eastern and Central Europe joined the EU. At the same time there was also growth of immigration to the UK from non-A8 countries, especially from the New Commonwealth.

Immigrants are believed to have a profound effect on the labour market of the host country. However, most of the empirical research on the labour markets effect of immigration in different immigrant-accepting countries shows that immigrants have little if any negative impact on the wages and employment opportunities of native workers (see Borjas and Freeman<sup>i</sup>, 1992; also Dustmann, et. al.<sup>ii</sup>, 2005; Cohen-Goldner and Paserman<sup>iii</sup>, 2005; Gilpin et al<sup>iv</sup>, 2006; Blanchflower et al<sup>v</sup>, 2007) , with some research showing a positive labour market effect of immigrants (Ottaviano and Peri<sup>vi</sup>, 2006 and Friedberg<sup>vii</sup>, 2001).

Attempts to explain the absence of substantial empirical evidence of a negative impact of immigration on the labour market of the host country produced a considerable literature in the UK and elsewhere. Thus, Frijters et al.<sup>viii</sup> (2005) demonstrate that the search for work by immigrants is less successful than that of natives; therefore immigrants do not effectively compete for jobs with natives and this explains why immigration has little impact on native employment. Similarly, Manacorda et al<sup>ix</sup> (2006) find evidence that natives and immigrants in the UK, as elsewhere, are imperfect substitutes, which explains why the impact of immigration on the wages of natives is small.

However, the main conclusion from the literature is that while a negative impact does indeed exist, the methodological problems of conducting empirical research do not allow it to be captured (Borjas<sup>x</sup>, 2004); therefore special attention should be devoted both to understanding and overcoming methodological problems related to the impact of immigration on the labour market. This research makes a contribution to that important task.

Indeed, research on the labour market impact of immigrants faces considerable methodological challenges and the interpretation of findings from such research is not straightforward. Researchers on this topic are well aware of these methodological problems and usually interpret their findings cautiously. The main reason for these difficulties is that the labour market outcomes of workers are determined by such a wide variety of factors that only after identifying and accounting for them all (in itself a very challenging task) can safe attribution of any remaining differences in labour market outcomes to spatial variations in the size of immigration populations be made.

For instance, researchers must take particular care to ensure that the relationship between spatial concentrations of migrants and labour market outcomes of non-migrant workers do not result from

the propensity of immigrants to be concentrated spatially in the local labour markets of particular characteristics, i.e. the labour markets with high level of wages, or the labour markets with job opportunities concentrated in labour intensive industries, etc. Indeed, to avoid a correlation between the local labour market conditions and the labour market outcomes of workers, when immigration labour market effect is studied different strategies are used. Thus, some researchers conduct studies at the level of the national economy rather than that of the local labour market (Borjas<sup>xi</sup> 2001), while others do not use the actual size of immigrant populations in local labour markets but predict the size by means of other variables which in turn are not dependent on the characteristics of local labour markets (Friedberg, 2001; Dustmann et al, 2005).

The present study uses a different approach - it studies the immigration labour market impact on the level of local labour markets and controls extensively for the local labour market conditions and other factors that may be influential in creating a relationship between the size of the immigrant population in the local labour market and labour market outcomes of non-migrant workers. To identify these factors a number of theoretical perspectives were drawn upon which are outlined in the next section.

### 1.1 Classical economic theory

Classical Economic theory suggests that the influx of the immigrant labour force to the labour market creates a shock in the supply of workers with a particular level of skills. This in turn leads to disruption of the equilibrium in the labour market, which results in decreased wages for non-migrant workers with comparative skills. Immigrants also may displace non-migrant workers in some occupations and force them outside the labour force (Borjas<sup>xii</sup>, 2003). However, the findings of extensive research on this issue in the US, Europe and Israel are not conclusive. Some of these studies found a small positive effect while others found a small negative effect of immigration. In any case, the size of the immigration effect is much smaller than expected according to the predictions of classical economic theory. It is not very clear what the source of the differences in findings which demonstrate that 'the measured impact of immigration on ... native workers fluctuates from study to study, but seems to cluster around zero.' (Borjas, 2003: 1335).

Attempts to account for these different findings have led to considerable criticism of some of the basic assumptions of quantitative research in this area and of elements of its methodology (Borjas, 2004), for example assumptions of a fixed quantity of jobs in the labour market, or the complementarity of skill levels of migrants and native workers. This criticism naturally introduces the idea that the opportunity structure of the local labour market may be changing and immigrants do not simply take existing jobs but may create new jobs. Thus the opportunity structure should be taken into account. Similarly, the effect of immigration needs to be considered separately for native workers with different skill levels.

### 1.2 Opportunity structure of the labour market and spatial inequality in Britain.

There is a recent growth in understanding that the labour market operates and is regulated at the local or spatial levels that define local and regional labour markets (Martin and Morrison<sup>xiii</sup>, 2003). The spatial character of labour markets is expressed through the fact that most of jobs are spatially located and workers have to live within commuting distance of them (Cheshire et al<sup>xiv</sup>. 2003).

Spatial differences in labour market opportunities are an important factor that may affect the labour market outcomes of workers across different labour markets. The opportunity structure of local labour markets has an especially strong impact on the economic and occupational outcomes of lower status groups, such as less educated people, ethnic minorities and recent migrants, who have difficulties in finding and accessing spatially distanced jobs, and who therefore tend to search for employment in proximity to their place of residence, i.e. in their local labour markets. For this reason it is particularly important to control for differences in labour market opportunities across local labour markets when impact of migrant concentrations on the labour market outcomes of workers is considered. Indeed, migrants are not randomly distributed across the host county; they are attracted to labour markets with particular characteristics (with high level of wages or with job opportunities in particular sectors of industry); those characteristics shape the socio-economic profiles of veteran incumbents of local labour markets and therefore, should be accounted for before studying the relationship between the spatial concentration of migrants and the outcomes of the non-migrant population. As elsewhere the labour market in Britain has a distinctive spatial character (Morrison and Berezovsky<sup>xv</sup>, 2003) and immigrants are entering the local labour market of very conditions and hence interact locally with veteran populations of very different characteristics.

As a rule, conditions of local of regional labour markets are described by unemployment rates (Morrison and Berezovsky<sup>xvi</sup>, 2003). Additional important characteristics of local labour market conditions are the level of earnings or the degree of social inequality, as well as the concentration of jobs in traditional industries such as building and manufacturing, as well as in high-skilled industries.

### 1.3 Ethnic composition f local labour markets and the labour market impact of immigrants.

Although quantitative econometric research could not find a significant labour market effect of immigration, sociological studies, based on both qualitative and quantitative techniques, and in particular, case-studies, have documented a large negative effect of immigrants, especially in terms of the displacement of native workers. The main sociological perspective used is the 'ethnic pluralism' approach (Lieberson<sup>xvii</sup> 1980). This stresses the importance of the recognition of the multiethnic context of local labour markets, as the effects of immigration vary considerably in labour markets of different ethnic compositions, and different ethnic groups among the veteran incumbents of local labour markets are affected by immigrants in different ways. Indeed, empirical findings from case studies and interviews with workers and employers confirm the ethnic pluralism theory of the importance of ethnic hierarchies and 'ethnic queues' in local labour markets. Employers prefers to hire members of ethnic groups which have a good reputation as workers; therefore if the employer perceives native born workers as more valuable, immigrants are unlikely to have a negative labour market effect. However if immigrants are perceived as better workers then they displace native-born ethnic minorities in whole industries (Waters<sup>xviii</sup>, 1999). The "ethnic pluralism" approach also relates the immigration labour market impact to the relative size of the dominant ethnic group in the local labour market (Fosset<sup>xix</sup> et al, 1986; Tieda and Lii<sup>xx</sup>, 1987; Shaginyan-Shapira<sup>xxi</sup> 2007). Where the size of the dominant ethnic group is small, and the number and size of ethnic minority groups in the in the area is large, then the negative effect of migration

on the labour market is reduced. Therefore, the ethnic compositing of local labour markets should be accounted for in the study of the immigration labour market effect.

In summary, this research draws on a range of relevant intellectual resources, including classical economic theory, the geography of local labour markets and sociological theories that include concepts of ethnic pluralism, ethnic queues as well as concepts of segmented/segregated/sheltered labour markets specified above, to explore how spatial concentration of immigrants affects the labour market outcomes of workers.

## **2. Research Objectives**

The aims and objectives of the research, as set out on the page 2 of the application form, are as follows (the parts of Section 4 below in which these aims are addressed are noted below, along with relevant outputs, which are listed in full in Appendix 1):

**AIM 1:** To create data sets from the Labour Force Survey (LFS) 1994-2006, the Local Area Annual Labour Force Survey 1994-2006, the Annual Population Survey for 2004, combined with the 2004 LFS boost for Wales and Scotland and with supplementary Local Area Ethnicity data produced by the Office for National Statistics (ONS) 2002-2004, in order to achieve over-time and cross sectional analysis of the impact on the labour market of immigration across Great Britain.

This objective has been met partially due to the unexpected technical difficulties which are specified below.

(a) The Joint data set for Annual population surveys 2004-2006 supplemented with the small area characteristics has been created and will be deposit shortly at the UK SSDA. This data set allows the achievement of the other aims of the project, namely to undertake the specified tasks of the analyses - the evaluation of contrasting theoretical frameworks and methodological tools for understanding the impact of immigration on the labour market and to provide reliable empirical evidence about the impact of immigration on the labour market impact in Britain through cross-sectional analyses of the created data set.

(b) It has proved impossible to supplement the Labour Force Survey (LFS) 1992-2003 with the information at the level of the small Local Areas. Indeed, although Marina Shapira at the stage of the proposal writing was assured by the UK SSDA that individual level data (LFS) for the year 1992-2003 that contains a small area identifier would be provided, later, when she started to work on the project, she was informed that the 1992-2003 annual LFS datasets with small area identifiers had been withdrawn from the Essex data archive due to confidentiality issues (see appendix 2).

Therefore some changes in the planned methodology of the research were introduced in order to achieve the intended task. The main aim of using the 1992-2003 data was to study separately the pre-2004 immigration labour market effect and then to use the APS from 2004-onwards to study the labour market effect of the new immigration. This aim was achieved in the project in a different way, through analysing the data available from the 2004-2006 APS, and by subdividing the immigrants into new and pre 2004-immigrants.

**AIM 2:** To use the data sets to contribute reliable empirical evidence to wider debates about the impact on the labour market of immigration to Britain, by exploring:

- the relationship between the skill level of native workers, the size and skill levels of the immigrant population, the overall opportunity structure of the labour market and the labour market outcomes of native workers (WP1. Shapira (2009); WP2. Shapira (2009); WP3. (Shapira 2009)
- the differences in the impact of immigration on the labour market between the pre-2004 immigrants and immigrants who arrived in the UK since 2004 (WP1. Shapira (2009); WP2. Shapira (2009); WP3. (Shapira 2009)

**AIM 3:** To use these data sets to enable inter-UK comparisons of the scope and direction of the impact of immigrants on the labour market, assessing to what extent:

- differences result from differences in (a) policy (b) skill levels of immigrants (c) socio-demographic characteristics of the native population;
- similarities result from the shared labour market and common socio-economic developments.

The particular research design (CP1. see Shapira 2009 [forthcoming] for details) enabled hypotheses about the differences between Scotland, England and Wales in relation to the effects of the spatial concentration of immigration on labour market outcomes of populations to be checked. No statistically significant differences were found and therefore the statistical analyses were conducted at the level of Britain.

**AIM 4:** To use the data to evaluate contrasting theoretical frameworks and methodological tools for understanding the impact of immigration on the labour market (CP1. Shapira 2009 [forthcoming]; CP2. Shapira 2010 (in preparation)).

### 3. Methodology

**Research design, data and method.** This research was designed to address the methodological problems that studies on the labour market of immigrants usually face.

1. Unlike other studies conducted in the UK about the immigration labour market impact which conduct the analyses at the regional level, this study was designed to capture more accurately the immigration effect at the level of small areas, i.e. the local labour markets. The 2004-2006 Annual Population Survey data (APS) were used to do this. These APS provide reliable estimates though offering large and representative samples at small area levels at one time-point. The multilevel regression modelling this study was conducted on the 2006 APS data because the data provides the largest numbers for subpopulations of new immigrants who have been arriving in Britain since 2004 and considered individuals aged between 16 and 65.

2. In the most empirical studies local labour markets are defined as travel-to work-areas (Reimer<sup>xxii</sup>, 2003). Here the local labour market was approximated through the 180 UA/LAD in Britain in which respondents live. This is because both immigrants and the socially and economically weak population which is expected to be most affected by them tend to search for employment and work in proximity to their residence, ideally in the locality of their residence (Mensah<sup>xxiii</sup>, 1995)

3. The labour market outcomes of the population in Britain were measured through the following three variables:

- Dependent variable: Natural logarithm of monthly wages of employed population (excluding self-employed)
- Dependent variable: Labour market destinations:
  - Odds to be in social classes I to III: managerial, professional and intermediate occupations
  - Odds to be in social classes V and VI: skilled manual and lower supervisory occupations
  - Odds not having social class: never worked/out of the labour force/ long term unemployed.

Reference category for the labour market destinations:

- Social class VII: semi-skilled and unskilled manual occupations and short term unemployed.

4. Actual sizes of immigrant populations in the local labour market were used. To account for factors which shape local labour market conditions and overall opportunity structures and hence impact on the labour market outcomes of workers the conditions of local labour markets were controlled for in this research (see Shaginyan-Shapira, 2007 for more details).

The local labour market conditions were measured through the following variables:

- Percentage of the total economically active population in the UA/LAD who are employed.
- Percentage of the total employed population who employed in manufacturing jobs.
- Percentage of the total employed population who employed in construction jobs.
- Percentage of the total employed population who employed in banking and finance.
- The degree of the overall socio-economic well being of the locality - percentage of the total employed population who are in Socio-Economic Class I (according to the EGP classification).

5. Immigrants who arrived in the UK in 2004 or thereafter were not divided by country of origin due to the small numbers overall: instead immigrants were considered together as a group of 'new' immigrants in the UK. However, the design allows for assessment of whether the effect of the new immigrants depends on the size of the pre 2004 immigrant population in the local labour market.

The two following variables identify spatial concentrations of immigrants:

- Percentage of the total economically active population in the UA/LAD who are not UK born and do not describe themselves as "White British"
- The *relative size*<sup>1</sup> of new immigrant population - the percentage of the migrant population in the UA/LAD who are "new" migrants, i.e. migrants arrived in 2004 or thereafter out of the all population of migrants in the UA/LAD.

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<sup>1</sup> To capture the effect of the immigrant and, in particular, new immigrant population on the labour market outcomes of British workers we tried two different research designs. In the first one, we used two variables that measure (a) the percentage of pre-2004 immigrants and (b) the percentage of new immigrants, among the total population of the local labour market. In the second research design we used two following variables: (a) the percentage of all immigrants (both pre-2004 and new immigrants) among the total population of the local labour market, and (b) the variable that indicates the relative size of new immigrant population, i.e. the percentage of new immigrants among all immigrants in the local labour market. The findings from the two research designs are similar, i.e. the labour impact of all immigrants is not different from the labour market impact of pre-2004 immigrants, due to the fact that (a) in the localities/local labour markets with large concentrations of pre-2004 immigrants the population of new immigrants as a rule makes only a small proportion of the all population of immigrants, and (b) proportion of the new immigrants among total locality population is small (see Appendix 2); the labour market impact of the proportion of new immigrants in the whole population is similar to the labour market impact of the proportion of immigrants out of the whole population of immigrants in local labour markets according to its direction and magnitude; however, due to a smaller amount of variance of the variable "proportion of new immigrants among total population of the local labour market" the standard errors of the estimated parameters of this variable obtained by the regression analyses are large that often makes the estimated parameters statistically not significant even on the level 0.05, while the standard error of the estimated parameters of the variable "proportion of new immigrants among total population of immigrants in the local labour market" are small and estimated parameters are statistically significant on

6. The research design allows for assessment of whether the immigration labour market effect is mediated by the size of the ethnic minority population on the local labour market.

The variable that allowed identification of the size of the British born ethnic minority population was

- Percentage of the total economically active population in the UA/LAD who are British born ethnic minorities.

7. The method used in this research was linear (for prediction of wages) and multinomial (for prediction of the labour market destinations) multilevel regression modelling. The data set used in the multilevel regression modelling was the 2006 APS because the latter provided with the largest number of “new” immigrants.

8. The research design allows for assessment of whether the immigration labour market effect is mediated by the overall opportunity structure of the local labour market.

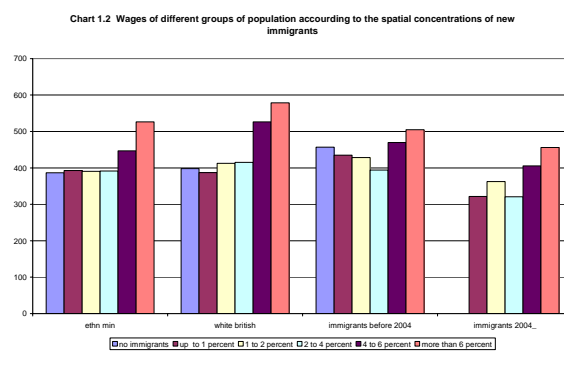
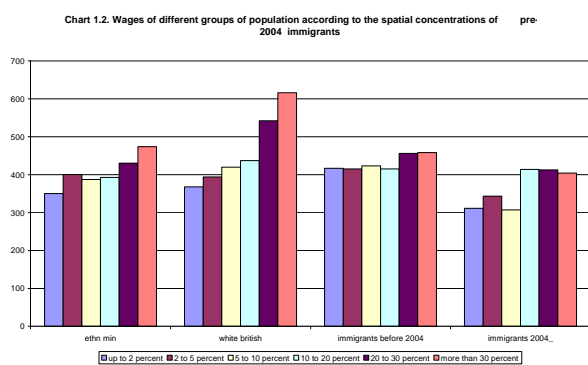
9. The research design allows for assessment of whether the immigrant effect in British labour market is different for different ethnic groups and varies according to the level of educational qualification of individuals. To do so the individual level regression modelled (1) random intercepts to estimate how particular characteristics in the macro level affects average values of the dependents variable in each one of macro-level units, and (b) random slopes of particular such independent variables on the level of education as “Ethnicity” (using British white as a reference category) “Religion” (using Christian or no-religious affiliation as a reference category) and educational level (using NVQ level 3 as a reference category) to test whether all specified sub-groups are affected by the spatial concentrations of immigrants in the similar or different manner.

## 4. Results

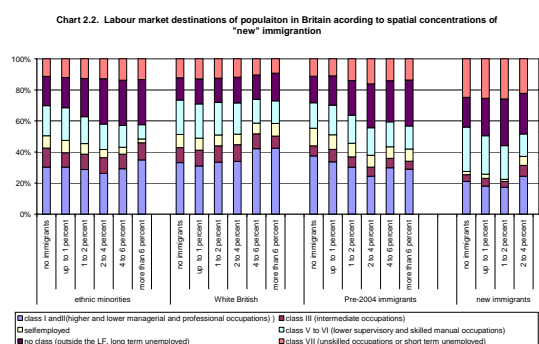
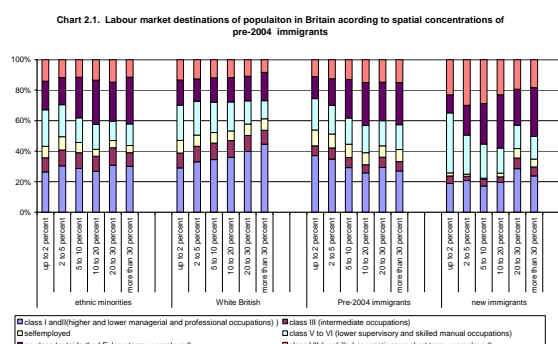
Findings from the descriptive statistics show that there are differences in the weekly wages of different groups of British workers (excluding the self-employed) according to the size of the populations of the pre-2004 immigrants (Chart 1.2) and new immigrants (Chart 1.2) in the local labour market. Thus, for all groups of the British population higher wages are clearly associated with large concentrations of immigrants, both pre-2004 and new immigrants, and these associations are particularly strong for the British born populations.

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the levels 0.001-0.05. An additional advantage of using the variables from the second research design is that this allows not only controlling for the relative size of the new and old immigrants population while estimating the labour market effect of new immigrants, but directly accessing how the impact of new immigrants is related to the size of the population of pre-2004 immigrants in the local labour market. For this reason we present in this paper findings from the second research design. This allows capturing differences in the new immigrant labour market impact between localities where established migrants populations existed before 2004 and localities where the new immigrants since 2004 formed the first significant migrant sub-populations.



Further, findings also show that for the White British population a more advantageous distribution of LM destinations, such as an increase in the share of higher status white collar occupations and a decrease in the share of unskilled occupations coincides with larger populations of both pre-2004 and new immigrants, while for ethnic minorities an increase in the size of the population of both pre-2004 and new immigrants is accompanied by an increase in the size of the economically inactive population (Charts 2.1 and 2.2).



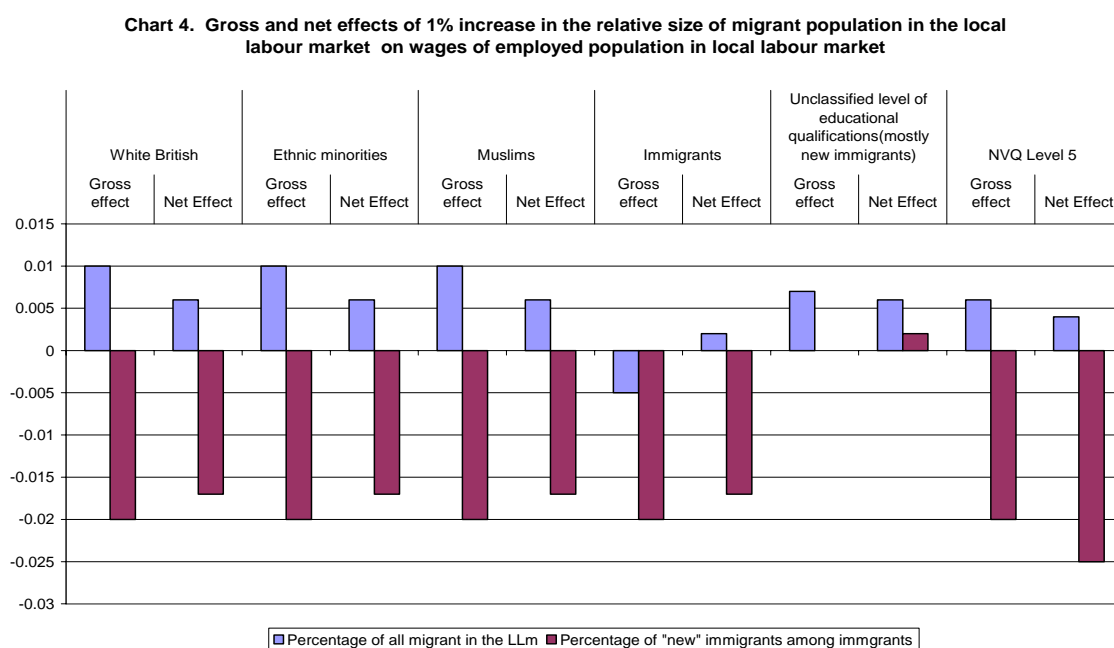
However, these associations do not account either for the characteristics of individual workers, nor for the conditions of the local labour markets and differences in these conditions across Britain. Nor do they account for the associations between the spatial concentrations of immigrants and conditions of the local labour markets. To control for these factors while considering the impact of the spatial concentrations of immigrants on the labour market outcomes of British workers the results of the multilevel multivariate regression analyses of labour market outcomes of British workers were used. The findings from the multilevel linear regression analyses demonstrate that:

(1) **Relationship between the local labour market conditions and the immigration labour market impact.** Our findings show that local labour market characteristics are an important mediator between spatial concentrations of immigrants and the labour market outcomes of native workers. Controlling for the structure of local labour market characteristics changes the relationship between the size of immigrant populations and the labour market outcomes of non-migrant population. Hence the impact of immigration on the labour market impact cannot be properly understood without first considering how spatial differences in the labour market outcomes of individuals are related to spatial differences in the local labour market opportunity structure.



(2) The labour market impact of the pre-2004 immigrants. We found that

- Spatial concentrations of pre-2004 immigrants are not related to the net chances of non-immigrant workers of working in higher status occupations.
- Spatial concentrations of pre-2004 migrants are positively associated with higher odds of economic inactivity of the non-immigrant population. This relationship weakens but remains statistically significant and preserves its direction when local labour market characteristics are accounted for (Chart 3.1).
- Pre-2004 spatial concentrations of immigrants have a net positive effect on the wages of non-migrant workers (Chart 4).



(3) The labour market impact of “new” immigrants. We found that a negative effect of new immigration does not exist in every local labour market with a large population of new immigrants. The labour market impact of new immigrants depends on the size and composition of the immigrant population in local labour markets. The negative effect of the presence of new immigrants is felt by non-migrant workers only in those localities where immigrant populations were small before 2004 and thus where new migrants make a sizable proportion of the whole immigrant population (Charts 3 and 4). Thus,

- A higher proportion of new immigrants among the whole population of immigrants is negatively related to the higher odds of non-immigrant workers of working in white collar occupations. Accounting for the characteristics of the local labour markets does not cancel this relationship although it makes it weaker (Chart 3.2).
- A higher proportion of new immigrants among the whole population of immigrants is negatively related to wages of non-immigrant workers of working in white collar occupations. Accounting for the characteristics of the local labour markets does not cancel this relationship although it makes it weaker (chart 4).

Chart 3.1. Impact of the 1 % increase in the size of the immigrant population on the odds of economic inactivity vs the odds of unskilled jobs or short terms unemployment for different groups of British population

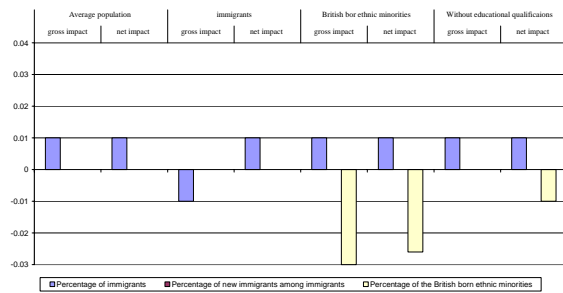
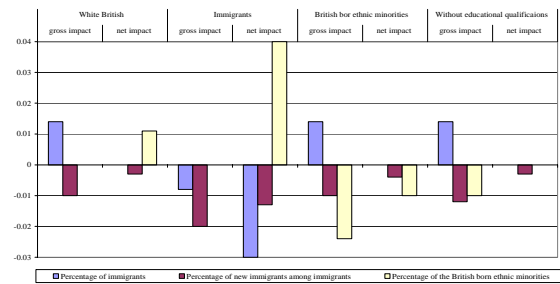


Chart 3.2. Impact of the 1 % increase in the size of the immigrant population on the odds of white collar occupations vs the odds of unskilled jobs or short terms unemployment for different groups of the British population



(4) Differences in the immigration impact among sup-populations of the native-born in Britain. Immigrants have a similar effect on all groups of the non-migrant population. There was no evidence that British born ethnic minorities or people with lower levels of education are affected by immigration in a more negative way than the White British population with an average level of education.

(5) Impact of the spatial concentrations of immigrants on immigrants themselves. Spatial concentrations of immigrants have a stronger negative effect on the occupational opportunities of migrants themselves than on the non-migrants population. Thus, in local labour markets with large immigrant populations immigrants are more likely to have unskilled jobs than work in higher status blue collar occupations or in white collar occupations.

(6) Differences in the immigration labour market impact according to the ethnic composition of the local labour markets. The ethnic composition of local labour markets does not mediate the relationship between spatial concentrations of immigrants and the labour market outcomes of non-migrant workers. Nor does accounting for the size of the ethnic minority population change the labour market effect of immigration.

(7) Spatial concentrations of British-born ethnic minorities and the labour market outcomes of different groups of British worker. We found that:

- In localities with a high concentration of British ethnic minorities both the White British population and especially immigrants are more likely to work in white-collar occupations.
- Members of British born ethnic minorities themselves are less likely to work in white-collar occupations in localities with a large presence of British-born ethnic minorities.
- For low skilled workers, a large presence of British born ethnic minorities in the local labour markets has a negative effect on their odds of higher status occupations.

To summarize, there is a complex relationship between immigrant spatial concentrations and the labour market outcomes of the population, measured through the odds of participation in the labour market, odds of attaining higher status occupation, and wages. Overall, there is no adverse effect on British-born populations of competition for higher status work with established immigrant populations or with pre-2004 immigrants. Moreover, pre-2004 immigrants have an overall positive effect on the wages of non-immigrant population. However, pre-2004 immigrants seem to compete with the non-migrant population for low-skilled and unskilled jobs and the native born are more likely to choose to exit the labour market altogether. The new immigrants do not have a significant

impact on the labour market outcomes of the non-migrant population in localities with a high concentration of pre 2004 immigrants. However, the net labour market effect of new immigrants is rather negative both in terms of wages and the odds of better occupational opportunities for the non-migrant population if new immigrants are over-concentrated in local labour markets where immigrants were not present prior to 2004.

## **5. Activities**

The project has engaged in many dissemination activities as listed below:

### **9 July, 2008. Barcelona: Conference paper**

Marina Shapira presented a paper at the Annual Population Congress on 'The impact of immigration on the wages of employees in the British labour market'.

### **25 September 2008. London: Invited Conference paper**

Marina Shapira presented a paper the joint UPTAP/BURISA workshop in London City Hall on 'Understanding the impact of immigrants on the employment opportunities of the population in Britain'. This presentation enabled discussion of the project findings with an informed audience of academics and policy makers who expressed great interest to the project.

### **9 October 2008. Nuremberg: Invited Conference paper**

Marina Shapira gave an invited talk on 'Spatial Concentration of Immigrants and Their Impact on Employment and Occupational opportunities in the UK Labour Market' to the Autumn Meeting on Demographic Aspects of Migration, Nuremberg.

### **12 December 2008 CES, Edinburgh: Policy Workshop**

Marina Shapira presented the project findings at the final project workshop to an audience of academics and policy makers. This presentation provided an opportunity to discuss the approach to the interpretation of findings from the research and their implications for policy in an informed forum.

### **23 March 2009 Leeds: Programme Meeting**

Marina Shapira was asked to present a paper on the project findings at UPTAP programme meeting in the University of Leeds.

### **August 2009 Manchester: Invited Conference paper**

Marina Shapira has been invited to present a paper on the findings from the project at a session on Migration, Mixing and Ethnic Integration in the RGS-IBG Annual International Conference in Manchester in August 2009.

## **6. Outputs**

The working papers from the project (and which are referred to throughout this report) are available on the project website ([www.ces.ed.ac.uk/research/Impact/index.htm](http://www.ces.ed.ac.uk/research/Impact/index.htm)). Publications from this project are listed in Appendix 1.

Other dissemination activities are listed in Section 5 of this report.

## **7. Impacts**

There has been significant and continuing interest in the project from other academics (as evidenced by the invitation to give a talk at the Young Demographer Conference and the RGS-IBG Annual International Conference, and from the policy community, as evidenced by invitations to participate in both the UPTAP meeting and the joint UPTAP/BURISA workshops). As indicated earlier, it is hoped to enhance and further develop the impact of this research through an ESRC follow-on grant, which will enable Marina Shapira to work with an experienced policy analysts who will be able to assist in the transfer of complex research-based knowledge into implications for policy. This will also have an impact on the development of skills in knowledge transfer.

In addition, though it is difficult as yet to demonstrate direct impact, the work involved in this project makes a significant contribution to methodological development in an extremely complex area, and once publications are more widely disseminated, it is anticipated that many of the lessons learned from this project will be picked up, tested and possibly applied by other scholars.

## **8. Future Research Priorities**

The work on immigration and labour market impacts has encouraged further development of approaches to understanding migration and the relationship between migrants and their host countries. Consideration of the exchange or mediation of economic, social and cultural capital of migrants in new situations has led to further work on the education and skills levels of migrants, seeking to identify those characteristics of national systems that best support and enable migrant achievement. This work is funded by ESRC (RES-000-22-3351). The next stage in building this research agenda on migration, education and work will be an application for a mid-career fellowship, which will provide more time for the integration of methodological development (bringing quantitative and qualitative techniques together) with theoretical resources, in order to explore the ways in which the interaction of education systems and labour markets plays out over the lifetime of migrants in the UK.

## APPENDIX 1: PROJECT PUBLICATIONS

### Book Chapters

Shapira, M (2009). "Spatial Concentration of Immigrants and Their Impact on Employment opportunities in the UK Labour Market." In B. Edmonston, J. Raymes and T. Salzmann (eds.) *Demographic aspects of Migration*. VS-Verlag (to appear).

Shapira, M (2009). "Differences between pre-2004 and "new" immigrants in the impact on wages and employment opportunities of population in Britain." In J. Stillwell, N. Finney and M. van Ham (eds.): *Understanding Population Trends and Processes Volume 3: Ethnicity and Integration*, Springer (in preparation).

### Briefings

Shapira, M. (2008) Understanding of the Labour Market Impact of Immigration in the UK, *CES Briefing No. 46*, Centre for Educational Sociology, University of Edinburgh, Edinburgh.

Shapira, M (2009) "The Impact of Immigration on the Labour Market in Britain" *UPTAP Program Research Findings*.

### Working papers

WP1. Shapira, M. (2009) Immigrants and British labour market — Do British workers gain or lose in competition with pre-2004 and new immigrants and British born ethnic minorities?

WP2. Shapira, M. (2009) Spatial concentration of immigrants and their impact on the wages of British workers.

WP3. Shapira, M. (2009) Relationship between spatial concentrations of pre-2004 and "new" immigrants and employment opportunities of British workers.

### Papers

Shapira, M. (2009) Immigrants and British labour market — Do British workers gain or lose in competition with pre-2004 and new immigrants and British born ethnic minorities? In preparation.

## APPENDIX 2: CORRESPONDENCE WITH ONS AND LFS SERVICES ABOUT THE 1992-2003 DATA SETS

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1. The permission from ONS to release the APS data was received on 19 November, 2007. I was able to start to use the data only on 23 November, 2007 (see below).

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Austin, B wrote:

Dear Marina,

This is just a quick note to say that we have received permission from ONS to release the special licence data you requested. The data is now available for download.

Step 1: Please log on to your accounts via the UK Data Archive homepage at <http://www.data-archive.ac.uk/> and go to "usage details".

Step 2: When you see the usage details, you need to click on the usage/project number.

.....instructions followed.....

Kind regards,

Birgit

Birgit Austin, Data & Support Services UK Data Archive - a service provider of the Economic and Social Data Service (ESDS) University of Essex

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----- Original Message -----

From: "Austin, B" <[birgit@essex.ac.uk](mailto:birgit@essex.ac.uk)>

To: "Marina Shapira" <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)>

Sent: Monday, November 19, 2007 3:53 PM

Subject: RE: Special licence data now available for download

Dear Marina,

I've just tried unzipping the compressed file for SN 5220 and it seems to work fine. Do you have Winzip to uncompress the files? Is your operating system Windows Vista or Windows XP?

Thanks,

Birgit

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Original Message -----

From: "Austin, B" <[birgit@essex.ac.uk](mailto:birgit@essex.ac.uk)>

To: "Marina Shapira" <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)>

Sent: Tuesday, November 20, 2007 3:47 PM

Subject: RE: downloading special licence data

Dear Marina,

I've just gone through the process and I also get an error message for the SPSS files when I use the <http://ftp.esds.ac.uk/> link. This may be because the files were originally encrypted, however, we could try something else. I've now compressed the files for SN 5220, 5396 and 5686 again and if you look at <http://ftp.esds.ac.uk/> you should see three folders. Each folder can be downloaded. The files are compressed, but not encrypted, so you won't need a passphrase. Hopefully this will work. Once you have downloaded the compressed files, please double-click on them. You should then see the individual files which are contained in the compressed file. You then need to select the individual files and click on 'extract' from the menu.

Could you please try this and let me know whether this works?

Thanks,

Birgit

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-----Original Message-----

From: Marina Shapira [mailto:marina.shapira@ed.ac.uk]

Sent: 20 November 2007 14:50

To: Austin, B

Subject: Re: downloading special licence data

Dear Birgit,

Thank you very much for your e-mail. I tried the first option that you suggested and do think that the University is blocking the downloads. I tried then your second option and I was successful in downloading all related documents \*but not the SPSS data files themselves\*. The links

[http://ftp.esds.ac.uk/26778/UKDA-5396-spss/spss/spss12/apst\\_jan05todec05](http://ftp.esds.ac.uk/26778/UKDA-5396-spss/spss/spss12/apst_jan05todec05)

\_microdata.sav

[http://ftp.esds.ac.uk/26778/UKDA-5686-spss/spss/spss12/apst\\_jan06todec06](http://ftp.esds.ac.uk/26778/UKDA-5686-spss/spss/spss12/apst_jan06todec06)

\_microdata.sav

[http://ftp.esds.ac.uk/26778/UKDA-5686-spss/spss/spss12/apst\\_jan06todec04](http://ftp.esds.ac.uk/26778/UKDA-5686-spss/spss/spss12/apst_jan06todec04)

\_microdata.sav

do not work. Could you please check them again?

Thanks a lot,

Marina

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Austin, B wrote:

Dear Marina,

I don't know why the extraction wizard produces an error. An alternative way of downloading the files would be via an ftp account. I have set up an ftp account for you. The files for SN 5220, 5396 and 5686 are in the account and are not compressed. To download them please click on, or copy and paste <ftp://26778@ftp.esds.ac.uk/> into your web browser and save the files to a network drive or your hard drive.

If you think that your university may be blocking FTP downloads, please try the following:

Click on, or copy and paste, <http://ftp.esds.ac.uk/> into your web browser. Enter your username \*\*\*\*\* and password \*\*\*\*\* in the dialog box and if "domain" is requested enter \*\*\*\*\*. Choose the folder relating to your username and then download the files. Could you please let me know whether this works?

Kind regards,

Birgit

Birgit Austin

UK Data Archive  
University of Essex

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## Correspondence about the 1992-2003 LFS.

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Message from Marina Shapira <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)> on Wed,

10 Jan 2007 10:34:34 +0000 -----

To: [snds@ons.gov.uk](mailto:snds@ons.gov.uk)

Subject: local area data from the LFS

Hello,

I am planning a research on the impact of immigration on the British labour market which I want to conduct on the level of local labour markets. For this purpose I need local area statistics at least on the Unitary Authorities level (although it will be ideal is to have the aggregative characteristics on the level of the travel to work areas). I wonder if it is possible to obtain from you the annual LFS data for the years 2001-2006 where the the geographic code of the UA is added?

Thanks you very much in advance,

Sincerely yours,

Marina Shapira,  
Research fellow,  
Centre for Educational Sociology,  
University of Edinburgh,  
St. John Land,  
Holyrood road,  
Edinburgh EH88AQ  
tel: 01316515246

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----- Original Message -----

From: "LFS dataservice" <[LFS.dataservice@ons.gsi.gov.uk](mailto:LFS.dataservice@ons.gsi.gov.uk)>

To: <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)>

Sent: Thursday, January 11, 2007 10:51 AM

Subject: Re: [Fwd: local area data from the LFS]

Hi Marina ,

Thank you for your request for LFS data. Please find a link to the LFS list of variables (please refer to volume 3).

Also attached is a request sheet for you to detail your requirements (provided you decide to order LFS data) together with some general information regarding Labour Force Data.

There is a minimum charge of £100 plus VAT. We will let you know the approximate cost once we have received your formal request sheet. The average turn around time is 3 - 5 working days.

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1537&Pos=3&ColRank=1&Rank=272>

(See attached file: LFS DATASERVICE FORMAL REQUEST SHEET.doc)

(See attached file: LFS Dataservice Doc.doc)

Kind regards,  
Jeena

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[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)

To: Luke [James/ONS@ONS](mailto:James/ONS@ONS)

cc:

22/11/2007 17:02 Subject: Re: [Fwd: local area data from the LFS]

Dear Luke,

Could you please check what is the status of my application for the 1994-2000 annual lfs data that include unitary authority variables?

Thanks a lot in advance

Best regards,

> Marina

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----- Original Message -----

From: "Laura Keyse" <[Laura.Keyse@ons.gsi.gov.uk](mailto:Laura.Keyse@ons.gsi.gov.uk)>

To: <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)>

Sent: Friday, November 23, 2007 2:49 PM

Subject: Local Area Data from the LFS

Marina

I have just looked into whether we can give you access to the 1994-2000 Annual LFS datasets. Unfortunately these are not available in Supercross. Any analysis you require will need to be carried out by the LFS dataservice - although please be aware that only a limited number of variables are available on these datasets.

Best wishes

Laura

Laura Keyse | Senior Research Officer | Room 2.201 | Social & Vital  
Statistics | Office for National Statistics | Cardiff Road | Newport Wales  
| NP10 8XG

Phone: 01633 655709 | Internal Extension: 5709 | Email:

[laura.keyse@ons.gov.uk](mailto:laura.keyse@ons.gov.uk) | <http://www.statistics.gov.uk>

Kind regards

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----- Original Message -----

From: "Laura Keyse" <[Laura.Keyse@ons.gsi.gov.uk](mailto:Laura.Keyse@ons.gsi.gov.uk)>

To: <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)>

Sent: Friday, November 23, 2007 1:53 PM

Subject: local area data from the L

Marina,

Luke James has forwarded to me your query concerning the 1994-2000 annual lfs datasets. Unfortunately, these datasets have been withdrawn from the Essex data archive due to confidentiality issues. I will find out whether we can give you access to these files via a different method - I will get back to you as soon as possible.

Laura

----- Forwarded by Luke James/ONS on 23/11/2007 08:42 -----

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----- Original Message -----

From: "Laura Keyse" <[Laura.Keyse@ons.gsi.gov.uk](mailto:Laura.Keyse@ons.gsi.gov.uk)>

To: <[marina.shapira@ed.ac.uk](mailto:marina.shapira@ed.ac.uk)>

Sent: Friday, November 23, 2007 2:49 PM

Subject: Local Area Data from the LFS

Marina

I have just looked into whether we can give you access to the 1994-2000 Annual LFS datasets. Unfortunately these are not available in Supercross. Any analysis you require will need to be carried out by the LFS dataservice - although please be aware that only a limited number of variables are available on these datasets.

Best wishes

Laura

Laura Keyse | Senior Research Officer | Room 2.201 | Social & Vital  
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Phone: 01633 655709 | Internal Extension: 5709 | Email:  
[laura.keyse@ons.gov.uk](mailto:laura.keyse@ons.gov.uk) | <http://www.statistics.gov.uk>

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## APPENDIX 3: FOOTNOTES

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- <sup>i</sup> Borjas, J. and R. B. Freeman. (eds.)(1992) *Immigration and the Work Force: Economic Consequences for the United States and Source Areas*. Chicago: University of Chicago Press.
- <sup>ii</sup> Dustmann, C. Fabbri, F. and I. Preston. (2005). "The Impact of Immigration on the UK Labour Market" *CREAM Discussion Paper Series CDP* No 01/05
- <sup>iii</sup> Cohen-Goldner, S. and D. Paserman. (2004). "The Dynamic Impact of Immigration on Native's Labour Market Outcomes: Evidence from Israel." *IZA Working Paper 1315*. Available at SSRN: <http://ssrn.com/abstract=596962>
- <sup>iv</sup> Gilpin, N., Henty M., Lemos, S., Portes, J. and Bullen, C. (2006) "The impact of free movement of workers from Central and Eastern Europe on the UK labour market", *Department for Work and Pensions, Working Paper No. 29* available at <http://www.dwp.gov.uk/asd/asd5/wp29.pdf>
- <sup>v</sup> Blanchflower, D., Saleheen, J. and C. Shadforth, (2007) *The Impact of the Recent Migration from Eastern Europe on the UK Economy*, Bank of England, available at <http://www.bankofengland.co.uk/publications/speeches/2007/speech297.pdf>
- <sup>vi</sup> Ottaviano, G. I. P. and Peri, G. (2006) "Rethinking the gains from immigration: theory and evidence from the US." *Fondazione Eni Enrico Mattei, Note di Lavoro* 52.2006, available at <http://www.feem.it/NR/rdonlyres/D8689978-76C2-428D-A625-D0E49BBA81CE/2198/5206.pdf>
- <sup>vii</sup> Friedberg, R. 2001. "The Impact of Mass Migration on Israeli Labour Market." *The Quarterly Journal of Economics*. V.16(4):1347-1406.
- <sup>viii</sup> Frijters, P., Shields, M.A., Whitley-Price, S. (2005), 'Job-search of ethnic workers in the UK', *Economic Journal*, F359-376. A feature edition with papers from D. Card, C. Dustman et al., and T. Hatton. Press statement.
- <sup>ix</sup> Manacorda, M., Manning, A. and Wadsworth, J. (2006), 'The Impact of Immigration on the Structure of Wages in Britain', *CEP Discussion Paper* No. 754: <http://cep.lse.ac.uk/pubs/download/dp0754.pdf>.
- <sup>x</sup> Borjas (2004). "Increasing the Supply of Labour Through Immigration: Measuring the Impact on Native-born Workers". *Centre for Immigration Studies*. Can be found at <http://www.cis.org>
- <sup>xi</sup> Borjas. (2001). "Does Immigration Grease the Wheels of the Labour Market?" *Brooking Papers on Economic Activity*. Can be found at: [http://www.oecd.org/LongAbstract/0,2546,en\\_2649\\_34321\\_24741854\\_1\\_1\\_1\\_37435,00.html](http://www.oecd.org/LongAbstract/0,2546,en_2649_34321_24741854_1_1_1_37435,00.html)
- <sup>xii</sup> Borjas. (2003). "The Labour Market Demand Curve is Downward Sloping :Re-examining the Impact of Immigration on the Labour Market." *The Quarterly Journal of Economics*: 1335-1374.
- <sup>xiii</sup> Martin, R. and S. Morrison. (2003). "Thinking About the Geographies of Labour." in Martin, R. and P. S. Morrison. (eds.) *Geographies of Labour Market Inequality*. London and N.Y.: Routledge
- <sup>xiv</sup> Cheshire, P., Monastiriotis, V. and S. Sheppard. (2003). "Income inequality and residential segregation: labour market sorting and demand for personal goods." in Martin, R. and P.S. Morrison. (eds.) *Geographies of Labour Market Inequality*. London and N.Y.: Routledge
- <sup>xv</sup> Morrison, P.S. and O. Berezovsky. (2003). "Labour market risk and the regions: evidence from gross labour flows." in Martin, R. and P.S. Morrison. (eds.) *Geographies of Labour Market Inequality*. London and N.Y.: Routledge
- <sup>xvi</sup> Morrison, P.S. and O. Berezovsky. (2003). "Labour market risk and the regions: evidence from gross labour flows." in Martin, R. and P.S. Morrison. (eds.) *Geographies of Labour Market Inequality*. London and N.Y.: Routledge
- <sup>xvii</sup> Lieberman, S. 1980. *A Piece of the Pie: Black and White Immigrants Since 1880*. Berkeley: University of California Press
- <sup>xix</sup> Fossett, M.A., O.R. Galle, and W.R. Kelly. (1986). "Racial Occupational Inequality, 1940-1980: National and Regional Trends." *American Sociological Review*. V. 51(3):421-429
- <sup>xx</sup> Tienda, M. and D. Lii. (1987). "Minority Concentration and Ethnic Inequality: Blacks, Hispanic and Asians Compared." *American Journal of Sociology*. V.93: 141-165.
- <sup>xxi</sup> Shaginyan-Shapira, M. 2007 "Ethnic Socio-Economic Inequality in an Immigrant Absorbing Society: Case of Israel," Unpublished D.Phil. Dissertation, University of Oxford.
- <sup>xxii</sup> Reimer, S. 2003. "Employer strategies and the fragmentation of local employments: the case of contracting out local authority services." in Martin, R. and P. S. Morrison. (eds.) *Geographies of Labour Market Inequality*. London and N.Y.: Routledge.
- <sup>xxiii</sup> Mensah, J. (1995) "Journey to work and job search characteristics of the urban poor." *Transportation* V22(1):1-19