
The logo for CIVITAS, featuring the word in a white serif font on a dark blue rectangular background. A vertical red line is on the left, and a horizontal grey line is above the logo.

CIVITAS

Not 'challenging myths' but mythical challenges

Mervyn Stone

Online Report: Feb 2010

A horizontal grey line is at the bottom, and a vertical red line is on the right side, intersecting the grey line.



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Not 'challenging myths' but mythical challenges

*To the memory of Andrew Dennis
1948 - 2008
Migration Watch Director of Research
2002 - 2008*

Introduction

The motivation for this piece for Civitas is a very personal one that stems from my serving as a member of the Migration Watch UK (MWUK) advisory council from 2003 to 2007. The 'council' was no more than a group of individuals with a wide variety of backgrounds and life experience, but all of them were concerned about the increasing levels of net immigration to the UK. With a background in the statistical profession, I joined MWUK's advisory council in 2003 with the proviso, accepted by MWUK's founder Sir Andrew Green, that I would be able to blow a whistle — if its statistics came anywhere near having standards as low as those now documented in the Civitas booklet *Failing to Figure: Whitehall's Costly Neglect of Statistical Reasoning*. I was able to eat its occasional lunches for four years with my whistle unblown and with an increasingly high regard for the scholarly quality and range of MWUK's statistical research and publications. That achievement was in large part the work of its late Director of Research, Andrew Dennis, to whom this piece is dedicated.

It is an achievement — a gift of honest statistics to the nation, it might be said — of which the public is still largely unaware, in the main due to a politically conditioned reluctance of commentators to concede that a campaigning organization (which is what MWUK is) can do so without misrepresenting evidence. Prejudice is not easily dislodged. But things are slowly beginning to change, perhaps influenced by revelations like the one obtained by a Freedom of Information request and published in the Sunday Times of 22 August 2004 — that a Home Office expert had e-mailed colleagues thus: 'I have made this point many times before but can we please stop saying that Migrationwatch migration forecasts are wrong.' Or like the Observer profile of Sir Andrew Green in January 2007, quoting a senior BBC news executive as conceding that 'We probably didn't like what he had to say [but] he hasn't put a foot wrong on the information he has published.' And then there was the publication of the booklet *Balanced Migration* in 2008 by a cross-party group of MPs headed by Frank Field and Nicholas Soames, which was prepared by MWUK at their request and that sadly turned out to be Andrew Dennis's final gift.

However, there is still a great deal of superficial criticism of MWUK, coupled with a reluctance to subject MWUK publications to the detailed scrutiny and analysis that might justify such criticism. The recently published book *'Sleepwalking to segregation'?: Challenging myths about race and migration* (Finney and Simpson,

2009; Stone, 2010) is a notable exception. Its authors, two University of Manchester social scientists, Nissa Finney and Ludi Simpson, are far from reluctant to attack MWUK publications. Their book is a well-documented, richly informative polemic written with manifest passion and conviction. It holds three bodies responsible for generating or propagating as many as 21 myths — the Equalities & Human Rights Commission (EHRC) and the British National Party (BNP) as well as MWUK. The section of 'Sleepwalking to segregation?' (pp. 63-69) entitled 'Migration Watch UK and the myth of too much immigration' boldly claims to expose seriously damaging errors in the statistical arguments of MWUK. This piece for Civitas is a self-contained readable response to those claims. On the back-cover of the book, Lord Bikhru Parekh, a professor of political philosophy in LSE's 'Centre for the Study of Global Governance', praises the work of the two authors as 'well-researched and carefully argued', and the work is also warmly recommended by geography professor Danny Dorling.

Finney and Simpson clearly have a low opinion of the organization that Sir Andrew Green established eight years ago. At the third mention, it gets paired with the BNP as one of the 'vocal proponents of race and migration myths'. But when the authors forget to be snide in that way, their book can be informative, as on page 48:

For MigrationWatchUK, immigration is the source of Britain's major problems ... The solution they campaign for is an annual limit so that immigration is no more than emigration. But is it really that straightforward? In a globalized world where travel is commonplace, shouldn't we expect more migration and less rigid borders?

So 'Sleepwalking to segregation?' ends with praise for Tony Blair's optimistic and perhaps conscience-driven brand of globalism, and for Philippe Legrain's straightforward view that 'efforts to keep poor people out while the rich and the educated circulate freely are a form of global apartheid' (p.173).

It is hardly surprising that, on the way to that level of agreement with the Dr Panglosses of this world, Finney and Simpson manage to accuse MWUK of multiple sins — deceptive modes of argument, such as 'inaccurate use of statistics' (p.64), 'playing with the figures to find a large number to quote' (p.65), 'promoting fear by using immigration figures out of context' (p.69) and 'fanciful footwork with figures' (p.87). No punches are pulled on page 182: 'MigrationWatchUK selects its figures to make a political case. The myth: MigrationWatchUK is a reliable source for immigration information and comment.' Fault is even found with MWUK for being given political weight by parts of the media and the political elite, who ought to see that 'its logic and statistics do not hold water' (p.69). Having built this seemingly overwhelming case with an amalgam of vigorously stated opinions and statistical arguments, they are amazed that anyone can take a different view of such a wicked organization. They openly express wonder that the 'racist and nationalistic views' that they see in MWUK publications can get such 'favoured coverage' in some parliamentary committees and sections of the media (p.165).

How the book makes its statistical case against MWUK

Here are 14 quotations from pages 63-69 and 84. The first seven quotations, Q1-Q7, concern the estimation of future population growth and the fraction that might be ascribable to continuation of appreciable net immigration. Quotations Q8-Q14 are about the estimation of the possible consequences for gross domestic product (GDP) and taxation (fiscal balance). Between the quotations on this list, I have interpolated comments that faithfully represent those of a lay friend (call him Anon) to whom I showed the list. Bold font represents my emphasis.

Q1: *Some general points must be made about MigrationWatchUK's role in the immigration debates, where it instils a sense of urgency ... and misleads via its **inaccurate use of statistics**. ... MigrationWatchUK's use of statistics side by side with **fearful** consequences **without explanation or context** leaves the reader to assume that the figures indicate exceptional and unacceptable trends. For example ... 'Immigration (immigrants and their descendants) will now **account for 83% of future population growth in the UK**'.*

ANON: "Interesting! But 83% of 0 is 0, so I need the context to tell me how big that growth is likely to be."

Q2: *MigrationWatchUK's claim that 'In the 1990s, immigration became the most important component of population growth (**accounting for 83%**)' is both **false and peculiar**.*

ANON: "Is that the same 83%? More context please!"

Q3: *Government figures, which MigrationWatch UK generally uses in its statements, show that in the 1990s the UK population grew each year both naturally (from more births than deaths) and from international migration. Over the whole decade there was a net gain of 676,000 people from migration and 999,000 from natural change ... The contribution from migration did rise during the 1990s but in no year did it reach 70%, let alone 83%. It turns out that the source for MigrationWatchUK's 83% refers not to the 1990s but to a **projection** [book's emphasis] by the Government Actuary's Department [GAD] for the period 2003-31.⁵⁹ Population change according to the main government projection, **when compared to what would happen if there was no migration at all**, yields a difference of 5.2 million, which is **84% of the projected total change and close enough to the MigrationWatch claim**.*

ANON: "There's that 83% again! It looks as if the authors first thought it was about the past and then found it was about the future. Perhaps the book gets 84% by rounding an 83.5 up rather than down. I'm really confused!"

Q4: *Perhaps the false claim for the 1990s is a slip of the MigrationWatch UK pen. But even when applied to the future, the statement that the equivalent of 84%*

(or 83%) of population growth can be attributed to migrants and their children is **decidedly peculiar**.

ANON: "That doesn't help me! A growing percentage! It's getting so mysterious that I must read the book."

Q5: *Migration is the balance of all immigrants minus all emigrants. Natural change is the balance of all births minus all deaths. ... One or both of these balances can be negative as well as positive.*

Q6: *Thus, the MigrationWatchUK calculation can lead to **odd statements** ... One can extend the MigrationWatchUK calculation by taking immigration on its own, which was 3.5 million between 1991 and 2001, compared to the total population change of 1.7 million. One could say that immigration accounted for 211% of the population change, which is **clearly ludicrous**.*

ANON: "If that's what Migration Watch are doing, they should be closed down!"

Q7: *MigrationWatchUK is playing with the figures to find a large but **believable number to quote**.*

ANON: "Outrageous!"

Q8: *A key component of MigrationWatchUK's anti-immigration argument is immigration's detrimental effect on the economy.*

Q9: *The crux of MigrationWatchUK's economic argument ... is that although immigration results in economic growth it is cancelled out by the increase in population ... Using this reasoning, MigrationWatchUK has challenged official statistics on the economic impact of immigration.*

Q10: **Box 3.2: The MigrationWatchUK calculation of the economic benefit of immigration** [box heading]

- *Step 1: 0.42% is the annual growth in the working-age population due to immigration projected by government for the period 2004-2031, and is **therefore** the annual growth in GDP contributed by immigration.*

- *Step 2: 0.35% is the annual growth in the overall population due to immigration during the same period ...*

- *Step 3: 0.07%—the difference — is **therefore** the contribution to the GDP made by immigrants, after taking into account the growth in population.*

- *Step 4: With a GDP of £1,234 billion, and 0.07% of it divided between a population of 60 million, the contribution of immigrants is £14 per annum or 28p per week.*

ANON: "This looks like hard work. Do I really want to read this book?"

Q11: *The calculation is straightforward but perhaps too straightforward. ... The*

relationship here would be easier to grasp were one side of the equation the contributions of immigrants and the other the costs of immigrants ... the critique comes back to the assumption made by MigrationWatchUK that population growth can easily be equated to 'cost of immigration'.

ANON: "I'll stay out of it, if academics can't grasp it!"

Q12: [MWUK] criticizes the government's calculation of the proportion of GDP produced by immigrants, Step 1 in its calculation, because it **'takes no account of dependent children'**; when they are included the result is that migrants contribute slightly less to GDP than their population share'.

Q13: *If MigrationWatchUK is concerned here with dependent children who are themselves immigrants (that is, they migrated with their parents or guardians) it is difficult to see how the result can be different from that in the box above. In this calculation, dependent child immigrants are taken into account in Step 2, as the assumed costs of their addition to population. If MigrationWatchUK is concerned with the children of immigrants born in the UK, **its perspective is extremely problematic**: if the definition of an immigrant is extended to descendants of immigrants, shouldn't the contribution from immigrants' children who have already been growing up during the period be considered as part of Step 1? If anyone of immigrant origin remains forever an immigrant, at what point, what generation, does the definition of immigrant stop? In this sense **the vast majority of the British population are of immigrant origin...** .*

ANON: "I'd have to do my homework on Q10 to get any 'sense' out of this."

My final quotation is from p.84:

Q14: *Anthony Browne's claims of a drain of third world immigrants on the state ... are based on a government report that he himself admits does not come to his conclusion. The report clarified that **immigrants make a clear fiscal contribution to the state** — they contribute more in taxes than they use in benefits and public services.*

Helping my friend Anon to a fuller understanding of Q1-Q14 requires step-by-step analysis of their statistical semantics and logic. The necessary disentanglement will take longer than he would like. But the conclusion is that Lord Parekh and Danny Dorling's favourable assessment of 'Sleepwalking to segregation?' is more than questionable and it will be firmly established that there are no grounds for Finney and Simpson's vilification of MWUK and its publications. The analysis will even suggest that the question of statistical integrity has to be re-directed at Finney and Simpson themselves. So one has to hope that they can find an explanation for arguments that have at least the appearance of deliberate or as-if-deliberate deception.

Analysis: Population numbers

There is a strongly motivating theme in the book when it deals with changes in population numbers. It is that Finney and Simpson, in defiance of logic and government actuaries, would like to say that no part of natural change should be taken to be a consequence of immigration.

So MWUK is not the sole target of Q1-Q7. Government actuaries, now incorporated in the Office of National Statistics (ONS), cannot evade Q4's charge of 'decidedly peculiar' practices. That is because they routinely break down a 'principal projection of natural change' in population (total births minus total deaths) into two components: (a) an estimate of what actuaries call 'the natural change assuming no migration' and (b) the remaining 'additional natural change from assumed level of net immigration'. Component (a) is the result of a calculation based on the counter-factual supposition that 'net migration will be zero at all ages in future, but makes the same assumptions about fertility and mortality as the principal projection' (*Population Trends*, Winter 2004, p.11).

Q1: The 83% here is from the MWUK paper 'Outline of the problem' of 3 January 2007 but the authors got the quote from its prior website publication on 2 January. The file is no longer available but the paper is. I still have my copy from the days when I was a member of MWUK's advisory council, in which I note that the sentence before quotation Q1 is enough to give the necessary context:

According to Government projections, immigration will result in an increase in the population of the UK of 6 million in the 27 years from 2004 that is 6 times the population of Birmingham. Immigration (immigrants and their descendants) will now account for 83% of future population growth in the UK.

The provenance of this 83% is clearly a government projection for which the base year is 2004. The complementary 17% is the proportion of the estimated total growth in population corresponding to first component of natural change i.e. the actuarial counter-factual estimation of what births-minus-deaths would have been with no immigration. The second author is a professor of population studies. Did he not come across the actuarial projection (from 2004) in the Spring 2006 issue of *Population Trends*, showing that an 83% is indeed derivable from its Table A — more precisely, that 'the overall effect of immigration' would (under the assumptions made) account for 82.9% of the population increase in the 27 years?

Q2: Here Finney and Simpson are giving us only half of the relevant sentence in the MWUK publication 'An overview of UK migration' of 10 January 2007. The complete sentence is:

In the 1990s, immigration became the most important component of population

growth (accounting for 83%) and one of the most important components of the projected future growth of households and hence for the new building programme.

The short MWUK paragraph goes on to make its point with:

Over half of migrants live in London and the South East and more than 75% of new migrants settle there. According to the Office of the Deputy Prime Minister 65,000 households will be formed each year as a result of immigration. This is nearly one in three of the total 209,000 new households that are now projected.

The context is clearly about projected annual numbers of households — their total number and the number of residents (including descendants) ascribable to immigration. It is therefore about the corresponding *projection* of population numbers.

In context, the omitted half of the sentence makes clear that immigration (the 'component' of the first half that 'became' responsible for 83% of some population growth) also became a component of 'projected future growth of households'. In 2007, when Q2 was written, the current projection of the contribution of immigration to future population growth was 83% (as reported in the paper from which Finney and Simpson took Q1 and put it on the facing page to Q2). So the message seems fairly obvious. Somewhere, well beyond the 'balance of probability' if not 'beyond reasonable doubt', one can be confident that the 83% in Q2 refers to the same calculation and entity as the 83% in Q1. Now that, placed in context, Q1 tells us quite explicitly that the latter percentage was from the government actuary, so must the 83% in Q2 have come from the same stable.

Q3 and Q4: The footnote 59 in Q3 refers to the Winter 2004 (not Spring 2006) issue of Population Trends. If we accept that the full quotation leaves little ambiguity about the provenance of Q2's 83% (i.e. if we overlook the ambiguity in MWUK's failure to mention the specific reference that would have left no scintilla of doubt), we may wonder why Finney and Simpson cut the sentence in two and then claimed that there is something 'false and peculiar' about the filleted morsel? The only alternative to deliberate deception (which is a charge I would not wish to make) is that the suppression of context was a playful device of the sort that academics often deploy in order to engage the interest of their students. Here it appears to be for Finney and Simpson to excite the interest of readers in their motivating theme — of not wanting to count descendants of immigrants born in the UK.

The misreading presented in 'Sleepwalking to segregation?' was to take the 83% in Q3 as having a provenance different from that of the 83% in Q1 — as if it were a simple calculating error in an imagined MWUK analysis of historical immigration figures of the 1990s, rather than having anything to do with 'future population growth' (as in Q1). To satisfy Finney and Simpson's logic, the equality of these percentages

then has to be a fortuitous coincidence — moreover, one that MWUK's director of research did not notice when making the slip one week later. In Q3, Finney and Simpson say that, in trying to find any 83% in the 1990s data, the nearest they got was something less than 70%. Which is not surprising — by design, their percentage calculation excludes the second component of natural increase from the official actuarial definition of the overall effect of immigration.

This begins to look like a case of Sir Walter Scott's epigram — 'O what a tangled web we weave ... ' especially when Finney and Simpson at last reveal that the 'source for MigrationWatchUK's 83%' in Q3 was a GAD projection and, in Q4, suggest that the 'false claim for the 1990s' (i.e. the 'accounting for 83%') was nothing more than 'a slip of the MigrationWatchUK pen'. In Q6, Finney and Simpson talk about the 'MigrationWatchUK' calculation as if it had been actually carried out by MWUK on the 1990s data in exactly the same way as the one they used as the ground for claiming it to be 'false' (as the ratio of total natural change to total change). If that is really what they are claiming, then they must also be alleging that the 83% somehow flew from the GAD source into the calculating head of the MWUK director of research, without any guiding intelligence — to lodge there and then cause that 'slip of the MigrationWatchUK pen'.

There is another revealing feature of the as-presented story — unless it is openly recognized to be an example of academic playfulness. Why were these two academics apparently happy to overlook the discrepancy they find between the 83% of Q2 and the 84% of Q3? The GAD source gives me 84.3%, so we know they did not err in rounding their calculation. The discrepancy would therefore have required another small slip of the MWUK pen even as it responded to the prompting of the irrelevant percentage from the GAD source to get the 83%. The discrepancy was indeed a 'slip' — but not a slip by MWUK and not an insignificant one. If Finney and Simpson had correctly followed up the sentence before the one they quoted in Q1, they would have gone to GAD's projection from 2004, not 2003, and come away with 82.9% i.e. 83%.

The simplest explanation of all these implausibilities — which I will henceforth adopt — is that the 83% rigmarole did indeed start as a playful ploy. It may be an unintended compliment to MWUK that so much was made of that 83% — which is just one of the many figures could have been used if MWUK were as black as painted. Was it, perhaps, the only one with an exploitable ambiguity?

Q4-Q7: A Hitchcock film often starts with a sunny scene with no dark clouds on the horizon, and horror builds only slowly. The second paragraph on page 65 opens playfully— with Q4's tongue-in-cheek concession — but the clouds pile up quickly. By the time we get to the bottom of the page, a dark and damaging charge has been levelled at MWUK's statistical integrity.

As already noted, Q4 and Q5 challenge the way the Office of National Statistics routinely makes projections of the effect of net migration on population growth. Those projections currently make good sense, when a population growth is both

positive and larger than a positive sum of an assumed positive net immigration and the second component of natural change (ascribed to the net immigration and potentially negative). Paradoxically, what the authors call the 'MigrationWatchUK calculation' is the one they pretend MWUK had used to make its 'false claim' in Q2 — but that neither ONS nor MWUK would recognize as appropriate for estimating, either retrospectively or prospectively, the consequences of a positive net immigration on population growth. More than one 'Aunt Sally' like Q6 is here being exhibited to show that the so-called 'MigrationWatchUK calculation' can lead to arithmetic absurdities. All of them could be lightly dismissed as academic entertainment if they were not deployed to make the damaging and untruthful claim that is Q7.

Analysis: Immigration and Gross National Product

Q9: As late as 2006, the Home Office was still telling the nation, without reserve or qualification, that immigration had boosted GDP by this or that number of billions. It was MWUK's insistent publication of several estimates of the corresponding small percentage change in *per capita* GDP, expressed in terms of everyday household expenditure, that obliged the Government finally to acknowledge that the public have a legitimate interest in the *per capita* figure.

Q10: In Box 3.2 of Q10, Finney and Simpson give us an edited version of Annex A of MWUK's *Submission to the House of Lords Select Committee on Economic Affairs on 'The Economic Impact of Immigration' in 2007* — in which it might have been helpful to point out that the 'therefore' they edited into Steps 1 & 3 was based on the HM Treasury assumption that GDP is proportional to working-age population. They do not give us paragraph 213 of the Select Committee's final report — that goes further than MWUK does in questioning the Home Office line:

GDP per capita is a better measure than GDP because it takes account of the fact that immigration increases not only GDP but also population. However, even GDP per capita is an imperfect criterion for measuring the economic impacts of immigration on the resident population because it includes the per capita income of immigrants.

Q11: Finney and Simpson are here criticizing another 'Aunt Sally' when they attribute another assumption to MWUK that it did not make. It seems that all MWUK was trying to do was to get the Home Office to add a *per* to their *capita*.

Q12-Q13: In the publication to which Finney and Simpson refer for this quotation, MWUK do not criticize the non-inclusion of dependent children in some governmental calculation corresponding to the future projection of Step 1. (There was

no such calculation, if only because the Home Office would not have dared to question the HM Treasury assumption just referred to.) The government calculation that MWUK criticized was for the then *current* year concerning a long running dispute between MWUK and the Home Office about the latter's claim that immigrants contribute more to GDP than their percentage of the adult population. It was not for any future projection. That would have had the Home Office on the horns of a dilemma — either to offend the pro-immigration lobby by taking some account of the number of descendants of immigrants or to offend the government actuaries now in ONS by excluding them from some estimate. The dispute went to the Statistics Commission watchdog which judged in favour of MWUK.

If this correction is accepted, the difficulty raised in the first sentence of Q13 will evaporate. The 'Steps' in Q13 refer to Box 3.2, not to the quite different government calculation just mentioned. Q13 does not appear to recognize that (a) the 0.35% in Step 2 corresponds to the 83% of Q1 and Q2 and (b) the 0.42% in Step 1 comes from the same stable, with the actuarial contributions from dependent children born in the UK and descendants of future generations that Finney and Simpson want to exclude.

Analysis: Immigration and the fiscal balance

The report that Q14 refers to is the 2002 Home Office publication, *RDS Occasional Paper No. 77*, which was the source of the widely circulated claim that is alluded to in Q14 — namely that, in 1999/2000, 'migrants' contributed £2.5 billion more in taxes than they consumed in benefits and public services. A 'migrant' was defined as a foreign-born resident or a dependent UK-born child under 16 of migrant parentage. There were about three-quarters of a million such children in 1999 according to the Labour Force Survey. Finney and Simpson see no fault in the statistical methods and reasoning that led to the £2.5 billion claim. Moreover, they pay no attention to two papers written in the wake of the HO calculation — the 2005 Institute for Public Policy Research (IPPR) paper *Paying their way: The fiscal contribution of immigrants in the UK* (Sriskandarajah et al, 2005) and the 2006 MWUK Briefing Paper 1.9 *The fiscal contribution of migrants*.

IPPR described the figure £2.5 billion as 'meaningless' because it took no account of overall buoyancy of the national budget for 1999/2000. However, IPPR did accept the Home Office's classification of UK-born children of migrant parentage as 'migrant':

There is considerable debate as to whether this is a suitable adjustment to make ... UK-born dependent children ... would not be here had their parents not immigrated to the UK. As dependent children have an impact on public finances because of the cost of providing them with education, not to include them in the analysis would underestimate the cost of providing public services to immigrants and their families. (Sriskandarajah et al, p.4)

IPPR's decision to follow Home Office classifications also meant doing what the Home Office had done about the approximately 1½ million dependent UK-born children of 'mixed households' in which there was one migrant and one UK-born parent — which had broken the symmetry between UK-born and 'migrant' by putting them all in the non-'migrant' (UK-born) category. What did the RDS (Research, Development and Statistics) statisticians think about it? I like to think that they advised that an essentially multivariate subject matter should not be asymmetrically forced into a questionable univariate framework — and that the public should be offered several numbers that could be evaluated from different viewpoints and value judgments about immigration. At least ten numbers are what the sensitivity of the matter requires — a two-by-five table of the two variables *per capita* net fiscal contribution and population number, each with five categories: migrant adults, UK-born adults, dependent children of migrant parentage, ditto for UK-born parentage, ditto for mixed parentage.

Without attempting the full analysis, the MWUK paper revealed the sensitivity of the results to how the figures in the table might be used to get one number for 'migrant' and a comparison number for 'UK-born'. MWUK argued that it would make for a fairer comparison if there were a 50:50 split of the net contribution of the approximately 1½ million children of mixed households. (MWUK made just one other change to the Home Office/IPPR classification — a foreign-born child of UK-born parentage was classified as 'UK-born', just as a UK-born child of migrant parentage became a 'migrant'. This change is already in the suggested table.) It was the 50:50 split that made a big difference to net *per capita* contributions. The IPPR revision of the HO study had given these as minus £74 for 'migrants' and minus £844 for the complementary 'UK-born' category. For 2003/04, MWUK found that the 'migrant' figure went much further into the red — down to minus £892, whereas the 'UK-born' figure went down only £4 to minus £848. MWUK described £892 and £848 as 'very similar' and, no doubt aware of the statistical uncertainty of such estimates, did not make anything of the fact that 'migrant' had the larger deficit. The 2006 MWUK Briefing Paper 1.9 then gave its subscribers a balanced and subtle prognosis, pointing out that the 2003/04 'migrant' deficit was likely to be the first stage of an oscillation, if work permits continued to be issued at a high level and net immigration continued to increase before levelling out (if that is what it would do):

The immediate fiscal effect of migrants of working age entering the UK is likely to be positive. Most of these migrants will be economically active and they will be making a fiscal contribution but, as they have very few dependants, their demands on government benefits and services will be low. However, this situation will change rapidly as they have families of their own and as their entitlement to benefits, and eventually pensions, takes effect. ...

In a situation where the net inflow of migrants is relatively stable the increasing demands of the earlier migrants will be offset by the reduced demands of the new

migrants. However, when there has been a step change in migration levels, as there has been in recent years, there will be a temporary fiscal benefit. But it is one that can only be maintained by further increases in net migration levels. Such changes would be unsustainable. (MWUK Briefing paper 1.9, paragraphs 42 & 44)

Notice that this MWUK assessment does more than clarify the fiscal balance issue. The clearly-stated logic of the second paragraph also refutes the claim that continued immigration will be needed to provide pensions and care for the elderly. Just take 'demands' to refer to those goods.

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