

From: Jonathan Portes  
To: Ross Young, Andrew Dilnot  
Cc: Ed Humpherson  
Date: 28/07/2014 23:08  
Subject: Letter to Sir Andrew Dilnot: Prime Minister on "New Jobs"

Dear Sir Andrew

The Prime Minister's article in the Daily Telegraph today states:

"while most new jobs used to go to foreign workers, in the past year more than three quarters have gone to British workers".

<http://www.telegraph.co.uk/news/uknews/immigration/10995875/David-Cameron-Were-building-an-immigration-system-that-puts-Britain-first.html>

The statement that "most new jobs used to go to foreign workers" is false. The Prime Minister is referring to ONS published figures on net changes in employment. As you and the ONS have repeatedly stated, most recently in your letter to Matthew Hancock of 24 July, these figures do not provide an estimate of the number of "new jobs" and should not be cited as such.

As the ONS says:

***"The estimates of employment by both nationality and country of birth relate to the number of people in employment rather than the number of jobs. Changes in the series therefore show net changes in the number of people in employment, not the proportion of new jobs that have been filled by UK and non-UK workers."***

[Page 13 here: [http://www.ons.gov.uk/ons/dcp171778\\_361188.pdf](http://www.ons.gov.uk/ons/dcp171778_361188.pdf) ]

This means that it is necessary to look at information on job flows, not contained in the published ONS statistics, but available from the LFS microdata: the correct figure for the share of new jobs (or the share of new hires) accounted for by those born outside the UK, is actually about 17%. See figure 5 here: <http://cep.lse.ac.uk/pubs/download/pa015.pdf>

As Professor Wadsworth says, it is nonsense to suggest that, whatever time period you look at, "most new jobs" went to foreign workers. A further, more detailed explanation is in my Spectator article here:

<http://blogs.spectator.co.uk/coffeehouse/2011/09/right-to-reply-the-impact-of-immigration-on-the-labour-market/>

Apologies for the detail, much of which you will be familiar with, but I thought it would be helpful to restate it for the record.

It would be very helpful if you would restate clearly for the record that the ONS figures on net changes in employment should not be used to talk about the proportion of new jobs going to foreign workers; and that in fact any plausible interpretation of the available data makes clear that the vast majority of new hires were born in the UK, and that this has always been and

continues to be the case.

Regards,

Jonathan Portes  
Director  
National Institute of Economic and Social Research  
2 Dean Trench St  
London SW1P 3HE