# IMPACT OF IMMIGRATION ON ECONOMIC DEVELOPMENT- A CASE STUDY OF

## UK

[Name of the Topic]

[Your official name]

[Degree Title],

[university], 20XX

#### **ABSTRACT**

The primary aim of the following study is analyse and assess the significance of the impact of immigration on the economic development of UK. For this research, the researcher has selected the case study of UK in order to check the impact of immigration on the economic development. In this research project, the researcher has decided to use quantitative research design for this specific research in order to gather information that is being acquired by using different sources of information in order to analyse the impact of immigration on economic development of the UK. The sample size selected for the study is the data of 1980 till 2015 regarding unemployment, GDP growth rate, and immigrants of the UK. In this research, the researcher has used Eviews to analyse the results and it was found that there is no association between the immigration and the economic development. Therefore, it was recommended that the government of the country should also explicitly take into account the impact of the composition and the future size of the UK population.

## TABLE OF CONTENTS

| CHAPTER ONE: INTRODUCTION           | 4  |
|-------------------------------------|----|
| 1.1 Introduction to the Research    | 4  |
| 1.2 Background of the Study         | 4  |
| 1.3 Problem Statement               | 5  |
| 1.4 Aim and Objectives of the Study | 5  |
| 1.5 Research Questions              | 6  |
| 1.6 Rationale of the Study          | 7  |
| 1.7 Significance of the Study       | 7  |
| 1.8 Definition of Key Terms         | 8  |
| 1.8.1 Immigration                   | 8  |
| 1.8.2 Economic Development          | 8  |
| 1.8.3 Gross Domestic Product (GDP)  | 9  |
| 1.9 Structure of the Study          | 9  |
| References                          | 11 |

## **CHAPTER ONE: INTRODUCTION**

## 1.1 Introduction to the Research

The following chapter is the introductory part of the entire research of the study, including contextual background of the study, research aim and objectives, research questions, significance of the study and rationale for the selection of this particular theme for the study to be conducted. This particular research was intended to understand the concept of immigration and economic development in accordance with the theoretical perspective. In this regard, the research is largely focused on the factors and causes of the immigration that can impact on the economic development of the UK. In addition to this, the following chapter also demonstrates statement of the problem on which the entire research is based.

## 1.2 Background of the Study

The economic influence of immigrants in terms of GDP growth rate has been observed clearly in the era of business and economic expansion of the UK. The theoretical perspective of immigration contemplates the movement of a specific group of people, within the international context, who migrate from one destination towards a different geographical region in search for pasture, work and or sustenance etc. (Genc et al., 2012). According to previous researches and literature conducted by different researchers, such as Manacorda, Manning and Wadsworth (2012) it has been noticed that the impact of immigration on the economic development of a country has both negative and positive outcomes, depending upon the nature of the skill set brought along by the immigrants. Hence, in light of the statement mentioned in the previous statement the present research study has intended to evaluate previous records and data and

subsequently determine whether or not there is a positive impact of immigration on the economic development (GDP Growth Rate) on UK.

#### 1.3 Problem Statement

The possible impact of the immigration on the UK economy is one of the major issues in the public debate regarding immigration. In this regard, a number of studies have been conducted in order to address this concern, however, most of them are concerned with the role of immigration in the economic development of U.S and some are focused on economic development of other European countries and few studies have examined the effect on immigration on the UK economy. Moreover, most of the studies examined the impact of immigration on the economic development; however, these studies have failed to examine the impact of immigration of the GDP growth of the country. Yet as per the directives of the House of Lords, UK, it has been identified that there is no concrete evidence that suggests that immigration has spawned any substantial economic benefits the population of United Kingdom. In this regard, the following research study has intended to fill the research gap in evidence whether or not immigration can influence economic development or GDP growth of the UK.

## 1.4 Aim and Objectives of the Study

The primary aim of the following study is analyse and assess the significance of the impact of immigration on the economic development of UK. In order to successfully attain the primary aim of the study, the researcher has derived certain secondary objectives for the following study:

- To study the concepts of Immigration and Economic Development from a theoretical perspective.
- To identify key factors that lead towards the economic development of a country.
- To assess the impact of immigration on the economic development (GDP Growth Rate) of UK.
- To provide effective recommendation strategies that can result in the effective utilization of the skills offered by immigrants in augmenting the economic development of UK.

## 1.5 Research Questions

In order to achieve primary aim of the following research, the researcher was intended to address the following research questions:

- What is the theoretical perspective and concept of Immigration and Economic Development?
- What are the key factors that lead towards the economic development of a company?
- Does immigration have an impact on economic development, particularly the GDP growth of the UK?
- What are the effective recommendationa that could be implemented for the
  effective use of the skills offered by the immigrants in augmenting the economic
  development of the UK?

## 1.6 Rationale of the Study

In the light of the fact that immigrants in the UK have potential impact on the GDP growth, employment rate, and labour market of the UK, hence the prime rationale of the following research is to determine whether or not immigration have an influence on the overall economy of the UK in order to increase the awareness and understanding regarding research problem academically as well as professionally. In addition to this, the economic crises and immigration have already been overextended the economic development of the UK which require deep consideration and understanding. In this regard, the researcher has specifically highlighted the impact of immigration on the UK economy that has provided the researcher an opportunity to understand the concept of immigration and economic development in the light of the theoretical perspective and conception. Moreover, the following research also critically evaluates the willingness of immigrants to the influence the economic situation or position of the UK in order to fill the research gap in evidence regarding the relationship between immigration and economic development, particularly the GDP growth of the UK.

## 1.7 Significance of the Study

The following research study is expected to play significant role in providing essential information or data to the economist working in the field of local and politician authorities, and labour economies in order to track the statistics of immigration and GDP growth rate of the UK. Furthermore, this study would also be essential for students of economics in order to acquire sufficient information and understanding regarding the factors that can impact economic development and advancement of the country. One of the promising aspects of this particular

study is that it would increase the understanding of the reader regarding the concept and theoretical perspective of immigration and economic development.

The present research has presented effective recommendations for the effective utilisation of the immigrations' skills and competencies that would be beneficial for the organisations in order to increase economic development of the country. Additionally, the present detailed research not only offers opportunities to understand the relationship between immigration and UK economy in terms of GDP growth rate, but also provide reliable information and data to the future researcher in order to conduct the research relevant to this topic. This research would also be helpful for the policymakers in the UK to understand the impact of immigration on economic development and can overwhelm the adverse impact of immigration on the UK economy.

## 1.8 Definition of Key Terms

The definitions of key terms which are essential for the researcher in order to address the research problem and research questions are discussed below:

## 1.8.1 Immigration

According to Favell (2016), immigration refers to the international movement of individuals to the destination country of which they are not inhabitants in order to settle themselves as permanent residents or to acquire employment as an immigrant worker.

#### 1.8.2 Economic Development

As stated by McKinnon (2010), economic development could be referred as a process or efforts through which a county seeks to improve the political, economic, and social wellbeing of its people through the rise in GDP and market productivity.

## 1.8.3 Gross Domestic Product (GDP)

In the words of Forecast (2011), GDP refers to the monetary measurement and estimation of all the finished products and services manufactured within a country in a particular period of time.

## 1.9 Structure of the Study

In order to achieve research aim and objectives, the present research has included five main chapters such as introduction, review of literature, methodology, results and discussion, and conclusion and recommendations.

Chapter one is the introductory section that includes background of the study, research aim and objectives, problem statement, research questions, rationale of the study, definition of key terms, significance of the study, and structure of the study

Chapter two is the presentation of literature reviews that has been collected from previous researcher relevant to the relationship between immigration and economic development

Chapter three is the methodology section of the research study through which the researcher has collected essential information and data for the research to be performed such as research philosophy, research approach, research strategy, research design, sampling technique, sample size, ethical considerations, and limitations of the research

Chapter four is the determination and evaluation of the data that has been collected in order to analyse the impact of immigration on GDP growth of the UK.

Chapter five is the last chapter of the research study that has played essential role in drawing the conclusion of research findings and results based on the analysis of immigration impact on GDP growth, along with providing effective recommendations to the future researchers and policymakers of the country

#### References

- Bendat, J.S. and Piersol, A.G., 2011. Random data: analysis and measurement procedures (Vol. 729). John Wiley & Sons.
- Blau, F.D. and Kahn, L.M., 2012. *Immigration and the Distribution of Incomes* (No. w18515).

  National Bureau of Economic Research.
- Bloom, D.E., Canning, D. and Fink, G., 2010. Implications of population ageing for economic growth. *Oxford review of economic policy*, 26(4), pp.583-612.
- Bollen, K.A., 2014. Structural equations with latent variables. John Wiley & Sons.
- Bond, E.W., Iwasa, K. and Nishimura, K., 2012. The dynamic Heckscher–Ohlin model: A diagrammatic analysis. *International Journal of Economic Theory*, 8(2), pp.197-211.
- Bond, E.W., Iwasa, K. and Nishimura, K., 2013. Poverty traps and inferior goods in a dynamic Heckscher–Ohlin model. *Macroeconomic Dynamics*, 17(6), pp.1227-1251.
- Borjas, G.J., 2013. The analytics of the wage effect of immigration. *IZA Journal of Migration*, 2(1), p.22.
- Borjas, G.J., 2014. *Immigration economics*. Harvard University Press.
- Boubtane, E., Dumont, J.C. and Rault, C., 2015. Immigration and economic growth in the OECD countries 1986-2006.
- Brown, D.L. and Wardwell, J.M. eds., 2013. New directions in urban–rural migration: the population turnaround in rural America. Elsevier.
- Castles, S., De Haas, H. and Miller, M.J., 2013. *The age of migration: International population movements in the modern world.* Palgrave Macmillan.
- Coale, A.J. and Hoover, E.M., 2015. *Population growth and economic development*. Princeton University Press.

- Creswell, J.W., 2013. Research design: Qualitative, quantitative, and mixed methods approaches. Sage publications
- De Haas, H., 2010. Migration and development: A theoretical perspective. *International migration review*, 44(1), pp.227-264.
- Dhingra, S., Ottaviano, G., Van Reenen, J. and Wadsworth, J., 2016. Brexit and the impact of immigration on the UK. *CEP Brexit Analysis paper CEPBREXIT05*.
- Dustmann, C., Frattini, T. and Preston, I.P., 2012. The effect of immigration along the distribution of wages. *Review of Economic Studies*, 80(1), pp.145-173.
- Favell, A., 2016. *Philosophies of integration: Immigration and the idea of citizenship in France and Britain.* Springer.
- Forecast, F.C., 2011. Gross Domestic Product (GDP).
- Genc, M., Gheasi, M., Nijkamp, P. and Poot, J., 2012. The impact of immigration on international trade: a meta-analysis. *Migration Impact Assessment: New Horizons*, 301.
- Genc, M., Gheasi, M., Nijkamp, P. and Poot, J., 2012. The impact of immigration on international trade: a meta-analysis. *Migration Impact Assessment*
- Goldring, L. and Landolt, P., 2012. The Impact of Precarious Legal Status on Immigrants' Economic Outcomes. *IRPP Study*, (35), p.1.
- Hainmueller, J., Hiscox, M.J. and Margalit, Y., 2015. Do concerns about labor market competition shape attitudes toward immigration? New evidence. *Journal of International Economics*, 97(1), pp.193-207.
- Iwasa, K. and Nishimura, K., 2014. Dynamic two-country Heckscher–Ohlin model with externality. *International Journal of Economic Theory*, *10*(1), pp.53-74.

- Kumar, R., Gopal, R. and Garfinkel, R., 2010. Freedom of privacy: anonymous data collection with respondent-defined privacy protection. *INFORMS Journal on Computing*, 22(3), pp.471-481.
- Macfarlane, B., 2010. Researching with integrity: The ethics of academic enquiry. Routledge.
- Manacorda, M., Manning, A. and Wadsworth, J., 2012. The impact of immigration on the structure of wages: theory and evidence from Britain. *Journal of the European Economic Association*, 10(1), pp.120-151.
- Manacorda, M., Manning, A. and Wadsworth, J., 2012. The impact of immigration on the structure of wages: theory and evidence from Britain. *Journal of the European Economic Association*, 10(1), pp.120-151.
- McKinnon, R.I., 2010. Money and capital in economic development. Brookings Institution Press.
- Mertens, D.M., 2010. Philosophy in mixed methods teaching: The transformative paradigm as illustration. *International Journal of Multiple Research Approaches*, 4(1), pp.9-18.
- Ottaviano, G.I. and Peri, G., 2012. Rethinking the effect of immigration on wages. *Journal of the European economic association*, 10(1), pp.152-197.
- Peri, G., 2012. The effect of immigration on productivity: Evidence from US states. *Review of Economics and Statistics*, 94(1), pp.348-358.
- Richards, A., Waterbury, J., Cammett, M. and Diwan, I., 2013. *A political economy of the Middle East*. Westview Press.
- Robson, C. and McCartan, K., 2016. Real world research. John Wiley & Sons.
- Sekaran, U. and Bougie, R., 2016. Research methods for business: A skill building approach.

  John Wiley & Sons.

- Wadsworth, J., Dhingra, S., Ottaviano, G. and Van Reenen, J., 2016. Brexit and the Impact of Immigration on the UK. *Centre for Economic Performance*. *LSE*, pp.34-53.
- Yakita, A., 2012. Different demographic changes and patterns of trade in a Heckscher–Ohlin setting. *Journal of Population Economics*, 25(3), pp.853-870.