Natives and migrants in the London labour market, 1929–1931

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Abstract. Migrants are sometimes regarded as marginal workers in metropolitan labour markets. London has long been a major destination for migrants from elsewhere in Britain and abroad. In this paper we examine the earnings and unemployment experience in 1929–1931 of male workers who migrated to London, or within London. We use data from the New Survey of London Life and Labour, a large survey of working class households, the records from which have recently been computerised. Our findings indicate that migrants were not marginal, in fact they enjoyed slightly higher earnings and lower unemployment incidence than native Londoners. Much of the advantage can be explained by differences in average skill levels and personal characteristics.

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1. Introduction

The literature on rural-urban migration in less developed economies has painted a picture of migrants from rural areas entering the low-wage ‘infor-
mal’ sector and facing high probabilities of non-employment. Here we focus on London in 1929–1931, a time when the relative prosperity of the metropolis was continuing to draw immigrants from other parts of the country. Surprisingly, the literature on London in the century before the second World War suggests that inward migrants fared better in the metropolitan labour market than did those born in London – the exact opposite of what would be expected from the more general literature. There are two putative reasons for this. First is the so-called theory of urban degeneration, which became popular in the late-nineteenth century. It was suggested that city-bred workers suffered from a vicious cycle of urban deprivation and loss of labour market quality. Second, many observers believed that migrants were typically positively selected and tended to outperform non-migrants, displacing them into relatively poorly paid and unstable occupations. Nevertheless the evidence in support of such claims has been either unrepresentative of the metropolitan labour market as a whole or largely circumstantial in nature.

The purpose of this paper is to compare, more formally than has previously been possible, the unemployment and earnings experience of the London born with those born outside London. For this purpose we use a new source of historical data. This is the recently computerised records from the New Survey of London Life and Labour, a survey of 27,000 working class London households undertaken in 1929–1931. We focus on male workers for whom we are able to identify place of birth, although unfortunately not the timing of migration. We can also identify the borough of birth of the majority of those born in London. It is therefore possible to compare the experience of those who migrated to London with those who migrated within London. Hence we can distinguish on the one hand between Londoners and non-Londoners, and on the other hand between migrants and non-migrants. If the urban degeneration hypothesis is true then this should be reflected in the differences between Londoners and non-Londoners; if the migrant selectivity hypothesis is true then it should be reflected in the difference between migrants and non-migrants.

We examine effects of age, skills and personal characteristics on earnings and unemployment incidence for these different groups according to birthplace and migration status. The results have implications for the active labour market policies that were developed during the interwar period in the face of wide variations in unemployment across regions. Policies of “industrial transference” were developed to move workers from the depressed areas of the north to London and the Southeast. If there is evidence of a long and difficult assimilation process, then this would explain why workers did not move in even greater numbers and it would point to the importance of subsidies for moving. If skills were the key to migrant success in the labour market then that would point to the importance of retraining as the vital ingredient of such policies.

In the following section we outline the structure and development of the London labour market. We then introduce the data and examine the characteristics of workers in the survey. There follows an econometric analysis of earnings and unemployment incidence among male workers in the survey, distinguished by place of birth. Finally we summarise the main findings and draw some tentative implications for contemporary labour market policy.