

The LSE Continental breakfasts are one element of a wider academic programme that aims to understand and inform the process of agreeing Britain's future relationship with the rest of Europe. The breakfasts are private, off-the-record meetings for a select group of distinguished individuals from around the world. They bring together LSE's most renowned academic experts with a diverse group of insightful and influential people to explore key issues shaping the European political landscape.

Meetings are held under Chatham House rules, so that opinions expressed may be reported but not attributed. These seminar-style events typically open with short presentations from two experts, one of which is usually a member of the LSE faculty, followed by open discussion among the group.

In these write-ups, issues raised in the discussions are collected into an essay including references to relevant research and exploring some questions in more depth.



UK Immigration Policy : possible options and their implications *(London 17 March 2017. Written up by Zoe Gardner)*

As the UK prepares to enter negotiations to formulate its relationship with the European Union (EU) post-'BREXIT', the question of migration and 'freedom of movement' is a defining issue of concern both for the public and the government. For stakeholders on every side of the debate, this historic moment represents an opportunity to overhaul our current structures and assumptions and to redraw the policy map for migration to the UK. Below is an attempt to distil the key concerns that emerged from the discussion at LSE on 17 March, and to place them in the context of some recent research on the subject.

The discussion was lively and wide-ranging, reflecting the complexity that is entailed in this broad area of policy-making. Migration policy covers a huge range of issues, and includes various different types of migration; labour or economic, humanitarian, family, seasonal and student migration were all mentioned. Migration policy thus is mutually affected by many other programme areas including integration, welfare, employment, higher education and training and recruitment for a start. One key feature of the discussion regarded the need for a joined-up approach across government departments, taking into account the various needs and priorities of sectors such as business, the treasury and local government too.

Reform or abandonment of Freedom of Movement

Two possible scenarios for the future direction of migration policy-making emerged from the discussion; the first envisions the complete abandonment of any iteration of EU Freedom of Movement, leaving EU and EEA nationals subject to the existing points-based immigration regime as currently applied to third country nationals. The second imagines that the UK maintain some elements of Freedom of Movement, or other preferential

migration regime for EEA nationals, as part of a reciprocal deal negotiated alongside trade and other questions over the next two years. These two quite different possibilities are reflected in much of the work that has sought to examine the question of what a post-'BREXIT' immigration system might look like (*Vargas-Silva 2016, Portes 2016*). It is, of course, impossible to know which of these two possible scenarios, or any alternative, is correct as there has been no move on the government's behalf to communicate a plan: it was noted in the discussion that the government has yet to instruct its Migration Advisory Committee to undertake any research on the question.

In either case, one factor that cannot be ignored is that of 'low skilled' or 'unskilled' (or, one might say, 'low paid') immigration. Since 2007 the UK has not had an immigration route for 'unskilled' workers, as it is understood that the demand that exists in this area for migrant workers will be filled by EU and EEA nationals. With an end to Freedom of Movement, or at least an end to Freedom of Movement for those who are low earners, a new route to bring in those 'unskilled' migrants will be necessary. Many assume that some form of 'guest-worker' scheme will be developed for this purpose, to bring in labour, but not offer any long-term settlement rights, family reunion options, or integration opportunities. Guest-worker schemes are often linked to exploitation of the migrant groups subject to them (*Lea, 2016*), creating a two-tier workforce, where undercutting of wages and conditions is easier for employers. It was also noted by one participant, that it is the pace and churn of change that most British people say they dislike, when questioned about their anti-immigration views. Many are in fact more amenable to long-term immigration, with no animosity towards long-established and well-integrated migrant families.

If Freedom of Movement is to be applied selectively to differentiated groups, there is more than one way in-which to do this, and it doesn't necessarily have to be one that purely benefits the rich, and disadvantages the poor. One proposal is that youth mobility should be retained, potentially formulated along the lines of mobility schemes that exist between the UK and some Commonwealth countries. The possibility for young people to spend some time living and working in other European countries has many economic and social advantages, and has been proposed by Bronk (*2016*).

The government's net migration target v. economic imperative

The one stated goal of the government as regards migration post-'BREXIT' is to reduce net immigration. However, beyond this, there was agreement that the debate has thus far suffered from a lack of clarity as to the fundamental policy objectives. The government's pledge to reduce net immigration to the tens of thousands was discussed, but there was general agreement that this was not a sufficiently realistic or coherent objective. Indeed, it was argued that the target is now being played down by the Prime Minister and Home Office, although despite many arguing that the target is unfeasible and damaging, it is seen as a sticking point that cannot at this stage be abandoned, due to political considerations.

Reducing the rate of immigration to such a degree would require a significantly more restrictive regime and also imply a considerable amount of economic damage for the country, not least due to the administrative and enforcement costs of such an increase in bureaucracy. Goodwin (*2016*) has forecast, for example, that a reduction in immigration of 60,000 per year (not enough to achieve the tens of thousands target) would negatively

impact GDP. Portes (2016) has pointed out the incompatibility of the political imperative to reduce immigration, and the implementation of an efficient migration policy. He argues that the reduced skilled and unskilled workforce, increased regulatory burdens on business and likely increase in undocumented working (more on this later) would have to be addressed alongside any move towards a more restrictive system.

While many participants did raise the issue of numerous sectors of the UK economy's dependence on migrant labour, others insisted that this was a question of a failure of expectation on businesses to train UK citizens to fill vacancies when a skilled foreign-born workforce is available. While businesses were criticised for failing to provide sufficient apprenticeships, the government's apprenticeship scheme itself was said to be inflexible and not fit for purpose. It was argued that in order to move towards a business atmosphere where British workers possess the skills required, rather than relying on migrant skills, there needs to be more forward-planning based on the evidence of existing need. Time and investment are required to develop skills in the native population. Closing off routes to employ foreigners in the meantime therefore could be devastating to some industries.

A further point is taken up in the wider literature. Even a significant move towards better training and apprenticeship opportunities for British people would not rid the economy of its need for immigration. As has been pointed out by Harper (2016), the UK has an ageing population, and immigrants, who are relatively younger and more fertile than Brits, are necessary to address the declining size of the labour force and thus the support ratio. Brunt-Seymour (2016) and Armstrong & Ven (2016) have also both addressed the risk that a post-'BREXIT' reduction in immigration is likely to hit state pensions, possibly leading to the reduction in the pension amount and another rise in the state pension age. Nor did the discussion address the question of migration in terms of the rights of individuals, including, for example, the reciprocal right to easy travel that British citizens may have.

Achieving accountability & public buy-in on immigration policy

Throughout the discussion, which focussed mainly on economic aspects of immigration, it was largely taken for granted that immigration had to be reduced. The debate was rather around whether or how this might be achieved without significant damage to the economy. Another concern, however, voiced by some participants, is the question of achieving a public consensus around immigration policy, whether at current levels or lower, and why this has so far not been achieved. There is significant evidence that the public's hostility towards immigration, at least on economic grounds, is based on falsehoods. People tend to vastly overestimate the proportion of foreign-born people in the population (*Legrain 2016 (b)*), and widely-believed myths about immigrants being a strain on public services or driving down the wages of local workers have been repeatedly disproven by academic studies (*Dhingra et. al. 2016*). It should, therefore, at least be a question up for debate whether what is needed is in fact to address the public perception of migration and the competence of government to control it, rather than the (overwhelmingly beneficial) phenomenon itself.

Another area where the public largely does not grasp the reality of migration is in enforcement. Participants agreed that while people imagine immigration enforcement to be concentrated at borders and ports of entry, it is in fact on our streets and within our communities and workplaces that the vast majority of enforcement truly occurs. The high

cost (both in monetary terms and in terms of social cohesion) of a large increase in raids, immigration detention and removal that this implies was not addressed at any length. There was a call for research to examine what gives people confidence that enforcement is working. Most people experience immigration control at airports and train stations when they travel into the country, so would a stricter regime of passport controls and checks at these entry points make people more content about how secure are the UK's borders? One stark example of how the British public fails to understand migration policy can be seen in the calls for the UK to introduce an 'Australian-style' points-based system. The UK already has in place a complex points-based immigration system, which was introduced in response to public and media concerns to ensure that migration would be controlled to ensure it brings economic benefit (*Brau, 2011*).

Perspectives were shared from experts from other countries, including Switzerland and Norway, both of which are non-EU member states with reciprocal open migration agreements with the EU. These examples were not considered blueprints for the UK, but they did highlight some important considerations around the idea of consensus-based migration policies. It was noted that in both these countries, as well as in Australia, to varying extents, there is support for existing immigration strategies. This has largely been achieved through government maintaining a level of control over the narrative on immigration, where migrants themselves are viewed as providing a service, rather than taking a slice of the pie. The anticipation and management of issues such as integration and the possibility of wage suppression brought about by immigration was also important. In the UK, where wages have stagnated, this has contributed to resentment.

The discussion also noted that some EU countries are beginning to anticipate a shift in public attitudes towards Freedom of Movement, and are seeking to address these in advance through welfare reforms, for example around eligibility for child benefit being limited to people with children living with them in the country. This was considered valuable despite the fact that it has been shown that the liberal welfare state does not represent a 'pull-factor' for labour immigrants (*Schulzek, 2012*) and that proportionately immigrants are far less likely to claim any benefits than locals. Reforms such as these come too late to rehabilitate the image of Freedom of Movement itself within the UK public debate, but they can yet serve as examples. The government's 'Controlling Immigration Fund', for example, has been inefficiently rolled out, with local authorities unaware of how it can be spent to improve local access to services. Similarly, there has been little tangible public engagement around migration policy-making, resulting in a sense of being ignored. A system of democratic accountability on immigration, an equivalent to the budget, presented at regular intervals to openly debate ideas was suggested, among other ideas that could normalise open debate and accountability on migration policy (*Katwala, et. al. 2014*).

There was some disagreement as to what extent the question of migration will be of relevance within the EU negotiations themselves, or is rather a done-deal in that regard, and should be examined from a purely domestic policy perspective. Since it is understood that Freedom of Movement will not continue post-'BREXIT', many were of the opinion that both it and membership of the Single Market will be entirely off the table during negotiations. Others were of the opinion that in order to secure favourable trade access, opportunities for migration for British citizens to Europe, and other desired outcomes from

the EU, some form of preferential migration policy towards Europeans may still be on the table, and thus may be relevant to the negotiations.

This led to a wider debate around whether migration policy could, should or will be more actively linked to trade negotiations in general in the future. The example of India, which has actively called for more migration opportunities for its own nationals in exchange for trade cooperation is relevant here. There was some disagreement about whether this would become a new feature, with bi-lateral agreements integrated into shaping migration policy, or whether it would constitute a red-line, blocking future trade negotiations. Looking at the available evidence from other areas, however, one may conclude that it is more likely than not that migration cooperation agreements will form part of the UK's future accords with foreign countries as, within the EU, this has been an essential element of all foreign policy discussions for some years (*Lavenex, 2006*).

Humanitarian migration

While the bulk of the discussion focussed on economic factors, some voices raised other kinds of immigration, notably humanitarian. It was noted that refugees and asylum seekers cannot be contained within the tens of thousands target, even if it does stand. The legal framework governing our response to refugees is international, and not bound by the EU, so there is no question of 'BREXIT' meaning an abandonment of those responsibilities. It is the case, however, that most of our UK asylum legislation stems from EU Directives and Regulations, which will therefore need to be reformulated alongside the rest of the system.

What this will mean in practical terms is complex and has not thus-far been a public priority in the government's agenda-setting for 'BREXIT'. However, it is certainly desirable for the government that some reciprocal deals with European neighbours will be maintained, with the Dublin Regulation¹ a particular case in point. Alongside this, as was seen in the immediate aftermath of the referendum, the Le Touquet agreement² with the French is sure to become a salient question. If the UK expects to continue to manage asylum seeker arrivals through Le Touquet and Dublin channels, there will need to be a clear offer of reciprocity and something in it for the rest of Europe. The need to 'opt-in', therefore, at least to some EU-wide asylum policies, without, obviously, the chance to participate in discussions around their formulation and re-formulation will, paradoxically, leave the UK less 'sovereign' or 'in control' of its forced migration policies than it is now, where it has secured an optional 'opt-out' of Home Affairs policies, while still in fact being able to influence their direction (*Costello, 2016*).

1 The Dublin Regulation governs which EU Member State is responsible for the processing of an asylum claim. States may take into account humanitarian and family reunification grounds for taking charge of an asylum application, but in most cases the default rule is that an asylum claim must be heard in the first country of entry into the EU. This means, in many cases, that the UK is free to return asylum seekers who have crossed clandestinely onto its territory, having first passed through Italy or France for example.

2 The Le Touquet Agreement allows for border checks for people entering the UK to be carried out on French soil.

It should also be noted that any attempt to reduce the UK's responsibilities in terms of asylum numbers by reducing standards below those legally required in EU countries is unlikely to be effective. Studies have shown that such policies are just one, not particularly important factor motivating the decisions of refugees to make claims in one or another country (Thielemann, 2011). Within any discussion of future asylum policy of course it should be noted that the humanitarian protection of refugees is not, in fact, simply an economic burden on states. Refugees, just like other migrant groups, are economically productive, and bring innovation and cultural development (Legrain, 2016).

Conclusion: Is reducing immigration realistic?

Indeed, there is some considerable doubt over whether tougher immigration policies have any really significant effect on the numbers of immigrants within a country, suggesting that the whole idea of 'controlling immigration' may be illusory in itself. For example, Czaika and de Haas (2016) have found that while one may be able to affect the numbers of immigrants entering the country by restricting visa regimes, the overall number of immigrants does not fall because they are also less likely to leave. This, it is pointed out, reduces the responsiveness of migration patterns to market fluctuations, or, put simply, increases the likelihood that a migrant will stay put in a country despite not having a job, or despite their visa having expired. This leads, inevitably, to an increase in undocumented and exploitative working.

While it is questionable whether an overall reduction in immigration numbers is achievable, especially to the degree the government claims to be pursuing, some groups of immigrants will certainly see their options reduced, alongside, in all likelihood, their protections from undocumented and/or exploitative working conditions. Meanwhile, for certain other groups, notably the highly qualified and highly paid, travel will remain, or perhaps become yet more, easy. This trend towards increased differentiation between different migrant groups with different rights and opportunities, rather than outright more restrictive policies for all, is one that has been ongoing, and of course represents the increasing complexity of national immigration systems (Beine, et. al. 2015, de Haas, et. al. 2016).

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