

# CHALLENGES FOR IMMIGRATION POLICY IN POST-BREXIT BRITAIN: INTRODUCTION

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Immigration is a key economic and social issue: it has fuelled economic growth and prosperity, changed the demographic composition of the UK and shaped much of the political agenda. It played a role in the outcome of the EU referendum vote, leading the Government to seek to remove free movement from the terms of any future relationship with the EU.<sup>1</sup> Since many of the UK's skill and labour needs have been met by EU mobility in the past decade or so, this will require a new set of immigration policies, particularly in relation to lower level skills. Subject to the Withdrawal Agreement and Political Declaration being passed, and the UK leaving the EU, the Government will have to put new policies in place.

Currently it seems a wide range of immigration arrangements are possible. The White Paper, published in November 2018,<sup>2</sup> set out its two principles of a single system with no priority to EU citizens within a 'skills based' system. The papers in this *Review* look at some of the options, including those contained within the White Paper: Madeleine Sumption (Oxford) looks at employer sponsorship for skilled visas and Erica Consterdine (Sussex) at Youth Mobility Schemes. Anne Green (Birmingham) takes a wider look at employers' use of low-skilled migrant labour, drawing on research with employers. Alexandra Bulat (UCL) also looks at the issue of low vs highly skilled migration, presenting findings from research with migrant and non-migrant members of the public. And the paper by myself and colleagues Johnny Runge and Nathan Hudson-Sharp (NIESR) also looks at public attitudes, combining findings from focus groups with employer research to ask whether new immigration policy might address public concerns without damaging the UK's economy and services.

While addressing their own particular research questions, the papers each raise fundamental issues, that those drafting the detail as well as the general principles of new immigration policy must consider. In introducing the papers, these are worth both highlighting and reflecting on: what role does EU migration play in the labour market? Should immigration policy be skills-based? To what extent should public attitudes influence immigration policy? And will immigration fall once the UK leaves the EU?

## What role does EU migration play in the labour market?

Any discussion of immigration policy should consider the role that migrant workers play in meeting employers' needs and, in particular, whether they are hired through choice, necessity or a mixture of both. This question is covered in two papers in the collection which look specifically at migrant labour in lower-skilled sectors. An historical perspective is also informative since, as the paper by myself and colleagues describes, migrants have been meeting labour and skills needs in the UK for many decades: free movement replaced earlier dependency on Commonwealth immigration in the post-war period, largely dispensing with the need for low-skilled visa arrangements.

Because of the ease with which EU migrants can be recruited under the EU's freedom of movement, it is often assumed that employers prefer to recruit migrants and that they do so to undercut the pay of locals and as an alternative to training. Research consistently shows that these assumptions are not supported by evidence (George *et al.*, 2012; Rolfe *et al.*, 2016; MAC, 2018). Anne

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Green's paper explores the challenges and opportunities employers face in transitioning to a new post-Brexit immigration regime. As she points out, employers tend not to target migrants explicitly but do so from necessity. Her paper and NIESR research reported in the paper by myself and colleagues present strong evidence that employers commonly recruit migrants because of difficulties in recruiting local, British, workers. Jobs in sectors such as social care, hospitality, food processing, warehousing and construction simply do not attract sufficient applications from British workers and are therefore those in which EU migrants are concentrated. As both papers argue, employers also value the flexibility offered by migrants, both numerically and functionally (see also Rolfe, 2017). As Anne Green points out, research with local UK workers and job seekers finds a preference for permanent jobs with fixed working hours. Some employers also report a more positive work ethic on the part of migrants in low-skilled work, at least among newer arrivals (Metcalf *et al.*, 2009). But overall there is little evidence of real preference for migrant workers and a prevailing view – as Anne Green puts it – that “there is no alternative to employing migrant labour”. As her paper points out, local labour shortages are currently more severe than in the past, with the UK experiencing record low rates of unemployment and record high rates of economic participation (ONS, 2019).

In fact, as these two papers point out, employers often say they would prefer to be able to recruit more young people, yet they tend not to be interested in jobs where migrants are currently found. Successive governments have encouraged young people to raise their aspirations above low-skilled roles (Spohrer, 2011), and have expanded the Higher Education sector with the expressed aim of increasing social mobility (Crawford *et al.*, 2016) but have not considered how this might be achieved through Further Education or vocational skills (McNally *et al.*, 2017).

### **EU migrants and the ‘slippery’ concept of skill**

While evidence suggests that employers do not express a preference for migrant workers, it would also be wrong to conclude that it makes little difference to employers whether they recruit EU migrants or local workers. As each paper shows, employers have experienced considerable benefits from this source of labour, and not just in plugging labour gaps. As noted above, flexibility is one such benefit identified in the papers by Anne Green and myself and colleagues. Others include a strong work ethic and superior ‘soft’

skills in such areas as social interaction and reliability. These qualities are likely to be a function of the primary motivation of migrants to work and their higher levels of education. Consequently, as Alexandra Bulat's paper points out, lower-skilled jobs can be carried out with varying degrees of competency and there can be a distinction between a low-skilled job and a low-skilled person. The distinctions identified by Anne Green and Alexandra Bulat between hard and soft skills and skilled jobs and skilled people highlight problems in the concept of skill itself. Alexandra Bulat's paper explores what UK and EU citizens understand by ‘low-skilled’ migration and argues that the concept needs to be viewed through a more critical lens in research and policy making as many so-called low-skilled jobs such as social and health care are often viewed as critical in society. As Martin Ruhs points out, ‘skill’ is a ‘slippery’ concept and ‘skills shortages’ equally so (Ruhs, 2016). While the latter are often used in relation to highly skilled roles, shortages of low-skilled labour can affect business operations as much as higher-skills gaps. And while employers can train for skilled and highly skilled roles, no such action is possible for low-skilled ones. They rely on being able to attract people who accept the nature of the work and low pay.

As noted earlier, free movement has resulted in a concentration of EU migrants in some low-skilled sectors, such as food production and hospitality, but of migrants who are themselves more highly educated than their British co-workers. As Madeleine Sumption points out, just over half of EU-born workers who arrived since 2004 and who were in full-time education until at least the age of 21 were in high or middle-skilled jobs in 2017, the others were in low-skilled work. This indicates considerable underutilisation of EU migrants' skills. Yet as the paper by Alexandra Bulat explains, EU migrants are mobile in the labour market and transition to better jobs as they acquire language skills and experience. The MAC's view that provision should not be made for lower-skilled migration because of its lower fiscal contribution ignores such labour market dynamics: employers value a supply of capable individuals who can acquire firm-specific skills and progress to more skilled and supervisory roles.

### **How far should public preferences determine policy?**

New immigration policy will consider public attitudes, as the White Paper makes clear. As the papers by Alexandra Bulat and myself and colleagues point out, policy makers believe that this should be reflected in restrictions on

low-skilled migration since it is thought it is here that opposition lies. Consequently, the Government's intention to address public concerns is expressed most explicitly in proposals on lower level skills. As previously stated, the Migration Advisory Committee recommended no dedicated route for low level skills on the grounds of its smaller fiscal contribution (MAC, 2018). However, the White Paper supported this proposal on the grounds of public preference for higher-skilled labour as well as the erroneous view that migration depresses wages (HM Government, 2018:51).

The paper by myself and colleagues Johnny Runge and Nathan Hudson-Sharp argues that public attitudes are poorly understood, especially on the question of lower-skilled migration. Drawing on our own survey and focus group research in Kent, our paper argues that opinion polls, while capturing overall attitudes and trends, do not accurately present the public's underlying preferences and concerns. In essence, the public wants migrants who make a contribution, loosely defined in both economic and social terms. Alexandra Bulat makes a very similar point in reporting the views of her migrant, and non-migrant, research participants that there is no agreement on what constitutes a highly, or low, skilled worker and that contribution is more important than skill. The 'binary' concept of low and high skill which appears in political debate does not therefore reflect public understandings or assessments of the value of immigration. For the public, 'contribution' and 'control' are key concepts, with the public favouring control to restrict the number of migrants who do not 'contribute'. As our own research finds, these are often characterised as those attracted to the UK to claim benefits or to commit crime, rather than to make any economic contribution (Rolfe *et al.*, 2018).

But skills are by no means unimportant to the public, with surveys consistently finding more support for highly skilled migration (Hainmueller and Hiscox, 2010; Ford, 2011, 2012). In her paper which explores the employer sponsorship model for immigration policy, Madeleine Sumption makes the point that the public is much more favourable to immigration to specific occupations and these include low- as well as high-skilled jobs, for example fruit pickers and waiters. She therefore argues that schemes which involve employer sponsorship for specific roles may achieve public support. She suggests further that linking workers to employers who have 'trusted status' to recruit migrants might also gain public confidence, as well as giving the government greater ability to regulate the jobs that migrants fill. She also concludes that employer sponsorship will lead to lower immigration levels.

## Are levels of immigration likely to reduce once the UK leaves the EU?

There are two sides to immigration – demand and supply – but research on the perspective of migrants is quite thin on the ground. We know very little about why migrants are attracted to the UK and the kinds of policies and procedures they would find acceptable. In terms of prospective migration, as we noted in our research on prospective migration from Bulgaria and Romania in 2013, predicting future migration, even from specific countries, is inherently unreliable. Research points to the importance of factors such as wage levels and geography in affecting potential migrants' destination choices (Rolfe, Fic and Lalani, 2013). As Madeleine Sumption says in her paper, there is little quantitative research on the effects of different types of immigration selection policies on the scale and composition of new migration, though research on flows of highly skilled immigrants for ten OECD destinations has found that countries requiring a job offer have significantly lower in-flows than those with points-based, supply-led systems (Czaika and Parsons, 2017).

As Erica Consterdine points out in her paper, the proposals will also facilitate migration through an extended Youth Mobility Programme yet evidence she presents from the current scheme suggests that the assumption that they can meet low-skilled labour needs may be misplaced. As Madeleine Sumption argues, employer sponsorship schemes are more able to match supply and demand. But she also argues that moving to a system driven largely by employer sponsorship, as the White Paper proposes, would reduce overall volumes of migration to the UK, especially of highly skilled migrants. This is principally because of the additional burden which employer sponsorship presents for migrants and for employers. As she points out, given the higher fiscal contribution of skilled migrants, this will have negative economic consequences for the UK relative to current arrangements. At the same time, it may become easier for non-EU migrants to enter via the skilled route because of reduction in bureaucracy, though not cost.

As recent research by NIESR on health and social care concluded, immigration policies also need to be attractive to migrants themselves, who have options other than the UK (Dolton *et al.*, 2018). As Madeleine Sumption points out, delays and uncertainty in the visa application process are likely to deter workers, and this might apply particularly to EU citizens who have the option to

work in 27 other countries. Since the referendum, net migration from the EU has fallen to levels last seen in 2009 (ONS, 2019). The fall in the value of sterling is one factor and, as Erica Consterdine points out, the hostile environment is another. However, it also seems likely that immigration policy plays its own part and the detail of immigration policy is less important than the message that free movement is ending. It seems inevitable that, even with relatively liberal immigration policies, the UK will become a less popular destination for EU citizens.

## NOTES

- 1 See, for example the Conservative Party's 12 point Brexit plan <https://www.conservatives.com/brexitplan>.
- 2 Published in November 2018, the White Paper can be accessed via <https://www.gov.uk/government/publications/the-uks-future-skills-based-immigration-system>

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