

Written evidence submitted by Migration Watch UK to the House of Commons Public Bill Committee

Immigration and Social Security Co-ordination (EU Withdrawal) Bill

4 March 2019

Summary:

- ***It is vital that post-Brexit changes to the immigration system help to restore public confidence in border control and also deliver a significant reduction in immigration levels (p.2).***
- Proposals in the Immigration White Paper to *loosen* the Tier 2 (General) route for skilled workers are very concerning (p.2).
- Reliance on immigration is not the optimal means by which to tackle workforce gaps (p.5).
- There are better alternatives to dealing with recruitment issues - including the up-skilling of existing staff, the improvement of working conditions and the raising of wages (p.5).
- Calls to set the primary Tier 2 (General) salary threshold at a lower level than £30,000 per annum should be rejected (p. 5).

1. We are a migration think tank. We monitor developments in the field, conduct research and make policy suggestions. We believe that immigration policy should be formulated so that it benefits the people of the UK and accords with the national interest. While immigration can have a beneficial impact on the UK when it is properly controlled and kept at a reasonable level, the current level of net migration is, in our view, much too high.

2. We welcome the Bill's provisions to repeal free movement as well as other related EU- Treaty-derived rights in UK primary and secondary legislation, while bringing EU citizens under domestic immigration law and aligning their treatment with that of UK nationals where appropriate.

3. We concur with the joint [submission](#) by British in Europe and the 3million that the EU27 should '*put aside its policy of not talking to the UK on no deal matters*' and offer ring-fencing of the citizens' rights part of Withdrawal Agreement in advance of 29 March 2019. This is in line with the unanimous vote by MPs on 27 February calling on the UK government to seek a UK-EU commitment '*at the earliest opportunity*' to adopt and implement the relevant provisions of the Withdrawal Agreement prior to the UK's departure. It is disappointing that the EU has rejected this. It would clearly be beneficial if this element of uncertainty were to be removed for EU citizens in the UK and British nationals in the EU in advance of a possible no deal Brexit.

Details of the future immigration system

4. It is vital that post-Brexit immigration reforms restore public confidence in efficient immigration control. Yet there is currently a low level of trust in the government on the part of voters in connection with this issue. ICM [research](#) undertaken for the National Conversation in 2018 (p.48) found that only 17% of the public trust the government to tell the truth about immigration either all or most of the time.

5. Polling also indicates that 63% of the public believe the level of immigration has been too high over the past decade ([YouGov](#), April 2018) and that a vast majority of the public wish to see a large reduction in net migration levels. A 2018 Deltapoll conducted for [Channel 4 News](#) found that 73% of those surveyed believed the government's policy of reducing net migration to the tens of thousands to be the right one – although many believed there should be some flexibility.

6. It was disappointing that the Immigration White Paper did not clarify what would happen after Brexit to EEA family permits, and to the *Surinder Singh* and *Metock* routes. In 2013, the Home Office described the EEA family permit as '*the route of choice for those seeking to frustrate UK immigration control*' (ICIBI [report](#), 2014, p.57)

7. We are also very concerned about the impact of specific proposals in the Immigration [White Paper](#) to:

- a) *Remove the annual cap on Tier 2 (General) work permits* (p. 15).
- b) *'Lower the skills threshold in Tier 2 to include occupations at the intermediate skills levels [NQF 3-5]'* (p.29).
- c) *'No longer require employers of skilled migrants to carry out a resident labour market test (RLMT) as a condition of sponsoring a worker'* (p.15).
- d) *'Review the existing [Tier 2 (General)] sponsorship requirements [and] explore different risk-based models e.g. the use of umbrella organisations to act as sponsors'* (p.50).
- e) *Allow 'nationals from specified low risk countries, including those with whom we have reached a specific agreement as part of bilateral negotiations... to look for work having entered as a visitor and apply to switch into the skilled worker programme'* (p.49).
- f) *'institute a time-limited route for temporary short-term workers [that would] allow people to come for a maximum of 12 months'* (p.16).

8. It is important to note that the most recent immigration statistics put non-EU net migration at its highest level (261,000) since 2004. The danger is that, having raised public expectations of a large reduction in overall immigration, if government fails to deliver, this could lead to further public disillusionment over the management of immigration.

9. We note that the Immigration White Paper does not include an estimate of the following:

- The extent to which employers might use the new ‘temporary’ short-term route to continue to use EU workers to fill lower-skilled or lower-paid jobs.
- The increase of non-EU inflows into ‘permanent’ work likely to result from abolition of the cap and the lowering of the skills threshold.

10. We call on the government to conduct such analysis, together with properly-focused impact assessments (if these have not been done already) and to publish these during the consultation period that would precede key amendments being made to the Immigration Rules.

11. If implemented, **proposals a to e above** would represent a significant loosening of the Tier 2 (General) work permit route, with the practical impact of making it easier for employers to recruit from around the world. In our view, such changes would further reduce incentives for both employers and government to train potential new recruits, up-skill existing workers, or address continuing high levels of under-employment. We note that the UK was [projected](#) to fall to 28th place in intermediate skills among OECD countries by 2020 (with four in five OECD nations projected to outperform the UK at intermediate level by that time). The White Paper proposals risk contradicting aspects of the government’s own [industrial strategy](#), which has pointed to the importance of up-skilling UK workers. The Migration Advisory Committee (MAC) has emphasised ‘*the need to raise British human capital and thereby lessen employer dependence on immigration*’ (July 2016 [report](#), p.32).

12. Abolishing the RLMT risks undermining the prospects of around four million UK-born people who are either looking for work or looking for more hours of work (May 2018: [‘Likely scale of under-employment’](#)).

13. The White Paper lists economic differentials between source and destination countries and other factors (including friends and family already in the destination country and language) among determinants of migration (p.111). Our view is that the loosening of the Tier 2 (General) route as it relates to citizens of countries around the world that have a much lower GDP-per-capita than the UK risks leading to a considerable increase the level of skilled work migration from outside the EU. Additionally, the presence of more than five million non-EU born people who are already in the UK may act as a strong draw for friends, relatives and acquaintances still residing in other countries.

14. We note that previous UK experience with respect to the relaxation of immigration entry criteria suggest that, when this has been done, the numbers of people making use of the new regime can be substantial:

- In 2003 a study commissioned by the Home Office estimated that there would be between 5,000 and 13,000 arrivals annually from the EU8 countries of Eastern Europe following the 2004 EU

enlargement. Migration Watch UK were strongly critical of this estimate at the time. In the decade 2004-2013, EU8 net migration averaged more than five times this level - 72,000 per year (including an undercount identified by the 2011 Census).

- Despite a number of commentators playing down the likelihood of significant arrivals from Romania and Bulgaria following the ending of transitional controls at the end of 2013, average net migration from those two countries in the period 2014-17 was just under 50,000 a year, in line with our own previous estimates.

15. Instead of implementing proposals to loosen the Tier 2 (General) system, the government should retain (and adjust) the cap on Tier 2 (General) work permits and maintain the Tier 2 (General) skills threshold at its current level (NQF6 or above). The RLMT should be retained.

16. With regard to proposal **f** above (time-limited route for temporary short-term workers for a maximum of 12 months) we agree with a number of concerns that have been raised by other organisations relating to an increased possibility of worker exploitation and enforcement issues. Those coming to the UK for less than a year would not be counted as long-term migrants in the official migration statistics. Instituting a route of this kind could further damage public trust in the government on immigration.

Reductions in the level of immigration into lower-skilled work

17. We have long argued that ending freedom of movement would likely lead to a reduction in the level of immigration into lower-skilled work. A number of sectors may have raised concerns about the ability to find workers going forward. However, we concur with the chairman of the MAC who recently told the Public Bill Committee: *“When a sector reports a shortage, it is always really important to ask why it has a shortage”* ([evidence](#) transcript, Q 53).

18. As an example - the care sector - the MAC point out that the root cause of recruitment issues is that the sector does not pay enough. In the words of their September 2018 [report](#) (pp.3-4), the *‘basic underlying problem [is] poor terms and conditions paid to workers in this sector, in turn caused by the difficulty in finding a sustainable funding model’*. This funding problem will not be solved by immigration. As Prof. Manning noted ([Q32](#)), in Canada a special scheme for care workers was shut down in 2018 because these workers moved on as soon as they could. After ten years only 10% were still working in the care sector. We agree with the MAC that *‘special immigration schemes for social care will struggle to retain enough migrants in the sector if work in it is not made more attractive’* (September 2018 [report](#), p.4).

19. As the Migration Observatory has [stated](#) in previous evidence to Parliament, there are a ‘range of potential alternatives’ to importing

overseas labour including: a) ‘mobilising labour reserves from the inactive, unemployed and under-employed population; b) ‘retraining workers to meet the need for specific skills’ and c) ‘developing and adopting labour-substitutive technologies’.

20. As argued by the Cavendish Coalition, a UK-wide body of 36 social care and health organisations: **“Immigration is not the primary nor the most sustainable solution to resolving workforce gaps – however it would be irresponsible for the government to bring the shutters down overnight on those performing vital services for the public”** (Public Bill Committee, [written evidence](#)). We agree, including with the last part of the statement. We note that by the time the new immigration system is scheduled to come online (early 2021) employers will have had around four-and-a-half years since the EU referendum in which to prepare for Brexit.

21. A number of employers are already raising wages and planning to improve training opportunities. Indeed, [research](#) by the Chartered Institute for Personnel and Development found that almost half (47%) of employers said that they planned to up-skill existing staff to help offset hard-to-fill vacancies. In addition, among employers experiencing increased difficulty retaining staff over a 12-month period, 55% had increased salaries. As the MAC stated in its March 2018 interim [report](#) (p.10): *“Individual employers would almost always be able to recruit resident workers if they paid wages sufficiently above the going rate.”*

22. The MAC chairman has said that lower-skilled migration has led the UK to become a ‘slightly lower waged, lower productivity kind of economy’ ([evidence](#) to Commons Home Affairs Committee, October 2018). The chair of the Office for Budget Responsibility has said that *‘there is a possibility that [a more restrictive migration regime] could be a trigger to greater productivity’* ([evidence](#) to Commons Treasury Committee, March 2018). It is incumbent on employers to shoulder their corporate and social responsibility to help address the UK’s longer-term recruitment problems by investing in productivity, wages and training.

The primary Tier 2 (General) salary threshold

23. £30,000 per year is a reasonable level for the primary Tier 2 (General) salary threshold. In coming to this conclusion we are minded of the following:

- The MAC has indicated that such a salary threshold should drive upward pressure on wages. As it [argued](#) when recommending the £30,000 level for Tier 2 (General) in January 2016: *‘This is part of the point of increasing the thresholds – that there should be upward pressure on wages for the UK workforce’* ([report](#), p.74). In addition, the MAC said in its September 2018 [report](#) (p.5) that a salary threshold set at this level would *‘place greater upward pressure on earnings’* in medium-skilled sector jobs.

- When the MAC first recommended a salary threshold for non-EU skilled workers set at this level, the proposal was partially aimed at tackling undercutting of UK workers. The MAC found that migrant nurses were paid less than the average salary for UK nurses of a similar age. As the MAC put it: *“Migrants should be paid at least the comparable rate to UK workers in order to ensure that they are not used by employers as a cheaper source of labour”* ([report](#), p.67).
- The MAC said in its September 2018 [report](#) (p.71): *“The average level of household income for current EEA migrants at which taxes exceed benefits for EEA is in the region of £30,000.”* A salary threshold set at this level should help to ensure immigration makes a fiscal contribution to the UK.
- £30,000 is lower than a number of salary thresholds incorporated into highly-skilled work permit schemes in EU member states e.g. Ireland’s Critical Skills Permit or the Dutch *Kennismigrant* permit.
- There are a range of exemptions within the current Tier 2 (General) route to ensure that sectors can fill recruitment needs where those with needed skills earn less than £30,000. *“If you look at certificates of sponsorship used in the last fiscal year, including extensions, just under 20% of people had salaries of less than £30,000, and the number would be higher if you looked only at the initial certificates of sponsorship”* (recent [evidence](#) to Parliament by the Migration Observatory). The White Paper indicates that the government wishes to retain exemptions such as these in the post-Brexit immigration system.
- We do not agree with the suggestions made by some that salary thresholds should vary on a regional basis. While acknowledging that there are *‘very big regional pay inequalities that probably have been allowed to fester for too long’*, MAC chairman Prof. Alan Manning recently told the Public Bill Committee that regional variation could lead to low pay being *‘institutionalised’* in some parts of the country ([Evidence](#) to Public Bill Committee, Q20). We would not welcome such an outcome.

Comment on some proposals put forward by other organisations

24. Below we comment on a number of proposals that have been put forward by other organisations in evidence to this committee:

Immigration detention

25. Limiting the period of immigration detention to 28 days, as some have recommended, would likely exacerbate an already-acute crisis of immigration enforcement. B bogus asylum claimants would only have to spin out their claim or make a false statement that could not be refuted in the allotted time before being released and potentially disappearing. Illegal immigration (which 77% of the public see as a serious problem - 2018 Project28 [poll](#)) would likely intensify as failed asylum claimants and overstayers were given an opportunity to abscond. More than

55,000 people (who the Home Office was supposed to be monitoring) had already absconded as at 31 December 2016 (p.23 of 2017 [report](#)). The Independent Chief Inspector of Borders has [found](#) *'little evidence that effective action was being taken to locate the vast bulk of absconders'*. Instead, the Home Secretary should implement a revised Detained Fast Track asylum decision mechanism as soon as possible.

Calls to end the 'compliant environment' for illegal immigrants

26. There has been an effort by some to exploit the failings exposed by the Windrush affair in what appears to be an attempt to seriously weaken basic immigration controls. We welcome the action taken by the government to address the failures exposed by Windrush and also to make amends. Yet the 'compliant environment' policies (supported by 70%-80% of the public – [YouGov](#), April 2018) were put in place for a very good reason – to tackle the large problem of illegal immigration. A former senior Home Office official estimates the illegal population to have reached more than a million. The ability to efficiently remove or encourage the departure of those with no right to be in the UK is vital for the credibility of the immigration system. Yet the number of enforced removals has fallen by 52% over the past decade (2009-2018, HO returns statistics). Instead of easing back on safeguards against illegal immigration, the system needs to be more carefully managed. It also needs to be much better resourced.

Call to lower the spousal visa threshold

27. The present spousal visa threshold is a reasonable way to ensure that those coming to the UK for family reasons have enough resources to play a full part in British life and are not a burden on the taxpayer. The Supreme Court has ruled the policy to be lawful. The MAC [noted](#) in 2011 (p.1) that it could be argued that a *'higher pay benchmark [than £18,600] would apply if avoiding becoming a burden on the state also required that the family was expected to contribute to public spending on public services such as healthcare, education and defence'*. The Government promised to raise the level of the threshold in their 2017 election manifesto but have not done so. The MAC recommended against regional variation of this threshold (2011 [report](#), p.58) as, in their view, it could spur sponsors to simply move temporarily to lower-cost areas in order to meet the requirement. We concur.

Calls for more extensive rights of family immigration for those granted refugee status

28. The OECD says the ability of countries to offer international protection depends on ensuring that public support for the asylum system is preserved. Expanding the family immigration provisions for those granted protection risks damaging public confidence in the asylum system further at a time when the system is already under serious strain, is badly under-resourced and appears to be afflicted by poor staff morale. Such a proposal would risk opening up a substantial new immigration route whose numbers would be difficult to control. Restoring credibility and ensuring more efficient management of the

system are far greater priorities. The UK already plays a key role in helping vulnerable people from around the world. Eurostat figures show that in 2017 the UK resettled more refugees from outside Europe than any other EU member state.

Calls for expansion of the working rights of asylum seekers

29. The UK allows asylum seekers to work if their cases have not been decided after twelve months and if the job is on the Shortage Occupation List. Some are calling for asylum seekers to be given greater working rights. In our view, this risks encouraging abuse of the asylum system for the purpose of ‘back-door’ economic immigration, while muddying the distinction between bogus and genuine claimants. The majority of asylum claims submitted between 2004 and 2017 were rejected, including after appeal (Home Office asylum outcome analysis). Instead of expanding the working rights of asylum seekers, the Home Office should process the large backlog of asylum claims much more efficiently.

Calls for the restoration of a post-study work route

30. Some have called for restoration of the two-year, post-study work visa for students leaving higher education institutions that are registered as Tier 4 sponsors. Students already have a period of four months in which to find work after they finish studying and an unlimited number of international students can stay on for work provided that they obtain a graduate-level job earning around £21,000 per year (the White Paper proposes extending this to six months for master’s / bachelor’s students enrolled at institutions with degree awarding powers). In our view, a new post-study work visa risks becoming a backdoor route for economic immigration into low-skilled jobs. A 2010 UK Border Agency [assessment](#) revealed that a larger proportion of post-study work visa holders (29%) were in unskilled jobs, such as shop assistants, than were known to be in skilled jobs (25%). It was ‘unclear’ what type of work had been obtained by the remaining 46%. It is far from clear that introducing such a route would be in the economic interests of the UK. Such a change also seems superfluous at a time when, in the Home Office’s words, the number of sponsored visa applications for the Higher education (university) sector in 2018 was the ‘*highest level on record*’ (more than 194,800).