

2.5 IMMIGRATION: ISSUES TO CONSIDER

There are many issues to consider when thinking about policies on immigration and emigration. Different people will care about different issues. There is no one right answer. Here are some of the issues you might think about.

THE ECONOMY AS A WHOLE

Most economists argue that immigration is good for the economy:

- It allows businesses to employ talented people from outside our own country. This can be particularly important in areas such as universities, creative industries, and technology, where sharing new ideas is very important.
- It can also help businesses fill gaps in the workforce. The UK has recently faced shortages, for example, of engineers, construction workers, health workers, and seasonal farm workers.

On the other hand, some people argue that access to immigrant workers means that we put too little effort into training our own people for the jobs that need doing. If we put more effort into this, we might not face such shortages.

A strong economy affects everyone. Companies are more profitable and pay more tax. The government uses this money for infrastructure and public services. Profitable companies and more public spending create more jobs. This means people have more money to spend. And so the cycle continues.

TRADE

There are several reasons for thinking that greater openness to immigrants helps to boost our trade with other countries:

- One reason is just that, under the rules of the EU Single Market, free trade is tied to free movement of people. If we want to end free movement of people we will almost certainly also have to accept that the EU will introduce restrictions on some trade.
- Services make up the bulk of the UK economy. Trade in services often relies on people – either service providers or consumers – being able to move from one country to another.
- Migrants can connect companies and entrepreneurs from other countries with the UK. They can provide knowledge to exporters and importers about the UK and its infrastructure, legal system and culture. Recent studies suggest that the social ties of immigrants boost trade in both goods and services in the UK.

JOBS AND WAGES

Many people are concerned that immigrants take jobs that would otherwise go to British people. They are also concerned that immigration reduces wages. If there are more people willing to do work, employers might not need to pay as much to get the workers they want. That's particularly the case if immigrants come from poorer countries and are willing to work for a lower wage.

Other people point out that immigration increases not only the *supply* of labour, but also the *demand* for labour. If there are more people living and working here, that means there are also more people who want to buy things. This creates extra jobs.

Most economists think immigration doesn't make it harder for British people to find jobs. Instead, it increases the number of jobs. In addition, many immigrants from the EU do low-skilled jobs that employers say they can't find British people to do – for example, in agriculture and hotels.

Whether immigration affects wages is less clear. A report published by the Bank of England in 2015 found that immigration slightly reduces average wages in the UK. It found that this effect was particularly concentrated among skilled production workers and semi-skilled or unskilled service workers.

SOCIAL SECURITY BENEFITS

Many people are concerned that some immigrants are living off the UK's benefits system.

Unlike many other countries, the UK bases its benefits system on need, not contributions over time. That means that someone coming to the UK can access benefits more quickly than they could if they moved to many other countries.

On the other hand, studies suggest that the benefits system is not the main thing that encourages people to come to the UK. Job opportunities are much more important.

According to a report published by the House of Commons Library, in February 2016:

- Of all people of working age receiving benefits in the UK, 7.4 per cent were not UK citizens (strictly speaking, not UK citizens when they got their National Insurance number). 2.1 per cent were EU citizens.
- Of people receiving out-of-work benefits such as jobseeker's allowance and incapacity benefits, 7.3 per cent were not UK citizens. 2.2 per cent were EU citizens.
- Of the families receiving tax credits, 15.9 per cent had at least one adult who was not a UK citizen. 6.8 per cent had at least one adult who was an EU citizen.

EMPLOYMENT SECTORS

Representatives of some parts of the economy argue that immigration is particularly important to them. For example:

- Leading universities point out that foreign students in the UK contribute £2.5bn a year in fees. They say that this helps to finance higher education for UK students.
- Some sectors, such as fruit-picking, rely heavily on low-skilled workers from EU countries. They may

struggle to find replacements, or they may need a transition period to find a way of doing so.

POPULATION, HOUSING, AND PUBLIC SERVICES

Concerns about population overcrowding have been one of the biggest arguments in favour of reducing immigration.

- The UK faces an acute housing shortage. Higher immigration is one of the things increasing demand for housing. One solution is to build more houses, but governments have found it difficult to make that happen. Many people do not want to see lots of new housing in their areas, particularly in rural areas.
- A larger population increases congestion and urban pollution.
- Migrants increase the demand on public services, such as schools and the NHS. But here the arguments go both ways. Immigrants using the NHS increases demand. But many immigrants also work in the NHS. EU migrants make up 6 per cent of all the people working for the NHS, including 10 per cent of doctors and 7 per cent of nurses. Migrants from outside the EU make up 7 per cent of NHS workers, including 16 per cent of doctors and 9 per cent of nurses. Restrictions on immigration could lead to difficulties in recruiting enough doctors, nurses and other NHS staff in the future.

THE UK'S NATIONS AND REGIONS

There is significant variation in the distribution of migrants across the UK.

- London stands out as having more immigrants than everywhere else. 62 per cent of the people living in London were born in the UK, while 12 per cent were born elsewhere in the EU, and 26 per cent were born outside the EU.
- Wales and the North East of England are the parts of the UK with fewest immigrants. 94 per cent of the people living in each were born in the UK.

There are differences across the country in whether people see immigration as a good thing or a bad thing. In London, many people see immigration as a big part of the culture and success of the city. The Scottish government argues that Scotland would benefit from more immigration. Concerns about immigration are sometimes particularly high in places that have rapidly gone from having few immigrants to many – for example, in parts of the east of England.

A critical issue concerns Ireland and the Irish border. Limits on immigration from Ireland to the UK could cause problems. The UK and Irish governments have said that they want free movement between their countries to continue.

SECURITY

Many people are concerned that freedom of movement within the EU makes it easier for terrorists to travel around the continent.

Most EU countries have abolished border checks, allowing people to cross from one EU country to another without any controls. But the UK has kept these controls, even for people arriving from EU

countries. This means it is easier for the UK to stop known terror suspects and other suspected criminals

CULTURE

Many people feel that immigration has changed the culture in the UK too quickly, or in ways that they don't like. Some people feel that many immigrants have different values or customs from people who were born in the UK. They feel that people no longer understand each other in the ways they used to, because they speak different languages or have different traditions.

Other people welcome the diversity that immigration creates. They like the fact that not everyone is the same, and feel this allows them to explore different ways of living. They feel that immigration opens us up to the world and helps us understand places outside the UK. They like being able to eat different kinds of food and hear different kinds of music.

OPPORTUNITIES FOR UK CITIZENS

If the UK limits free movement of people from the EU, EU countries will almost certainly limit free movement of people from the UK. That means that it will not be as easy to move to other EU countries in order to work, study, or retire.

This particularly affects young people, who are more likely to want to explore opportunities outside the UK. Many British people also choose to move to EU countries to retire, particularly in southern Europe. There are about 1.2 million British people living in other EU countries today.

Ending freedom of movement will make this emigration harder, but it won't make it impossible. We will probably need to get a visa to stay for a long time. How easy or difficult this is will depend on each EU country's own immigration rules. The tighter we make our immigration rules after Brexit, the tighter other EU countries are likely to make their rules.