THE NEW MIGRATION CONTRACT

How Britain can develop a migration system that works for all

A MODERN BRITAIN REPORT

By Binita Mehta-Parmar
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About the author and the organisation
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Modern Britain was established to develop centre-right ideas and policies designed to improve the lives of Britain’s many Black and Minority Ethnic citizens. For more information, visit our website at www.modernbritain.org.uk or email info@modernbritain.org.uk.

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Chapter One. **Introduction: A New Approach**

Migration has created modern Britain. Since the end of the 1950s, our country has changed from a predominantly white, Christian country to the multi-racial society of today. Britain is one of the success stories of migration. Large numbers of people from different parts of the world have arrived on our shores and are a vital part of our society. Migrants have been generally welcomed to our country and have succeeded in virtually every walk of life, from business to sport to politics. In comparison with many other countries, there has been little racial discord. While any single incident of discrimination is of course deeply unpleasant for those concerned, these have been isolated and infrequent. Many other countries are hugely envious of our record.

However, the rate of net immigration overall and the recent acceleration of immigration from Europe has caused growing concern from Britons of all ethnic backgrounds and political loyalties. Migration – and having a control over inflows of new migrants – has steadily moved up the political agenda over the past two decades; it is consistently rated as one of the most important issues in polling of the general public.

Migration is rarely out of the headlines. There is an almost daily drumbeat of stories: pressure on public services from steeply rising populations in areas where migrants settle, suspicions about the authenticity of asylum seekers – an issue which has gained international prominence through President Trump’s policies – contention over official migration statistics and the number of illegal immigrants in the country, resentment at immigrants receiving welfare benefits and, of course, the implications of the Brexit referendum on ‘free movement’ between the UK and the EU. Rarely is the coverage positive. Often the stories link into many well-worn themes.

The importance of immigration was underlined by what is seen as its role in determining the outcome of the Brexit referendum and the subsequent Brexit deal the Government will have to strike, as well as the US Presidential election. Indeed, many commentators have speculated that opposition to recent levels of immigration was the critical factor in turning many working-class Labour voters against the EU. Although the scale of the impact is uncertain, concern over the level of immigration was clearly a very significant factor in creating a majority among the electorate for the UK to leave the European Union in the referendum of 23 June 2016. This led to Prime Minister Theresa May announcing her priority of “protecting the integrity of the United Kingdom’s immigration system” by the UK leaving the single market in her landmark speech on her Brexit objectives and subsequent commentary.

**A recent history**

Modern large-scale immigration began in the decades immediately after WWII. Despite the fact that new arrivals came almost wholly from within Commonwealth communities who had fought for Britain in both World Wars, opposition was based largely on concerns over cultural identity and ethnic exclusivism. The immediate consequences were unwelcome, though not dissimilar to other countries: widespread discrimination and racism directed at the newcomers, particularly in jobs and
housing together with occasional outbreaks of violence. This was followed by attempts from
governments of every political hue and civil society to counter racism, raise the status and rights of
newly-settled communities and improve race relations. Over time, these initiatives have led to a
much-improved position, with a gradual but marked shift in attitudes towards those of migrant
heritage. Compared to many other countries, the outcome has been remarkably successful.

The number of immigrants arriving in the 21st century has dwarfed the number of migrants involved
in the mid-late 20th century waves of immigration. In the twenty years from 1991-2011, the foreign-
born population of the UK doubled by 4 million to reach 13.4% of the population, according to the
latest census. Moreover, these figures are likely to be an underestimate when the numbers of illegal
immigrants – possibly as high as 1.2 million – are included.

Such a large increase over a short period has caused genuine problems; something that has
increasingly come to be recognised across the political spectrum. These issues include the
congestion of public services and housing, especially in small towns with no previous experience of
immigration; the disorientating rapid transformation of towns and neighbourhoods within just a few
years; the impact on those at the low-skill/low wage end of the employment market; and crucially, a
collapse in confidence among much of the public that the Government takes seriously the upholding
of the integrity of the UK’s borders and its immigration laws, which in turn has contributed to a
waning of faith in the political system.

It has also set in train a number of related problems: bogus asylum seekers; the running sore of the
Calais ‘Jungle’; fake students; people smuggling; and the ritual breach of the Government’s ‘tens of
thousands’ net migration target when the figures are published every quarter.

As a result of the scale of migration and concerns about its impact, particularly among the least well-
off in society, there has been a growing hostility to migration. In a poll of 20,000 voters conducted by
Lord Ashcroft in 2013, 60% believed immigration produced more disadvantages than advantages for
Britain, with just 17% thinking the opposite. Even majorities of those who believe immigration was
good for the economy, or who feel it is culturally beneficial, still want to see levels reduced.

\[^{1}\text{www.lordashcroftpolls.com}\]
\[^{2}\text{http://www.natcen.ac.uk/news-media/press-releases/2014/january/more-than-3-in-4-want-reduction-in-immigration/}\]
The surge in migration from the EU has led to a major shift in attitudes towards free movement from Europe. From 2005-2013, as Table 1 shows, the number of people opposed to free movement from the Continent rose from 29% to 49%, while support dropped from over half to 38%.

Table 1

Do you support or oppose the right of people who live in EU countries to live and work wherever they want?

<table>
<thead>
<tr>
<th>Year</th>
<th>Support</th>
<th>Oppose</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>56</td>
<td>29</td>
<td>15</td>
</tr>
<tr>
<td>2013</td>
<td>49</td>
<td>38</td>
<td>13</td>
</tr>
</tbody>
</table>

Anxiety and negativity about immigration is not confined to the white population. There are widespread concerns among many black and minority ethnic (BME) communities over illegal immigration, including about asylum seekers breaking rules, which they and their relatives overseas obey; and over low-skilled migrants competing with their jobs. Again, a symptom of this was the surprisingly large vote for Brexit among certain migrant communities. A quarter of black electors, 30% of Muslims and a third of Asians voted Leave.

However, this concern about immigration needs to be balanced with the views of the growing number of people who believe migration delivers benefits to the country. There has been a significant increase in the proportion of people who have a positive view about migration since the Brexit referendum campaign. The high-profile protests against President Trump’s plans to ban migration between seven Muslim countries and the United States is merely the latest indication that there are strong supporters of migration as well as opponents. As Table 2 shows, those who hold a positive view is up from just 19% in 2011 to 35% in 2016. In areas where there has been a swift growth in migrant numbers, support for Brexit was strong. Even among the plurality that gave sovereignty as their reason for voting Leave, greater border control was seen as inseparable from leaving the EU. Polling indicates that UK voters are more concerned with controlling immigration than retaining access to the European single market.

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3 https://www.theguardian.com/politics/2016/jun/01/british-asians-views-eu-referendum-figures-brexit
5 Ibid.
Table 2

<table>
<thead>
<tr>
<th>Ipsos Immigration and Refugees Poll</th>
<th>Very few in most countries think immigration has had a positive impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>July 2016 - Very positive/fairly positive</strong></td>
<td><strong>Oct 2015</strong></td>
</tr>
<tr>
<td>Total</td>
<td>20%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>40%</td>
</tr>
<tr>
<td>India</td>
<td>43%</td>
</tr>
<tr>
<td>Canada</td>
<td>35%</td>
</tr>
<tr>
<td>United States</td>
<td>30%</td>
</tr>
<tr>
<td>Sweden</td>
<td>24%</td>
</tr>
<tr>
<td>Spain</td>
<td>20%</td>
</tr>
<tr>
<td>Germany</td>
<td>16%</td>
</tr>
<tr>
<td>South Africa</td>
<td>14%</td>
</tr>
<tr>
<td>Brazil</td>
<td>12%</td>
</tr>
<tr>
<td>South Korea</td>
<td>11%</td>
</tr>
<tr>
<td>Poland</td>
<td>10%</td>
</tr>
<tr>
<td>Argentina</td>
<td>10%</td>
</tr>
<tr>
<td>Belgium</td>
<td>10%</td>
</tr>
<tr>
<td>France</td>
<td>9%</td>
</tr>
<tr>
<td>Italy</td>
<td>9%</td>
</tr>
<tr>
<td>Mexico</td>
<td>6%</td>
</tr>
<tr>
<td>Japan</td>
<td>6%</td>
</tr>
<tr>
<td>Russia</td>
<td>6%</td>
</tr>
<tr>
<td>Hungary</td>
<td>5%</td>
</tr>
<tr>
<td>Turkey</td>
<td>4%</td>
</tr>
</tbody>
</table>

Would you say that immigration has generally had a positive or negative impact on your country?

In healthy growing economies, demand can often outstrip the local supply of available labour and create economic demand for immigration. However, in a modern welfare state, that immigration does not come completely free of cost. There are real, if often localised, drawbacks that can be overlooked by the general picture of immigration resulting from (and causing further) economic growth.

The additional tax receipts from increased economic activity as a result of migration can lag behind costs in terms of increased demand on public services such as education and healthcare. In housing, sustained large-scale immigration into the UK has squeezed an already inadequate stock. This has been exacerbated by the restrictive and slow moving planning system in Britain that prevents significant new development expanding neighbourhoods. Competition from migrant workers is also seen as having an impact on wage levels, especially among low-skill workers.

These drawbacks disproportionately affect the least prosperous in society. They are most vulnerable to wage falls, more dependent on public services and more easily forced to drop off the bottom of the housing ladder by rising prices.

Polling has shown that it is the least well off who are wary of change and take a defensive view of cultural identity. The asymmetrical economic effect of sustained high levels of immigration on the poor is therefore augmented for many by a perception of socio-cultural harm – erosion of what they perceive to previously have been a hegemonic, if not exclusive, ethno-cultural space.
The economic benefit, on balance, of low-skilled emigration from Eastern Europe is disputed: while it has clearly increased, what is known as the UK’s age dependency ratio – the percentage of workers as a proportion of the total population and precipitated a growth in GDP – what is unclear is whether it has contributed more in taxation than in cost of benefits and public services. Any discussion of immigration in Britain carries considerable baggage, not to say toxicity, from the past.

Compared with the recent wave of migration, the numbers involved in the last century, between roughly 1950 and 1990, seem very small now. At the time, having black and Asian communities in a white north European country seemed ‘unnatural’ to many people. But an essentially ethnocentric opposition to what was controversially called ‘coloured’ immigration conveyed a morally dubious and hypocritical impression to many others, who could point to (white) British people having lived amongst and ruled over the immigrants’ countries of origin for hundreds of years.

Opposition to principally non-white immigration was one symptom of a chronic national trauma occurring in slow motion at the time. Britain was declining relatively in economic and political terms from its 1815-1939 stature as a global power. Increased immigration was therefore merely one of many changes that felt uncomfortable for the small ‘c’ conservative section of the population.

The claim there had been no public debate about becoming a multi-racial society and that it supposedly had no democratic legitimacy was seized upon as a grievance in some quarters. It was articulated most forcefully, descending into crude racism, by burgeoning neo-fascist elements.

Despite such reservations, the first generation after WWII was a time of increasing prosperity. The arrival of non-white immigrants was a symptom of that success. Britain had full employment and more labour was needed, particularly to man the jewel in the crown of the new welfare state, the National Health Service. Britons could not have the welfare they voted for without the manpower to run it – the two went hand in hand. The bargain may have been implicit but it was real. Black and Asian immigrants were invited to these shores by the British government. They and their eventual children were justifiably perplexed to find that they were not universally welcomed.

Their cause was taken up by those on the left of the political spectrum, which transferred its instinctive sympathy for the underdog from its almost redundant anti-colonialism to the newer white/non-white interface in Britain itself. Those most resistant to change were on the right.

Today, the debate is still poisoned by the extremes on each side forged at that time. On the left, there is an ideological commitment to a multi-racial society with a generous asylum policy and a belief that the right is motivated by racism and xenophobia. It instinctively supports all immigration, including illegal immigration. On the far right, there is a belief that the left is using immigration to dilute Britain because it is anti-patriotic and wishes to change the electorate by importing client groups. It instinctively opposes, under the best available pretext, pretty much any immigration.

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7 within the UK. Obviously the British Empire had always been multiracial and historically tens of thousands of blacks and Asians had also lived in the UK.
8 Mostly. There was significant working class and trade union opposition too.
These are the received understandings by which each extreme has decoded the positions of the other for two generations. Even the centre-right, which is traditionally cautious about immigration but understands the economic advantages; and the centre-left, which is historically liberal on immigration but alive to traditional trade union concerns over job competition, have often seen each other through the prism of these extremes and hurled invective accordingly.

This may partly account for the downbeat and belated adoption of citizenship-granting rituals in the UK, compared with traditional countries of immigration such as the USA. The right, unwilling to accept Britain becoming a country of immigration, did not welcome new citizens and voters from among the immigrant population; while the left was hostile to nationalism and suspicious of the motivations of those who sought to inculcate new citizens with ‘British’ values.

The Conservatives and migrant communities

The association of the right with opposition to immigration in the second half of the 20th century still infects perceptions of the modern Conservative Party, and the centre-right generally, with Black and Minority Ethnic voters, who now constitute one in eight of the electorate.

There are success stories of migration everywhere, but this has not yet much affected their voting habits. BME employment is at its highest ever (62.8%).9 BME voters no longer only live in Britain’s inner cities, where Labour has large majorities; many have moved out into the suburbs, into Conservative-voting constituencies. Some of them, notably the Indians and Chinese, have significantly lifted their standards of living. But as BME voters have become better off, their voting behaviour has not changed significantly.

The Conservative Party, from the Prime Minister to local constituency parties, has made significant efforts to put down new roots in BME communities. There has been a dramatic rise in the number of BME, particularly Asian, Conservative councillors. And it is not inconceivable that, after 2020, there will be more Conservative BME MPs than Labour ones. From 11% of the BME vote in 2005, the Tories won 21% in 2015, but Labour still secured 65%. Although 37% of the Indian community voted Conservative, just 11% of Black Africans did so too. This is a serious long term problem for the party as by 2050, BME voters will make up somewhere between 25% and 30% of the electorate.

In the past, it was not irrational for BME voters to treat the Tories warily, given historic rhetoric on immigration. But the Canadian Conservatives have shown how this problem can be overcome. In 2015, they won 40% of the BME vote, twice the British Tories’ achievement. It would be glib to ignore the different context of Canada, a country of immigration with a population density more than two hundred times lower than the UK. Nevertheless, it is instructive and inspirational to appreciate that demographics need not be destiny for the centre-right. A strategy that identifies the

most potentially receptive communities and the issues that matter to them, and crafts policies likely to win over support, may also encourage progress here.

The need for a reset between the Conservative Party and Britain’s BME communities is more compelling than ever. How the Party might achieve Canadian Conservative levels of support among British BME voters is clear. The timing is fortuitous, as the Labour Party has shifted dramatically leftwards giving the Conservative Government a chance to make a serious pitch for the votes of different BME communities amongst many others. Part of whether they can achieve such a goal will be how they use the new flexibility presented by Brexit and leaving the single market, therefore free movement of people within the EU, to create a bespoke immigration and asylum policy for Britain that does not also appear hostile to migrants already living in the UK.

A reset of relations with the Conservative Party is also in the interests of migrant communities. Still-prevailing attitudes are an unnecessary hangover from race-aligned divisions of the past. With the Conservatives already having established a significant base of support – over a fifth of BME voters – it is easier to attract other pragmatic ethnic minority voters. Moreover, as the Canadian Conservatives discovered, being in Government allows the implementation of distinctive policies that deliver real, measurable benefits to specific communities. Critical to increasing electoral support, however, will be getting the right migration policy: a sensible and balanced approach that controls numbers will have widespread support, whereas anything that seems racist towards particular groups will have the opposite effect.

**A new approach to migration**

The new immigration policy should seize the opportunity to move on from the entrenched attitudes of the past and build a new, realistic national consensus around migration, taking into account the sentiments of all the UK’s communities.

There are signs that Britons of migrant heritage have begun the long road to perceiving themselves as ‘insiders’ on the migrant issue, rather than always aligning emotionally with the ‘outsiders’. This shift is undoubtedly caused in part by the fact that most recent migrants are overwhelmingly white eastern Europeans, who are often competing with low-skilled workers from BME communities. The downsides of immigration are felt most acutely by the most vulnerable and the low paid, which disproportionately affects Black and Asian citizens. Measures to protect the low-paid from competition from a ceaseless flow of inexpensive low-skilled labour from abroad would disproportionately benefit BME Britons.

There is widespread concern about both the scale, volume and momentum of immigration as it has caused the problems of absorption mentioned above. Attempts to control migration have been conspicuously ineffective: the net migration target has been breached for every single quarter that the figures have been published and is currently running at 333% per annum; the removal of existing illegal immigrants would take thirty years at the current rate; while media coverage of continued illegal immigration and failed asylum seekers gives the impression of a country besieged.
Between 2008 and 2010, the Government supported two funds to reinforce public services in localities significantly impacted by migration, the Migration Impact Fund and (for schools) the Exceptional Circumstances Grant. The Migration Impact Fund was a grant intended to help cope with rapid population change, financed out of a £50 levy on visa fees. At only £35 million per annum, it made a limited impression, was not perceived to reach the ‘sharp end’ (GP surgeries, A&E departments etc.) and was abolished in 2010. The Exceptional Circumstances Grant ran for only three years between 2008-11 and had a very high threshold, such that only four local authorities received an award in its last year of operation. The partial success of these local funds left public finance ponderous in responding to the local challenges of migration. Unsurprisingly, unmitigated short-term effects can turn those affected against immigration, as a direct result of real or perceived reductions in public services, such as local schools or GP surgeries.

A new £140 million Migration Impact Fund was announced by the Home Secretary, Rt Hon Amber Rudd MP, at the 2016 Conservative Conference. She said “Labour’s fund was ineffective and focused funding on migrants rather than the pressures caused by migration. Money was spent on translation services, rather than English lessons. Councils were given money to promote recycling, rather than the support they needed to ease housing pressures.” Details of how the fund will be allocated are still being decided. But it is apparent that the announcement is part of an attempt to address these local negative effects.

The background of negativity over the issue is an impediment to the emergence of a healthy consensus. Such is the depth of resentment within a large section of the public that they have become deaf to the case for controlled and desirable immigration. This issue cries out for another reset, one between the plurality of the electorate and the governing class.

As a first step, the Government must seek to restore the public’s faith in its sincerity and competence in controlling immigration. This would give permission for the case for continued but controlled immigration, shorn of the baggage of the past, to be heard. This new consensus would be explicitly based on the understanding that immigration, within limits, is necessary for enhanced growth and that this trade-off is accepted across all levels and communities within British society. Migrants will be welcomed to Britain but, as part of the migration contract, they will have certain responsibilities, from learning to speak English to contributing to funding public services. Likewise, British citizens will see the control over numbers that they seek but, in return, they will be expected to play their part in helping new migrants to succeed.

Current immigration policy is warped by two incompatible factors: EU membership and the net migration target of 100,000 per annum. EU membership has been responsible for an unprecedented wave of low-skilled migration with no levers to control the numbers, regardless of the consequences or costs. 270,000 EU migrants came to Britain in 2015 while 85,000 left. That this uncontrollable immigration alone exceeded the net target by 85% is ample demonstration of the flawed nature of the current target.

11 http://www.ibtimes.co.uk/amber-rudd-promises-140m-migration-impact-fund-help-public-services-1584765
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In the context of uncontrolled EU migration exceeding the target by itself, the net migration target causes further distortions. By obliging the Government to bear down on migration from the rest of the world, it causes illogical and undesirable biases in outcome. For example, the de facto preferences for low-skilled Europeans over high-skilled potential migrants from the rest of the world, and therefore of white over non-white and the circumspect rather than wholehearted welcoming of Britain’s world-class international student business.

On the face of it, it is odd that many Conservatives support an immigration regime that – in dealing with the world outside the EU – looks rather like Socialist style centralised planning. No Conservative would support a centralised role for Government in planning a net ‘migration’ target for cars, fruit or jars of Marmite. That kind of planning is more readily associated with post WWII Communist countries. But it is precisely the sort of system that many Conservatives advocate in supporting a specific target number. This is, as it happens, the fundamental flaw in the Australian migration system where experts from Government and industry estimate each year the right level of migration. The point has been well made that all migration controls (like controls on trade) have economic costs. This report supports a role of government that should aim “to set the rules and conditions to allow free people to make migration decisions, rather than trying to set the outcome or quantity of those decisions with number targets”.[12] In designing a new system, it is possible to achieve control and reduced numbers, particularly among low-skilled workers, without having a target number that has no sensible purpose.

It is true that migration controls have an economic cost. However, some limits can be beneficial even if they do not maximise economic growth in the medium term.

1) Limits may prevent the overloading of public services, the downside of which is borne by the most vulnerable.
2) Avoiding the need to expand public services to meet large sudden influxes in certain areas, which removes an upfront cost to the rest of society that would be a financial gamble that may never be recouped.
3) In a welfare state with a high level of public services, the short and medium term costs of immigration are borne by the wider community; while the companies that employ immigrants make the economic gain. Costs are socialised while profits are privatised.
4) Limits reduce the clustering effect that can inhibit new migrants from properly integrating.
5) Without the support of an electorate that feels secure about its cultural identity and included in the benefits of economic growth, immigration cannot be sustained in a democracy. Migration therefore needs to be at politically acceptable levels.

Without such limits, immigration in a democratic society may not, in practice, lead to long term economic growth. Nevertheless, the truism about free markets tending to growth remains. A successful migration policy will strike a balance between the countervailing pressures.

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A new migration contract

That is why this report proposes a new migration contract between the British people and incomers. It is designed, over time, to build greater support for a controlled, economically beneficial and sustainable type and scale of migration with compensation for short-term negative effects on affected elements of the rest of the population. Immigration has to work in the short and long term, for migrants, for the host population and specifically the population of migrant heritage.

Urgent need for renewal

With Brexit forcing a reconsideration of Britain’s immigration policy across the board, now is the time to forge a new Conservative migration policy that will command consensus not just within the Conservative family but also throughout the nation, in particular, Britons of migrant heritage.

There can be no doubt that the current migration regime, inherited in its essentials from the 1997-2010 Labour Government but amended by the Coalition and the Conservatives, is in crisis.

- It negatively impacts the poor and most vulnerable members of society in areas of high migrant settlement by congesting public services, lowering unskilled workers’ wages and raising the cost of accommodation.
- It causes cultural challenges by quickly changing the character of medium and small towns.
- Endless examples of illegal immigration and failed asylum seekers refusing to leave give the impression of a country under siege and have unsettled and even frightened large segments of the population.
- Failed attempts at regulating the inflow, such as the net migration target of 100,000 per annum, make the perception worse by making the problem seem out of control.
- Policy failure has made the state look incompetent and/or insincere and a cynical public has lost its trust in government handling of the issue.
- Constantly high immigration no longer has public consent after the vote for Brexit.
- More than on any other issue, a chasm has opened between the political class and the governed on migration that poisons the body politic across the board.
- Long-ignored public disenchantment has finally provoked up surges of support for previously non-mainstream parties and positions, such as Brexit and UKIP.

Unprecedented opportunity

A new national consensus urgently needs to be constructed. Just as the need is profound, so is the opportunity for the Conservative Government.

After two election defeats, a wipe-out in its Scottish heartland and the election of a far-left leader over the heads of the party’s MPs, the Labour Party is weak, riven with infighting in Parliament and increasingly alienated from its traditional voters. Despite the trajectory of the party’s leadership, opposition to the Tories is fracturing out from the Labour Party with many radical activists preferring the appeal of the SNP and the Greens. Even the party’s moderates lie under a pall of cynicism about their sincerity and competence to deliver wider redistribution, alongside their lack of confidence in their party’s leadership The Lib Dems are pitching for the support of the Party’s Remainers and UKIP
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is perceived as a serious threat to its working-class support in the North of England, primarily because UKIP takes a much less liberal stance on immigration.

With such enfeebled and divided opposition, the Conservatives have an unusually clear field of manoeuvre. With the Brexit vote incontestably interpreted as a rejection of EU ‘free movement’, they have a mandate to address migration across the board.

A distinctive, modern Conservative proposal

We believe that a modern Conservative approach can be crafted that will command support within the party and lay the foundation for a new realistic, practical national consensus. It should meet the concerns of those frightened and disadvantaged by the very high levels of recent immigration whilst building support for valuable economic migration that benefits the economy and enriches us all in the long run.

When it comes to immigration, there are three currents within the Conservative family. The first and smallest is the most liberal. These Conservatives essentially accept the migration settlement of the 1997-2010 Labour Government, characterised by permanently high immigration and relative slackness in removing illegal immigrants and failed asylum seekers. Their concerns focus around process and practicalities rather than numbers or economic and cultural impacts.

They see virtues in the system that is proving such a problem. Along with others in the recently extinct mainstream of immigration policy, they should accept that policy will have to follow the electorate and their party will need to reflect that. However, they will remain influential because many of their concerns will still need to characterise any new immigration policy. The UK must handle migrant issues, migrants and potential migrants themselves in a dignified and respectful way; play and be seen to play our part in alleviating humanitarian crises such as warfare and natural disasters, including by absorbing refugees; remain a flexible talent market in an increasingly free trading Western and globalised economy; and meet our international commitments and conform to civilised global norms.

The second current fear is that British culture, values and national cohesion have been rendered fragile by globalism and are sceptical of all large-scale immigration. These defensive, cultural conservatives are the nearest reality approaches the knee-jerk, racist caricature of Leftist myth. For them, a new migration policy should not only reduce the scale of immigration but also improve integration so that British culture and identity attains an unchallenged hegemony throughout our country.

The third school of thought, the majority currently, is an international free-market approach that understands the benefits of successful economic migration but is wary about high numbers. It has concerns about the welfare and benefit system distorting incentives and imposing freeloading costs on society when extended to migrants. Moderately internationalist rather than nativist, it totally rejects any denigration of migrants but stands outside the metropolitan liberal consensus under which addressing any migrancy issue can be characterised as racism or provoking racism.

In this paper, we forge a new synthesis of Conservative principles applied to migration that Conservatives of all tendencies can commend to the country at large. Rooted in the third, mainstream current in the form of a deal or ‘contract’ it nevertheless addresses the concerns of the others. It is a distinctive, modern and Conservative policy framework that aims to heal the breach of
trust with the electorate to establish a new national consensus – a consensus that would unlock public support for skilled economic immigration and a humanitarian refugee policy with an effective integration package. It rejects Faragiste populism but insists that the only way to regain public trust is to treat the electorate’s wishes with respect. It develops away from the status quo but carries its best features with it.

Minority as well as majority consent

British citizens who were born foreign and those whose families migrated in recent generations must also feel party to the bargain. In the past, there was a suspicion that firmer migration control would retrospectively impugn their own family’s migration here, implicitly stigmatising it as undesirable or a mistake. It was seen as the opening gambit of a nativist or racist agenda that would eventually de-legitimise their presence in Britain altogether.

Now, however, attitudes are moving on and becoming less defensive. Race relations are better than they have ever been and considerably better than can be observed in most other Western societies, not just countries such as France and the USA but also Sweden. No one imagines a Britain without the communities that settled since WWII. There is no even semi-serious party that envisages an exclusively white UK or that advocates mass repatriation. Very many non-white Britons make stellar or otherwise leading contributions to society at all levels. Non-white Britons should and increasingly do feel confident that their position here is unchallenged, secure and appreciated. This reframing has been assisted by the recent waves of migration being predominantly white and with negative impacts that disproportionately affect non-white Britons. The case for effective controls to manage change resonates equally across social boundaries.

To build on this progress, it is important that an immigration policy also has consent from British minorities and does not leave any impression that people like them are particularly unwelcome. The dual objectives of obtaining new consent from the general public and from Britain’s minorities are complementary, not a contradiction.

Consistent principles

We propose a coherent matrix of interlocking ‘contracts’ with clear, reciprocal benefits and obligations for each party.

Immigration to the UK must be for the benefit of the UK and its people; it is not some sort of inherent right for citizens of (any) other state. Nevertheless, certain forms and levels of immigration will always be desirable. The terms of the bargain must be clearly set out and the expectations of both sides acknowledged.

In this paper, we examine the various dimensions of migration and suggest contracts covering each one. However, they are all united by the same guiding principles.

- They are crafted to restore public trust in government’s stewardship of migration.
- Public trust includes securing public consent to policy. This is a challenge but without it, we will end back at square one. We anticipate this may even mean accepting a suboptimal
policy so as to not run ahead of public opinion, in the expectation that opinion will change as negative effects become apparent.

- Public trust also includes workability. Policy must be both achievable and, almost always, achieved. Unattainable targets must be eschewed, policy must be implemented competently and government must be understood to be upholding the law successfully.

- Applicants must be treated fairly, but this does not imply equally. We retain the entitlement to prefer some categories of people over others (for example, highly skilled over unskilled workers); some countries of origin over others (for example, Commonwealth, European and allied states over countries with which we have more tenuous bonds of trade, history and affection); make reciprocal deals with some states and not others; and to change our mind about any of these occasionally.

- Reciprocal arrangements with other states must never prevent us from making deals with further states, in the way the EUs ‘free movement’ did; nor should it ever privilege migrants over citizens the way some of the EU’s third-country marriage rules have done.

- Change must be proactively managed and negative impacts on the standard of life of affected citizens must be mitigated quickly and effectively.
Chapter Two. The Migration Contract: Key Proposals

This report makes a number of proposals that are designed to deliver an immigration policy that is both practical and credible. The aim of our proposals is to:

- Control the flow of future migrants while ensuring our country and economy remains open to talent.
- Treat Britain’s borders and immigration laws with respect, and demand the same from others, from migrants to traffickers.
- End the pre-Brexit system where those from the EU were treated differently, but retain the flexibility to strike reciprocal deals with countries with which we have close ties. This could potentially include the EU or some of its member states individually.
- Deal equitably with people from Commonwealth countries wishing to come to Britain, rather than somehow regarding Black and Asian Britons as part of a ‘problem’.
- Revive, over time, the electorate’s confidence in the Government’s capacity to run an immigration system properly and thereby to build a national consensus about future migration.

In every case, our proposals seek to mitigate any real or perceived adverse effects of immigration, especially where these fall disproportionately on certain sectors of society (such as the low paid) or geographic parts of the country.

Our approach will be to move away from the crude and misleading emphasis on ‘net migration’ and towards recognising the impermanence of most migration and to treat this accordingly. This will be balanced by placing greater emphasis on grants of settlement and citizenship as truly permanent immigration.

Creation of a new £600m Immigration Mitigation Fund with cities bidding competitively for funds

The primary economic benefits of immigration are often the migrants’ employers and only eventually, through taxation and a growing economy, to the Treasury. There is no automatic reinforcement – even delayed – of public services and other facilities, such as housing, to areas congested by migration or affected groups of the population. Distribution of funds to support public services in areas where migrant numbers have increased rapidly is very slow - there is no discrete procedure for this and adjustment depends on the ordinary public spending rounds.

Those most affected by immigration on the ground are those who depend most heavily on public services, such as the poor and disadvantaged as well as the low paid, who can face downward pressure on wages. It also includes immigrants who will, by definition, live in the affected areas and past migrants and their families who will tend to be disproportionately concentrated in the affected groups and areas. Essentially, gains are privatised while costs are socialised and carried unequally by the most vulnerable. An Immigration Mitigation Fund must correct any resulting social and geographic injustice.

Chapter 2 proposes a very significant increase in the size of this Fund, covering capital as well as revenue expenditure. We propose the fund should vary year-to-year, according to the net migration
figure at around the rate of £2000 per migrant, which would currently create a fund in the region of £600 million.

Funding streams from extra charges on visas, National Insurance numbers and grants of settlement and citizenship could be considered, as could higher NICs on immigrant workers. However, even altogether, these would raise barely a quarter of the level required and general taxation would need to carry the main burden. This seems to be what the Home Secretary anticipates for the existing £140 million Fund. In any case, it is wholly appropriate that general taxation funds basic social infrastructure and public services. The difference the Fund would make would be to bring that funding forward and apply it at speed to where new demand has been created by immigration. It is not new funding for additional purposes, it is accelerated funding for basic purposes.

The fund would be targeted in annual rounds through a bidding mechanism similar to the Government’s City Challenge programme for new local Infrastructure projects. This report proposes that any City authorities or county councils wishing to apply for funding would submit a bid, specifying the nature of the impact migration was having in their community, how any new resources would be deployed and what measurable outcomes could be anticipated. These bids would be compared in a competitive fashion and then awards made on a three-year basis. We also propose compulsory registration of migrants’ addresses, as is common across the EU, to facilitate the process of councils assessing the number of migrants in any area.

**More high-skilled migrants, far fewer lower-skilled**

This report proposes, in Chapter 3, a significant change in the migration regime, making it open to greater numbers of high-skilled talent and much less open to low-skilled labour. For the high-skilled migrants, we propose a net limit of 50,000 per year (replacing unlimited migration from the EU and 20,700 limit covering the rest of the world) but low-skilled immigration would only be possible for sectors where there was a demonstrable shortage of labour available that could not be filled, for example, by increased wages or capital investment.

There are substantial upfront costs to low-skilled immigration. The social costs are borne primarily by the least well-off, including existing immigrants, in areas of high migration. The financial costs are paid by society as a whole. These costs are high enough that it is uncertain whether low-skilled migrants repay them over their whole lifetimes.

Employers harvest the benefit of low-skilled migration, for example in farming and hospitality, which are freed from the need to invest in automation, training and paying British workers an attractive wage. But these employees are in effect subsidised through public services, so that costs are socialised while profits remain private. This balance must be corrected. Firms employing EU citizens should have to pay the Immigration Skills Charge for them and in the long run, only businesses that are not neglecting capital investment and that pay wages able to attract British workers should have access to low-skill migrant staff from abroad.

Other proposals include scrapping the net migration target and setting a 100,000 target to grants of settlement instead; as well as extending the minimum salary and other qualifications for immigrant workers to cover the EU while setting no target.
THE NEW MIGRATION CONTRACT

Create a single Asylum and Integration Agency, a rolling target of 20,000 refugees and an 8-year limit on returning to their home country

The refugee crisis is a global phenomenon. Britain receives relatively few refugees – 80% of the total are in developing countries. In contrast, asylum seekers in the UK make up just 5% of current immigration totals. Despite this, there is a widespread perception that the number of asylum seekers is far higher and is open to significant abuse. As a consequence, refugees granted asylum to Britain are treated, in general, very poorly. On the whole, they integrate badly and languish economically. Countries such as Germany take a far more interventionist stance over integrating their refugees, including hundreds of hours of free tuition in the German language. Critically, this has widespread public support. A recent IPSOS Mori survey found 65% believed “The Government should set up a programme to help better integrate asylum seekers and refugees into British society” including 63% of Conservative voters and 55% of Leave voters. In addition, the same IPSOS Mori poll found that 60% of all voters believe that the Government should fund English-speaking classes for all refugees.

Chapter 5 proposes a completely revised asylum regime called Safety Plus managed by a single Government agency: the Asylum & Integration Agency. This would replace the services that are currently spread across four different government departments. This should reduce overall costs and, hopefully, improve the process for all parties. Under this contract, the granting of refuge and a programme of acculturation to our society (including, critically, the learning of English) that would enhance their employability, would be balanced by a promise to return to the country of origin once it is safe. Critically, the assumption would be that any refugee living in Britain for more than 8 years would not be expected to return, even if their home country was deemed safe. The IPSOS Mori poll found that 59% of those polled supported refugees returning home when their home country was safe.

The report also proposes a rolling refugee target of 20,000 per annum, with flexibility to bank unused places and bring forward future allocations to cope with emergencies. Importantly, this 20,000 target would be for grants of asylum issued, not applications made.

Far too many asylum seekers are young men, as the often-illegal journey to the UK can be expensive and perilous. Rightly or wrongly, this lack of diversity casts a pall of suspicion that many asylum seekers, in reality, are just economic migrants cheating the system. Consideration should be given to proactively selecting refugees (both skilled and vulnerable) and/or moving the Home Office’s refugee reception centre from Croydon, south London, to refugee camps near conflict zones so that more skilled, women and vulnerable people can have a better chance of success. Application determinations can then be made without the additional problem of removing failed asylum seekers from the UK.

Enhancing Citizenship: making ‘becoming British’ the default for migrants

This report seeks to rebalance the conventional emphasis away from a snapshot of net migration towards a broader conception of gross ebb and flow. Rather than focus on a single crude measure, the report looks at the many important points on the journey from temporary migration through permanent residency to citizenship. Those who acquire permanent leave to remain and who take citizenship are ‘true’ immigrants, as much of the public understands it. Those who stay for only a number of years, even if their children grow up here, ought to be a lesser concern to those anxious
about immigration and the Government’s presentation should make it easier to draw the distinction between the two.

The two types of immigration can vary in their effects. Although non-permanent immigration has fewer long term ethno-cultural implications, the higher churn factor can make it more disruptive and difficult to handle.

Chapter 4 also recommends that more migrants who are intending to live permanently in the UK are encouraged to become citizens and for Britain to find ways to better integrate them into society. Currently, there are no major advantages for a migrant to take up citizenship over leave to remain. This report recommends that the Government sets up a Ministerial Group to develop practical proposals of new benefits that are only available to citizens. We also recommend that citizenship ceremonies should, as in Australia where New Australians are lauded at half time during major sporting events, be held at events such as Premier League matches, Last Night of the Proms, the FA Cup final, Glastonbury, the Edinburgh Tattoo or during the Wimbledon fortnight.

Attract more international students with limited ability to stay post study

Britain should be attracting more, not fewer, international students. Our country has a competitive advantage over most other countries – currently the UK is second in the world as an education exporter – and this ought to be exploited to the full.

The international student business is both very profitable and critically important to the UK’s long term soft power. It is hubristic for the UK to treat with indifference these two profound blessings, which are actively and rightly coveted by other states. The most recent indications show the fears that large numbers of students routinely overstay their visas have been greatly overblown. The UK must therefore lay aside its misplaced reticence and treat international students as a national business. We propose an annual student target that rises every year as any successful company sales target should.

Continuing the corporate analogy, the relevant minister (currently the Minister of State for Universities, Science, Research and Innovation) should report annually on the state of the UK’s international student business and on plans to develop the business. As a part of this, close comparisons should be made with the international student offers made by competitor countries, particularly in the postgraduate sector of the market, and adjustments made to that the UK’s overall offer remains strongly competitive so our market share is able to grow.

The contract proposed is that students should not have increased chances to stay post-study after four months, unless they are qualified in certain areas like STEM or courses that are rated in the top 20% in the country. In general, international graduates must compete for jobs on the same basis as any other applicant, with more generous terms only for postgraduates. We outline our proposals in detail in Chapter 4.
Develop a Refugee Employment Partnership with business ‘champions’ to help refugees into employment

To begin refugees’ integration as soon as possible, they should be allowed to work while their cases are being considered. Once they have been granted refugee status, they must be given far more help to find work, not just through English language lessons, but also through specific training and employment schemes. One option might be the creation of a Refugee Employment Partnership scheme where private and public sector ‘champions’ volunteer to take on a certain number of refugees each year and provide the additional training required.

Any refugee who successfully integrated could apply to stay and work in Britain under a general visa and conditions that did not advantage them over those applying from outside the UK.

Double funding to curb illegal immigration with a returns target of 70,000

Illegal immigration and failed asylum seekers who do not leave the country have very seriously undermined public support for legal immigration and a humanitarian refugee policy. The Brexit decision should be a huge wake-up call that public opinion cannot be allowed to continue to deteriorate further on issues that are so important to the economy and ethically vital.

Chapter 6 urges the doubling of the enforcement and ‘assistance to return’ budgets and the creation of a returns target of 70,000 a year, to earn the Government new credibility to begin building a new, realistic national consensus on immigration for the 21st century. This consensus would explicitly accept a level of migration (with local negative effects mitigated) in exchange for greater prosperity and economic growth over the long term.

The report also proposes a partial amnesty for illegals who have been here for a decade or more, to bring them back within the law. The amnesty would be partial because it would not only apply to illegals who have not been engaged in criminality and it would only offer a five-year work visa, not indefinite leave to remain.

With the hard cases of those illegals who have destroyed their documentation and are not immediately accepted by their countries of origin, the report proposes that speedy acceptance forms part of British demands in the trade relations talks that will be occurring with every country of the world because of Brexit. Major migrant source countries such as India should, in exchange for the many legal migrants we accept, accept illegals back with alacrity. Joint Indo-British units in both London and Delhi should be established to resolve cases with the utmost despatch.

Tapering out low-skilled immigration post-Brexit

Although the UK’s Brexit negotiators with the EU should be given flexibility to accept alternative proposals that may be of mutual benefit, Britain’s opening position should be that the EU is joining the rest of the world in terms of immigration for work. The report proposes extending the salary thresholds applicable to work visa holders from the rest of the world to EU states, thus ending low-skilled immigration with a taper out to allow industries to adapt. Inter-company transfers would be unlimited as now for the rest of the world.
As proposed by Rt Hon Iain Duncan Smith MP, EU citizens should not be eligible for income or housing benefits for between three and five of their first years of work in the UK. They should also be subject to the Immigration Skills Charge. However, we recommend against levelling up restrictions on EU tourists, marriage partners and international students to those that apply to the rest of the world. These should remain unrestricted, on a reciprocal basis with the EU.

Low-skilled immigration would only be allowed under a new national consensus, for companies whose requirement for foreign labour was not attributable to under-investment in automation/mechanisation or paying low wages that fail to attract Britons.

Any new low-skilled migration regime should accept that the British people have greater bonds of culture, trade and friendship with some countries than others. Without creating a complicated system, two levels of access – standard and enhanced – would respect these affinities and maximise public support.
Chapter Three. **Targets and Numbers**

Throughout Britain’s long history, there have been regular periods of small-scale immigration\(^\text{13}\) through the arrival of particular communities, from the Huguenots in the 16\(^\text{th}\) century to West Indians in the 20\(^\text{th}\) century\(^\text{14}\). But Britain has traditionally been a country of emigration not immigration. For much of the past 250 years, talent, labour and capital poured out of these islands to populate the dominions and colonies, the United States and to scatter throughout the world from Chile to Russia.

The first waves of so-called and controversially deemed ‘coloured’ immigration in the decades after WWII gradually turned the UK into a state significantly characterised by multi-racialism for the first time.\(^\text{15}\) There was a difficult period of adjustment to this change, with a racist backlash in some parts of the country, sometimes tinged with violence. This led to a concerted effort by different governments to find ways to improve race relations.

Although not perfect, this has been hugely effective, certainly in comparison with the experience of other countries, like France and the US, going through the same transition. With hindsight, what is remarkable is how successfully Britain has morphed to accommodate racial minorities with comparatively little friction.

This process has been aided by significant contributions to society made by citizens from these minorities in every part of society. Britain is now unimaginable without its major political, business, cultural and sporting figures from families of migrant heritage, at both national and local levels. The whole nation takes a pride in these achievements, particularly for those immigrants who have started out at the bottom of the heap in terms of wealth and social capital. We are a new country now.

In 1997, the new ‘New’ Labour Government scrapped\(^\text{16}\) the tough Primary Purpose rule that required foreign nationals married to British citizens to prove that the primary purpose of their marriage was not to obtain British residency. At the turn of the millennium, there was a surge of asylum applications that overwhelmed the hitherto obscure asylum system. From 2004, the accession of several poor Eastern European countries to the EU led to a further influx of low-wage workers taking advantage of the EU’s right of free movement – something that had developed into its present form in stages since Britain joined the EEC in 1973.

These developments led to a significant increase in new migration. Whereas the foreign-born population had grown by less than 2 million from 1951-1991, between 1991 and 2011 the figures more than doubled, increasing by nearly 4 million and reaching 13.4% of the population.\(^\text{17}\)

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\(^{13}\) Especially from Ireland and also including non-whites, such as African servants and ‘Lascar’ i.e. Indian seamen.

\(^{14}\) French Huguenots in the 16\(^\text{th}\) & 17\(^\text{th}\) centuries, Jews in the late C19th, West Indians in the mid C20th.

\(^{15}\) Some tens of thousands of non-white people had lived in the UK at various times in early modern history.


The ONS has predicted that, at current rates of immigration, the UK as a whole will reach 75 million by 2039. This is an increase of almost 10 million over the next 25 years. It also forecast that the population of England will rise by 4 million to 58 million by 2024 and that of London to 9.7 million. The capital already has nearly 3 million foreign-born citizens, 40% from Europe, 30% from the Middle East and Asia, 20% from Africa and 10% from the Americas and the Caribbean.

As might be expected, an early-medieval nation state such as Britain has lower levels of foreign born than traditional countries of immigration such as the USA, Canada, Australia and Israel. Britain is mid-ranking in terms of percentage of the population born abroad. There are several old states more highly placed than the UK, such as Switzerland, Austria, Ireland, Sweden, Norway, Spain and Germany. Generally, countries with large foreign-born populations tend to be high-income, and countries with fewer immigrants are lower-income.

The nature of the latest wave of immigration is different to what went before – and not just in its scale. Because of this, much of what was commonly understood about immigration has become out of date.

In the past, immigration was by mainly poor and low-skilled people arriving from Asia, Africa or the Caribbean to settle in urban communities, with the Asians characterised by non-Christian religions such as Hinduism, Islam and Sikhism.

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20 In reality, an agglomeration of medieval states forged into the UK by the Acts of Union of 1706 and 1800.
22 A notable exception being Japan. https://priceonomics.com/which-countries-have-the-most-immigrants/
Immigration is no longer predominantly non-white. Almost half comes from Europe (primarily Eastern Europe) while non-European migration is substantially composed of students, many of who will eventually go home. The white migrants from Eastern Europe are secularised Catholics and Orthodox. There is now almost zero non-European, low-skill immigration. Non-European immigration is now almost all the highly-skilled, family members or student numbers of immigrants. Non-EU citizens can only live and work in the UK if they are sponsored by a licensed employer, if their job is directly related to the studies they undertook at university, and if they meet a certain salary threshold – a relatively fair threshold that is dependent on their job. Their employer will also need to complete a resident labour market test to show that there is a shortage of people with the relevant skills in the UK.

Non-EU migrants pay their taxes and national insurance contributions (and the immigration health surcharge on top) yet are not eligible for any public funds or benefits such as housing or child support, disability allowance or income support. Applications for Tier 2 visas cost £1,702 and applicants have to prove fluency in the English language as well as proving that they have sufficient funds to sustain their life in the UK – the only evidence accepted being 3/6 monthly bank statements showing an ongoing minimum balance of £900 at any one time. In addition, they are only allowed to live and work under these conditions for a maximum of six years before they need to either leave, or switch to another immigration route for which they might be eligible.

For someone who has no family members or spouse settled in the UK, or who does not have a minimum of £2,000,000 to invest in the UK economy, immigration from outside the EU is all but impossible. The only exception is for occupations where there is a recognised shortage, such as engineers, nurses and several other healthcare professionals.

Due to significant low-skill migration from the EU through the ‘free movement’ principle, white immigration is, on average, lower skilled and lower paid than non-European migration, which is proportionately better paid and more educated.

Modern immigration is far more dispersed. Instead of city neighbourhoods becoming characterised by migrated communities, provincial towns are now taking unprecedented numbers of migrants (for example, a 227% increase of the foreign-born population of Merthyr Tydfil from 2001 to 2011) and rural towns facing such steep increases proportionate to their small populations that many locals reportedly feel “overwhelmed”.

Immigration is also less permanent than in the past and not just because of the many international students included in the figures who will mostly leave again. Instead of Africans, Asians and West Indians moving to Britain from essentially third world home environments intending to settle permanently, two thirds of immigrants now leave within 6 years. However, the higher rate of churn makes immigration feel faster and adds to some of the unsettling effects such as the arrival of new children in schools.

Short-term migration is in some ways harder to measure and handle. For example, much of the well-attested surge of Eastern European migration to work in agriculture in the farming districts of Eastern England is seasonal. Workers who do not stay 12 months do not count as long term international migrants (LTIM). Consequently, it appears from the headline figures that only 1% of migrants work in agriculture, whereas in reality the figure is much higher.

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23 807 to 2,641 http://www.bbc.co.uk/news/uk-wales-26423124
24 http://www.mirror.co.uk/news/uk-news/town-dubbed-migrant-capital-uk-8043045
THE NEW MIGRATION CONTRACT

LTIM is the international standard measure. There has to be a standard measure for international comparison and it has to have more or less arbitrary cut off points. But, at a time of heightened migration churn, as a headline figure it can under-represent migrant numbers. Hypothetically, 2 million migrants who are replaced every six months by 2 million different migrants would show up in the LTIM stats as zero migrants, despite the population of the UK being effectively 2 million higher than it would otherwise have been.

Concern about numbers is exacerbated by other factors that cast doubt on the reliability of the official migrant count. These issues are covered elsewhere in this report, in our chapter on illegal migration.

An Independent on Sunday story in 2007 claimed that supermarket food sales led Tesco and another unnamed food retail chain to estimate that the population of the country at the time was 77 million and 80 million respectively. However, the claim was both without source and denied by Tesco, as well as not being substantiated.25 Given the number of tourist visitors to the UK (36 million in 2015), short term migrants (1.2 million in 2015) and the amount of food wastage (British homes throw away 7 million tonnes a year26) it would not be surprising that the supermarkets sell more than enough food for the resident population.

In the 2005-10 Parliament, the third term of the Tony Blair’s New Labour Government, average annual net migration was running at 247,000, with a high of 287,000 in 2007 and a low of 205,000 in 2009.27

Average net migration during the six years of Coalition and Conservative Governments has been very similar – 250,000 – despite the Conservative Party’s commitment to a target of 100,000. Although the strictly comparable average of 2005-10 (Labour) to 2010-15 (Coalition) Parliaments shows a slight drop from 250,000 to 233,000, this is insignificant set against the surge under the Conservative administration in the 2015 Parliament.

The most recent estimate of annual net migration was 335,000 for the year ending June 2016. In the 2015 Parliament, the average yearly increase was 325,500, 225% above target. The last time net migration hit the 100,000 target was 1997.28

26 http://www.lovefoodhatewaste.com/node/2472
27 In the years ending June 2007 and June 209 in each case.
Because the figures for net migration are published quarterly, there is a constant and regular highly visible demonstration of the Government’s failure to meet their own self-imposed target. In fact, since 2015, the figures are moving further away from that target.

Currently, due to Britain’s EU membership, every EU citizen has the right to come and live in the UK, if they so wish. It is the rise in EU immigration – previously negligible – that is the principle cause of the migration surge. In light of this, having a target made very little logical sense, as the Government had no tools to reduce EU migration; indeed, it would have been illegal to create any barriers to free movement.

The net migration target is not in any case coherent. It includes international students, takes no account of the varying labour needs of the economy, the pull factors attracting migrants and the balance of migrants entering and leaving the country. Moreover, it fails to discriminate between immigrants of different economic values, but does discriminate against non-European (non-white) immigrants (due to strenuous efforts to reduce non-EU immigration to compensate for being unable to influence EU migration, all driven by a need to meet the target).

The conspicuous and repeated failure to meet the unattainable target has itself had negative consequences. The constant breaching of the target by a wide margin at every quarterly reporting stage leaves the impression that migrants are pouring inexorably into the country and gradually filling it up. It sends a strong signal that immigration is out of control and makes the Government appear impotent. This contributes further to the decline in faith in the political system.
The net migration target is misleading and creates a false impression of the state of migration. By reporting only the difference between emigration and immigration, it accustoms the layman to believe that migration numbers are absurdly low. And by reporting net migration without the context of churn, it allows the inference that every year, many more permanent residents have arrived in the UK. These are serious and widely held misconceptions, which make the task of creating a realistic national consensus about migration harder to achieve.

The UK had a resident foreign-born population of 7.8 million, according to the 2011 census. Of these, 2.9 million were from the EU and 4.8 million from the rest of the world. Some of these were born British and others have become British citizens. Most people infer from the perennial missing of the net migration target that those migrants already in the country stay and are joined by others (a third of a million in 2015). But this is wrong. Every year, some leave and some arrive, and these numbers include British citizens. In reality, 630,000 people immigrated to the UK in 2015 while 297,000 people emigrated.\(^\text{29}\) The breakdown of these figures is shown in the following table.

\(^\text{Table 5}\)

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<tr>
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<th>In (000s)</th>
<th>Out (000s)</th>
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<tbody>
<tr>
<td>British citizens</td>
<td>83</td>
<td>123</td>
</tr>
<tr>
<td>EU citizens</td>
<td>270</td>
<td>85</td>
</tr>
<tr>
<td>Non-EU citizens</td>
<td>277</td>
<td>89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>630</strong></td>
<td><strong>297</strong></td>
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For context, the net effect of Short-Term International Migration (STIM) and international tourism is to reduce the number of people in the UK. In 2015, 1.2 million migrated in for the period of between 1 and 12 months that counts as STIM, while 2.4 million migrated out.\(^\text{30}\) In the same year (2015) there were 36.6 million trips to the UK by foreign tourists and 67.8 million trips abroad by UK residents of less than one month’s duration.\(^\text{31}\)

\(^\text{29}\) http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2016
\(^\text{30}\) These are the latest available figures which actually cover mid-2014 to mid-2015. http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2016
\(^\text{31}\) In the year to July 2016.
Permanent settlement

The number accepted for permanent settlement in 2015 was 89,932. In reality, UK immigration is not analogous to an ever-filling jug, with the implication that the brim will one day be reached. It is better compared to a churning pool. Water pours out and water pours in, with the overall level going up and down varying according to the amount of each.

As we state above, two-thirds of migrants stay for less than 6 years. The percentage intending to stay for less than four years has increased from 47% to 59% in the last 20 years. The numbers of migrants given indefinite leave to remain in the UK from the mid-1960s until the late-1990s was kept with a limited range, from a low of 45,900 in 1987 to a high of 92,190 in 1972. The figures then jumped dramatically, exceeding 100,000 in every year (except 2011 and 2015) with an all-time high of 241,192 in 2011.

Parenthetically, historically, Labour governments have always approved higher numbers of migrants being given ‘leave to remain’ while the Conservatives have reduced them. Just one more year of the Conservative administration making grants of the latest level of 90,000 will take its average below the record breaking level of the previous Government.

Table 6

<table>
<thead>
<tr>
<th>Annual average grants of settlement</th>
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<tr>
<td>1964-70</td>
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<td>1970-74</td>
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<td>1974-79</td>
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<td>1997-2010</td>
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<td>2010-15</td>
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More importantly, it can be seen that average annual grants were always well below 100,000 until a steep rise loosely paralleled the immigration surge since 1997. 2011 was a recent low point for both data sets. Since then however, while net immigration has soared under Conservative/Coalition Governments, grants of settlement have been brought back down to around 90,000 per annum.

http://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism

32 to 2014 http://www.migrationobservatory.ox.ac.uk/resources/briefings/long-term-international-migration-flows-to-and-from-the-uk/
It has been predicted that there will be a spike in grants of leave to remain (LTR) as a result of the post-Brexit settlement. EEA nationals who currently take advantage of their right to live in the UK under EU free movement regulations can and should be given leave to remain. After that time, however, new EU nationals arriving will probably come under the same stipulations as other nationalities.

Leave to Remain is a crucial benchmark. Although not citizenship, it permits permanent settlement in the United Kingdom. This is very distinct from most of what is called ‘immigration’, which is merely conditional permission to stay in the UK for a limited period of time.

Under an anomalous hangover from our imperial past, citizens of any Commonwealth country granted LTR also acquire the right to vote in parliamentary elections and referenda. They are thus denied very few privileges of full British citizenship.

While the ‘churning pool’ of time-limited conditional migration waxes and (conceivably) wanes as departing migrants are replaced by others, those granted LTR are, in a sense, true immigrants. They are going to live here permanently.

The overall number of people in the country, however temporarily, will remain important for administrative purposes such as the distribution of funds to reinforce public services. However, the size of the churning pool and the number granted leave to remain ought to be treated as more politically significant. It is the cultural and ethnic change imposed by permanent immigration over the long term that so perturbs immigration’s traditional critics and still accounts for much of the wider unease about it. Building a new consensus should become more achievable when the true, lower measure of permanent immigration is generally understood.

Given its historic level and recent downward trend, the ‘true’ immigration level – the number granted leave to remain – might credibly be capped at ‘tens of thousands.’ The important thing however is not a target, which can so easily have the unintended consequence of distorting other policies as the present one has done, but a suite of policies that have some effect in controlling and channelling immigration.

### Citizenship

Citizenship grants doubled from 2000-13, but the figure is now falling. In 2015, 118,100 citizens of foreign countries were ‘naturalised’ and granted British citizenship. 44% were adult women, 42% adult men and 14% were children. Women outnumbered men in the young adult age groups (16-34), while men were the majority among older adults (35-54). The top ten countries of previous nationalities, which constituted 65% of total naturalisations, were as follows:\(^{33}\):

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\(^{33}\) http://www.migrationobservatory.ox.ac.uk/resources/briefings/naturalisation-as-a-british-citizen-concepts-and-trends/
Citizenship is granted in three main categories: meeting the five-year residency requirement (51%); spouses/civil partners of British citizens with three years residence as such (21%); and underage children being registered as citizens (24%). Since 2000, the trend has been an increase in residence-related grants (9%) and a decline in grants on grounds of marriage (12%). All candidates for citizenship must also meet the requirements of ‘good character’ and command of English (or Welsh or Scottish Gaelic) and pass the Life in the UK test.

Only 11% of citizenship grants were to EU citizens in 2015. This reflects that the EU’s free movement principle has normalised living in other EU states as a right without official procedure.

Just 9% of applications were refused. The most common reason for refusal is failure to meet the ‘good character’ requirement, which has quadrupled over the last ten years to 42% of all refusals in 2015. This follows the 2008 Home Office reinterpretation of the ‘good character’ clause against those with previous criminal convictions. Only 5% of refusals were for failure of the English language or knowledge of life in the UK tests, although these requirements – along with certain other process issues such as fees – may deter some potential applicants.

The numbers granted citizenship since records began in 1962 follow a similar pattern to the Leave to Remain figures. The figures only exceeded 100,000 once from 1962 until 2000 – 117,130 in 1989 – with the average being just 42,700 per year. In contrast, since 2001, the numbers have risen sharply, exceeding 100,000 in every year, reaching a peak of over 200,000 in 2013.

Some of the spikes and troughs reflect administrative challenges and responses, as backlogs are built up and cleared, and policy changes (for example, the Pakistan Act 1973 that created a brief window for Pakistanis to register as Citizens of the UK & Colonies).

Naturalisation numbers seem to reflect, very loosely, grants of leave to remain. It is to be welcomed that significant numbers of those granted permanent residence decide to cement their commitment to this country by taking citizenship. It is reassuring that citizenship applications appear not to be ‘waved through’ and an increasing percentage are refused on discretionary grounds such as the good character requirement.

Citizenship is the natural and desirable end point of the pathway that begins with coming to the UK to work and leads eventually to an application for leave to remain so that the individual can make a permanent home in this country.

With its long tradition of emigration, Britain awoke late to the need to formally recognise the status of newly naturalised citizens. The first citizenship ceremony took place only in February 2004.

Indeed, the concept of British citizenship itself is relatively new, dating only from 1949. It is the older term ‘British subject’ that applied to everyone in the British Empire, which is seen in the pages of
history. Citizenship arose from the 20th century withdrawal from Empire and has been altered several times, with British Citizenship replacing the original Citizenship of the UK and Colonies. Standard British scepticism of the new-fangled and an unwarranted cynicism about the motivations of those taking citizenship has meant they have taken a long time to become an embedded part of national life.

However, it is futile to deny that Britain has become a nation of significant immigration and is likely to remain so even if the current high net numbers return to lower levels. Citizenship is how immigrants who have already committed to living their lives in the UK, finally immerse themselves in our nationality and culture and become ‘one of us’. It should be a moment of rejoicing, not just for those embarking on a new life belonging to a different nation – effectively a ‘civic rebirth’ – but also for all British people. Our country is honoured by those who choose to give their allegiance to us.

Citizenship ceremonies are conducted by local authorities with inconsistent results. Although some are effective, many others simply fail to live up to the true importance of the occasion – a portrait of The Queen on an easel and the national anthem being played from a CD player are the enduring images in the public mind. Britain still does not pull off the ritual with the same élan as the USA and Australia.

The Australian points-based system?

Over recent years in the public debate on migration, the Australian points-based system has come to be the totemic prescription of those most concerned to reduce current immigration levels.

The popularity of the Australian Points System (APS) stems from the entrenched and immature nature of the extremes on both sides of the debate. For one side, almost any further migration, with the possible exception of people of British ancestry, is undesirable for the foreseeable future given the numbers that have arrived in the last 20 years and the ineffectiveness of efforts to prevent illegal immigration. For the other side, almost any restriction on immigration whatsoever is racist and immigration is always desirable, even including illegal immigration. Both positions are emotionally driven and impractical, yet both influence the debate.

Australia is acknowledged as a liberal and non-racist country open to migration. Its points-based system was introduced in 1972 specifically to replace an ethnocentric one. Yet, in contrast to the UK, it has a reputation for carefully choosing its immigrants and dealing very firmly with illegal immigration and asylum-seekers, keeping them in confinement on offshore islands. To those concerned with limiting or reducing immigration, pointing to Australia as a model is to exculpate themselves from the perennial charge of racism, while still signalling greater firmness with illegals and greater discretion in admitting other migrants.

The Australian system is excellent for Australia, for which it was designed, but it does not warrant the panacea-like reputation projected by its advocates in the UK. It would be unsuitable for Britain’s needs and would not achieve the aim intended by its British supporters.

In reality, Australia wishes to attract migrants and the points-based system is designed to sort out which migrants should be admitted. Those with enough points attain what effectively becomes a

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34 http://www.bbc.co.uk/news/uk-politics-29594642
right to enter Australia, a country with a population density of 8 people per square mile\(^\text{35}\) compared with 681 for the UK.\(^\text{36}\)

The UK took in 75% more immigrants in 2015 than Australia. Exactly why British APS supporters want the Australian system, you might think. But the UK is at the geographic nexus of the Western world and too many people would apply and qualify under any reasonable points system to meet the true objective of APS supporters i.e. to limit immigration not simply to raise its quality.

The usual retort to this point is that what is really meant is an Australian system plus a cap. Australia does have a cap, a high one of 190,000 – not what UKIP has in mind – that gives plenty of room for the points system to operate. A points based system with a low cap couldn’t operate very effectively, as the cap would efface the ability of points to do the selecting.

However, there is a well know country that does use a point system with a low cap, thereby largely nullifying the purpose of the points. That country is the United Kingdom, which introduced in 2008 a points system that was based on the Australian system from the start. The UK has a skilled worker (Tier 2) cap of 20,700 per annum for those on salaries of less than £150,000. Because of the low cap the UK rightly isn’t regarded as a true points system. Obviously, there is considerable irony in the greatest critics of Britain’s immigration system recommending an alternative that is conceptually the same thing.

\(^{35}\) http://www.worldometers.info/world-population/australia-population/

\(^{36}\) https://www.migrationwatchuk.org/briefing-paper/356 adjusted to convert to square miles
Our proposals

1. Scrap the net migration target

The net migration target of 100,000 per annum has been a failure. Since it has been in operation, a maximum of 600,000 people should have migrated into the UK. The actual figure is 1.5 million, 250% of the set target. Annual net overshoot has varied between 77% at best and 233% at worst. By the next General Election, it is highly likely that the target will have been missed, by some margin, for every year since it was introduced.

The net target is also a flawed method of gaining control of numbers. The definition of migrants in the figures includes large numbers of inter-company expats, temporary workers and students who are not the permanent migrants that are at the heart of the public’s concerns about the current system.

In fact, the net migration target could be met while demonstrably failing to address those underlying concerns. For instance, by encouraging large numbers of pensioners to retire abroad or by stopping international students from studying in the UK – neither of which would be desirable outcomes. If 2 million migrants arrived in a year and 1.9 million British citizens departed, the target would be achieved – but it would leave Britain with 2 million more migrants in the country – not the effect sought by government policy or the public.

The target misleads people as to the impermanent nature of most migration, casts doubt on the efficacy and sincerity of government policy and creates antagonism that impedes the creation of a new national consensus about migration. The net migration target is seen as a policy goal that will demonstrate control of immigration, but the reality is that it is nothing of the sort. It will be far better to develop a set of policies that achieves genuine control over the numbers of migrants that the public is concerned about, including low-skilled labour and illegal migration, rather than block those, like students, highly-skilled professionals or entrepreneurs, for whom there is widespread public support.

2. Extend the minimum salary requirement to create a non-discriminatory work permit system for skilled immigration

The minimum salary requirements have been effective at restricting non-EU migration by the low-skilled. They should be extended to EU citizens post-Brexit to create an economy open to talent but that protects the domestic low-paid from unlimited international competition for jobs. This would create a level playing field for a work permit regime that already has wide support, from Migration Watch to Labour MPs.

We have examined and we have rejected the case for preferential treatment for citizens of those countries with which Britain has historic cultural and trading links. High-skilled immigration is economic migration and it does not make sense that a highly-skilled individual should be rejected because he or she is from French-speaking Africa, an Arab country or for example Cambodia or Paraguay rather than the Commonwealth, Europe, the USA or Israel. It is the skills that we seek that should be the deciding factor. However, in reality it has to be accepted that those states that are not traditional source countries for UK immigration are unlikely to become so. Fewer have surplus skills
to export, fewer of their citizens are proficient in English and they have their own preferred traditional destination countries for emigration.

3. No entry target for skilled immigration – let the market decide

Normal economic fluctuations in Britain and our trading partners, together with occasional asymmetric shocks, will bear on the true demand and supply of high-skilled migration. Micro interference with these macro-economic tides inevitably creates distortions and unintended consequences. The salary requirement needs to be kept updated but, other than keeping the criteria refreshed, there should be no migration targets to distort optimum economic performance.

4. Raising the high-skilled immigration cap to 50,000

Any cap should therefore be high and only likely to affect the supply of talent if there is a large surge for unpredictable reasons. It should not impact the ordinary rhythms of the economy.

A cap would also need to accommodate high-skilled immigration from the EU, which is not currently included, as the current 20,700 Tier 2 cap for skilled immigration introduced in 2011 applies only to the rest of the world. EU immigration for work, currently 179,000 a year, is anticipated to fall by 90% if the current minimum salary is extended to cover the EU. This is because only high-skilled labour would meet the threshold. A cap of 38,600 would therefore be needed post-Brexit to accommodate the current level of high-skilled immigration from the whole world.

To send a strong signal that Britain is open for (highly-skilled) business, to contradict those voices painting Brexit as an introverted or protectionist shift, we propose a global cap of 50,000, not including the exceptions that currently apply, which should also be extended to EU citizens.

5. Introduce the churning pool as the primary immigration concept

Reporting should instead focus on the churning pool of those here on visas i.e. ‘subject to immigration control’ including EU citizens (whatever post-Brexit arrangements are put in place), overall numbers, gross outflow and inflow. This will give a much more accurate and contextual impression of scale and permanence.

6. Use separate pools for students and asylum seekers

Students and asylum seekers should not be confused with the general pool and should be reported separately, together with rates on inflow and outflow.

7. Apply a target to grants of settlement
To meet public concerns, any immigration target should be at the leave to remain stage, which represents permanent settlement and thus true migration. An annual target of 100,000 would be reasonable and credible.

8. Encourage citizenship

Those granted leave to remain are eligible to apply for citizenship. This should be seen as a healthy and natural (though not inevitable) development of the relationship between new residents and their county of adoption, and should be encouraged. At the moment, a target for conversions to full citizenship is not necessary, as citizenship grants exceed grants of settlement. However, this should be kept under review should the situation change. There are insufficient benefits to citizenship over and above leave to remain (Commonwealth citizens with leave to remain can even vote in parliamentary elections).

A Ministerial Group should be convened to develop practical proposals that would raise the advantage of taking citizenship and should look at tax changes and speedier access to public services among other areas. For example, those naturalising as British citizens should no longer be eligible for the Immigration Skills Surcharge.

9. Defaulting to British

This report proposes that responsibility for citizenship ceremonies passes to the Civil Registrars, whose civil marriage ceremonies are universally respected as models of solemnity and sincerity.

This report proposes that ceremonies should occur in a greater variety of venues than local council chambers and the even more ordinary rooms that are sometimes used. The many places registered as venues for civil weddings could be used instead, and even more imaginative locations such as the BT Tower, the Tower of London and the Castles of Edinburgh and Cardiff. Even outside locations could be considered, such as Parliament Square, local natural beauty spots, ruined castles and high points with vistas.

Furthermore, this report proposes that the UK takes a leaf out of Australia’s book, where citizenship ceremonies are held as adjuncts to great national occasions such as sporting fixtures and Australia Day, when hundreds of ceremonies naturalise thousands of new citizens every year. In Britain, this could be achieved at Scotland’s Edinburgh Tattoo, the London’s Lord Mayor’s Parade, New Year Fireworks and Trooping of the Colour and the Welsh Eisteddfod, amongst others. It should become routine at great national sporting events such as the FA Cup Final and Wimbledon. This would not only give a truly memorable welcome to those joining our nation, but it would allow others to share the occasion and nurture the mood of celebration that ought to accompany people choosing to become British and committing themselves to us.

In fact, in Australia these public ceremonies are so popular that existing citizens enter into the spirit by affirming their own allegiance. There are far fewer rites of passage in the UK than most other cultures but, again, this could be something that could be adopted in time. TV coverage of, for example, American children pledging allegiance to the flag, can seem decidedly un-British but it creates exactly the sense of pride and patriotism in that country that we too often complain is missing in our country – so it may be time to consider a British version of that for our children,
whether migrant or not. Our nationality is the fulcrum of all we have in common, from our language to our values, our heritage and our ambitions. Britain needs to throw off the out-dated constructs placed on it by left and right and come to appreciate our citizenship unaffectedly for the shared blessing that it is.
Chapter Four. **International Students**

**The current position**

Foreign study is a lucrative and competitive international business at which Britain is outstandingly successful. The UK is the second most popular global destination for expatriate study after the United States. Around 4.5 million students across the world currently attend universities or colleges outside their home country. Many of Britain’s universities, especially Oxbridge and the Russell Group, are seen as providing an education that can match almost anywhere in the world.

In 2015, Britain enrolled 10% of all international students against the USA’s 19%. Australia and France enrolled 6% each; Germany took 5%; and Canada, Japan and Russia took 3% with no other country including China taking more than 2%.

In 2014-15, there were 436,585 overseas students attending higher education in the UK, forming 13.4% of the undergraduate population and 38% of the postgraduate student population. Just over half (52%) were female. 71% of them were from outside the EU and these non-EU students alone paid 27.6% of total course fees received and 12.7% of all income received by British higher education institutions, a sum totalling £4.226 billion. The total worth of the overseas student market to the economy, covering tuition, accommodation and off-campus spending has been estimated at £8.5 billion.

**Table 7**

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<th>Domicile of Non-British students at UK higher education providers 2014-15</th>
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39 https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=325.
40 Ibid. Table B
41 Ibid.
42 Income and Expenditure of UK higher education providers https://www.hesa.ac.uk/index.php?option=com_content&view=article&id=1900&Itemid=634
43 http://www.thetimes.co.uk/article/canada-seizes-its-chance-to-lure-the-brightest-minds-bgtszq6s8
44 Non-UK Domicile Students, Tables 8 & 9 https://www.hesa.ac.uk/free-statistics
In addition, there were 663,915 students studying overseas for British higher education qualifications. Of these 270,740 (41%) were at an overseas campus of a British institution or taking distance learning from a British institution directly, while 59% were on joint courses with an overseas partner institution.\(^5\)

Economically, education sold to foreign citizens is an export, whether they study in the UK or abroad. However, the benefits of British success in attracting international students are not only commercial. Educating some of the brightest young people from around the world creates a more fecund intellectual climate in British colleges and brings substantial wider benefits to our universities and the communities where they are located. It helps create a vibrant and horizon-expanding cosmopolitan milieu; brings in disproportionate amounts of funding that improves the quality of the institutions; and increases the money spent on accommodation, food, retail and leisure in university towns.

Having people of influence across the world with a strong affinity for the UK due to their time studying here is one of the factors that led Britain to be assessed in 2015 as the world’s greatest soft power, exceeding even the USA in that year.\(^6\)

Also in 2015, the Higher Education Policy Institute demonstrated that 55 current world leaders from 51 countries had received higher education in the UK. This included 8 overseas Prime Ministers or Presidents from Manchester University alone and 9 heads of state or government from Oxford University, 5 of whom were kings.\(^7\)

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\(^5\) Ibid. Table O


\(^7\) https://www.timeshighereducation.com/news/where-do-world-leaders-study-oxford-and-manchester-are-top-uk-destinations
A year earlier, the British Council had assessed that around 10% of the leaders of the world’s 245 states had studied at a British university or college and claimed that our rate of producing world leaders, at one per 50,000 students, was 10 times that of the USA. It uncovered the surprising fact that even Iranian President Hassan Rouhani was British educated, having attended Glasgow Caledonian University to study prehistoric archaeology. 48

Currently, the USA/Canada, Europe and Australia/New Zealand are considered to offer the most prestigious postgraduate qualifications and, as a result, these countries attract graduates from rising economies such as China and India. Australia and Canada in particular are aggressively marketing

their offer to increase their share of the business. Australia has a 2015 10-year plan49 aiming at raising their overseas student enrolment to 720,00050 while Canada’s 2014 International Education Strategy includes a target to attract more than 450,000 international students to the country by 2022, from 265,400 in 2012. Britain’s high-ranking position cannot be taken for granted over the long term; indeed, its strong position is also vulnerable if other countries can attract the next generation of international students.

The example of New Zealand is salutary51. New Zealand benefitted from a huge upswing in Chinese students over six years to 2004, but then experienced a crash as the trade switched instead to Australia, the USA and various European states. Post-Brexit, it will be critical for Britain to send a positive – and welcoming – signal to potential future students to ensure that we continue to attract high numbers.

Given its profitability and its potential volatility, it is remarkable that Britain’s extraordinary successful achievement in international education is the subject of domestic political controversy.

Students or migrants?

The current net migration target of ‘tens of thousands’ includes overseas students studying in Britain. As a result, although there is no formal cap on overseas students, any increase in the numbers arriving here to study has to be balanced against the numbers of those wishing to migrate here.

The Government has therefore created an invidious position for itself. International students are lucrative and internationally mobile high-skilled immigrants are highly desirable. But under the ‘tens of thousands’ target, these essentially have to trade off against each other. Even worse, both these valuable acquisitions have to be traded off against low-skilled migrants and the family dependents of recent immigrants, whose individual contributions to our economy are potentially much less useful.

There are three explanations for this situation.

First, the Office of National Statistics counts only Long Term International Migrants (LTIM). The UN recommended definition of a long term international migrant52 is “A person who moves to a country other than that of his or her usual residence for a period of at least a year (12 months), so that the country of destination effectively becomes his or her new country of usual residence.” So, students staying longer than 12 months have to be included for international comparison.

Second, during their time studying in the UK, overseas students increase pressure on accommodation, transport and public services. Projecting likely future demands on such services is one of the most important reasons why migration figures are calculated.

Third, some students do not leave the country after they finish their studies and become ‘real’ migrants as commonly understood. This has been an area of controversy that is considered below.

49 https://nsie.education.gov.au/
51 http://www.migrationpolicy.org/research/growing-global-demand-students-skilled-migrants-0
The first of these factors is a matter of bureaucratic inconvenience and not something that ought to determine policy. However, the second has to be placed in the context of the incontrovertible economic gains, as well as the less immediately tangible socio-educational advantages of Britain’s success as an education exporter.

However, rightly, students are generally not seen as immigrants. Most people think of international students as people who arrive to gain a qualification outside their own country but not to settle in Britain. Similarly, few UK students at overseas universities spend the rest of their lives in the country where they choose to study.

An October 2016 opinion poll for The Times found that 51% think international students have a positive effect while only 9% believe they have a negative impact. 46% wanted the government to encourage more overseas students to study in Britain and just 30% wanted them discouraged.\footnote{\url{http://www.thetimes.co.uk/edition/news/foreign-students-are-welcomed-by-overwhelming-majority-of-voters-9zdqjd937}}

This correlates with earlier findings. In 2013, the British Social Attitudes Survey found that students were the only category of migrant for which the public felt the benefit outweighed the cost (by a small margin). Every other category, including workers, were felt to cost more they benefitted Britain by a margin of at least 30%.\footnote{\url{http://www.migrationobservatory.ox.ac.uk/briefings/uk-public-opinion-toward-immigration-overall-attitudes-and-level-concern}} Research in 2011 indicated only 29% of the public regarded students as immigrants, far lower than other categories of arrivals such as asylum seekers. The research also found that there was little demand for a fall in overseas students, even among respondents who wanted migration to fall.\footnote{\url{http://www.migrationobservatory.ox.ac.uk/reports/thinking-behind-numbers-understanding-public-opinion-immigration-britain}}

### Post-Study Visas

The current window that overseas students have to find a job in the UK once their course is completed is four months, effectively down from two years since Theresa May, as Home Secretary, abolished the Post-Study Work Visa in 2012. The change led to a sharp 50% drop in the number of Indian students applying to UK universities. Such a timescale is extremely short and is likely to lead to students accepting the first job offer they receive in order to qualify, even if that is not the ideal role for them. If such a trend occurs, it will inevitably cause problems with employers becoming wary of offering roles to overseas students, fearful that they may stay for only a short period of time. Of course, the strain to international students who have built a life for a certain amount of years here and who have a skill set which would benefit our economy cannot be undermined.

It is certainly true that the previous system had a number of problems. There were suspicions founded on experience that some institutions were implicitly selling entry to the UK alongside their course contents and that some courses marketed at overseas students were discreditably lightweight. This, in turn, encouraged applications motivated principally by entry to Britain rather than study. It would be a huge mistake to simply turn the clock back to that. Even though it would make the universities’ job easier to attract fees from overseas, to be legitimate, those fees need to be for serious study not a pretext for economic immigration.

Nevertheless, Britain needs to be watchful that our offering remains competitive. Canada allows international students to stay in the country for the length of their course again, up to a maximum of three years. Australia allows international students to stay in the country seeking work after graduation for up to two years for Bachelor’s degrees, three years for Master’s degrees and four years for Doctorates. However, it would be a mistake to conclude that Australia is ‘soft’ in any sense. In 2015, it revoked the visas of 10,949 overseas students it deemed ‘non-genuine’, a 30% jump in one year.

Public opinion appears to be sympathetic to students staying for a while after graduating. A Times opinion poll in October 2016 found 42% saying those who did so had a positive impact against 13% negative. 54% agreed with current practice that overseas students should be allowed to stay in Britain for a limited period to look for a graduate-level job, with only 28% against this.

Immigration Skills Charge

From April 2017, the Immigration Skills Charge will be paid by employers who take on migrants to work in skilled areas, at a rate of £1,000 per employee per year and just £364 for small or charitable organisations. Its purpose is to reduce the number of businesses employing migrant staff and incentivise the training of British workers to fill those jobs. It will not apply to PhD level jobs and international students who switch from student to working visas on completion of their courses. In announcing the Charge, the Government described the exceptions as “a key protection to help retain the talented workers and students who are vital in helping the British economy grow”.

Overstaying

In the past, there was a significant problem with dishonest applicants obtaining student visas with no intention of studying, as an easy route to live and work illegally in the UK. These scammers were facilitated by colleges that made insufficient checks on the backgrounds of their students and on attendance at classes.

Worse, some colleges were entirely bogus. In one case, three classrooms and eleven desks were found in a college from which 2,542 applications had been made for post-study visas in just two months. In another, a college with 1,797 students enrolled had three small classrooms and just three teachers. A network of bogus colleges run by a Pakistani gang made £2 million supplying men from the North West Frontier Province of Pakistan with fake credentials to apply for post-study visas for up to £2,500 each. One of the colleges had enrolled eight terror suspects.

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56 http://www.cic.gc.ca/english/study/work-postgrad.asp
61 https://www.theguardian.com/education/2009/may/21/bogus-college-scam
In 2005, a register of approved education providers was created. Revised several times since, it has solved the bogus college problem. In 2009, the UK Border Agency introduced further security measures around overseas students, including checks against security watch lists and fingerprint screening. The Higher Education and Research Bill 2016 is intended to bring every level of regulation in the sector under an Office of Students and will increase cohesion regarding the licensing of institutions to accept foreign students for study.

However, there continues to be concern about the proportion of foreign students leaving the country at the end of their visas.

In June 2016, a Migration Watch report\(^62\) found that average non-EU migratory inflow had been 271,000 in the previous decade, while outflow had averaged just 99,000, with the major part of the net inflow being foreign students. It claimed that, in 2015, students accounted for 100,000 of the total net flow of 150,000. This was a very significant proportion of the total.

Only around 6,000 overseas students per year stay for a legal job and a further 3,000 remain to marry, plus another group extend their visas for further study. But that leaves, according to the report, a potentially very large number of other students who may never depart.

An Oxford University (OU) study broadly concurred.\(^63\) From its reading of International Passenger Survey (IPS) data, the same source as the Migration Watch report cited above, it suggested that in 2014, 91,000 more students arrived than left. It cautioned, though, that while the outflow of former students was about 33% of the inflow in that year, it cannot be extrapolated that ‘33% of students go home’, because those arriving and departing are from different cohorts. For example, according to an IPS estimate of 2013, around 25% of students leaving that year had entered the year before while 50% had arrived between two and four years earlier.

From whatever cohort the leavers are drawn, if more arrive than leave every year, then a deficit of leavers will build up. While conceding that “for the past three years, the estimated inflows of students has been significantly higher than the number of self-reported former students estimated to be leaving”, OU’s Migration Observatory correctly points out that IPS data on this only goes back to 2012 and a clear picture will eventually emerge over time.

Overstaying is not the only explanation available for the discrepancy. Despite on-going refinements, IPS data is inevitably imperfect (it is extrapolated from a partial survey) with wide margins of error, although a consistent error in one direction is unlikely. Alternatively, many leaving the country at the end of their student visa may be planning to return soon, either to study or to work and, unless they intended to stay away for more than a year, they would not be counted as emigrants. Finally, the IPS may not be recording student outflows because the individuals would need to recall the reason they gave for entering in the first place. As mixed motivations are common and respondents may have worked for a while after their course finished, they may not offer the corresponding answer to the one they gave on entering.

For the first time, the Home Office is trialling exit checks on those leaving the UK and, once the methodology has been refined, the data captured could be expected to begin building a far clearer picture of what is actually happening. In the meantime, it has to be accepted that in the absence of


\(^{63}\) http://www.migrationobservatory.ox.ac.uk/commentary/international-students-and-net-migration-target-should-students-be-taken-out
definitive explanations, a proportion of foreign students may overstay, though not necessarily permanently.

In October 2013, a draft Home Office report based on early exit check findings, reportedly leaked, was said to find that only 1,500 or 1% of students were still in the UK four months after the end of their course. The Home Office challenged the figure, claiming that not enough robust information was yet available for a reliable estimate to be made.64

Students who complete their courses but then overstay are, although undoubtedly irregular, not comparable to those for whom study was always a pretext to gain entry. Despite being self-selecting and assuming they stay to work, which is highly likely, these overstayers will share many of the characteristics of graduates who successfully apply for work visas: above average education; in some cases, highly-skilled; familiarity with the country and our ways; good English language; and, unlike migrants who come to the UK through a points-based system, have credentials that are easily understood by British employers. There is no excuse for breaking the law, but any harm done by having extra graduates in the workforce has to be seen in the wider economic context.

The future of the market

International education is a growing export market where Britain has established a spectacular comparative advantage.

The overseas education market is also growing quickly, with an estimated expansion of 50% between 2005 and 2012. Whereas some countries attract overseas students in niche areas (for example, 53% of overseas students in Slovakia study health and welfare), the serious global players – Australia, Canada, France, Germany, Japan, the UK and USA – have more general appeal and between them account for more than half the total.65

Many other Western countries are seeking to expand their share of this profitable and prestigious business by attracting international students for themselves. Policies adopted include setting enrolment targets, adjusting immigration processes to permit easier entry for students, tweaking visa conditions to make the jump from student to worker status less onerous, offering qualifications taught in English, proactively marketing universities within international student source states, waiving fees and making it easier for students to work during their studies.66

Competition for international students is therefore likely to become greater over time and will be made more difficult by unpredictable variables such as changes in currency values and perceptions about which countries offer the greatest academic excellence and value for money. The ageing populations of most Western countries and the staffing requirements of knowledge economies are other factors that can be expected to increase competition between governments to attract and retain high-achieving international students.

A further complication is that traditional source countries’ own higher education sectors are improving, attracting more of their own students and becoming international student destinations.

66 http://www.migrationpolicy.org/research/growing-global-demand-students-skilled-migrants-0
themselves. Previous source countries such as Japan, Singapore, Korea and Malaysia are in the forefront but the number of international students in China and India is also rising. Australia has launched a $37 million Asia Bound grants programme for 10,000 Australian students to study in Asia. This trend will only increase.

However, as early source countries improve their own tertiary sectors, new source countries develop. For example, Saudi Arabia’s King Abdullah Scholarship Programme pays for 125,000 Saudi students to study graduate and undergraduate studies abroad. Brazil’s Science Without Borders Programme will send 100,000 Brazilian students for a fully-funded year of STEM study abroad. Meanwhile, an overseas education is becoming more desirable and affordable to the middle classes of emerging economies such as Indonesia and Mexico. 67

In the face of these challenges and opportunities, international student numbers coming to Britain are broadly stagnant. Britain’s market share has stagnated since 200768 and there has been an overall decline since 2010,69 from 2014-2015, for example, numbers actually fell from 191,000 to 167,00070. This was most pronounced for non-EU students, which dropped from 134,000 in 2014 to 122,000 in 2015. However, these declines were mostly in the non-university sector71 and applications for Russell Group universities are still rising.72

Overall, the UK appears not to be taking the kind of proactive measures typical of our competitors. To maintain our pre-eminent position in this lucrative and dynamic market, with its profound impact on the quality of future immigration, Britain will need to adopt similar measures to our main competitors to stock our economy with talent from around the world. It is encouraging that Brexit Secretary David Davis told the Commons on 10 October 2016 that the Government had told the Student Loans Company to extend loan opportunities for foreign students.73

A Two-Tier Student Visa System

Home Secretary Amber Rudd has suggested74 that the UK could adopt a two-tier student visa system, with tighter rules linked to ‘poorer quality’ universities and courses, students with lower employment prospects and less developed command of English.

The proposals seem to emerge from a feeling at the Home Office that international students are a problem, rather than a national asset. This in turn may derive from the commitment to meet the net

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67 http://www.migrationobservatory.ox.ac.uk/commentary/international-students-and-net-migration-target-should-students-be-taken-out
68 http://www.thetimes.co.uk/article/canada-seizes-its-chance-to-lure-the-brightest-minds-bgtszq6s8
69 http://www.migrationobservatory.ox.ac.uk/briefings/non-european-student-migration-uk
70 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2016#immigration-to-the-uk
71 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2016#immigration-to-the-uk
74 In her speech to the Conservative Party Conference on 4 October 2016.
migration target, in which they are included, and the circumstantial and far from certain evidence that there is a large amount of students overstaying.

This report fears that such a two-tier system would place the UK in jeopardy of throwing the international student baby out with the bathwater. Choking off the demand from international students to study in Britain would be an act of national economic self-harm.

Rudd is right to be on guard against student visas as a gateway to overstaying, but the evidence from exit checks needs to be collected and published before any large-scale action could be justified. Deeming any British universities and their courses to be ‘poor quality’ opens up the thorny question of why they are funded by the taxpayer and why they are good enough for domestic students but not foreign ones.

As we have argued, including students in the net migration target makes no sense and the net migration target itself is a chimera that ought to be superseded. It sends a signal of Wrong Brexit: the introverted protectionist anti-global mind-set that Remain campaigners feared and Leave campaigners energetically repudiated. We favour a different approach, a path that strongly characterises the UK as an open, liberal, democratic and growing national community, which is seen as a beacon of freedom, fairness and enterprise through welcoming young people of talent from across the world.
Our proposals

1. The Migration Deal

This report recommends reforms that offer substantial liberalisation, enabling Britain to build on its success in the profitable international education sector. This must be balanced with strong safeguards to prevent abuse and the resurrection of back-door immigration channels.

2. Separate Student Pool

This report proposes that student visas should form a separate pool or category of ‘migrants’ that are excluded from the headline figure of ordinary migration flows. However, any overstaying their visas should be included in the illegals pool.

3. Overseas Student Target

Regardless of the actual levels of students overstaying, it is indisputable that Britain profits immeasurably from being one of the two global education superpowers. The UK gains from hard cash passing through our universities and colleges and their cities and towns; from great talents drawn from across all humanity enriching our academic milieu and filtering into our teaching and research institutions; and from the immense cultural sympathy our country acquires when so many leaders in so many fields in so many countries look back with fondness on their time living in the UK.

These enormous benefits are coveted by other countries that are actively seeking to attract a greater proportion of international students for themselves, including in Australia and Canada, where targets are being set to increase their international student intake. The UK needs to respond positively to this challenge about overseas students, understand the strength of our current position and introduce new measures to improve our offer. It is vital not to confuse concern among the wider population about immigration as a whole with the need to attract a greater number of international students to the UK. It would simply be irrational to fail to exploit our competitive advantage to the full and extend it by constructing the most attractive possible offer to overseas students.

This report proposes that Britain should have an annual overseas student target, segregated into appropriate sections such as undergraduate, postgraduate, private school, sub-degree/vocational and language, in the same way that a successful company sets its sales targets for its various products. As with any profitable business, that target should be expected to rise over time as the pool of international students rises and as our universities develop new product lines to sell into the market.

75 For example, 55 Monarchs, Presidents or Prime Ministers of overseas countries as measured in 2015.
4. Post-Study Visas

This report proposes a new limited-eligibility post-study visa that would be valid for one year beyond the current 4 months granted to all overseas students.

This report proposes that eligibility would be restricted to graduates of those university departments that are rated in the top 20% academically in the most recent assessment, who graduated in subjects that are specific areas of shortage, such as STEM.

This report further proposes an unqualified 1 year post-study stay for those obtaining a Master’s degree and 3 years for those achieving Doctorates, roughly matching, for those with postgraduate degrees, the Canadian offer of staying for the length of course again. Although this would supersede the Doctorate Extension Scheme, it would incorporate that scheme’s right to allow dependents to join those qualifying to stay.

5. Flexible Working Restrictions

Britain matches the standard 20 hours per week limit on students working while studying, but Australia has recently amended this to 40 hours per fortnight, allowing greater flexibility. The UK should follow suit to remain keenly competitive with the very best offer in the market.

6. Maintain Exemption from Immigration Skills Charge

It is important that employers of overseas students who switch to work visas can be confident they will remain exempt from the Immigration Skills Charge. Any changes to this commitment would not only be unfair to employers and employees alike by moving the goalposts, but it would send a deeply uncompetitive unwelcome signal to overseas students deciding where to study, many of whom are the potential immigrants most desirable for the British economy.

7. Annual Review and Report

The Minister responsible for Higher Education (currently the Minister of State for Universities, Science, Research and Innovation) should deliver an annual report on the state of the UK’s international student business, comparative trends and plans to maintain and expand Britain’s share of the market. Close attention should be paid to the international student offers made by competitor countries, especially to postgraduates. When aspects of our offer – for example, post-study visas – fall sufficiently out of line with our competitors that they stand to affect, custom adjustments should be made to ensure that the UK’s offer remains strongly competitive across the board.
Chapter Five. Rebooting Asylum

The current position

The refugee crisis is a global phenomenon. Britain receives relatively few refugees. 80% of the world’s refugees are in developing countries, and the UK is 16th out of 28 European countries in terms of asylum applications as a proportion of resident populations. Asylum seekers in the UK make up just 5% of current immigration totals. Despite this, there is a widespread perception that the number of asylum seekers is far higher and is open to significant abuse. As a consequence, refugees granted asylum to Britain are treated, in general, very poorly. On the whole, they integrate badly and languish economically. Countries such as Germany take a far more interventionist stance over integrating their refugees, including hundreds of hours of free tuition in the German language.

In the UK in 2015, there were 32,414 asylum applications, an increase of 29% on the previous year. Including dependants, the figure comes to 38,878, with around 1 dependant for every 5 applicants.

This represents a significant fall from a decade ago. The number of asylum applications to the UK peaked in 2002 at 84,132. After that the number fell sharply to reach a 20 year low of 17,916 in 2010, before rising again to reach the current figure.\(^{(76)}\)

The breakdown shows a broad spread of asylum applicants from across the world: 35% of asylum applications were nationals of African countries, 29% were from Asian countries, 26% were from the Middle East and 7% were from Europe. Figures from 2014 indicate that 66% of applications were male and 78% were under 35.

Eritrea (3,729), Iran (3,248), Sudan (2,918), Syria (2,609) and Pakistan (2,441) generated the largest number of applications. Approval rates are not the same across all source countries. For example, 85% of Syrian applications were approved against just 21% of Pakistanis.

Overall, the UK had only the 9th highest number of asylum applications, including dependants, in the EU in 2015, down from 6th in 2014. Just three countries received 62% of all applications in the EU in that year, Germany with 431,000, and Sweden and Hungary with 163,000 each. In that year, the EU as a whole received around 1,225,000 asylum applications, more than double the number in the previous 12 months.\(^{(77)}\)

The Gateway Programme is a separate pathway to asylum for up to 750 people a year referred by the UNHCR. However, from referral they are subjected to the usual checks and procedures.

Since 2014, the Syrian Vulnerable Persons Programme allows in some of the most at risk Syrian refugees, mainly women and children. 1,194 Syrians were allowed asylum in 2015 under this programme (2,609 Syrians came to the UK and made applications themselves). This is the scheme that the Prime Minister expanded in September 2015 to bring in 20,000 Syrian refugees before the end of the current parliament in 2020.\(^{(78)}\)

In 2006, a special procedure was established to process the backlog of 600,000 outstanding asylum applications, called legacy cases. After a premature claim in 2012 that the backlog has been cleared,

\(^{(76)}\) file:///C:/Users/Russell/Downloads/SN01403.pdf
the Home Office has subsequently announced the backlog has been fully processed. However, since that date, another backlog has built up, which amounted to 26,409 cases by December 2015. Since the beginning of 2011, with the exception of only three quarters, more applications have been made than decisions determined in every quarter.  

Those granted asylum are allowed to remain in the UK for five years. They can work and are eligible for benefits. Spouses and children can apply to join them. After five years, they can apply for indefinite leave to remain, which will normally be granted unless they have committed serious offences.  

Married or civil partners and children under 17 of someone accepted for asylum may apply to join them here from the country of origin. There is no legal aid to assist with this process.  

In 2015, the initial approval rate on asylum applications was 39% and has been rising; it was 34% in 2012. Around 8,000 appeals are heard every year of which approximately 35% are successful.  

What this means is that roughly 30,000 asylum applications are made each year, with around 12,000 being initially approved (40%) and a further 8,000 appealing (27%), of which approximately 2,800 (9% of total applications or a third of those who appeal) could be expected to be successful. This brings the ultimate approval ratio up to almost 50%. This tallies loosely with a Home Office analysis of 2011-13, showing 32% of decisions were granted initially rising to 45% after appeal, as the initial approval rate has grown 7% since then.  

In 2015, there were 3,264 enforced removals and 1,860 voluntary returns of people who had previously sought asylum.  

In 2013, the Home Office estimated that, in total, there were 7.7 million foreign born migrants in the UK of which only 380,000 (5%) were refugees.  

**Asylum in historic perspective**  

There was a time when the term ‘asylum seeker’ conjured up Soviet dissidents, elected presidents overthrown in coups and democratic opponents of dictatorships and military governments. Statistically, they were negligible, just a few thousand a year. Often, these people were welcomed enthusiastically: for example, the 200,000 Hungarians, who managed to escape during the Soviet invasion in 1956, settled all over the free world.  

Some of the 27,200 Ugandan Asians who were given refuge in 1972 were crown-protected citizens of the UK Colonies, but others were refugees whose reception was particularly marred by some expressions of ethnocentric prejudice. In the early 1980s, around 20,000 Iranians, mostly students, and around 1,500 Poles were given asylum in view of Revolution and Martial Law respectively. From the late 1970s, over 10,000 Vietnamese refugees – colloquially described as ‘boat people’ – were accepted into the UK. Although there were early suggestions that they might be placed into a British

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83 This is a Q2 2015-Q1 2016 figure https://www.gov.uk/government/publications/immigration-statistics-january-to-march-2016/returns
overseas territory, pressure from Conservative politicians resulted in them being allowed into the UK. Then in the later 1980s, significant numbers of Tamil, Ghanaian, Ugandan and Somali asylum seekers began arriving. In 1989, more than 3,000 Kurds claimed asylum in just two months. In the 1990s, after an initial surge in 1991, claims peaked between 1999 and 2002 at between 70,000 and 85,000.

Table 9

This dramatic surge caused a political backlash, with Conservative Party Leader William Hague declaring that ‘racketeers’ were “flooding the country” with bogus asylum seekers and the leader of the TGWU, Bill Morris, attacking the Labour government’s asylum policy for “giving life to racists”. The system was overwhelmed by the surge, with a backlog of 68,430 rising to 102,000 in a single year. The backlog meant hundreds of thousands of applicants were living in the country while their cases were determined. As the BBC reported, the real number of people arriving in the country was likely to be much higher, as many applicants had dependents and others entered illegally. In short, the system was seen as out of control. In 2002, the UK opened border controls in France. A year later, fast-track facilities were introduced for other cases that could be decided quickly. By 2004, UK border controls were opened in Belgium. Since then, numbers of applications stabilised at 15,000-25,000 – although that figure has increased recently partly driven by the war in Syria.

Applications are not the same as a decision to grant asylum as illustrated in the following table.

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84 http://www.refugeecouncil.org.uk/about_refugee_council/history_of_refugee_council/1980s
85 http://www.refugeecouncil.org.uk/about_refugee_council/history_of_refugee_council/1990s
Table 10

The huge surge of applications, particularly from 2000-2005 has altered the way the public perceives asylum policy. The welcoming attitude of the past has been replaced by suspicion and hostility. The many media stories over that period about massive numbers of refugees arriving, the preferential treatment they were said to receive for housing and benefits and even the criminality of a minority created an idée fixe against asylum seekers. This is despite the fact that, as the chart above shows, the number of applications had fallen to around 20,000 from 2005 onwards. This has been exacerbated by figures showing that many asylum seekers did not leave the country even once their application failed. The words ‘illegal’ and ‘asylum seeker’ even became elided so that large numbers of people became resentful of all refugees. Inevitably, such attitudes affected how British people saw all migrants. A poll in December 2015 found that the UK was least likely to agree that ‘refugees strengthen our country through hard work and talent’ (36%).

This report elsewhere discusses illegal migrants and overstayers, but the public attitude to asylum policy has never recovered from those days, even though the situation today bears no resemblance to the early 2000s.

Systemic Problems

Critiques of the asylum system often focus on process. Issues raised include: the treatment of women (whether they are disproportionately refused and whether for claims involving rape and sexual abuse they should be only be interviewed by a female); the level of living-expense support for children and young people as well as other applicants; how soon they should be allowed to work

while their case is being determined (currently not for a year); support for refused applicants; the use of detention; and the departure of refused applicants amongst others.

It is self-evidently right that the Government should be held to account in detail on such matters. However, our principal concern is broader – there is greater dysfunction at a higher level, which is crucial to tackle.

Asylum seekers are not, generally, people who would qualify for migration to the UK under our work visa system. Although they are generally not significantly less educated than the UK population, they are less familiar with the expectations of a Western society and less likely to speak English. Britain accepts asylum seekers because they are fleeing for their lives under our duty to protect them, not because they are an ideal fit for our economy and society.

Partly because of the poor skills profile of many asylum seekers, negative and even hostile public opinion about immigration in general is most acute around this group – ironically, precisely the type of individuals whose often-tragic stories should evoke the greatest sympathy. As a result, there is minimal public expenditure on asylum seekers and, consequently, large numbers of refugees struggle to integrate into our society or to succeed in the workplace. The result is predictable: large numbers of refugees are isolated, poor and totally disconnected from British society. This is hardly surprising when many of them are despatched to some of the worst council estates in Britain and left with little support to help them integrate, learn English or find employment. As a result, it does nothing to change the public’s negative perceptions, influenced by years of headlines about bogus asylum seekers.

This creates a depressing circle of hostility, parsimony and failure.

Prejudice and unpopularity

Immigration is remarkably unpopular. In the 2013 British Social Attitudes survey, 56% of those questioned said they wanted immigration reduced ‘a lot’ while 77% wanted it reduced either ‘a lot’ or ‘a little’88. Similar results in the previous survey five years earlier suggest that this is not a short-term issue. Hostility to immigration also played a very significant, though still disputed, role in the Brexit referendum, with Remain campaigners deeming it the crucial factor in their defeat.

Asylum seekers are the category of migrants that are most distrusted by the public and appear to act as a lightning rod for criticism, even attracting negative media coverage where the origin of the story is actually about a different migrant group. It is also interesting to note that, despite the apparent hostility towards refugees, there are many Conservative Councils voluntarily taking Syrian asylum seekers in recent years, admittedly in relatively small numbers. Over time, a wide variety of prejudiced nostrums have come to circulate in the public consciousness – about asylum seekers being bogus, taking jobs (but also benefits), ungrateful, having pre-modern values and so on. Many – perhaps all – of these notions probably originate from media stories over many years, often based on the behaviour of a tiny minority of refugees. However, taken together over an extended period of time, they have created deep roots of suspicion and hostility towards asylum seekers as a whole and affected how people view all migrants, despite being distant from the general reality. As a result,

88 http://www.migrationobservatory.ox.ac.uk/briefings/uk-public-opinion-toward-immigration-overall-attitudes-and-level-concern
uniquely among the different immigrant groups, the perceived image of refugees conforms to the outdated caricature of migrants as ‘unsophisticated and ill-educated’.

It is possible for commonly held beliefs and misunderstandings about immigrants to change over time as the facts change. For example, there is no widespread concern about West Indian immigration, as there once was. Partly, this is because levels of Caribbean migration are very low and partly, there has been significant integration since the Windrush generation in the 1950s. However, there are far higher levels of public concern about Muslim immigration driven both by a perceived lack of assimilation and security worries. The majority of asylum seekers are from countries with majority Muslim populations – nine of the top ten countries of origin in 2015.

Britain will never stop taking in refugees. It is embedded deeply within our humanitarian instincts and cultural heritage, notwithstanding the international treaties that we have signed. What is missing is any coherent programme to integrate these relatively small numbers of people into our society and to give them the maximum chance of succeeding. This would certainly include teaching asylum seekers English, explaining British values and helping them into work with advice and training. As a result, they would better assimilate, prosper more and develop greater cross-community links.

This is not a case of attempting to ‘impose’ our own values and beliefs but, rather, to ensure that they have more enriched lives as citizens of the United Kingdom. Becoming more open, understanding, successful, comfortable and communicative would be beneficial for the individuals themselves and, importantly, good for how the British public views them. It could begin the process of politically renovating the idea of asylum with the general public.

**Integration**

The truth is that once refugees are approved for asylum, their integration into British society is left to a disjointed hotchpotch of charities and programmes.

There are three essential reasons why Britain needs to change its approach and invest in a systematic and proactive programme to help refugees make a success of their lives here.

First, moral. Isolated from the rest of society, some refugees’ lives can be bleak and ultimately socially dysfunctional without substantial help to integrate. Our duty to help refugees extends to more than simply opening a door and expecting them to manage by themselves. Refugees who have fled war and persecution and often lost almost everything deserve support to rebuild their lives, and enable them to fulfil their potential. But, in return, if there is investment by the Government or local authorities in such help, there is also a duty on the refugees to play their part – over time, it should be the accepted norm for both parties.

Almost by definition, most refugees would not qualify as regular migrants. They can have poor or non-existent English and their formal education if it exists is not easily transferrable to the UK’s job market. Their job skills may have little relevance to a dynamic post-industrial knowledge economy. They may have shallow and impressionistic understandings of how things work in the UK.

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89 There are indications that the more immigrants someone knows, the less opposed to immigration they become. http://www.migrationobservatory.ox.ac.uk/briefings/uk-public-opinion-toward-immigration-overall-attitudes-and-level-concern

90 Eritrea, Iran, Sudan, Syria, Pakistan, Afghanistan, Iraq, Albania, Bangladesh, India
Perhaps most challenging, a minority may hold social values, such as the shame/honour dichotomy, that are long out of date and now unacceptable in Western societies. As Dame Louise Casey’s recent report identified, some problems can occur around the appropriate place of women, religion, violence, kinship groups and clientism in civil society. However, as that report explains, this is a more deep-seated issue with members of ethnic communities who have been in the UK for longer periods of time rather than refugees.

These cultural traits can make it much more difficult for refugees to understand the society in which they must now live. They can also provoke antagonism, not just from those inclined to xenophobia but also from people who see these traits as socially regressive and worry about the long term effect of a growing number of people who hold such opinions.

Second, economic. It is in everyone’s interest for refugees to become acculturated citizens who can participate successfully in the economy. We need them to support themselves and pay taxes rather than entrenching as socially marginalised and/or dependant on the state. It is also ‘good business’ for the British Government to support English language training, as any investment will be repaid in extra employment taxes very quickly. Just as importantly, refugees are carefully screened so it is harder for terrorists to use this route to enter the UK than alternatives.

Men in the UK aged 20 to 49 are now more likely to die from suicide than any other cause of death. It has been found that lack of adequate preparation, the way in which they are received in the destination country, poor living conditions and lack of social support and isolation usually add to the vulnerabilities of refugees.  

Short of self-harm, it is widely acknowledged how badly the lives of young men, without self-respect and hope of material improvement, can go awry. When those lives are secluded from mainstream society – either as individuals or as part of communities effectively segregated and impoverished by cultural and linguistic barriers – that redoubled alienation can feed extremism. And as we have already seen, asylum seekers are often young men.

Third, strategic. As this report highlighted earlier, there are many misconceptions about immigration in general, but certain concerns about refugees have some basis in truth. Asylum seekers are often the most different of the immigrants who now arrive. Migrants from the EU are obviously westernised and restrictions on non-EU immigrants have been made so stringent in recent years that their average salary is 25% higher than those from Europe. Refugees have the lowest employment rate and the lowest average earnings of any migrant group, substantially lower even than those arriving as dependants.

It is therefore vital to build public support to maintain our humanitarian refugee policy and thereby begin to develop a greater consensus around all forms of immigration. A proactively managed programme of integration, in which refugees would be required to participate, would improve their successful integration into society and begin to break down the stereotypes that exist in the public’s mind. Importantly, a recent IPSOS Mori survey found strong support for integration policies: 65% of those polled agreed with the statement that “The Government should set up a programme to help better integrate asylum seekers and refugees into British society” – with just 14% disagreeing. 63%

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92 Cooper, Campbell, Patel and Simmons, The reason for migration and labour market characteristics of UK residents born abroad, Home Office Occasional Paper 10, September 2014, p19
94 Ibid. p21 Median weekly earnings of non-EEA refugees was £346 against £400 for the next lowest category, dependants from within the EEA.
of Conservative voters agreed with the statement and 55% of Leave voters. In addition, the same IPSOS Mori poll found that 60% of all voters believe that the Government should fund English-speaking classes for all refugees.

**Safety Plus**

Asylum is not about finding a better life. It is about finding a refuge from harm.

Highly developed modern Western economies, like Britain’s, need immigration. Countries like Britain create complex arrangements designed to find and filter the talents they require. For decent humanitarian reasons, those countries also offer asylum to numbers of refugees. Refugees, by and large, are not the talents that Britain would seek; they are simply fleeing war or persecution. In economic terms, most countries could find more advantageous immigrants than these.

The notion that asylum is in some sense unfair immigration by the back door, by those who would not otherwise be entitled, is deeply corrosive of public sympathy towards refugees and to immigration in general. It is time to begin the process of placing asylum on a new footing more advantageous to both refugees and British society.

At the heart of this system must be a fundamental asylum ‘pact’ that, in return for being kept safe from harm, the refugee returns to their country of origin if it is safe to do so. But it is vital that we must offer much more than just this night-watchman concept of asylum.

Such a new approach, defined here as Safety Plus, is a new grand bargain between Britain, as host society, and those who seek our protection from harm. As well as offering shelter to refugees, the Government should provide active help, guidance and training to help refugees both to integrate into society and contribute to our economy to the best of their ability. This would be a national programme – with ring-fenced funds – administered locally by charities or local government. In return, as their side of the bargain, refugees will participate in Safety Plus integration programmes to make them meaningful members of British society; as well as accepting the requirement, when it is safe, to return to their home countries up to a period of 8 years.

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<th>Safety Plus</th>
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<td>Britain undertakes:</td>
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<td>1. To provide shelter and protection</td>
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<td>2. To ensure the system is both efficient and fair for all parties</td>
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<td>3. To provide a proactive programme of integration so refugees can fit in to society, contribute to the economy and earn a living for themselves</td>
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Refugees undertake:

| 1. To participate wholeheartedly in the programmes of integration, learn English and accept employment or training when offered |
| 2. To return home when it is safe, within a reasonable time limit up to a maximum of 8 years |
Safety Plus would increase expenditures, at least in the first 1-2 years for new refugees, but the potential long term economic gain, in additional taxes and reduced benefits, could reduce this financial cost to the Treasury over a relatively short period of time. The present system fails morally, economically and politically. Our inability to achieve a political consensus over immigration – of which asylum is the most sensitive component – is costly for the country as a whole.

However, a system which culturally orientates refugees to British society and helps them into jobs – while ensuring that they return when safe to do so – would be fair on all sides and could form the basis of a new consensus on asylum. Refugees would be safe and given a fair shot at making a success of their time in the UK. In exchange, Britain would accommodate not an ever-expanding refugee population, mostly at the bottom of the heap educationally and economically, but a slowly churning and rather small pool from which refugees and their families depart if their home countries become safe, making room for others who will do the same in due course.
Our proposals

This report proposes to transform the refugee experience in the UK through a proactive system of cultural orientation, job-finding and management of the refugee population supervised by a comprehensive new agency, in exchange for a requirement for refugees to return to their countries of origin when it is safe to do so. It also proposes a rolling refugee target that incorporates year-to-year flexibility within a firm decadal limit.

1. Asylum & Integration Agency

This report proposes the establishment of a single government agency to manage the refugee population and the Safety Plus integration programmes. Budgets for dealing with refugees are currently split across four government departments.

However, the Asylum and Integration Agency (AIA) would not simply be a pooling of responsibilities into a single pot. Safety Plus would require the AIA to remain in contact with refugees as they live their lives in our country and retain the ability to identify them for return to their home country if and when it becomes safe to do so.

2. Safety Plus

Safety Plus integration programmes would include:

- Intensive personal action plans
- Sustained programmes to acquire fluency in English, free while refugees are not earning
- Education and skills assessments against the benchmarks of standard British qualifications, both academic and vocational
- Identification of upskilling opportunities and the provision of some vocational training or retraining
- Support to obtain employment
- Sustained acculturation programmes to instil understanding and appreciation of modern Western values and cultural norms. This would cover the place of religion and the treatment of women.

After refugees have successfully undergone integration programmes and found work, they will continue to register their addresses with the AIA, which will remain in regular contact to monitor that progress continues.

Refusal to comply with the programmes, of which English learning will be the longest lasting, would result in a range of sanctions, such as reduced benefits if they are out of work.
The reason that it is currently impossible to require asylum seekers to participate even in, say, English language courses, is that these simply do not exist in the places where asylum seekers are usually settled. Funding for English language classes were cut by 50% by the previous Coalition Government, despite the fact that Ministers also asked local job centres to refer job seekers to English classes. This is a particular problem in the poorest council estates where many refugees are often located. The AIA would fund FE colleges to provide tuition both on site and extramurally where appropriate.

3. Presumption of return

Under Safety Plus, refugees would return to their country of origin when that state is deemed safe for their particular circumstances by the Home Office, on the advice of the FCO. Contact with those given asylum and their families will be maintained by the AIA, which would supervise arrangements and ensure compliance.

For those refugees who have spent significant periods of time in the UK, a proportion may – not unreasonably – prefer to continue their life in the UK rather than return to their country of origin. Over the long term, many will start families here and their children will know no other life. After a long time, returning to the home country becomes increasingly difficult. There should be a time limit beyond which it would be unreasonable to expect refugees to return. Of course, we should have a flexible system in place so that we can support them to return if the crisis in their home country ends. However, this report recommends that, once a refugee has lived in Britain for over eight years, it would not be reasonable to expect them to return home, even if the country they had fled was safe. For other refugees, if they wanted to stay before the tenth year, they would be able to apply under normal migration rules but, self-evidently, the more successful they have been in such areas as acquiring qualifications or in securing well paid employment, the more likely they would be to succeed in their application.

Nevertheless, individual preferences must generally remain subordinate to public policy, particularly the need to maintain a credible asylum system. This pact, protection in exchange for return when safe, is an essential principle both to prevent asylum becoming an unfair short-cut to immigration and to forge a new political consensus of support for the asylum system.

The presumption of return could not extend to those refugees already granted leave to remain in the UK.

A tension could be perceived between Safety Plus, a comprehensive programme of integration, and the presumption of return. After all, if refugees must eventually return, what is the point of expending treasure integrating them only to dissipate what has been achieved by the investment when we eventually oblige those we have integrated to leave the country?

However, this tension is easily overstated. Integration and return will almost always be in different timeframes. For all the reasons we advocate Safety Plus, both refugees and the host community benefit from them making a social and economic success of their sanctuary here. It is better for Britain to spend resources on integrating refugees into the workforce so that they can support themselves and contribute to society, than indefinitely sustain them as hopeless benefit dependants, forsaken and bewildered by an English-speaking first world environment, to which they fail to adequately adjust. Mastery of English, understanding of Western cultural mores and capacity for
regular employment will make them much better, more productive and prosperous citizens of their home countries than before they were forced to flee.

Beyond that, it would be naive to project that there would be sufficient public and political support for the cost of Safety Plus and the Asylum & Integration Agency without the presumption of return. After all, ordinary migrants would not receive such red carpet treatment. Without the presumption of return, Safety Plus may even become a draw for asylum seekers, a sure-fire way of alienating public support for the continuation of liberal asylum policies. Presumed return – within the first eight years – is the other side of the Safety Plus bargain that makes it politically credible. An IPSOS Mori poll found that 59% of those questioned supported the presumption that refugees should return to their home countries when it was safe to do so.

4. Pathway to citizenship

Despite the presumption of return, refugees who would not qualify for migration when they first arrive in the UK may qualify later in life. Over a decade or more, they may acquire skills, education and a good cultural fit with life in the UK that makes them as effective immediate participants in the economy as new arrivals with better paper qualifications.

Those employed in sectors on the shortage occupations list and who have acquired the necessary skills could apply for a Tier 2 general visa under the shortage occupation procedure.

Other refugees would be able to use the experience they have of life in the UK to apply for a working visa on the same terms as those applying to be economic immigrants from their home countries.

Beyond that, a limited number of conversion visas should be made available each year to permit especially deserving refugee families to gain working visas without meeting the external working visa standard. The criteria should be stringent but different. We suggest:

- Five years in regular employment and proof that employment is expected to continue
- No children of the family under 25 of any sex not in employment, education or training
- No members of the family over 25 in receipt of working-age benefits (other than disability benefits) in the last three years
- All members of the family passing the English test, including housewives
- Children having a good record of attendance and behaviour at school
- No criminal records in the family

The working visa would then set the family on the route to permanent leave to remain and, eventually, citizenship.

5. 20,000 Rolling Refugee Target

The number of asylum applications accepted by the UK has been under 15,000 per annum for a decade. This level is easily sustainable both economically and politically within the parameters of Safety Plus, by which refugees would both integrate more effectively and most eventually return to
their home countries. Assuming refugees were on average not able to repatriate for as long as twenty years, this would still amount to a refugee pool within the country of only 300,000 (plus of course any children).

We propose that 20,000 would therefore be an appropriate figure to set as the UK’s rolling refugee target. It must be stressed that this is a target for grants of asylum issued, not applications made (the more usual metric).

In those years when fewer than 20,000 refugees are granted asylum, the unused allocation would be “banked” to enable the country to offer a higher number of refugee places during years when major wars or other occurrences happened. If the demand, say as a result of a major international war, was so large that all the banked allocation was exceeded, then allocations could be called forward from future years, which would then lose that part of their allocation.

For example, if the system began in 2020 with 15,000 approvals in each of two years but then a crisis in the Middle East resulted in a surge to 40,000 approvals in 2022: 20,000 would be absorbed by 2022’s allocation; 10,000 could be absorbed by calling down banked allocations from 2020 and 2021; and 10,000 could be absorbed by calling forward say 2,500 from each of 2023, 2024, 2025 and 2026. This would reduce each of those years’ allocations by only 12.5% and may be preferable to covering the surge from just the next year (2023) by reducing its allocation by 50%.

But a target would also have to be accepted as a limit. Under our proposals, assimilating and training refugees has a high cost. Safety Plus would be an expensive programme that could not be indefinitely expanded and would become less effective if it covered too many refugees. Germany’s refugee language training programme has been overwhelmed by the decision to admit hundreds of thousands in the past few years – which is unfair on both the refugees and the rest of the population. For Britain, there should be a 100,000 rolling ten-year limit on banked allocations, which would allow up to 50% of allocations to be carried forward from each year in a decade. There should also be a 6,600 (i.e. one third) limit on calling allocations forward from the following decade. This would enable a standard aggregate of 200,000 refugees over a ten-year period, an extra 66,600 by calling forward the maximum allowed allocations from the next ten-year period totalling 266,000, plus 100,000 if there had been unused allocations up to that maximum in the previous ten years.

- Some may baulk at the idea of an upper limited, as this implies that there could be some people who might otherwise be accepted but have to be denied on the grounds of sheer numbers.

- Certainly, the rolling target and the limit could be adjusted over time. However, it is essential to demonstrate that we are taking control of the numbers accepted.

- One of the reasons so few Syrians refugees were accommodated was because there would have been a public backlash over a higher figure. In order over time to build that support, we must first establish in the public’s mind that numbers are not unlimited, that refugees are integrated into British society quickly and efficiently and helped into work. Only then, once public confidence has been regained, might it be possible to garner support for upward flexibility in the limit – which, according to the formula we propose, could be as high as 266,000 in a decade of urgent need.

- Again, it should be remembered that these are figures for grants of asylum, the final number legally admitted, not as is usually discussed the number of applications.
6. Maintain strict controls on close families joining refugees

Some campaigners argue that the families of refugees should automatically be allowed to join children who have been accepted for asylum; and that the eligibility criteria for asylum should be expanded to include family members in the country of origin, who are in a dependency relationship with someone accepted as a refugee. Rather than permit a very wide range of relatives to be eligible to join refugees granted asylum status, we propose retaining the current limit for closer relatives only, such as children of a parent granted refugee status.

To accept the right of a wider group of relatives would increase the number of asylum grants to a level unacceptable to the general public, as well as make it unaffordable to provide refugees with the enhanced integration regime proposed in this report with Safety Plus. It would therefore perpetuate the vicious circle of hostility, parsimony and non-success that blights refugees lives in the UK currently and minimises public support for asylum-seekers and immigration generally. It would also create moral hazard, as the potential gains would be so great that it would incentivise extended families to sponsor one of theirs to seek asylum, even on bogus grounds, in the hope they could all benefit in the long run.

7. Permit refugees to work

Currently, refugees are not permitted to work in the first year while their case is considered. This has the effect of increasing the likelihood of absconding, as someone with a regular place of employment and source of income, and self-respect, has a strong reason for staying put. The numbers of refugees are small compared with the number of low-skill migrants and migrancy for work overall so allowing migrants to work would not have a serious effect on the jobs market. We therefore propose that asylum seekers are issued NI numbers and permitted to work, that permission ceasing and with a fine for their employer if it continues after asylum has been denied. In addition, we propose that refugees should be provided with significantly more help in finding work, both in offering a larger range of English language classes and specific training and employment schemes. One option could be a partnership scheme with particular private and public sector ‘champions’ who would volunteer to take on a certain number of refugees each year and provide the additional training required.

8. Create a Refugee Employment Partnership with business

‘champions’ to train and employ set number of refugees each year

To begin refugees’ integration as soon as possible, they should be allowed to work while their cases are being considered. Once they have been granted refugee status, they must be given far more help to find work, not just through English language lessons, but through specific training and employment schemes. One option might be the creation of a Refugee Employment Partnership scheme, where private and public sector ‘champions’ volunteer to take on a certain number of refugees each year and provide the additional training required.
9. Consider selecting refugees

Most people who claim asylum are already in the UK, sometimes illegally, though the majority apply within a few weeks of arriving in the country. Unsurprisingly, most of the people who make the fraught and arduous transit into the UK are young men. This raises the suspicion (whether justified or not) that they are fundamentally economic migrants and casts a shadow in the minds of many people on the integrity of the asylum process and the refugees themselves.

Although it is generally true that most asylum seekers would not ordinarily qualify for migration to the UK, it is not true for all of them. Professional people, business people, trained white collar and blue collar workers and public servants also become displaced by war and strife. There is a case for reaching out to refugee camps in war-torn regions, in a new and expanded version of the Gateway Programme, to proactively seek the refugees to fill a fixed percentage of the rolling target. There is already in place a global UNHCR process to select vulnerable refugees for resettlement using seven criteria. Countries have the ability to ask for variations in these criteria, as the UK does currently. The UK does not need therefore to develop its own system but, rather, to adopt the existing UNCHR system.

It would be mutually beneficial for the UK to select refugees who would most quickly benefit British society by already having skills, qualifications and/or some knowledge of English, even if these require improvement. However, asylum must remain at root a humanitarian rather than an immigration endeavour. We must not turn our backs on those who have least to offer – vulnerable women and children, for example. One way of handling the dilemma might be to draw up vulnerability and desirability criteria and default to those meeting the vulnerability benchmarks (using the UNHCR model as outlined above) except where those fewer who meet the desirability benchmarks are available, subject to a minimum of say 50% vulnerable.

Obviously, this identification and selecting will take place in refugee camps in countries close to conflict regions. Proactive selection implies that the allowed percentage of the rolling target would be filled every year, which may at first be politically unpopular. On the other hand, it means refugees would be more diverse with fewer young men, and more skilled people, families and the unarguably vulnerable. The taint of fraud over the asylum system, however fair or unfair, may begin to lift with a beneficial knock-on effect for attitudes to immigration as a whole.

Objections to the proactive approach could be met by reducing the percentage of the target selected in this way. Refugee reception points could be established outside the UK, to say one point on each continent or region of conflict, so that a much more diverse demographic cross-section than simply young men could present themselves. This would also reduce the incentive for young men to enter the UK dishonestly to claim asylum and, with it, the need to return so many failed asylum seekers to their countries of origin. To be congruent with this policy, it would make sense to make UK-based applications less likely to succeed. This could be done by altering the approval criteria to make the place of application relevant; assuming that those who travel here (rather than applying closer to home) do so with the intention of not leaving if they are refused; and limiting grants to applications made within the UK to exceptional cases only.
Chapter Six. Tackling illegals

Who are the illegal immigrants?
There are three types of illegal immigrants

1. Illegal Entrants. Those who have come ‘over the beach’, been smuggled in or entered on false papers.
2. Overstayers. Those who enter on a valid visa but stay when it expires.
3. Refused asylum seekers. Those whose claims for asylum fail but who do not respect their obligation to leave the country.

Together with their children born in the UK, illegal migrants make up ‘the irregular population’. However, children who spend the first 10 years of their life in the UK can, provided they have spent less than 90 days a year outside the country, register as British citizens while they are between the ages of 10 and 18 – even if neither of their parents was a British citizen or legally settled here at the time. They can then apply to stay in the UK legally as their parent.

There are regular reports of illegal entry, such as the three Iranians caught in a boat in the English Channel in June 2016 and the 18 Albanians similarly apprehended in May last year, as well as frequent instances of migrants hiding in lorries travelling to Britain via Calais. Similarly, false papers were in evidence in July 2016, when two Indians were provided with fake evidence to qualify for the (now replaced) Highly Skilled Migrant Programme by a network of fraudsters. Both had originally entered as students but were, in reality, shop assistants.

Likewise, there has been a steady stream of stories about abuse of student visas, such as the May 2016 case of an Australian family living in Dingwall. They had originally entered the country on a student visa in 2011, but had decided to stay illegally at the end of their period of study when they found that they could no longer remain in Britain after the Post-Study Work Visa was ended. They were ultimately granted leave to remain in September.

The issue of refused asylum seekers staying on was highlighted in a report by Lisa Holland for Sky News on 25 February 2016 which claimed two thirds of failed asylum seekers who entered the UK more than a decade ago were still in the country. By examining data, the report found that of the 24,000 asylum applicants in 2004 that were refused, 65% were still officially in the country. 5% of the nearly 11,000 asylum seekers refused in 2010 were still here, as were 62% of the 8,634 failed

98 http://www.telegraph.co.uk/news/2016/05/02/7000-illegal-immigrants-smuggled-into-britain-on-ferries/
100 https://www.theguardian.com/uk-news/2016/may/30/australian-family-in-scotland-win-reprieve-from-deportation
101 http://www.express.co.uk/news/uk/712577/Australian-family-Gregg-Kathryn-Brain-granted-leave-to-remain-UK-deported
applicants from 2014. The report cited examples of two men who had been living illegally in the country for 17 and 20 years respectively, who are not legally permitted to work and have committed various offenses – 19 convictions in one case including a sexual assault – who had nevertheless not been deported while in the hands of the authorities. To their own surprise, they were even given bail while on remand for their cases.

It is routine for illegals to destroy their identity documentation on arrival and refuse to disclose in which EU country they first arrived, making it impossible for them to be returned under the Dublin Convention. As former Home Office Minister, Richard Harrington MP, told the Commons in March 2016 “most of these illegal migrants have got no place to be deported to.”

The size of the problem

Governments of all parties have long demurred at making an official estimate of the number of illegal immigrants and the irregular population. Such a figure would be likely to be seen as a deportation target by large sections of public opinion. Although governments have been willing to take action against illegals, especially since 2010, removing all of them would be ultimately unachievable, very expensive to attempt and provoke a backlash as heart-rending cases came to light.

Nevertheless, the number of illegals is a pertinent public policy question. The most credible estimate is 1.1 million, although this was made in 2010 and it is now likely to be an under-estimate.

A Home Office study in April 2001 estimated that the total unauthorised migrant population living in the UK was approximately 430,000 (within the range 310,000 – 570,000). This figure included failed asylum seekers, but not their children.

Migration Watch updated the Home Office calculations in 2005, by adding in estimates for the number of refused asylum seekers who had not left in the meantime and the children born to illegals overall. Their estimate was 670,000.

In 2009, an LSE study commissioned by then Mayor of London Boris Johnson, to update the Home Office paper, estimated that in 2007 there were approximately 533,000 irregular migrants living in Britain (the range was 373,000-719,000) but including their children, this increased to 618,000 (within the range 470,000-83,000). It also found that most of the irregular population (including children) lived in London – its central estimate of 70% therefore amounted to 442,000 people.

This study was heavily critiqued by Migration Watch for its methodology. It had estimated only 50,000 illegal entrants and overstayers for the whole of 2001-7, only 0.5% of the 12 million visas granted over that time. Migration Watch presented evidence that indicated that 3% is a more likely estimate, giving overstay numbers in the range 60,000-70,000 per annum or 50,000 net, making an allowance for 20,000 to return home of their own volition later. This brought the overall figure up to 1.1 million.

103 https://www.theguardian.com/tv-and-radio/2014/sep/19/illegal-immigrants-proud-tv-review
105 http://www.migrationwatchuk.org/briefing-paper/190
Rob Whiteman, Chief Executive of the Border Agency from 2011-13, effectively endorsed this approximate figure. Drawing attention to the number of non-EU migrants working illegally, he told *The Times* in August 2016 that the number of illegals and overstayers was more than a million people and ‘The Government does not have the resources or political levers to deport hundreds of thousands of people.’\(^{106}\)

**Responses**

This refusal by governments to quantify the real scale of the number of illegals has, in the part, been because of the difficulty of reducing the numbers significantly.

The coalition Government’s approach was to make it increasingly difficult and impractical for illegals to live a normal life in the UK, so that they leave of their own volition. This is believed to be cheaper and less prone to backlash that deportation, which is by definition somewhat heavy-handed. As Home Office Minister, Richard Harrington MP, told the Commons, “we are attacking the infrastructure that currently surrounds illegal immigrants: we are attacking every aspect of their lives that is illegal.”\(^{107}\)

The Immigration Act 2014 contains a number of measures that make it harder to live a normal life for anyone living in the UK illegally. For example, to secure a driving licence or financial services such as a bank account, applicants have to demonstrate that they are in the country lawfully. The same applies to renting a flat. The Act also reduced and restructured migrants’ right of appeal, granted new powers to investigate suspected sham marriages and extended powers for information sharing.

The new Immigration Act 2016 has gone further and made it a specific offence to work (including self-employment) or drive if you are in the country unlawfully. Criminal penalties already attached to entering without leave, obtaining leave by deception, remaining beyond the time limited by leave, failing to observe a condition of leave, assisting unlawful immigration, facilitating entry for gain, assisting entry in breach of a deportation or exclusion order, sham marriages and identity document offences.\(^{108}\)

The Act extends the powers that are currently available to the renamed Gangmasters and Labour Abuse Authority and creates a Director of Labour Market Enforcement to supervise and establish an intelligence hub between that the GLAA, the Employment Agencies Standard Inspectorate and HMRC’s National Minimum Wage team. It also increases the penalties available for employing illegal immigrants from fines, which were regarded as simply a business cost, to imprisonment. It gives immigration officers more powers to conduct enforcement operations. Landlords are empowered to recover possession of their properties once tenants’ rights to live in Britain expire. Four new criminal offences cover agents and landlords who fail to evict people disqualified from renting because of their deficient immigration status. It will, in future, also be possible to close business premises for up


\(^{107}\) http://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm160304/debtext/160304-0001.htm#160304770000466

\(^{108}\) https://hansard.parliament.uk/Commons/2016-03-04/debates/1603047600003/IllegalImmigrants(CriminalSanctions)Bill#contribution-16030477000079
to 48 hours when an employer has been prosecuted or received a civil penalty for employing illegal workers.

In October 2016, Home Secretary Amber Rudd announced easier deportation rules and mandatory immigration status checks to obtain taxi licenses.

It is too soon yet to assess the impact of either the 2016 or the 2014 Act, but the advent of exit checks should create a more reliable picture of the efficacy of all measures taken to encourage illegals to leave unilaterally.

Removals and Deportations

There are three categories of state-enforced removals: deportations, administrative removals and voluntary departures. Unfortunately, the distinctions between these categories are not drawn along the intuitive differences.

Deportation is a very specific legal term, referring only to cases where removal has been deemed conducive to the public good by the Home Secretary and/or recommended by a court of law upon passing a prison sentence.

Administrative removals are a much larger category, applying to foreigners who have illegally entered, overstayed or otherwise violated their leave to remain in the UK. This is what would be described as ‘deportation’ in common parlance.

However, it also covers those denied entry at their port of arrival and subsequently removed, after perhaps only one night in confinement on British territory. Although briefly present on British territory, they neither pass through border controls nor evade them. This is not included in what is meant by ‘deportations’ in colloquial English. Confusingly, some statistics include these removals and others do not.

Voluntary departure means those who leave voluntarily to avoid deportation proceedings. It covers: those leaving under the Assisted Voluntary Return schemes; those who tell the authorities they are leaving and/or approach them to help make travel arrangements; and those who simply leave without notifying the Government.

38,767 individuals were removed from the UK or departed voluntarily in 2014, excluding those refused at port of entry. 12,460 of these were forcibly removed (32%), 3,406 were assisted to remove themselves (6%), 10,609 left and notified the Government (27%) while 13,292 were ‘other confirmed departures’, which essentially means they embarked without telling the Government, but their departure has subsequently been verified.

Enforced removals have declined since 2004 but removals, assisted and voluntary departures together have held steady at around 25,000 per annum. Over that time, unnotified departures have risen from 854 in 2004 to some 20,000 in 2013, falling back to 13,292 in 2014. However, this rise may result from improved data collection – it was not attempted at all before 2004 and has only been included in official figures since.109

109 http://migrationobservatory.ox.ac.uk/briefings/deportations-removals-and-voluntary-departures-uk
62% of asylum removals and departures were enforced, compared to 26% of non-asylum removals and departures. Only 6,788 refused asylum seekers were removed, the lowest number since 2004, although not surprising in light of the smaller number of asylum applications. 58.2% of removals were to Asian countries, 15.6% to African states and 14.7% to Europe. The most frequent countries of origin were India (19.1%), Pakistan (14.2%), China (6.7%), Nigeria (5.4%) and Bangladesh (5%). Again, the arrival of exit checks, once the methodology is honed, can be expected to provide more certainty about the ‘other confirmed departures’ category.

The rate of removal compared with the believed number of illegals is a perpetual frustration to those interested in the issue: 1.2 million illegals vs. 40,000 annual removals and voluntary departures. At that level, it would take 30 years to remove all the illegals, even supposing that zero new illegals had arrived in the meantime.

In October 2016, Rob Whiteman, Chief Executive of the UK Border Agency from 2011-13, told the Daily Express that the 84,000 illegal entrants caught the previous year would be at best half the number who succeeded.

Whiteman said the Home Office is not staffed nor resourced sufficiently to deal with the scale of illegal immigration. The workload for staff is exceptionally high and as they are forced to prioritise dealing with ‘high-risk’ serious foreign criminals, tens of thousands of those who arrive undetected and asylum seekers disappear without trace but not necessarily into the shadow economy. An easily forged identity card from a Mediterranean state such as Italy would, he said, be enough to obtain an NI number.
As proof of scant resources, he said that while in office, he was ordered by then Home Secretary Theresa May to make 25% cuts in the Agency’s budget of £2 billion. In March 2016, Shadow Home Secretary Andy Burnham complained to Home Secretary Theresa May that, according to a whistleblower, Immigration Enforcement had been told to make 6% cuts in each of the next two financial years.110

Whiteman, who is now head of the Chartered Institute of Public Finance and Accountancy, went on: “The border is porous beyond our main ports. Britain is incredibly close to the rest of Europe, so people will gain entry into the country through little harbours, inlets and airfields, which are often not covered routinely...The agency has three cutters. Your chances of getting across the Channel are good. In Australia, a great deal of the navy’s time is given over to border protection.

“The number of illegal migrants reaching the country is far greater than the rate at which we are deporting people. Either we have to put considerable new resources and policies into removal, including holding more people in detention, or accept there are a large number of people living in the country who are not allowed to live here, but neither are they facing deportation”.111

The Express claimed that up to 15% of the 77,440 asylum cases being processed had absconded. It drew attention to the case of 5 Iranian men who landed in a dinghy at Winchilsea, Sussex on 31 July 2016 and claimed asylum when arrested for illegal entry.112 According to the newspaper, the men all aged between 18 and 44, were released on the condition that they reported in regularly, but at the time of writing had not be heard from for two months.

Sunder Katwala, Director of British Future has pointed out that, in the 2015-16 financial year, the UK spent only £28 per head on border control after year-on-year cuts since 2011. Current plans are to move towards a system, which is fully funded through visa fees and fines by 2019-20. As Katwala states, this appears increasingly unrealistic, given: the extra complication of rising ordinary demand for visas (a 5% rise in visits over the previous year, likely to accelerate due to the cheaper pound); the extra coverage of travel EU states anticipate once the UK leaves the EU; and the need to satisfy public expectations around immigration following the Brexit decision.113

What can be done?

The scene is set for a more innovative approach that balances firmness with humanity and practicality.

The Government’s measures under the 2014 and 2016 Immigration Acts are steps in the right direction. Given the ease and volume of international travel; the difficulty and expense of arrests and removals; and the distaste among some opinion-formers for too many blade runner-type man hunting operations, the Government’s overall approach of wearying illegals by making their lives impractical and burdensome is better than the alternatives. The new offences increase the likelihood

112 https://www.thesun.co.uk/news/1556545/five-iranian-men-were-spotted-in-a-dinghy-heading-for-tiny-sussex-village/
of illegals committing offences that will bring them into contact with the state, which can then initiate removal proceedings.

However, there is an obvious mismatch between the priority given to removing illegals by governments of all stripes and the position of the general public. Knowing the problem can never be entirely solved, governments have taken a managerial approach, avoiding both new expense and heavy-handedness.

In contrast, much of the general public appears to find illegal immigration particularly offensive. TV series such as Channel 5’s 2014 documentaries *Illegal Immigrant and Proud* and *Illegals: Breaking Into Britain* periodically refresh the issue whereas Channel 4’s series *How to Get a Council House*, most recently in Hounslow, harshly counterpoises how migrants reduce the social housing available for deserving locals.

The section of the public that takes a jaundiced view of almost any immigration is big enough to prevent a consensus on immigration from emerging. Their attitude will not be repaired until they regain confidence that the Government takes removing people with no right to be in the UK (whom they regard as intruders) as seriously as they do. It is therefore essential that enforcement is seen to be, and is, reinforced.

The benefit of an intensification of enforcement would not only be that Immigration Enforcement would identify and deport more illegals. The increased risk of discovery would persuade a number of illegals that the chances of arrest would be too high and it would be simpler to leave the country voluntarily. This will always be more cost-effective, and to encourage it, the level and scope of assistance funds should be increased to this end.

A good starting point is finding ways to encourage very long term illegals to regularise their status and come back within the law. In order that these terms should be well publicised, we believe the word ‘amnesty’, suitably qualified so as not to be misleading, should be used to describe it.

There will remain the particularly hard cases, illegals whose criminal records and/or poor educational attainment and employment record could never make them eligible for anything other than removal, but whose countries of origin disown them.

An example was highlighted in the Channel 5 documentary *Illegal Immigrants and Proud*. Daljit Singh migrated illegally from India and worked in the building industry for a decade before, he claimed, an industrial injury disabled him so he could no longer work. As an illegal, he had no statutory rights or protections. He described his life as “Steal, sell, smoke, steal, sell, smoke” and welcomed prison for its three meals a day, bed and Sky TV. “People say, ‘Oh, freedom!’ but what is freedom, man? When I’m in prison it’s like I’m free. Out here, I’m in prison”. He had spent three years trying to return to India but, like many illegals, he had destroyed his papers. India will not accept his return so, effectively, he is stateless and stuck here. The BBC has reported on similar cases, where formerly smuggled illegals live in squalor while bureaucratic wheels grind very slowly both here and in their native countries to verify their identities and issue them papers.

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114 http://www.tvguide.co.uk/detail/2020135/101882408/illegal-breaking-into-britain
115 https://www.theguardian.com/tv-and-radio/2014/sep/19/illegal-immigrants-proud-tv-review
116 http://www.bbc.co.uk/news/uk-17183171
The Sikh Council has had talks with the Home Office on this subject, but even if financial assistance is forthcoming, the problem remains the reluctance of some foreign states to accept their citizens without their state-issued identity papers.

It is difficult to deal humanely with people like Singh in a way that is also fair to the British taxpayer, fair to those immigrants who do play by the rules, and that does not encourage further illegal immigration. It is in the interests of taxpayers to bear the burden of solving this equation in the short term, in order to achieve long term benefit. But not in the sense of conceding status that will enable illegals to access welfare, even if this was cheaper in the short term, as that would create a moral hazard that would simply attract more illegal immigration.

The key to the problem must lie in taking political initiatives with the main countries of origin concerned. This would likely attract substantial public support if it was evident the problem was being addressed in a firm and vigorous manner that would discourage future illegal migration. Crucially, this would be part of a process to regain the confidence of the British people in the Government’s handling of this issue.

Once the public begins to feel that the Government is on their wavelength on illegal immigration, and that Britain is not a soft touch, the hitherto jaundiced attitude of many towards immigration will begin to change. The foundations of a healthy and realistic new consensus about immigration might then be laid.

Our Proposals

This report proposes a better offer for voluntary returns, an earned amnesty channel within limitations and a higher level of removals of recalcitrant illegals.

We back further steps to increase pressure for illegals to leave of their own volition and increased help for them to do so, balanced by a reasonable and humane pathway for those who are long settled here to regularise their position and join the workforce legally.

To be more effective and to regain confidence from much of the public, the number of returns must be increased and more resources must be deployed to achieve this. Gaining public confidence is an essential pre-condition to weaning the public towards a more constructive attitude about immigration as a whole, which would greatly benefit the economy in the long run.

1. Abandon the self-funding plan

Currently about £1 billion of the total £1.8 billion spent on immigration control comes from visa fees. Not only has it become an unrealistic expectation to fund the whole system from fees due to pressures on the system, but it is also politically tin-eared. Much of the public takes deep-seated exception to the rate of illegal immigration and its consequences, which they regard almost as an invasion.

The co-option of those currently deeply cynical about immigration into a new realistic consensus on the subject is essential or it will not be a genuine consensus. The Government should take credit for abandoning the self-financing plan and should promise to spend heavily not simply on investment (as it has done e.g. £130 million on technology) but on remedial action on illegal migrancy.

2. Double the Immigration Enforcement budget

Funding for Immigration Enforcement, the Home Office directorate that deals with illegals, should be doubled from the present £440 million. As a result, the number of illegals identified and removed should rise more than proportionately. It is essential that the public respects government’s resolve and nothing will achieve that more than a soaring total of removals.

3. Doubling assistance to return

Illegals who come forward to leave voluntarily may be eligible for assistance to return, depending on their circumstances. A larger budget so that the threshold for assistance can be lowered, and more people helped, may result in more departures particularly if it was well publicised. Currently, assistance is not made available to illegal entrants who have not claimed asylum unless they claim to have been a victim of people trafficking or smuggling.

118 https://www.migrationwatchuk.org/briefing-paper/11.34
4. An illegals pool

As with international students, asylum seekers, those with leave to remain and general migration, illegals should have their own pool, reported on annually to Parliament. Those who overstay their visas should be counted as part of the illegals pool. Those in this pool would be subject to removal.

5. Returns target and methodological review

The public have a right to expect an at least proportionate improvement in removals of all types in exchange for the doubling of enforcement and enabling budgets.

Public targets ought to be used so that the department is held publicly to account for the new resources at its disposal. Given the resources deployed, 100,000 forced and voluntary removals per annum would be the obvious stretch target.

Enforced removals alone should not have a discrete target, as staff may be more cost-effectively employed working on voluntary departures.

The new target should not become effective immediately. It would be counterproductive to announce a target that was unachievable, as it would simply replicate the problems with the net migration target. There needs to be a review of the barriers to success in removing illegals before resources are committed, so they can be deployed in the most effective way. This may mean trialling which methodology produces the most cost effective improvements.

The public have the right to expect that results should improve more than in proportion to the extra money spent (otherwise the extra spending would be precipitating a decline in efficiency). Conceivably then, a 100,000 target may not be value for money and a lower stretch target would need to be adopted.

6. A partial amnesty

There are already means for illegals to regularise their status in the UK. Young people aged between 18 and 24 who have lived in Britain for more than half their lives; those for whom returning to their home country would be dangerous; those who have lived in the UK for a long time, or have strong relationships, or children here can apply for discretionary leave to remain.

This report proposes the introduction of an amnesty offering a 5-year work visa to those who have been here illegally for 10 years or more. There would be strict conditions applied, including full explanation to the satisfaction of the authorities about how they came to be in the UK with details of any people-traffickers involved; passing the Secure English Language and Life in the UK tests; holding no criminal record other than those relating to their unlawful status; and being able to support themselves with no call on public funds.

Necessarily, this amnesty would have to extend to an employer of any illegal who came forward, so that no one had to choose between regularising their status and their job. Businesses and owners identified in this way would form a watch list of potentially future rogue employers for Immigration Enforcement. This part of the amnesty would only apply to employers whose businesses were otherwise legitimate. Illicit businesses, such as controlling prostitution, would not be covered.
At the end of the 5-year visa, former illegals would need to either leave the country or apply for Leave to Remain on the same basis as everyone else. Criminal records or long periods of unemployment would make this unattainable. Clearly, Immigration Enforcement would need to take a close interest in what happens to those individuals who were refused leave to remain to prevent the cycle of overstaying from repeating itself.

The traditional argument against amnesties is that they encourage future illegals and raise pressure on housing and social services; once regularised illegals became eligible for them. In addition, there is the question of whether it enables their family members to apply to join them. Our proposal would not extend to family members.

The point about amnesties encouraging illegals to arrive or overstay is based on the presumption that the amnesty implies granting leave to remain. For example, until the July 2012 changes to the Immigration Rules, there was a 14-year rule which amnestied illegals under certain conditions, and that certainly did encourage long term illegals to hold on until they qualified. However, the partial amnesty we are proposing is simply an opportunity to claim a work visa with a finite end-point. This condition is highly unlikely to motivate illegal migration from scratch.

7. Political approach to hard cases

In cases where a lack of documentation is causing delays in countries of origin, despite an illegal wishing to return, Britain should take a political approach with the foreign Government concerned. Many of these governments value their relationship with the UK and wish for improved links to the British economy.

For example, during his well-publicised visit in November 2015, Indian Prime Minister Narendra Modi called for Britain to be more welcoming to highly talented migration from India. Such a position is an open goal for the UK to reach an understanding with India that also involved a fast track procedure for the return of illegals, in return for a more liberal regime for talented potential migrants. This kind of swap would clearly benefit Britain – more high-skilled migrants would replace illegal ones.

Britain should use the post-Brexit trade negotiations that will now be occurring with every country in the world to establish such understandings with all countries. This should involve, in the major cases such as India, joint units in both London and the foreign capital. Such a unit, with immigration officers posted to each other’s countries, would work in an integrated and seamless way to solve cases as quickly as possible.

120 http://www.bbc.co.uk/news/business-34793572
Chapter Seven. Life After Brexit

What is the level of EU immigration?

There are 500 million citizens living in the EU’s 28 current states (the UK will leave before the end of the decade) with around 11 million having moved to other EU countries. The 2011 census showed 8 million foreign-born residents of the UK, up from 4.9 million a decade earlier. This is a crude statistic: some will have been born British and others will have been granted British citizenship. The BBC maintains that 5.3 million people are not British citizens (8% of our 63.7 million population), of whom 2.9 million are European (5%) and 2.4 million from the rest of the world. The largest single group of EU migrants are Poles, who now account for around one quarter of the EU citizens living in the UK. The second biggest group are Irish citizens – traditionally, this was the largest group of migrants from Europe until the early 2000s. As the table below shows, although there is a growing Romanian population moving to Britain, it is interesting that the other largest groups are from wealthier ‘Western’ EU countries like Italy and France.

Table 12

<table>
<thead>
<tr>
<th>EU nationals living in the UK, Jan-Dec 2014</th>
<th>Population (1,000s)</th>
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<tbody>
<tr>
<td>Poland</td>
<td>200</td>
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<tr>
<td>Republic of Ireland</td>
<td>100</td>
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<tr>
<td>Romania</td>
<td>70</td>
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<tr>
<td>Portugal</td>
<td>60</td>
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<tr>
<td>Italy</td>
<td>50</td>
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<td>France</td>
<td>50</td>
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<td>Lithuania</td>
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<td>Spain</td>
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<td>Germany</td>
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<td>Latvia</td>
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<td>Hungary</td>
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<td>Netherlands</td>
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<td>Slovakia</td>
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<td>Bulgaria</td>
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<td>Greece</td>
<td>10</td>
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<tr>
<td>Czech Republic</td>
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<tr>
<td>Sweden</td>
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<tr>
<td>Denmark</td>
<td>10</td>
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<tr>
<td>Austria</td>
<td>10</td>
</tr>
<tr>
<td>Belgium</td>
<td>10</td>
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</tbody>
</table>

Source: ONS

121 http://www.migrationwatchuk.org/key-topics/european-union
122 2013-14 figure. http://www.migrationwatchuk.org/key-topics/european-union
123 http://www.migrationobservatory.ox.ac.uk/resources/briefings/migration-great-britain-census-factsheet/
124 http://www.bbc.co.uk/news/uk-politics-eu-referendum-36522985
Net migration from the EU in 2015 was 184,000, compared with 174,000 in 2014. This appears to be due to an increase in net migration of 58,000 from Bulgaria and Romania, of the so-called EU2 countries, up from 44,000 the previous year. Net migration from other EU states remained steady. For comparison, net migration from the rest of the world in 2015 also remained stable at 188,000.

The EU’s free movement of labour principle was originally interpreted as freedom to move to work. In several stages, this became redefined as the right of any EU citizen to live anywhere in the EU and receive local benefits. Net migration from EU states was historically well below 50,000, and on occasion negative until 2004, when eight new countries joined the EU. In that year, it doubled to almost 100,000 and steadily increased in the following two years before halving during the recession in 2007-2009. In 2013, it increased again to the current level of 150,000-200,000.

Table 13

![Graph showing net migration trends from 1975 to 2015.](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2016#net-migration-to-the-uk)

Source: Office for National Statistics, Long Term International Migration

Migration from the EU now matches migration from the rest of the world, but the nature of the two migration streams are very different. The majority of EU migrants are low-skilled workers from less developed eastern EU states.

The Coalition Government elected in 2010 made a commitment to reduce net migration to ‘tens of thousands’, which has since been interpreted as a target of under 100,000. Since that date, the British Government has never been close to meeting this target. One of the principal causes has been the inability to affect unrestricted migration from the EU in any significant manner. Various
new measures have been introduced, primarily focused on reducing immigration from the rest of
the world outside the EU. As a result, non-EU migration is now predominantly for study purposes or
to join families already resident in the country. Low-wage migration from outside the EU is nugatory,
with the result being that the average income and educational level of non-EU migrants is higher
than that of Europeans.

In May 2016, the Government released statistics showing that 1.2 million more National Insurance
(NI) numbers had been issued to EU citizens than the number estimated as living in the country. The
Home Office Minister denied that this disparity showed that there were a million more EU migrants
working here than the official figures suggested, and explained that the difference was due to NI
numbers being issued to short-term migrants, with official figures only covering Long Term
International Migrants (people intending to stay for more than a year). He acknowledged that the
numbers still placed pressure on public services and housing. Former Work and Pensions Secretary,
Iain Duncan Smith MP, added that the constant supply of short-term migrants in the jobs market,
willing to work for lower than prevailing rates, placed downward pressure on wages. 126

The Brexit effect

Once the British Government triggers Article 50 of the Lisbon Treaty (the withdrawal procedure)
before the end of March 2017, this would lead to Britain leaving before March 2019 after 46 years of
membership.

British withdrawal raises a question about the future status of the 3.3 million EU citizens exercising
their current rights to live in the UK and the just over 1 million UK citizens living in other EU states.
During the Brexit referendum campaign, the Leave campaign opposed any alteration to the status of
EU citizens in Britain, even though the status of Britons living in the EU could not be guaranteed
unless the EU agrees to this in the withdrawal treaty. The Remain side claimed that EU citizens’
rights could not be guaranteed127 and Prime Minister Theresa May has since said their status would
depend on reciprocal rights for Britons within the EU being agreed in the withdrawal treaty
negotiations.128

Migration Watch has argued that, under the Vienna Convention on the Law of Treaties 1969,
“withdrawal from a treaty releases the parties from any future obligations to each other but does
not affect any rights or obligations acquired under it before withdrawal” and that this would protect
EU citizens already living here. They also argue that Protocol 4 of the ECHR and Article 19 of the EU’s
Charter of Fundamental Rights both prohibit the collective expulsion of aliens.129

The interpretation being taken by the Home Office is that EU citizens present in the UK for five years
– and therefore able to apply for permanent residence – can be certain of their status if they do so;
the status of other EU residents will depend on the final treaty.130

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126 http://www.bbc.co.uk/news/uk-politics-eu-referendum-36271390
g_from_the_EU_print_ready.pdf. Not to be confused the House of Lords European Committee Report of the same name
129 http://www.migrationwatchuk.org/briefing-paper/354
130 http://www.bbc.co.uk/news/uk-politics-36849071
Somewhat contradictorily, Brexit Secretary David Davis has suggested that Britain’s impending withdrawal from the free movement of labour provisions of our EU membership would trigger a surge of low-wage migrants from counties such as Bulgaria and Romania to beat any deadline for qualifying to stay. This, however, implies that the cut-off date will not be five years before final withdrawal as suggested by the Permanent Secretary to the Home Office, given that has already effectively passed.

On 10 October 2016, Davis told the Commons that the Government intended to do everything possible to underwrite and guarantee the position of EU and British citizens living in each other’s territory. He claimed that 5 out of 6 EU migrants would have indefinite leave to remain (ILR) anyway, by Brexit day in 2019.

The truth is plainly that ministers and officials are attempting to protect the rights of British citizens resident in the EU, while having no intention of actually requiring the EU population to leave. Any such move would have a devastating impact on Britain’s economy and tarnish its reputation for civilised behaviour. No desire has been expressed from any quarter in British public life to change the status of resident EU citizens. However, that is different from the Government not using this issue as a way to secure the rights of British citizens living in the EU. Those who criticise the Government for failing to agree unilaterally to accept the rights of EU citizens to remain in the UK are taking far too generous a view of EU governments in their negotiating tactics. A mass-forced expulsion would, rightly, be regarded as wrong by the majority of the population. Given the slow success British governments has had in removing the existing 1 million illegal aliens, repatriating 3.3 million Europeans would, in any case, be a logistical nightmare. At the current British removal rate, it would take 86 years.

Britain can, in reality, rule out losing its 2.1 million European workers as a result of Brexit. What does remain to be decided, however, is the status of future migration from EU states. As the British economy is currently accepting almost 200,000 European workers net a year, what are the likely future changes?

Immigration spikes happen for reasons. Those reasons do not last forever and, as a consequence, neither do the spikes. Sometimes those reasons are abetted by procedural weaknesses, such as the asylum surge around the turn of the century. Those weaknesses are not the fundamental reason for migration, there are separate push and pull factors. Push factors for the current spike in EU migration to Britain include the comparative weakness of most Eurozone economies, as well as the relative low wages of the eastern EU states. Pull factors include the comparative success of the British economy (which created more jobs than the rest of the EU put together between 2010 and 2015) and the cultural willingness to give jobs to well qualified people regardless of background; the fact that English is the second language taught in most schools across the continent; and the level of the minimum wage, soon to be increased to the National Living Wage, plus other assorted income support payments that can supplement low wages.

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133 https://fullfact.org/europe/has-uk-created-more-jobs-rest-eu-combined/, https://www.ft.com/content/3dce3032-a32a-11e5-8d70-42b68cfae6e4
A spike in EU arrivals may reasonably be expected in the lead up to any cut-off date for free movement from the EU. However Eastern European immigration is work driven. Should the pessimistic post-Brexit economic scenarios painted by the Remain side during the referendum prove accurate in the short and medium term, the UK would cease to offer the employment opportunities that attract low-skill migration from Eastern Europe. Net EU migration may therefore turn negative as the declining numbers arriving fail to replace those leaving.

However, if the British economy maintains its relative good health, the factors driving immigration will continue. It might then be anticipated that post-Brexit strictures on EU immigration, if they are significant, could lead to a rise in ‘illegal’ immigration from Eastern Europe of the younger and less skilled workers likely to be excluded. The most obvious route would be through overstaying, although an increase in applications for family and student visas would also be likely.

Will Somerville of the Migration Policy Institute has suggested\(^\text{134}\) that, without an economic slowdown, gross migration overall is unlikely to drop below 500,000 per annum and 200,000 net, still at least twice the ‘tens of thousands’ benchmark set by the Cameron governments.

There is little reason to believe that the economic fundamentals are changing, either regarding demand for labour from the British economy or supply of both white collar (e.g. France) and blue collar (Eastern European) employees from the EU. British and EU representatives will be aware of these mutual underlying realities in the withdrawal treaty negotiations.

### Welfare

There has been a long running controversy about the economic value of migrants and whether they are a net cost to British society or, on the other hand, whether the tax they pay exceeds the cost of the state benefits they receive. This debate has been remarkably uninformed by official statistics. As Rt Hon Iain Duncan Smith MP has written, even when he was Secretary of State for Work & Pensions for six years, HMRC and the Treasury would claim that the information was held in different departments and therefore too costly and complicated to compile.\(^\text{135}\)

In August 2016, HMRC at last issued statistics income tax & NICs paid and tax credits & child benefits received by EEA nationals in 2013/14. They show that, while Western European taxpayers in the UK pay on average twice the amount of income tax as the average for the whole of the British taxpaying population, those from Eastern Europe pay only half that average. Furthermore, nearly half the personal taxes paid by East European immigrants are returned to them in tax credits and child benefits. DWP statistics are not categorised by country of origin, but if they follow a similar pattern, then almost all the taxes paid by workers of East European origin are consumed by benefits.\(^\text{136}\)

In the great debate, this does not break the stalemate. Eastern European migrants are not a net gain to the exchequer, but neither are they an immediate cost. It may be true that the surplus value of their labour is added to the economy but their use of taxpayer-funded public services, in particular the NHS and education for their children but also subsidised public transportation systems etc, is a substantial offset borne ultimately by the taxpayer.

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\(^\text{136}\) Ibid. p26
It is apparent from this that the gains of low-wage immigrant labour are private, while the costs (public services consumed) are socialised, precisely the same observation made about crony capitalism and the pre-2008 banking system. In effect, it may be that the broader society of those who pay more tax than they consume and thus fund public services are subsidising the profits made by those who employ cheap East European labour. The evidence is inconclusive but growing.

What post-Brexit outcome on migration should Britain aim for?

Although the exact outcome of the Brexit negotiation is unknowable and contentious, Britain will leave the Single Market and abandon ‘free movement’ as it has come to be defined. These outcomes were clearly implied by the Brexit referendum result on 23 June 2016 and politically impossible to avoid. Prime Minister Theresa May has confirmed this on more than one occasion since taking office, most notably in her Conservative Conference speech on 2 October and Brexit speech at Lancaster House.

The real question is what new relationship should Britain seek to create with the EU’s internal market and what migration arrangements with the EU would prove most beneficial?

There is no call from any quarter for any restrictions on tourists, students, those who are self-sufficient and genuine marriage partners coming from the EU.

The British economy benefits from being open to talents from all over the world and would be retarded by a shortage of labour overall. However, it is a politically necessity after the referendum result that EU migration falls after Brexit occurs in 2019. Britain’s political institutions are ‘on probation’ from public opinion and have to earn back the confidence that has been eroded, especially on a totemic issue like migration where a target to reduce migration levels has been so spectacularly missed time after time. That would be impossible if the clearly understood implications of the referendum results were fudged or ignored. Regaining that respect is not an abstract goal. Confidence in the Government on this issue is a vital pre-condition to creating a new consensus on migration throughout British society.

The simplest way to reduce EU migration would be to extend the salary threshold for work visas applied to non-EU migrants to all migrants, including those from the EU as well. At the current level of £20,800, this would cut EU migration by around 90%.

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137 "We are going to be a fully-independent, sovereign country, a country that is no longer part of a political union with supranational institutions that can override national parliaments and courts...some people ask about the "trade-off" between controlling immigration and trading with Europe. But that is the wrong way of looking at things...let me be clear. We are not leaving the European Union only to give up control of immigration again. And we are not leaving only to return to the jurisdiction of the European Court of Justice". http://www.ibtimes.co.uk/theresa-mays-full-brexit-speech-conservative-conference-birmingham-1584423

138 Controversy around international students has focused on those from the rest of the world.

139 http://www.migrationobservatory.ox.ac.uk/reports/potential-implications-admission-criteria-eu-nationals-coming-uk
This would affect some industries more than others, in particular those where low wage EU workers are clustered such as distribution, hotels and restaurants, manufacturing and construction.\textsuperscript{140} These workers would need to be replaced over time and there are four possible sources:

1. Greater investment in technology or mechanisation to the extent possible in certain industries e.g. agriculture. This would clearly take time to achieve and would require substantial capital investment.

2. Using British workers, presumably attracted by salary rises caused by the reduced labour levels. This depends, crucially, on enough British workers having the right skills to fill these roles and will, as well as there being a sufficient supply at all – after all, employment levels are at a record high of over 31.8 million\textsuperscript{141} and unemployment is now below 5%.

3. Substituting EU workers with people from the rest of the world. This may be fairer to non-Europeans than the current system that gives immigration preference to EU citizens and effectively excludes low-skilled immigration from the non-EU world altogether. However, Minimum/National Living Wage regulations give little room for price competition and therefore bring no immediate tangible economic benefit to the British economy.

4. Allowing a level of unskilled labour, lower than at present, but still sufficient to ensure there are not significant labour shortages in certain industries. This would need to be subject to strict adherence to employment legislation including those on the living wage and health & safety. This could be non-discriminatory or it might be done bilaterally with the EU in return for a reciprocal benefit in another area of negotiation.

The Prosperity Migration equation

There is a tricky balance to be struck between the political expectation that EU migration will fall after Brexit and ensuring the economy continues to have access to the labour supply it requires. We believe that it is essential for the implications of the referendum result to be respected, even should this impede the growth of the economy in the short term. This would not happen if British workers are able to fill the jobs.

But the fact that there may be, in effect, full employment of British citizens is likely to be a major constraint on policy.\textsuperscript{142} There were, in August 2016 31.8 million people in work, 560,000 more than a year earlier. 23.23 million of them were working full-time, 401,000 more than a year earlier. 8.52 million of them were working part-time, 362,000 more than a year earlier. At 74.5%, the employment rate is the highest since records began in 1971. Unemployment at 1.66 million was 118,000 less than a year earlier, a fall from 5.4% to a rate of 4.9%. At 21.5%, the inactivity rate is the lowest since records began in 1971 and at 8.81 million is 231,000 lower than a year earlier.\textsuperscript{143}

\textsuperscript{140} Ibid.
\textsuperscript{141} http://www.bbc.co.uk/news/business-37701672
\textsuperscript{142} https://www.theguardian.com/uk-news/2016/feb/18/mass-eu-migration-into-britain-is-actually-good-news-for-uk-economy
\textsuperscript{143} https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/october2016#employment
On the face of it, employment in Britain is booming. Some commentators\(^{144}\) have suggested that classical full employment would be uncomfortably constraining for the economy and that, in practice, the benefits of full employment are maximised at about the current unemployment rate in the UK. This opens a question about how many more actual ‘new’ workers can in reality be squeezed out of Britain’s working age population.

If signs that the economy is being held back begin to emerge following any future reductions in migration levels, there will be a political choice between less prosperity and very low immigration on the one hand, and greater prosperity and higher immigration on the other. That is a debate that must be thoroughly argued and won in the court of public opinion so that in future, unlike from 1948-2019, no-one could claim the public were misled or had not given their knowing consent to accepting higher migration as a trade-off for greater comfort and prosperity for themselves and their children.

\(^{144}\) http://uk.businessinsider.com/has-the-uk-economy-reached-full-unemployment-2015-5
Our proposals

This report proposes that, after Brexit, the default position should be to treat EU and Rest of World migrants equally on the basis of the income threshold, subject to flexibility that would allow an advantageous deal to be constructed in Brexit negotiations. Britain should be prepared to phase out low-skilled immigration from the EU, with reduced levels of low-skilled labour permitted from anywhere in the world only if there are signs that real and long lasting damage is being caused to the British economy.

In part, this would also be dependent on a new consensus being created around certain levels of low-skilled migrants being necessary. Creating that consensus would require safeguards to prevent the feeling of exclusion from the prosperity of globalisation that came to characterise Britain’s later decades of EU membership. This should certainly include the use of the Immigration Skills Charge to fund training for British workers to do the jobs that become available.

1. A flexible approach to negotiations

On the face of it, post-Brexit immigration conditions for EU states should be the same as from the rest of the world. However, the EU’s negotiators may give the UK good reason for varying conditions for EU workers and it is in Britain’s interests to retain an open mind.

2. No restrictions on certain categories

There should be no restrictions on tourists, the self-sufficient, genuine marriage partners or international students coming from the EU. Students from the EU should be included in the international student target we propose in this paper.

3. A salary threshold for EU migrants of working age

The most rational approach would be to extend the salary threshold conditions for work permits for non-EU migrants to EU migrants. The current threshold, if it was applied, would cut EU immigration for work by 90%. As around 70% of EU migrants come here to work or seek work and 80% of those who arrive are in low-skilled employment, Migration Watch has calculated that this measure would reduce net EU migration by circa 100,000 per annum.

Britain should enter Brexit negotiations on the basis that, other things being equal, the same threshold would apply across the whole world.

4. Limited transitional arrangements

A salary threshold would reduce the influx of lower-wage and lesser skilled EU migrants. However, a sudden drop in the supply of low-skill Eastern Europeans, for example seasonal crop-pickers at harvest time, could destabilise certain industrial sectors.
To prevent this, transitional arrangements should allow for the supply to constrict over several years, giving employers time to source alternative pools of labour or to make the necessary capital investments to reduce the need for labour and improve productivity.

Ultimately, there should be no opt out for industries such as agriculture, portrayed as dependent on cheap foreign labour. After a short transitional period, these businesses should be prevented from using cheap foreign labour: either they should improve pay and conditions to attract native workers or invest in technology and equipment to improve productivity. Farming in particular is already heavily subsidised and farming interests should not be allowed to avoid necessary modernisation by employing cheap foreign labour that is additionally subsidised through public services, via the profits privatised/costs socialised model of low-skilled immigration pertaining under our EU membership.

5. A consensus on low-skill visas

Renewed low-skill immigration could only occur on the basis of a national consensus in the light of the economy’s evident need.

Despite the needs of the economy, more long term harm would be done by allowing low-skill immigration without a national consensus again, than by forcing it through against widespread opposition or doing this surreptitiously. That would damage any attempt to reduce the widespread negativity about immigration.

In the longer term, once sufficient measures had been taken to reassure the wider public that migration levels were under control (and only then) a certain amount of low-skilled foreign labour might be permitted in certain industries where investing in capital and higher wages are not being neglected.

6. A two-tier low-skilled immigration regime

If a consensus emerged to permit increased levels of low-skilled immigration in the future, account should be taken of the fact that the British people have closer historic and cultural relations (and in some cases, bonds of affection) with some countries than others. A one-size-fits-all unskilled immigration policy for the whole world would ignore these ingrained affinities and probably command less public support. If the UK needs more low-skill labour than its population can provide, there is no reason not to turn first to our friends and relations in the world, whose citizens are also most likely to aclimatise quickly and easily to life in Britain.

Candidates for such first rank connections include most European states (including the EU, although it would now be possible, failing an overall Brexit settlement on this point, to treat EU members separately), most (but probably not all) Commonwealth states, the USA, Israel and Hong Kong.

A complex multi-layered system should be avoided as it would accumulate anomalies and unfairnesses as well as be complicated to administer. A simple two-tier system, that would make low-skilled immigration slightly easier from some states than others (perhaps on a reciprocal basis), would take account of these practicalities while introducing only one step of discrimination. In designing a two-tier system it would be essential adhere to two principles: that nobody who is a foreign-national should ever have superior rights than UK citizens (which does occur on marriage rights with EU free movement, thanks to a judgement of the ECJ); and that no reciprocal
arrangement with another state should be made that would restrict the UK making other deals with other states, as EU free movement has done.

7. Registration of migrants

This report proposes that Long Term International Migrants (those who stay for more than a year) from all countries be required to register their place of abode. Several EU states already require this even of EU citizens. The purpose in the UK would be to quickly ascertain the location of migrant influxes, so that resources could be diverted to prevent there being an impact on local public services.

8. Immigration Skills Charge and Inter-company transfers

This is the annual charge on employers of £1,000 per employee per year for migrants (with a two-thirds discount for small and charitable organisations) that is due to begin in April 2017. It is in addition to the Apprenticeship Levy which begins at the same time. Other things being equal, we propose it should also apply to EU migrants in the relevant skills bracket after Brexit, unless it reduced after negotiation for some significant quid pro quo.

This report proposes that the funds raised by the Immigration Skills Charge are earmarked for upskilling British workers (including those from ethnic minorities), in the same way as the Apprenticeship Levy. Upskilling will be important so that native workers can take the jobs currently filled by high EU immigration.

Britain currently allows unlimited inter-company transfers for international companies based in the UK and post-Brexit this should be extended to senior staff from the EU.

10. Entrepreneurs and the self-employed

There would need to be agreement with the EU about entrepreneurs and the self-employed. Both ought to be facilitated up to a point and this would most neatly be done on a reciprocal basis. Britain already operates a Tier 1 Entrepreneur Visa but there is room to agree a lower threshold on a reciprocal basis with the EU. On the self-employed in particular, care should be taken to exclude casual labour that would compete with low-skilled British citizens.

11. Welfare

It would be wrong to subsidise foreign labour while there are Britons seeking work. Therefore, as proposed by Rt Hon Iain Duncan Smith MP, EU citizens granted entry to UK for work should not be eligible for income or housing benefits for the first 5 years. Alternatively, a 4-year record of NI payments could be required.145