Labour's approach to immigration

Summary

1. During Tony Blair's tenure as the leader of New Labour, there was a substantial rise in immigration, especially from newly joined EU countries in Eastern Europe. Between 1997 and 2010, the yearly net migration rate increased fourfold, resulting in over 2.2 million immigrants added to the UK population, which is more than double the population of Birmingham.

2. Given this historical context, it is understandable that Keir Starmer, the current leader of the Labour Party, has committed to a tougher stance on immigration than any of his New Labour predecessors. This paper critically examines key aspects of Labour's immigration policy, including its approach to addressing labour shortages, the proposed Skills England initiative, and its stance on irregular migration. The following are the main findings of the paper:

- Labour's goal is to enhance the Migration Advisory Committee (MAC) by improving data access and communication across government departments. However, closer ties to government or business interests could **compromise the MAC's independence**, raising concerns about biased recommendations.
- Contrary to Labour's belief, immigration may **not effectively address labour shortages** because it can create just as many job vacancies. This is because immigrants serve as both producers and consumers in the economy.
- Labour's proposed 'returns deal' with the European Union might unintentionally **attract more irregular migrants**, moving the UK's border closer to high-migration regions.
- A returns deal with the EU could also lead to the **UK receiving more irregular migrants** than it repatriates. This will pose challenges for immigration control.
- Labour's proposals are still vague - no doubt deliberately to avoid the Conservatives adopting their best ideas. However, there is no commitment to actually reducing the scale of immigration and some proposals under consideration would add still further to it. Indeed, party pressures might well to an increase in the scale of immigration.

Labour's approach to economic migration

3. While Labour does not intend to bring back free movement of people between Britain and the EU, the party does plan to improve the existing points-based system by linking it to the acquisition of new skills and the improvement of employment standards. At the heart of this proposal is a new partnership between government departments and the Migration Advisory Committee (MAC) to better address the 'needs' of business, while also projecting future trends.[1]

4. Labour is committed to filling labour shortages through international recruitment but with a focus on upskilling the domestic workforce, improving pay and conditions, and setting timescales for how long roles should be on the Shortage Occupation List.[2]

5. Labour's immigration policy also seeks to end the 20 per cent wage discount on salaries for jobs on the Shortage Occupation List and introduce new training requirements for key occupations. This includes plans for more doctors, nurses, and Fair Pay Agreements for social care workers.[3]

6. Finally, Labour intends to reform the apprenticeship levy to support upskilling in shortage areas, while connecting the MAC to Skills England, a new 'expert body' that will oversee the national skills effort.Top of Form[4]

Reforming the Migration Advisory Committee

7. The Migration Advisory Committee is an independent advisory body that provides evidence-based recommendations to the UK government on various aspects of immigration, including skill shortages, labour market needs, and economic impacts. The MAC's recommendations help inform decisions on issues like visa categories, salary thresholds, and the inclusion of occupations on the Shortage Occupation List.

8. Labour's goal is to improve the points-based immigration system by enhancing the operations of the MAC. This policy will involve improved access to economic data and better communication across various government departments to better address labour and skill shortages. In terms of immigration, Labour aims to align the system more closely with business needs. In return, businesses are expected to create strategies for training and upskilling the British workforce.

9. Although there are valid reasons to enhance the MAC and make it better at sharing information, it is not entirely clear how these changes would speed up the process of addressing labour shortages. In fact, Labour's proposal could potentially work against the party's objective of reducing the UK's dependence on migrant labour. For example, when an independent body becomes closely aligned with a government department or business interest group, there is a real risk that its recommendations will be influenced by special interests rather than impartial analysis.[5] This concern is heightened by the fact that employers frequently favour recruiting already-trained migrant workers over increasing wages or investing in the training and development of domestic staff.[6] As Bridget Anderson and Martin Ruhs argue, "'what employers want' can be critically influenced by what employers 'think they can get'".[7]

10. The independence of the MAC is vital to ensure that immigration policy decisions rely on robust evidence rather than being swayed by special interests. While reforming the MAC to boost its effectiveness may be justifiable, it is crucial to avoid the pitfalls associated with *policy-based* evidence.' This term refers to a situation where research is commissioned to support a pre-determined policy,

reversing the traditional process of *evidence-based* policymaking where research informs policy decisions.[8]

11. It is important to understand that immigration alone cannot completely solve labour shortages. While the idea of bringing in more people to address such shortages might sound reasonable in theory, it often doesn't work in practice. Even during Tony Blair's era when he mentioned half a million job vacancies as a reason for high immigration, those vacancies did not significantly decrease despite a net inflow of over half a million immigrants.[9]

12. There is a straightforward explanation for why immigration does not just fill vacancies but also creates new ones: immigrants are both producers and consumers. When new workers come in, they not only contribute to the production of goods and services but also consume them. This increased consumption, in turn, leads to the need for even more workers to meet the demand for those goods and services.[10]

Skills England

13. Labour's plan not only involves reforming the MAC but also connecting it with a new 'expert body' called Skills England. The aim is to create a coordinated approach that addresses skill shortages by nurturing a skilled domestic workforce. One of the key arguments put forth by Labour is that certain professions, such as nursing and civil engineering, have consistently been on the Shortage Occupation List for as long as 15 years.[11]

14. The exact workings of Skills England and its coordination with the MAC aren't thoroughly detailed in the policy. Nevertheless, there are potential issues with a top-down approach to workforce upskilling. To begin with, an arms-length public body might not fully grasp the diverse and evolving skill requirements of different businesses and industries. As the MAC has highlighted in a previous report, stakeholder evidence is often inconsistent with the quantitative data.[12] In addition, skills demands can fluctuate significantly between sectors, even within the same sector, leading to a potential mismatch between the skills framework and actual job market needs. As Madeleine Sumption of the Migration Observatory points out, "forecasting labour market trends is notoriously difficult, requiring many assumptions that may prove to be unfounded.[13]

15. Expert bodies, working hand-in glove with local politicians and government ministers, often prioritise political ideals over practical operational considerations.[14] Even with the best intentions, skills programmes crafted in this manner may not accurately mirror the realities of specific job roles. This misalignment can begin at the very outset, potentially undermining Labour's goal of reducing dependence on immigration within the British economy.

16. Lastly, there is a valid discussion to be had about whether MAC/Skills England should actually facilitate migration into areas of shortage in the labour market at all. Encouraging immigration in response to shortages might hinder the natural adjustments that can occur in the labour market. For instance, economic theory suggests that when employers face labour shortages, they might choose to increase wages, enhance job conditions to attract more workers, or adjust their production methods to rely less on scarce workers (such as through automation or changing what they produce).[15]

Labour's approach to irregular migration

17. Labour's approach to asylum revolves around two key components: a 'law and order' approach and a 'supranational' framework. The former focuses on dismantling criminal syndicates through the expansion of serious crime prevention orders and anti-terrorist legislation, with the aim of reducing the means for illegal Channel crossings. The latter emphasises reducing the demand for these perilous journeys through the negotiation of a migrant returns agreement.

18. According to news reports, Labour's plan for a returns agreement would involve a 'quid pro quo' arrangement. This means that the UK would agree to accept individuals from the EU in exchange for sending back some people who arrived in the UK illegally. This scheme might work by allowing migrants to apply at UK embassies in Europe, with a preference for those who have family members already in the UK.[16]

Enhancing pull factors

19. Labour's endorsement of an EU-wide resettlement programme may inadvertently attract more irregular migrants to Europe. The mere prospect of entering the UK could incentivise migrants to undertake the hazardous journey across the Mediterranean or Bosphorus Strait. This policy will undermine the deterrence principle and poses humanitarian risks, especially considering the high number of drownings.

20. In the worst-case scenario, news of an EU-wide resettlement programme from Europe to Britain could trigger population movements comparable to the European migration crisis of 2015, a time when Chancellor Angela Merkel declared 'wir schaffen das' ('we can manage this'). Labour's policy effectively shifts the UK's border closer to regions with high levels of irregular migration.

21. Labour's position is underpinned by problematic assumptions, including the belief that returning migrants to Europe is a more effective deterrent than relocating them to Rwanda. This argument overlooks the significant economic disparities between these regions and the proximity to the UK. Interdiction of criminal gangs, while helpful at the margins, falls short of being a comprehensive solution, as emphasised by the National Crime Agency's (NCA) stance on the necessity of an effective removals and deterrence agreement.[17]

Numbers

22. Labour's proposed 'returns deal' with the European Union may result in the UK receiving a considerably larger number of irregular migrants from the Continent than it would repatriate to EU nations.

23. This conclusion comes from examining an earlier version of EU asylum policy known as the Dublin Rules. During the period from 2015 to 2020, the UK admitted over double the number of irregular non-EU migrants from European nations, nearing 4,000 individuals, compared to those repatriated to the Continent, which numbered just under 1,800.[18]

24. It is important to note that these statistics pertain to a time when the UK retained its EU membership, making it improbable that we would receive more favourable treatment as a non-EU state. This

potentially places the UK in a precarious position, with the EU, especially France, having significant leverage.

25. The Labour Party has also suggested that they would prioritise irregular migrants with family connections in the UK. This could potentially involve many thousands of individuals.[19]

26. Labour's proposal for a bilateral agreement with the EU mirrors a tactic employed by American President Joe Biden. In exchange for Mexico taking back 30,000 migrants monthly, the U.S. has opened up 'safe and legal routes' across Latin America for the same number. However, rather than stemming illegal immigration, this approach merely rebrands it as 'legal' whilst encouraging higher levels of illegal migration. For example, illegal crossings along the U.S. southern border jumped more than 30 percent in July, 2023.[20]

Conclusion

27. While the Conservative government has faced its fair share of criticism for border control, Labour's approach fails to provide viable solutions and may exacerbate existing challenges. For example, Labour's intention to strengthen the MAC and improve interdepartmental communication is commendable. However, the risk of the MAC's independence being compromised due to closer ties with government or business interests looms large, potentially resulting in increased immigration levels.

28. Furthermore, while Labour believes that immigration can mitigate labour shortages, there's a counterargument that it may create new job vacancies due to immigrants functioning both as producers and consumers in the economy. On the issue of asylum, Labour's 'returns deal' with the European Union adds another layer of complexity, potentially attracting more irregular migrants and shifting the UK's border closer to high-migration regions. Moreover, such a deal could result in the UK receiving more irregular migrants than it repatriates, presenting challenges for immigration control.

Notes

1 *Randall's Monitoring*, 22 November 22, URL: https://shorturl.at/bSTV4

2 *The Telegraph*, 27 May 2023, URL: https://shorturl.at/ntDJ9

3 *Randall's Monitoring*, 24 May 2023, URL: https://shorturl.at/cITX4

4 *The Telegraph*, 27 May 2023, URL: https://shorturl.at/ntDJ9

5 Freeman, G., 1995, 'Modes of Immigration Politics in Liberal Democratic States', *International Migration Review* 24:4, 881-902.

6 Menz, G., 2009, *The Political Economy of Managed Migration: Nonstate Actors, Europeanization, and the Politics of Designing Migration Policies*. Oxford: Oxford University Press.

7 Anderson, B., and Ruhs, M., 2010. *Who Needs Migrant Workers? Labour Shortages, Immigration, and Public Policy*, Oxford: Oxford University Press

8 Strassheim, H., Kettunen, P., 2014. 'When does evidence-based policy turn into policy-based evidence? Configurations, contexts and mechanisms'. *Evidence & Policy: A Journal of Research, Debate and Practice*. 10:2, 259–277. URL: https://shorturl.at/iDFN8

9 Lilley, P., 2005, 'Too much of a good thing? Towards a balanced approach to migration'. *Centre for Policy Studies*.

10 Manning, A., 2021. 'UK labour shortages and immigration: looking at the evidence'. *London School of Economics*. URL: https://shorturl.at/BGK28

11 *The Telegraph*, 27 May 2023, URL: https://shorturl.at/ntDJ9

12 Migration Advisory Committee, 2010. 'Skilled, Shortage, Sensible: Review of Methodology'.

13 Sumption, M., 2022, 'Shortages, high-demand occupations, and the post-Brexit UK immigration system', *Oxford Review of Economic Policy*, 38:1, 97–111.

14 Dommett, K., and Flinders, M., 2015, 'The centre strikes back: meta-governance, delegation, and the core executive in the United Kingdom, 2010-14.' *Public Administration* 93:1, 1-16.

15 Sumption, M., 2022, 'Shortages, high-demand occupations, and the post-Brexit UK immigration system', *Oxford Review of Economic Policy*, 38:1, 97–111.

16 *The Guardian*, 13 September 2023, URL: https://shorturl.at/cgxLU

17 *The Telegraph*, 12 September 2023, URL: https://shorturl.at/axO17

18 *Home Office statistics*, 2015-2020, URL: https://shorturl.at/gvFU0

19 *The Guardian*, 13 September 2023, URL: https://shorturl.at/cgxLU

20 *The Washington Post*, 1 August 2023, URL: https://shorturl.at/hsFGT