



Building Globally Successful Societies



**RECOMMENDATIONS REQUESTED
BY THE PARLIAMENTARY COMMISSION**

**BEYOND THE HIGHLY SKILLED:
THE NEEDS OF OTHER STAKEHOLDERS FROM
ECONOMIC MIGRATION**

Global Future is an independent think tank campaigning for Britain to be a vibrant and open nation that reaches out to the world.

We believe the dynamism of our economy and creativity of our culture depends on our country remaining open to people, trade and ideas from across the globe. That improvements in people's lives will come from harnessing the great potential of global partnerships and that the current drift towards nativism and narrow nationalism represents a huge threat to the very people it professes to serve.

We seek to educate and help people appreciate the benefits of international openness. We also want to understand the genuine issues that stand in the way of realising these benefits and to develop solutions that help smooth the path to our collective global future. We explore new ways for people to take more control over what matters most in their lives without cutting themselves off from opportunities to succeed in our global world.

We work across politics, the arts and in business to make sure Britain's unique character as a country of tolerance and diversity is not undermined by short-term thinking that would make us a narrower and lesser nation. We are also committed to helping our businesses develop the leadership and culture to help them succeed on the world stage. In addition, we are active in ensuring that Britain's artists and creative industries benefit from open cultural exchange and the free flow of global talent.

Introduction

Britain's negotiations with the EU around Brexit centre upon the extent to which the UK is prepared to accept freedom of movement of people in return for access to the single market. At times the UK Government has acted as if it can have both but the view from Europe is clear - there is a trade off to be negotiated.

Our analysis shows that while freedom of movement in the past has led to a relatively sizeable influx of people from the EU, ending this right going forward will have only a marginal impact on the net migration figure.

Specifically, when one starts to factor out from the EU net migration figures; students, those who are joining family members, as well as categories the Government has promised to protect, the potential reductions become vanishingly thin. In addition, one has to take into account the impact of ending freedom of movement on the outflow from the UK of both EU and UK citizens.

Taken together these factors imply that the UK net migration figure would likely only come down by a maximum of 50,000 from a total of 335,000. Furthermore, it is clear that in negotiating future trade deals outside the EU, other countries will push the UK hard for concessions on migration. If the UK concedes even minor concessions here, and if changes which typically arise when immigration controls are strengthened come to fruition, the net migration figure may well not change at all.

However, there would be a potential rebalancing of the sources of migration between European versus non-EU migration as a result of ending EU freedom of movement. The reductions could be larger if the Government made changes to the student visa regime or rules around joining others. However, our analysis assumes that these factors stay constant.

The extent to which a reduction of 50,000 is worth a huge period of economic uncertainty, the collapse of the pound, reductions in inward investment, loss of UK citizen's rights in the EU and the potential break-up of the UK should be evaluated.

UK political leaders have, when engaging the migration debate, often put short-term considerations ahead of anticipating how things will play out over time. Unfulfilled promises that net migration could be brought down to the tens of thousands provided oxygen and fuel for the rise of UKIP. A similar danger exists in the current situation.



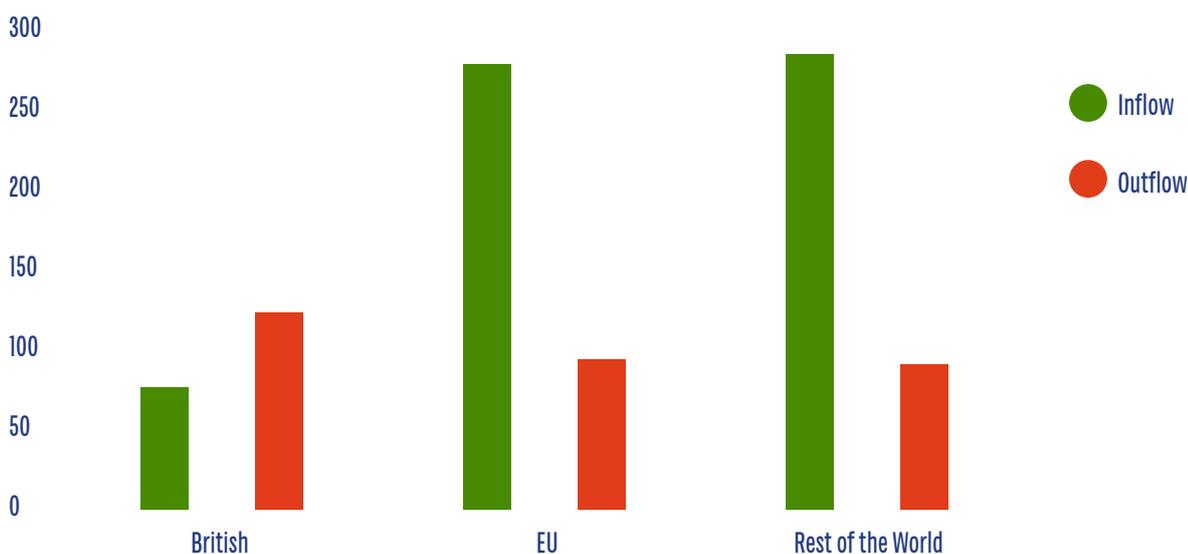
We suggest that the major political parties move to a consensus on the terms of the migration debate that is grounded in fact and reality. There is widespread agreement that the UK should be one of the most globally outreaching economies in the world. The other side of the coin of such an aspiration is necessarily a certain level of net migration.

We recognise that immigration has become an extremely charged issue in the country and offer a number of policy options that would curtail migration from the EU, rebalance the UK job market in favour of locals and mitigate the anxieties that people feel about immigration. We believe it is possible to have a balanced approach to achieving reductions in net migration, whilst preserving substantial access to the single market and building positive relationships with both the EU and our other global partners.

Net migration will only be impacted by 50,000 at most through ending freedom of movement

Before examining the impact of ending freedom of people, it is helpful to look at the size and nature of the issue. Using the latest International Passenger Survey (IPS) figures on net migration, the following table shows the net long term migration figures to the year ending June 2016 ¹.

Fig 1. NET MIGRATION INTO THE UK



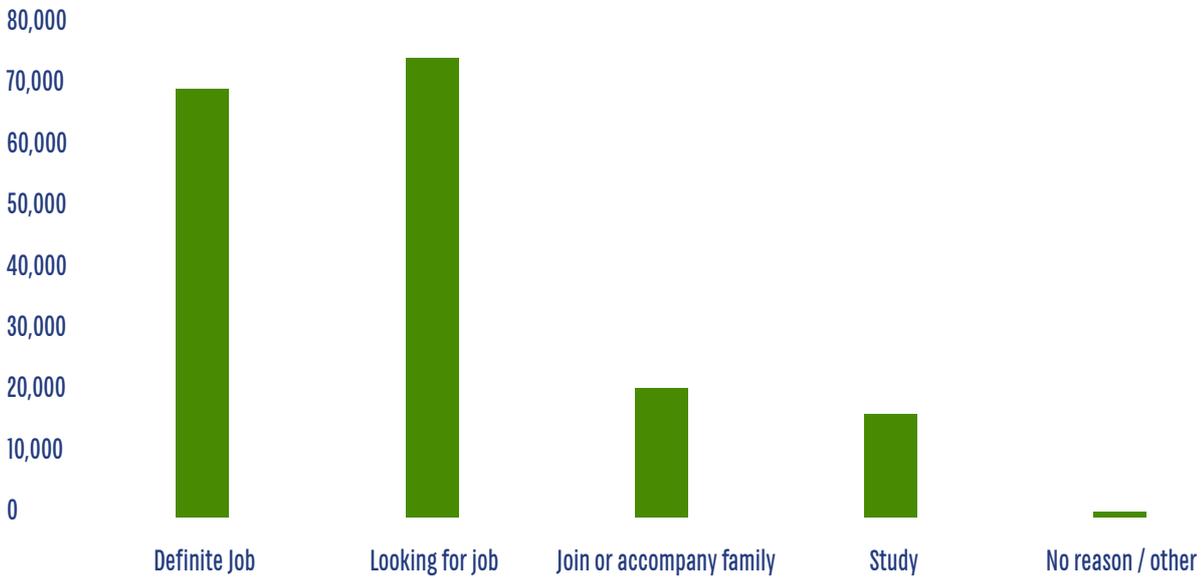
Source: IPS Net migration figures into the UK for year ending June 2016, (December, 2016).

Figure 1 shows that the EU net migration figure was 189,000 (less than the non-EU migration figure of 196,000). However, this does not take into account the British migration into and out of Europe. The British figure stated is for the whole of the world. More detailed information from the IPS suggests the latest figure of British citizen inflow from the EU to the UK is 29,500, while the outflow of Brits to the EU is at 35,800, giving a net figure of -6,300.

The true net migration figure from Europe is, therefore, 182,700. This is the maximum amount of reduction theoretically possible out of a total of 335,000.

In order to evaluate what would happen to the net migration figure after full access is removed, we need to look at the reasons EU citizens come to the UK and what proportion of the inflow ends up eventually as outflow. Fortunately, the IPS asks people leaving what was their original reason for coming. While they are not the same people, this data gives us a good idea of what categories are driving the outflow numbers.

Fig 2. NET EUROPEAN MIGRATION BY REASON



Net is inflow minus outflow by reason for original entry

Source: IPS Estimates of Long-term International Migration for year ending June 2016, (December, 2016)

Figure 2 looks at the European net migration figure in more detail according to the reasons for migration. In looking at how things might change if freedom of movement were ended, one can see the following picture: it is highly unlikely that the number of those coming to study or accompany others would change. If anything, evidence, that will be reviewed later, shows that the number of people who start to use alternative routes goes up when more stringent controls are placed on migration. The issue then becomes: what impact would the change have on the net migration that arises for work related reasons?

In order to evaluate the likely impact of ending free movement on the net figures, it is necessary to look at the impact on actual outflow and inflow figures separately for both EU and UK nationals moving to and from the UK.

Fig 3. ACTUAL IN-FLOW AND OUTFLOW OF EU CITIZENS BY REASON OF ENTRY



Source: IPS Inflow and Outflow of EU citizens. Outflow data is for original reason for migration.

The first area to look at is what is likely to happen to student inflows. On the surface, Brexit should lead to a reduction in student inflow from Europe as students will need to pay the higher fees for overseas students. This year, much has been made of the 7% decline in student applications from the EU. However, there has also been a 5% decline in home student applicants, so it is not clear whether this effect is related to the Brexit vote.

However, there are a number of arguments which might pull net student inflows in the opposite direction. Firstly, UK students wanting to study in Europe will also face higher fees post-Brexit. This will not make a difference in some countries, but in popular countries such as Holland, fees are substantially higher for overseas students. Secondly, long term non-EU data indicates that the student route increases in importance as immigration controls are made more stringent as it becomes a means for gaining a foothold in the country. Thirdly, if the number of EU students drops, it is likely that some of the shortfall will be made up by higher education institutes accepting more non-EU overseas students. Fourthly, UK education institutions are highly dependent on EU research grants and will need to make up lost revenue almost certainly through further expansion of fee-paying students, which will serve to increase student inflows.

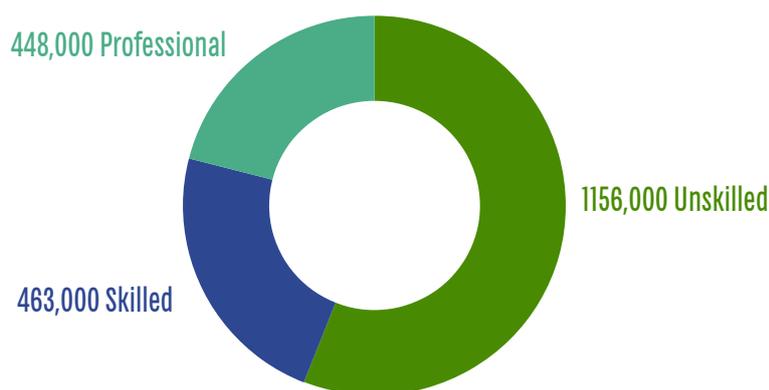
A final point that is clear from Figure 3 is that a large proportion of EU students end up returning to their home countries, so any reduction in inflow will be substantially compensated for by a corresponding reduction in outflow. For all these reasons, we expect the EU student net migration figure to be constant in its contribution to overall net migration, even though the mix of EU and non-EU students may shift.

The second area concerns the number of people who are coming to the UK from the EU to join family members or to get married. Again, while on the surface one might expect, this to decline as overall EU inflows decline, there are a number of countervailing forces here as well. Firstly, there is no incentive to use this route as a way of overcoming immigration controls and evidence from non-EU migration suggests that people increasingly resort to this channel when other routes are blocked. Secondly, this route, out of all other paths, is most dependent on the actual number of overseas people who reside in the UK. There are now 3.3 million EU citizens living in the UK and it is not fanciful to suggest that many may start to use the family union or marriage route to invite their compatriots over if other channels become more restrictive. While a good argument could be made for saying that the use of this route may increase, we are assuming for the moment that the current small EU inflow number of circa 25,000 will be maintained. This is a conservative assumption as non-EU inflows in this category approach 50,000.

The biggest category is EU citizens coming to the UK for work reasons, making a total of 2,040,000 people. In order to evaluate what happens to this group, deeper analysis is required of the kind of jobs EU migrants come to the UK to perform.

Data from ONS, as seen in Figure 4, indicates that there were 2.065 million European-born citizens in the UK workforce between June 2015 and June 2016. 22% of them were in professional jobs and another 22% worked in skilled occupations (plumbing, electrical, building etc.). The remainder of 56% were doing unskilled jobs².

Fig 4. EU MIGRANTS BY SKILL



Total number of employed EU27 nationals in the UK 2,065 million

Source: ONS EU Migrants by skill level, from July 2015 to June 2016.

If we take professionals first, the government has indicated that this category is likely to be exempted from migration controls. The need to preserve competitiveness for our financial sector, IT industries and other intellectual capital services requires this. It is also almost certain that any kind of access to the EU single market for these industries will also require migration concessions here. Consequently, we assume that circa 45,000 professionals would still need to be allowed in from Europe.

EU Skilled and unskilled workers cannot be turned off completely either, as many industries are dependent on them. British horticultural industry, for example, relies almost exclusively on EU workers – 98% of 80,000 seasonal workforce comes from the EU³. In the hospitality industry, 700,000 of 4.5 million people employed are EU citizens and 10% of 600,000 licensed lorry drivers in the UK are of EU origin. The building industry has estimated that close to 8.2% of people employed in skilled construction jobs are from the EU. Complete closure of the skilled and unskilled categories is simply not feasible without catastrophic consequences for a range of UK sectors⁴.

In its recent white paper on Brexit, the Government has also conceded that the supply of skilled and unskilled workers cannot be switched off without serious disruption to key industries⁵. It has promised to work closely with business leaders to ensure adequate supply of labour for key industries.

There is a view that most skilled workers coming from the EU will be needed going forward. Migration Watch makes this assumption in its evaluation of likely post Brexit migration numbers⁶. However, we believe this view to be somewhat exaggerated and have assumed that 50% of skilled workers would be required.

On the surface, it is the unskilled worker's category that could be most readily reduced. However, a number of areas of the economy are hugely dependent upon EU unskilled workers. For example, 27% employed by UK households currently come from the EU. A full 14% of workers in restaurants and hotels also come from the EU. There is a high presence of unskilled workers in many other industries⁷ and employers remark on how difficult it is to get local workers to take up some of these jobs. There is also strong evidence that EU nationals in unskilled jobs are more qualified than their UK counterparts. Furthermore, EU workers are reported to be more mobile and are more willing to undertake these jobs in unfavourable locations.

In addition, there is strong evidence that even before the EU8 were given migration rights to the UK, the success of the UK economy, from the mid 1990s onwards, was sucking in migrant labour. While there was a spike as controls were relaxed, when the financial crisis hit, there was a sharp

decline in net migration followed by a slow increase thereafter. This pattern suggests that it is the vitality of the UK that drives migration numbers more than the absence or presence of immigration controls. Given that the UK is one of the fastest growing economies in the developed world, it is inconceivable that a reasonable level of migration, even into unskilled roles, will not be required.

Given the reluctance of local workers to undertake certain jobs, various well-documented skills shortages and other impediments, we estimate that well over half of the existing inflow of unskilled labour would still be needed looking to the foreseeable future. However, if we again cautiously set the requirement at 50%, we arrive at a figure of circa 80,000 skilled and unskilled workers being needed. These estimates assume that EU inflows would reduce from 204,000 to 125,000, which we believe to be a substantial reduction. Clearly this route could be closed completely but the Government's stated aspiration to ensure that adequate supplies of labour are available for critical industries means that reductions beyond this level are unlikely without serious consequences for sectors such as house building, social care or health services, all of which are in something of a crisis.

The biggest category of reduction involves those who cite no reason/other. Again we have generously assumed this category would go to zero. However, as we shall see in the outflow figures, people who enter giving this reason are highly likely to depart – so the impact on net migration of this reduction is virtually zero.

However, looking at inflow is only half the story. Today's inflow is tomorrow's outflow. Many factors are likely to affect outflows including the state of the British economy and the value of the pound. However, there is strong evidence that more stringent immigration controls severely curtail outflows. At present EU citizens can come and go as they please. Once controls are in place many potential returners will think long and hard before making a potential one-way trip home. The impact of this will be immediate once restrictions come into place.

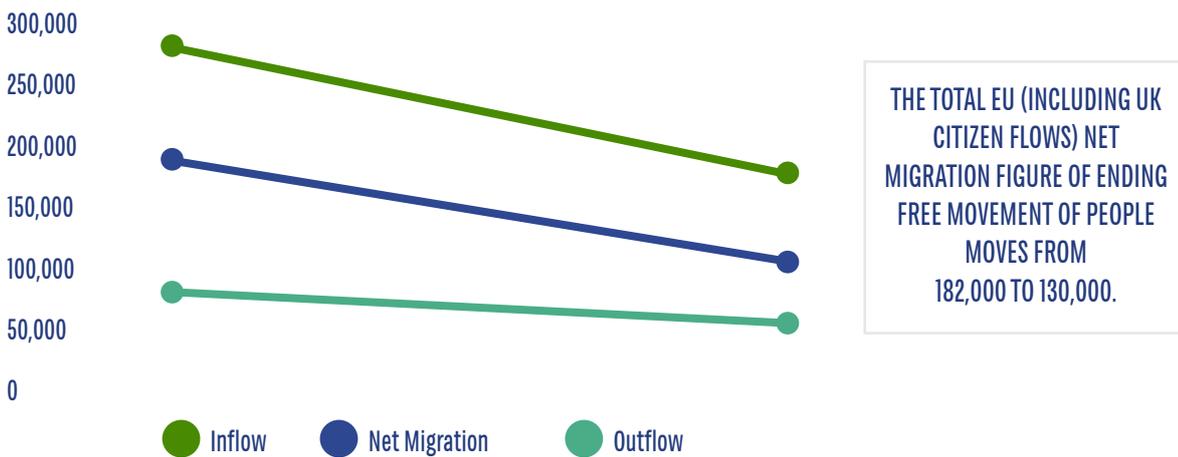
Since we cannot anticipate how these factors will play out, we have based our calculations here on the highly conservative assumption that the levels of outflow in each category will eventually go down by the level of decrease in inflow for that category. Figure 3 also shows the outflow figures by original reason for entry. While we recognise these are not the same people who are coming to the UK that same year, the data indicates the extent of outflow eventually associated with different reasons for entry.

The first point is that we can take out those who originally entered for no reason/other as this category is being completely eliminated with respect to inflow. Secondly, we can assume that those leaving who originally came for work related reasons would be reduced by the amount that the inflow is being reduced by. Taking these figures together means that the outflow figure goes down from 95,000 to 58,000, a reduction of 37,000. This is an extremely conservative assumption as the likely reduction eventually could be much more dramatic.

The final part of the jigsaw concerns what happens to UK net migration to the EU. If we end freedom of movement for EU citizens, we should expect restriction on our citizens. The latest estimate of the British citizen's outflow to the EU countries stands at 35,800, while the inflow is at 29,500. The outflow figures we anticipate could be particularly impacted for those migrating to Europe to retire, especially if they are not high net worth individuals. Unlike our need for EU workers, EU countries do not need our retirees as badly for their economies.

In addition, we anticipate that changes to residency requirements, access to healthcare and taxation for the 1.2 million UK citizens who live in Europe, of whom 400,000 are retired, will lead to an increase in the British inflow back to the UK from Europe. However, once again being conservative, we calculate a smaller change here than is likely to occur, with the net figure of -6,500 coming down to zero. Taking all this together, the following picture emerges.

Fig 5. LIKELY CHANGES TO EU MIGRATION



This estimate is based on assumptions that err in the direction of overestimating the impact of such a move and the likely figure could be even smaller. Nevertheless, this is hardly the result desired by those in favour of ending freedom of movement.

Comparison with other estimates

While there have been no other comprehensive analyses of the kind presented above of the impact of ending free movement of people, a number of studies have looked at what reductions are possible in work related immigration.

Migration Watch, a hawkish anti-immigration pressure group, has published two studies that suggest that EU migration could be reduced by 100,000 if we ended free movement, while at the same time ensuring we have enough workers for key sectors ⁶.

This figure is actually consistent with the net inflow change figure of circa 90,000 that is apparent in Figure 5. However, it is unclear the extent to which the Migration Watch estimates take into account the impact of changing freedom of movement on UK migration to Europe or the impact on EU outflows. Furthermore, the Migration Watch estimates make the highly unrealistic assumption that EU unskilled migration can be completely halted. Once these factors are taken into account, the Migration Watch estimates are in line with the analysis presented above.

One factor which we believe leads Migration Watch to underestimate slightly the EU workers that would be needed is the argument that not all tiers of working visas available to non EU migrants have been taken up in the past. We believe this to be a specious line of thinking. Given that UK companies can access EU workers without the need for engaging in complicated visa applications, it is not surprising that they often simply prefer the easier route. The fact that they do so says little for their overall need for overseas workers.

Not the whole story

There is another twist to the 50,000 change figure. The Government now recognises that pulling out of free movement of people will require us in substantial measure to leave the single market. The gaps will be filled by the new trade agreements that we will negotiate with other countries.

Of the two countries approached first, both Australia and India governments have already made official statements that they would like preferential access for their citizens to the UK labour market as a trade-off for any future trade deal. Australia is eyeing relaxed immigration rules for its business people, while India is pushing for easier access to the right of stay for Indian students after they finish their studies in the UK.

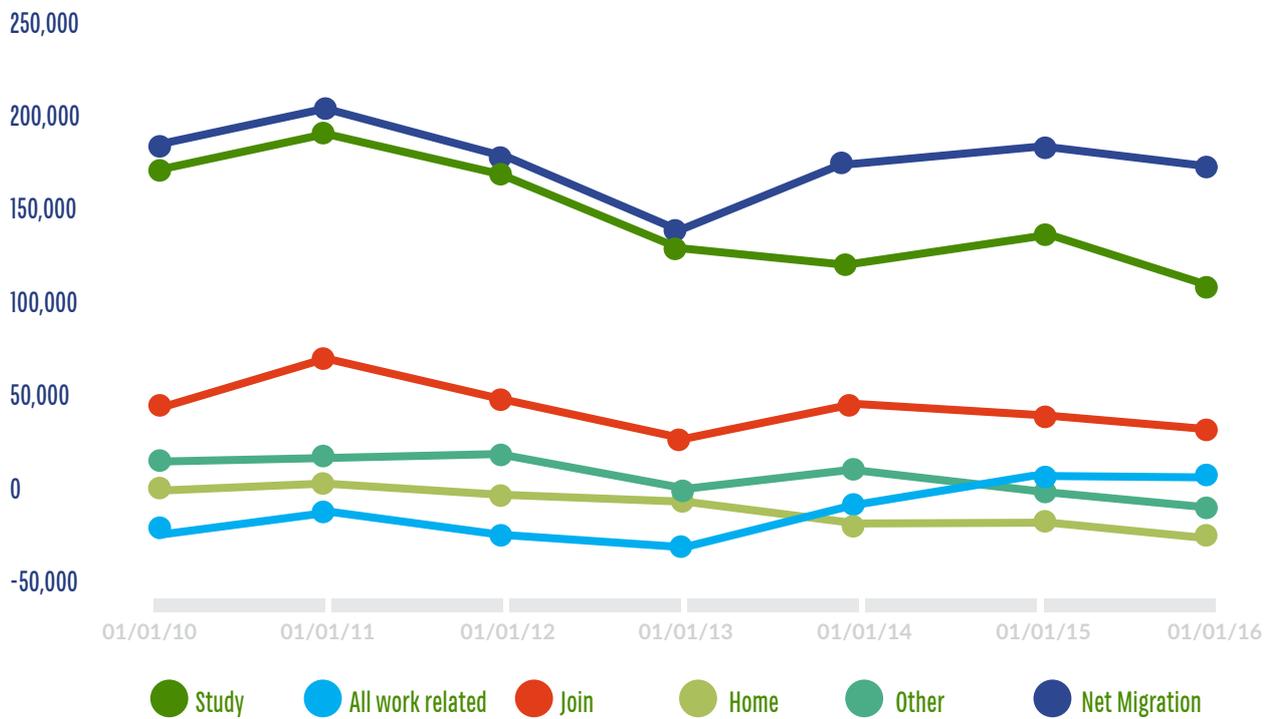
This pattern is likely to be repeated just about everywhere. China, South Africa, the US, Canada, Brazil, Turkey and many others will make similar demands. It would take only a 5,000 increase in immigration from 10 countries (a drop in the ocean as far as they are concerned) to entirely wipe out the 50,000 reduction achieved through ending free movement.

Non-EU migration: A controlled experiment

The above arguments could be found surprising. Yet to evaluate this, we have experienced something of a controlled experiment in the UK already trying to regulate the overall migration from outside the EU. The strong political pressure to reduce migration fell onto Theresa May, who was in charge of the Home Office at the time. Since the freedom of movement principle protected EU citizens from migration controls, non-EU migration was chosen as a target for stricter visa controls.

Since there's no freedom of movement of people, the examination of what has happened here provides a useful reality check on what is likely to happen when EU migration is put under the same umbrella.

Fig 6. NON-EUROPEAN NET MIGRATION AND NET MIGRATION BY REASON



A REDUCTION OF 50,000 IN THE TOTAL NET MIGRATION FIGURE OF ENDING FREE MOVEMENT OF PEOPLE. THE FIGURE MOVES FROM 335,000 TO 285,000.

Source: IPS Net migration from non-EU countries from 2010 to 2016.

It is clear that in 6 years since the targets to reduce non-EU migration were announced, little real progress has been achieved. There was a 89,000 dip in non-EU migration numbers between 2011 and 2013, however the trend was reversed the following year adding 63,000 non Europeans in the next two years. Overall, the number of non-EU migrants in the UK in June 2016 was at exactly the same level as in June 2010.

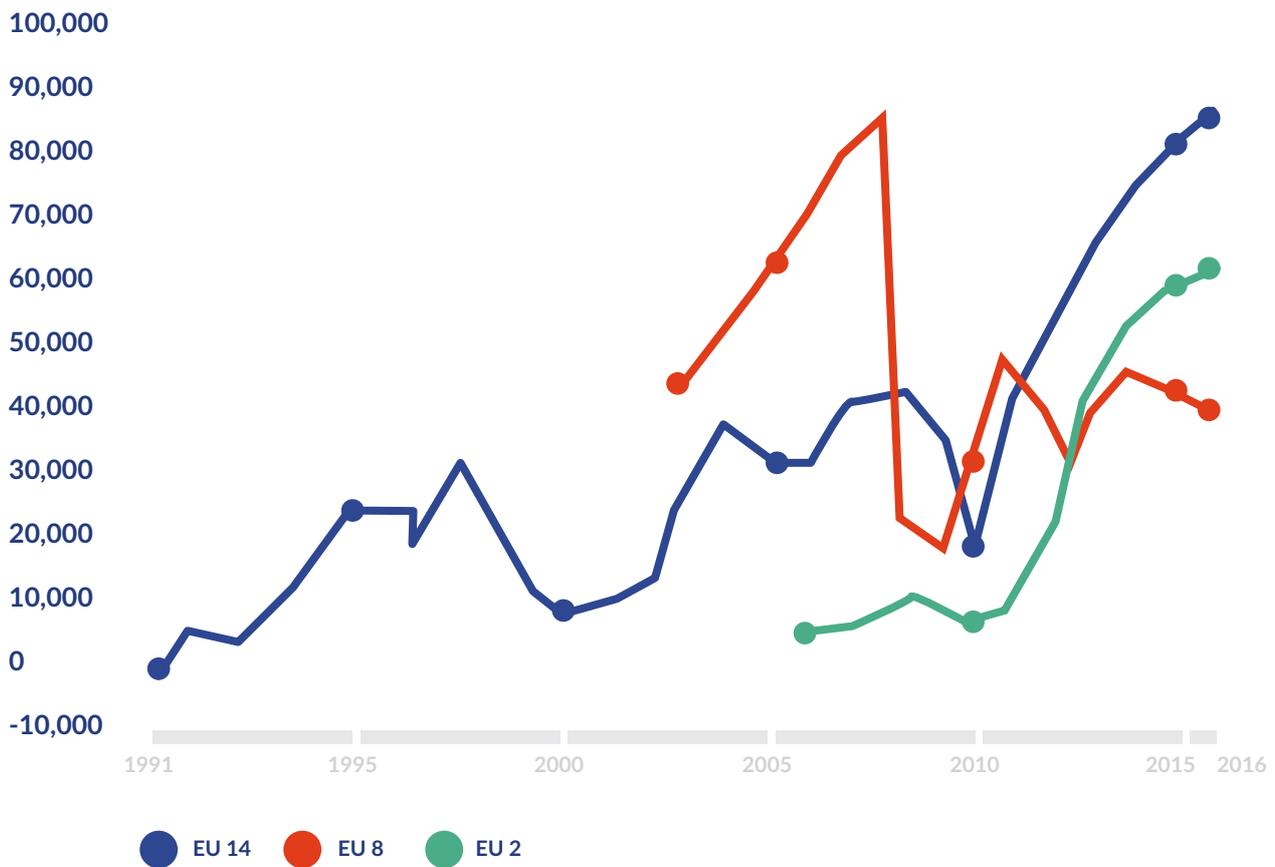
Figure 6 also looks closer at the reasons for non-EU migration. The only reduction achieved during the six-year period was due to a decrease in student numbers. Work related net migration, on the contrary, increased from a negative 28,000 people to 15,000 non-EU migrants. The number of those coming to join their families has stayed relatively the same despite a slight decrease in 2013.

When we look at the numbers coming to live and study in the UK from outside of the EU, it's clear that the efforts to control migration bore little fruit apart from reducing student numbers, which is not beneficial in the long run.

Closing the stable door after the horse has bolted: looking at historical trends in net migration

Historically, migration to the UK has been low with spikes at certain times. Figure 7 looks at the long term trends in migration to the UK.

Fig 7. EU NET MIGRATION FROM 1991 TO 2016 BY CITIZENSHIP GROUPING



EU 14:
Austria, Belgium, Denmark, Finland, France, Germany, Greece, Republic of Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden.

EU8:
Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

EU 2:
Romania and Bulgaria

Source: ONS figures based on IPS Quarterly reports from 1991 to June 2016.

The observed spikes in migration can be attributed to the following three factors. The first increase happened as a result of Tony Blair's decision to open access to EU8 citizens with no brakes in place. By 2007, the initial number of 47,000 EU 8 citizens who came in 2004 has almost doubled to 87,000. However, the spike has since subsided to its initial level. The net number of EU 8 migrants in the UK is now at 42,000.

Overall net EU migration has been pushed up by two other trends. The EU14 migration spike since 2010 is mostly due to the Southern European economic crisis. Greece, Italy, Portugal and Spain have all been hit with economic recession as a result of Eurozone crisis. Yet, with the Eurozone slowly recovering, it is likely that the migration from EU14 countries will also stabilise.

The most recent spike is due to the migration from Romania and Bulgaria. However, it is subsiding and will almost certainly follow a similar trend to EU8 migration.

Now there are 3.2 million EU citizens and 5.4 million non-EU citizens living in the UK⁸. Once the migrants are here, it is difficult to reduce inflows as people settle into their new communities and jobs and often invite their families to join. Further, when legal routes to work become unavailable, many choose other paths of entry.

One particular problem concerns illegal migration. At present, there is no incentive for EU citizens to buck the system and come to the UK illegally. However, this will change dramatically if free movement is ended. It is difficult to estimate the precise level of illegal migration for obvious reasons. However, Albania offers a glimpse of what may occur. Albania is a European country outside of the EU whose people do not have automatic migration rights. Yet a substantial community of Albanians exists in the UK - many more than official measures of Albanian immigration would suggest. It is certain that many have come through unofficial channels. Illegal paths to migration inevitably lead to exploitation of labour and to migrants existing in the shadow economy or being forced into crime.

Two conclusions follow from the above. It may not be necessary to end freedom of movement to achieve reductions in net migration from Europe as the numbers will decline anyway. The surge that we have seen in EU net migration numbers since 2014 is historically unprecedented and is likely to abate. There is in fact increasing evidence that, for example with EU8 migrants, the collapse of the pound and convergence of living standards, is already leading to a decline in migration. Furthermore, reductions beyond this natural pace may only be possible up to a certain level.

Policy implications

There are genuine concerns in the UK about the levels of migration and its sustainability. The question is then how to manage it without damaging economic performance or our relationship with the EU. There is also a genuine concern that the current migration system favours EU nationals at the expense of others in a way that is problematic for our relationships with those countries.

We suggest the following as the UK's best strategy for balancing out these objectives.

1. MAINTAIN FREE MOVEMENT OR MOVE TO FREE MOVEMENT OF LABOUR

Given the minimal likely impact on net migration of abolishing freedom of movement, the easiest option for policy makers may be to retain it. This would help secure maximum access to the single market, avoid greater uncertainty for business and reduce the pressure on the unity of the UK that a hard Brexit is causing. Honouring the referendum's decision to leave the EU would then focus on other issues, such as the UK's freedom to negotiate trade deals with other countries or leave other non-economic EU institutions and bodies.

However, there are many people who believe that to reflect the referendum result, a significant sense of control on EU migration has to be achieved. Although that was not the question on the ballot paper, immigration was clearly a significant feature in the campaign.

A possible reform under discussion within the rest of the EU, as much as in the UK, is to adopt a rule allowing the free movement of labour but not people. This would mean workers could move between countries if they had a definite job offer but could not move freely simply to find employment. This was a system that existed in the EU until 1993 and there are allies for returning to such an agreement in mainstream parties across member states.

Free movement of labour would reduce the EU inflow number by 71,000. However, once the impact on outflows and UK migration is taken into account, we calculate the reduction would be in the same ballpark as the abolition of free movement altogether. While it may be easy for people to circumvent the stipulation of acquiring a job simply by arriving as tourists or through illegitimate offers of work, this move would place control of migration more in the hands of UK employers.

2. PRESERVE THE RIGHT FOR EMERGENCY BRAKES TO CREATE A SENSE OF CONTROL

One of the major problems with the current position is that it gives people the sense that there are no controls. Moving to a freedom of movement of labour could create a greater sense of control as the act of being offered a job becomes the critical factor.

Historic European net migration trends show that significant spikes can occur and it is this that creates tension. Countries like Norway that are not EU members, but embrace freedom of movement, have brakes in place. Some concessions here were offered to David Cameron and it should be politically possible to argue for more concessions like this given the UK's withdrawal from the EU.

3. PUT IN PLACE WORK MEASURES TO REBALANCE THE UK JOB MARKET

A number of measures here could go along with the above policy to balance migration and increase uptake of locals in the jobs market. Over time these policies could be much more effective in constraining immigration than simply pulling out of free movement. These include:

- A Enforcing policies on the minimum wage and other work place safeguards.
- B Requiring businesses and other employers to embrace skills training, work placements and apprenticeships in order to develop home based skills more.
- C Putting in place much more stringent English language requirements for many more jobs.

These and other measures would build up the long-term competitiveness of UK businesses, as well as help in rebalancing certain sectors of the job market for locals.

4. SPREAD MIGRATION MORE EVENLY ACROSS INDUSTRY/LOCALITY

The pattern of the Brexit vote indicates that most resistance to migration occurs when it happens over a short period and is concentrated narrowly in a particular area. It makes the existing community feel a loss of control and the sense of separateness causes suspicion and mistrust. Diversity targets with respect to nationality/ethnicity, for local authorities and in the work place, could encourage more positive mixing. While clearly it is difficult to force migrants to go to particular places; governments, local authorities and businesses could work together more productively to ensure there is greater diversity across localities and within businesses.

5. ENSURE THE FREEDOM TO NEGOTIATE OTHER TRADE DEALS

A major objective of political leaders should be to move the debate away from migration to other ways in which the referendum result can be honoured both in substance and in spirit. Our negotiations should focus more on how we can acquire the freedom to conclude trade deals with other countries, whilst having maximum access to the single market and the benefits of the customs union. Effective management of this trade off would allow us to use the Brexit vote to enhance rather than diminish our global reach.

6. ENCOURAGE GREATER BRITISH OUTFLOWS

British outflows have decreased since 2006 by 90,000 people. Given the current government's strategy of repositioning the UK as a global hub, more emphasis should be put on foreign language teaching, studying abroad and overseas placement for UK nationals. Not only will this measure

enhance the UK's global reach, it would also reduce net migration in a manner that is economically positive.

7. TAKE STUDENT NUMBERS OUT OF THE MIGRATION FIGURES

Education is one of the UK's leading export industries whose future risks being sacrificed on the alter of the migration debate. Opinion polls indicate that the public does not regard student migration as a problem at all. Removing students from the migration figures has been resisted by the Government because of a danger that if inflows and outflows of students do not match over time it becomes a back-door entry route to the country. Effective enforcement of the student visa system and continued efforts to eliminate "bogus" educational institutes could be of help here. Removing students from the net migration figure whilst adding back those students who have been granted leave to remain in the UK during that year would guard against education becoming an unrecognised route for entry. At the very least the IPS should report two sets of figures, one including students and one without so that public anxieties are appropriately managed. Removing students would have taken 130,000 out of the latest net migration figures to June 2016.

8. BUILD A NATIONAL CONSENSUS AROUND MIGRATION

Unrealistic expectations set by politicians around reducing net migration to the tens of thousands sowed the seeds for frustration and the Brexit vote. All political parties need to communicate a realistic sense of what is possible and paint a much more positive picture of the benefits of migration rather than irresponsibly using it as a political football. Although, current UK outflows are low, the UK has exported more people to other countries than any other developed country.

Conclusion

While ending freedom of movement is psychologically appealing to those who want a sense of control of our borders, the reality is such a move would create more the illusion of control. People looking for substantial reductions are likely to be disappointed with the eventual figure of 50,000 or less.

The extent to which this impact is worth the myriad of economic and political problems that pulling out of free movement would create needs to be reflected upon. In addition, promising more than can be delivered on migration risks creating a firestorm in the future.

While clearly more draconian policies around students and work permits could achieve greater reductions, it is likely that the economic costs of such measures would be quite sizeable if one were to go beyond the reductions that our research suggests. We recognise that some of our assumptions could be challenged, but in turn we believe that those pressing for an end to free movement should have the responsibility to produce their own figures for the likely impact.

With a greater level of both honesty and thought, a coherent set of measures could be enacted which would have a similar or larger impact on net migration, without the attendant negative consequences. Indeed, many of these measures would help our global outreach and economic performance.

In the final analysis, the choice is simple. Either the UK wants to be one of the most globally connected and successful economies in the world or not. If it does, a certain level of net migration is inevitable. If it wants to pull the drawbridge up on migration, then it must accept the economic price of pursuing a “Little Englander” agenda. We cannot have it both ways.

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