

Turning the Tide

How immigration is helping reverse depopulation and decline

A Global Future Report
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Table of Contents

Executive Summary	3
Introduction	5
1. The population problem.....	6
Ageing is already a serious challenge outside large cities	6
Stagnant and declining populations hurt local areas	7
The places are not the problem	10
2. Could immigration help stem depopulation?	13
Case study: Nhill, Australia	14
Case study: the Rust Belt in the US.....	15
The UK's experience	16
On the ground	22
3. How policy can help.....	25
Immigration policy.....	25
Local communities.....	29
National civil society	31
Addressing older challenges.....	31
Summary of recommendations	33

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Executive Summary

Immigration's benefits to Britain's national economy are well documented. But the contributions migrants make to local communities are not so well understood. Global Future's new report shows how dozens of local areas would be struggling with decline and shrinking populations without immigration.

Many parts of Britain have a population problem.

- While the country as a whole has an ageing population, the challenge is far more acute in certain places. There are 116 local authorities where the old-age dependency ratio is already higher than the nationwide figure will be in 2041
- Population ageing drains hospitals, social care providers and local businesses of staff and funds, making it hard for communities to sustain key services. GP clinics are becoming strained, while schools, high street shops, and post offices are closing in record numbers
- A shrinking or stagnant population of younger residents creates a vicious cycle: local authorities lose funding and businesses lose both staff and customers, forcing more closures and driving more young people to leave the area, creating a hollowing-out spiral
- Local authorities which experienced population growth from 2009 to 2016 saw, on average, more than twice as much business growth as those where the population declined
- The places are not the problem: unemployment in rural England is lower and earnings growth has been faster than in major metropolitan areas. But population decline poses a serious threat unless affected areas can find a circuit-breaker

Migration can help stem depopulation.

- Immigration to an area can help stop the self-reinforcing effects of depopulation and ensure local demography is sustainable. This argument is applicable across the UK, but it has only been made by politicians in Scotland
- International case studies show the potential for migration to help sustain the population of small towns and rural communities:
 - In Australia, country towns have welcomed large numbers of migrants not for seasonal work, but to become permanent settlers. In one town, refugees from Myanmar make up nearly 10% of the population and helped "give a new lease of life to the town"
 - In the US, refugee resettlement has helped offset and even reverse population decline in small, struggling cities in the Rust Belt. Some cities, like Dayton, Ohio, make very deliberate efforts to attract immigrants to boost their population
 - The challenges of shrinking populations, and the role of immigration in combating them, have been discussed in media reporting in places as diverse as Germany, Canada, Italy and Spain
- The problem of population decline and the potential for immigration to counter it has not been part of public discourse in the UK - but behind the scenes, migration has already made a huge difference
 - There are 128 local authorities where the working-age population would have shrunk between 2001 and 2016 without immigration, but instead grew or was stable
 - There are 55 local authorities where immigration reversed declines in the total population

- In 16 local areas, migration has improved the total dependency ratio by more than ten percentage points. Without immigration, there would be nine local authorities with a total ratio over 80%, compared to the overall UK ratio of 57.8%
- The places that have benefited are diverse: small coastal settlements, market towns in the Midlands, rural parts of the home counties, as well as parts of some large cities. They have different attitudes to immigration and voted very differently on Brexit

With better policy, nationally and locally, immigration can play an even bigger part. The UK's immigration system is currently designed in a way that actively discourages migration to the parts of the country facing population and demographic challenges. That should change.

- National immigration policy can change, in ways ranging from minor tweaks to significant reforms:
 - Create regional post-study work visas or regional quotas for skilled visas
 - Reform sponsorship arrangements for professions like GPs to make it easy for small, local employers to hire migrants
 - Introduce a regionally-differentiated salary threshold for skilled visas
 - Create easier paths to permanent residence for migrants who live in rural areas or those with demographic problems
 - Introduce rural or regional visas, potentially with direct involvement from local and devolved government in selecting migrants
- Local communities – including local government, employers and business groups – also have a major part to play:
 - Launch welcoming initiatives to help migrants settle and attract others, following the example of small towns across the US under the 'Welcoming America' umbrella
 - Conduct international outreach to potential migrants who might not otherwise consider settling anywhere other than large cities
 - Run inclusive processes that bring residents into a discussion about demographic challenges and the need to maintain a stable or growing population
- National civil society organisations can help spur change, in both direct and indirect ways:
 - National groups can provide standard templates or toolkits, as the Regional Australia Institute does, for local communities interested in creating integration initiatives or attracting more migrants
 - Advocacy and analysis, which may be difficult for small local groups to conduct alone, can help convince politicians at all levels to take policy steps to help attract migrants to places that might face depopulation challenges
- Underlying difficulties that help start the spiral of population decline, including a lack of affordable housing and a poor environment for high street businesses, also need to be addressed in the long term

Introduction

Immigration has become a potent symbol of the divide between big-city Britain and the rest of the country. Large metropolitan areas have the highest numbers of immigrants, and the populations most favourable towards immigration. Smaller towns and villages don't have much immigration, and don't see why they should want more.

This, at least, is the stereotype that has become dominant in public debate. The reality, this report argues, is quite different. Immigration has been quietly playing a crucial role in sustaining the life of smaller settlements.

Population decline can pose an existential threat to villages and small towns, and even in larger settlements it can be a cause of significant economic and social problems. A shrinking population - which, since the young are more likely to leave, is usually an ageing population as well - increases the demands on local services like social care and hospitals, and decreases the funds available to provide them. It robs local businesses of both staff and customers. And as the damage sets in, more people choose to leave the area, reinforcing the consequences.

The dangers of this vicious cycle are well understood in places like the United States, where shrinking populations have been one of the main problems afflicting cities and towns in the struggling Rust Belt. In the UK, the risk of local depopulation has only entered public debate in relation to remote parts of Scotland - but the true scope of this challenge is far broader.

Migration has been key to heading off that issue. Our analysis reveals that there are dozens of local authorities across England and Wales where the population would be shrinking if it weren't for immigration. They are not, contrary to what the usual stereotypes might suggest, concentrated in major urban areas. Instead, places all across the country - from small coastal settlements to market towns in the Midlands to largely rural districts - have benefited from immigration sustaining their population, especially the working-age population. London and other big cities, too, have avoided the fate of places like Detroit thanks to migration heading off depopulation.

This vital contribution has not come because of deliberate policy or planning. That is a problem. It means that the potential benefits migrants can bring to places facing population decline are not being maximised. And it means they aren't understood or appreciated, because local communities have not had a serious discussion about their population needs and how immigration can help meet them.

With better policy and better public debate, drawing on lessons from Australia, Canada and the US, our immigration system can come to better serve the needs of the whole country, and recognise the vital contribution migrants are making to communities across the entire UK.

1. The population problem

The United Kingdom, like most of the rich world, has a population which is growing steadily older. By 2066, the ONS projects that a quarter of the population will be 65 or older.¹ The ratio of retirees to active workers is set to rise sharply. The potential difficulties this will create for future governments trying to maintain pensions and provide sustainable healthcare, social care and other public services are well documented.²

All parts of the country are not equally affected by the phenomenon of an ageing population. In fact, ageing is heavily concentrated in certain places. The average age in major cities rose by less than six months from 2002 to 2017, compared to an increase of more than a year in smaller cities and more than three years in rural towns and villages.³ Scotland is ageing faster than England, and the South West faster than the South East. And the gap in age profile is reinforced by internal migration, which sees young people leaving areas where the population is ageing quickly, often to cities where the general population is younger.

Some aspects of the demographic challenge are national in character. The geographic distribution of young and old people doesn't matter to the question of whether enough tax is being paid to cover the costs of the state pension and the NHS.

But other facets are more localised. Hospitals, GP clinics and social care providers need not only funding, but also staff. Local businesses, too, need employees, and a reliable customer base that can't necessarily be provided by retirees alone. Severe population ageing can be a serious problem for the vitality of a local area's economy and, in turn, its community.

This section examines the ageing problem as it manifests itself at the local level. Ageing populations often exist alongside stagnation or decline in the overall population of an area. The unavoidable reality is that local communities cannot send their old people away: the only way to tackle the ageing challenge is to boost their younger population, by encouraging locals to stay and attracting new residents from elsewhere.

Ageing is already a serious challenge outside large cities

In England as a whole, the old-age dependency ratio was 302.8 in 2016: in other words, there are just over 300 people of pension age per 1000 workers. That is set to rise to 366 by 2041, and that projection has been attracting attention and concern from policymakers for more than a decade.

But there are 116 local authorities in England which, in 2016, already had a dependency ratio above the projected national figure for 2041. Nineteen had dependency ratios above 500, meaning there are not even two people of working-age for every retiree. In West Somerset, the ratio is 671.2.

Given how serious the demographic challenge is in many parts of the country, it's no surprise that the consequences of rapid ageing are already being felt. The Local Government Association

¹ ONS (2018), ['Living longer: how our population is changing and why it matters'](#).

² The Times, August 20 2018, ['An ageing population is posing problems that Britain cannot ignore'](#).

³ Department for Environment, Food & Rural Affairs (2019), ['Rural population and migration: Mid-year population 2017'](#).

identified increasing strain on public services, due to dispersed and ageing populations, as one of seven key challenges for the future of non-metropolitan England.⁴ Delegates from local councils highlighted the difficulties caused by the departure of young residents for larger urban areas. A stagnant working-age population, the LGA has also suggested, is likely to create economic problems as employers struggle to find staff and social care services come under increasing pressure.⁵

School closures, too, have become increasingly common as the number of pupils in some villages and towns declines precipitously. One rural school closed every five weeks from 2012 to 2016,⁶ continuing a trend that had already been identified in 2009.⁷ The ageing of the population has hit both schools' ability to find teachers and, with fewer young families, the number of students they serve and the funding they receive.

The effects of ageing populations also reach into the private sector. The growing wave of shop closures sometimes called a 'high street crisis' has many causes, including the increasing role of e-commerce, stubbornly high rents and business rates, and general changes in consumer habits. But the bare fact of a working-age population that is no longer growing is, in many places, an important part of the story. More than a decade ago, media reports were already highlighting places where local businesses had closed because the ageing population no longer provided enough custom to sustain them.⁸

That dynamic has only accelerated since then. The Guardian reported this year that the number of unoccupied shops rose by more than 7,500 in 2018, with bank branches and pubs closing in particularly large numbers.⁹ Post offices are becoming less and less financially sustainable in ageing communities, and there is a risk of as many as 2,500 closures in the near future due to declining government subsidies for the network.¹⁰

There can be no doubt that, in many parts of Britain away from the country's major cities, the demographic challenge is already biting. The predicted consequences of an ageing population, from the stagnation of private businesses to the serious strains on public services, are a reality for much of the UK today.

Stagnant and declining populations hurt local areas

Many of the problems associated with ageing, particularly in smaller towns and rural areas, are ultimately about decline or lack of growth in the size of the population as a whole. A rising old-age dependency ratio will always mean a growing need for health and social care. But it will not necessarily lead to issues like school closures and struggling businesses, if the working-age

⁴ Local Government Association (2019), '[The future of non-metropolitan England: the freedom to lead local places](#)'.

⁵ Local Government Association (2019), '[The future of non-metropolitan England: Moving the conversation on](#)', p7.

⁶ National Housing Federation (2017), '[Affordable housing saving rural services: Rural life monitor 2017](#)'.

⁷ The Independent, September 19 2009, '[The lost villages of Britain: Can our rural communities survive in the 21st century?](#)'.

⁸ The Telegraph, April 14 2008, '[Rural decline: Case study - Wrotham](#)'.

The Telegraph, April 14 2008, '[Communities declining at 'fastest rate ever'](#)'.

⁹ The Guardian, May 2 2019, '[Thousands of UK shops left empty as high street crisis deepens](#)'.

¹⁰ i News, May 21 2019, '[Post Office closures: 2,500 could be closing around the UK](#)'.

population is merely growing at a slower pace than the older population. If the number of young and working-age people in an area is shrinking or stagnating, however, the effects can be far more serious.

There is a compelling theoretical explanation about why stagnant populations create a vicious cycle that can become extremely damaging for local areas. That cycle operates through two channels: one in the private sector and one in the operation of government policy.

In the private sector, the working-age population is the main source of both customers and staff for businesses. A village pub's sustainability can be threatened either by a shrinking market of working people with more spending power or by an inability to find the employees it needs to stay open. When businesses start to close, that encourages further decline. The business owners and their employees lose their incomes, affecting other businesses in turn. Employment opportunities become scarcer for the working-age population that remains, and the loss of amenity makes an area less attractive. These forces drive further movement of working-age residents out of the community, deepening a spiral of depopulation and hollowing out.

Public services face a similar dynamic because of the connection between population and funding provision. Any decline in population means less money available for investment in the area, as well as for services like schools and GPs. A steady fall in pupil numbers may make it very difficult for a school to cover the fixed costs of its buildings and operations, but it is difficult for the government to justify increasing funding to a school as it serves fewer and fewer students. Closures or mergers then make families with school-age children more likely to leave the area. The same kind of mutual reinforcement can affect healthcare provision. In other public services, such as social care, the lack of available employees is the more severe constraint.

Spiral dynamics in different services and amenities also interact and worsen each other's effects. Families may leave because of a school closure, reducing the number of customers at a local pub and the funding available for a GP clinic. That sparks more closures, reduced job opportunities and further depopulation. Population decline makes it very hard for an area to maintain its amenity, and so it is challenging for that decline to be arrested or reversed.

These effects are not merely theoretical. They have been highlighted by local and national politicians and in the media for many years. A Welsh Labour MP described the vicious cycle of depopulation and reduced government funding in 2014.¹¹ It's been a recognised problem in communities in the Scottish Highlands for nearly fifty years.¹² In the final years of the last Labour government, a spate of newspaper articles highlighted the challenges of shrinking populations. One pointed to shop and school closures in a village in the North East as stemming from the fact that "there just aren't enough full-time residents left".¹³ The chair of Gordon Brown's Commission for Rural Communities pointed explicitly to the "domino effect" of reduced amenities and migration away from local areas.¹⁴ And more recently, the Prince's Countryside Fund pointed in 2018 to out-

¹¹ Wales Online, January 11 2014, '[Rural Wales is at risk of depopulation unless the cost of living is addressed, MPs warn](#)'.

¹² The Press and Journal, October 5 2018, '[The people equation: Looming crisis of depopulation back at the top of the agenda](#)'.

¹³ The Independent, September 19 2009, op. cit.

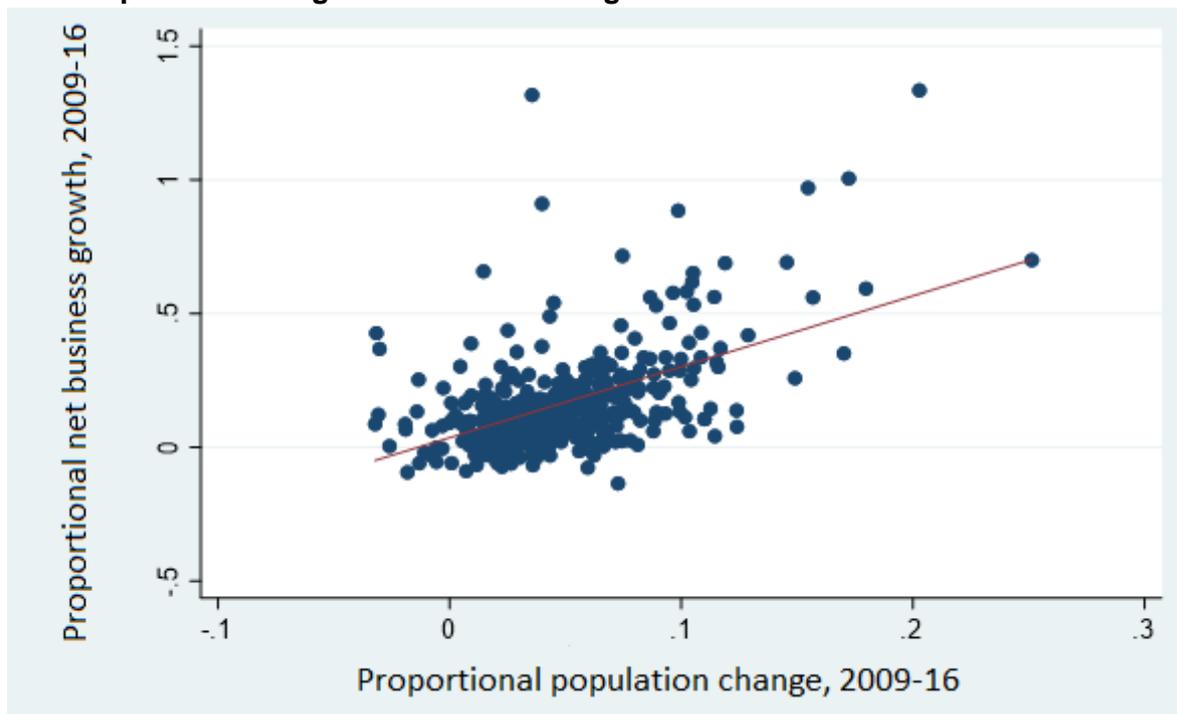
¹⁴ The Guardian, September 14 2008, '[How our villages are fighting to stay alive](#)'.

migration of young residents as one of the top five challenges for rural communities across the country.¹⁵

A particularly striking example comes from the town of Corby, in Northamptonshire. As documented in IPPR's Local Migration Panel from the town, Corby's labour market and population went into precipitous, mutually reinforcing decline after the closure of the town's steelworks.¹⁶ Corby is notable for the fact that local leaders recognised that their town's challenges could not be addressed while the population was ageing and shrinking, and took deliberate steps to reverse that population decline.

Broader statistical evidence also points to the damage of stagnating and declining populations. Examining statistics on the number of businesses opening and closing, for example, shows a clear connection between population growth and net business growth. Local authorities which experienced population growth from 2009 to 2016 saw, on average, more than twice as much business growth as those where the population declined. More broadly, there is a statistically significant correlation between business growth and population growth.

Figure 1. Population change and net business growth.



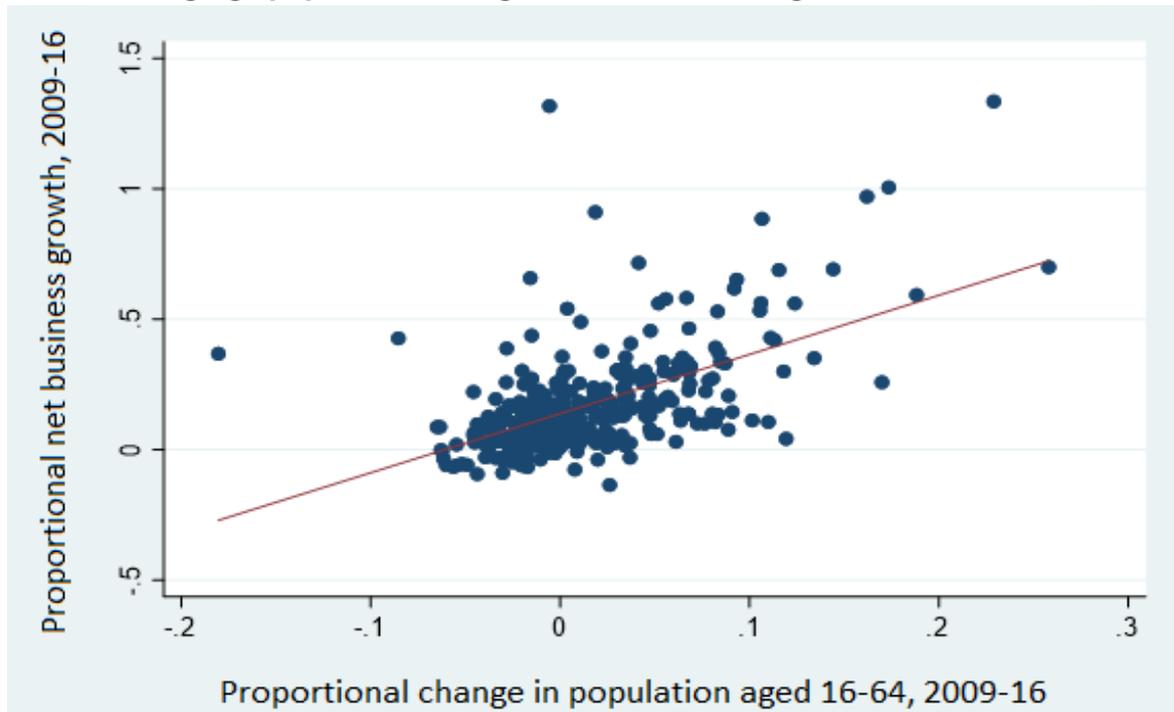
Source: Global Future analysis of ONS business demography & ONS population estimates. $R^2=0.273$, correlation coefficient=2.65.

¹⁵ Prince's Countryside Fund (2018), '[Recharging Rural Creating sustainable communities to 2030 and beyond](#)'

¹⁶ IPPR (2019), '[Local Migration Panel: Corby](#)'.

The effect of change in the working-age population is even clearer.

Figure 2. Working-age population change and net business growth.



Source: Global Future analysis of ONS business demography & ONS population estimates. $R^2=0.318$, correlation coefficient=2.27.

Of course these are extremely simplistic statistical measures. They certainly cannot be taken to imply causation. But in the context of the vicious cycle, the correlation itself is notable: business growth and population growth tend to go hand in hand.

The lessons of these statistics are reflected in the experiences of individual towns and villages. The National Housing Federation has identified a number of case studies where vital local amenities such as schools, pubs and post offices were on the brink of closure because of population decline, often attributable to a lack of affordable housing. As the NHF Rural Life Monitor puts it, when “it is difficult for families to grow and remain in the same area, and more difficult for people to move to these areas [...] the long-term sustainability of local businesses [is] at risk.”¹⁷

The UK is not alone among wealthy countries in facing challenges to the sustainability of smaller towns and villages as urbanisation grows more intense. But the country has, on the whole, been slower than places like Canada or the United States to recognise that local population decline is at the heart of these problems and that newcomers to the area - whether from elsewhere in the country or further afield - are not a threat, but a vital lifeline.

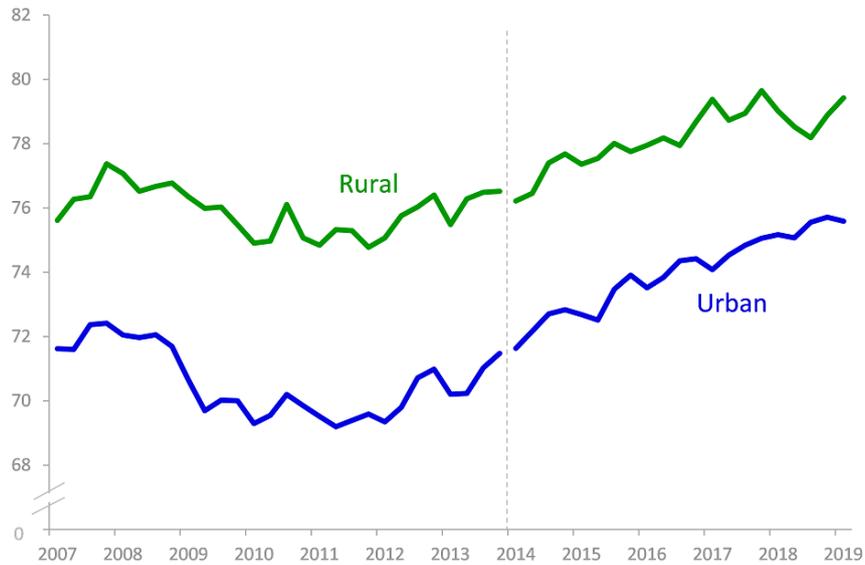
The places are not the problem

In discussions of population decline, it's far too easy - especially for policymakers in large cities - to see depopulation as having a simple cause: that small towns and villages are backwaters, offering no opportunity and so driving people away. But that simply does not reflect the reality.

¹⁷ National Housing Federation (2017), op. cit., p3.

Employment in the UK is, of course, concentrated in the places where most people live: the urban core and commuter belts of London and other large cities. But the tightest labour markets are generally in rural rather than urban areas. In the fourth quarter of 2018, the unemployment rate in rural parts of England was 2.9%, well below the urban rate of 4.2%. The proportion of all 16 to 64-year-olds was 78.9%, compared to an urban figure of 75.7%. These disparities are consistent, and in fact have been even larger in recent years. Similarly, the share of the working-age population claiming unemployment benefits is consistently lower - often around half the level - than in urban areas.

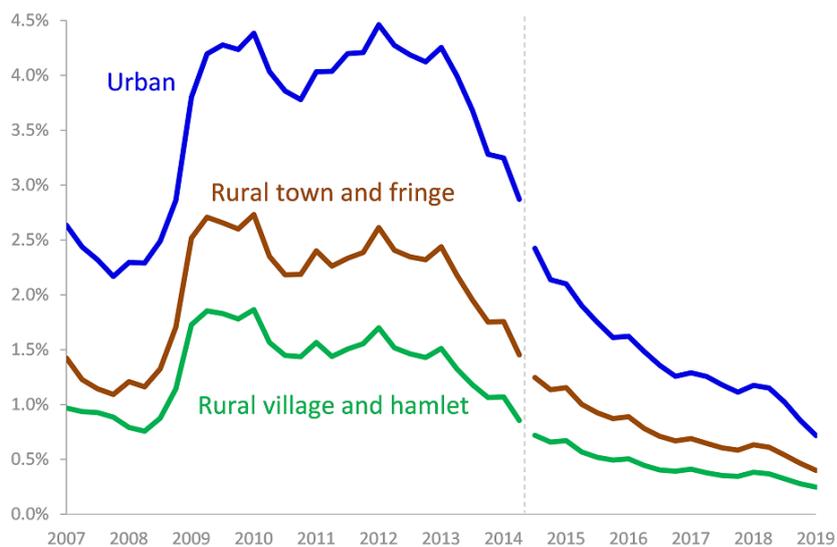
Figure 3. Rural and urban working-age employment ratios, Q1 2007 to Q4 2018



Source: [Rural Economic Bulletin for England, June 2019](#).

Dashed line: Change in Rural-Urban Classification may affect how some areas are categorised.

Figure 4. Rural and urban claimants of Jobseeker’s Allowance as a percentage of the working age population, Q1 2007 to Q4 2018



Source: [Rural Economic Bulletin for England, June 2019](#).

Does not include people claiming Universal Credit. Dashed line: Change in Rural-Urban Classification may affect how some areas are categorised.

The local authorities with the highest ratio of 16 to 64-year-olds in employment are:

- West Oxfordshire
- Orkney Islands
- East Staffordshire
- Daventry
- North Devon
- Spelthorne
- Harrogate
- Hart
- Basingstoke & Deane
- Chorley

None of these are in a core city, and most are not in the orbit of one.

All these figures, based as they are on the working-age rather than the overall population, are not just a reflection of a large retired population. Nor is it simply a matter of plentiful jobs in poor conditions: when London is excluded, earnings are broadly similar across all kinds of urban and rural settlements, and earnings growth in the last decade has actually been faster in less urbanised areas.¹⁸

Areas outside major cities have many non-economic attractions, of course. Greater access to green space, larger homes and smaller communities all contribute to the amenity of smaller towns and villages. Surveys on life satisfaction generally show less urban areas have happier residents; the most recent ONS data shows that local authorities classified as largely or mainly rural are substantially happier than urban council areas.¹⁹

This higher quality of life, alongside tight labour markets and rising wages, shows that it is not merely 'push factors' which spark population stagnation and decline. In the context of high employment rates, it's more likely that businesses close because they can't find enough workers than that residents leave because they can't find a job. There is no inevitability to depopulation and the cycle of decline it causes - but once the spiral has started, it can be difficult to reverse.

The National Housing Federation's case studies are a clear illustration of this. The NHF highlights a series of examples where an innovative project to provide affordable housing made it possible for residents to stay, or come, who might otherwise have had to live elsewhere. That new opportunity disrupts the damaging cycle of depopulation, enabling services to stay open and so, in turn, making it less likely that others will leave in future.

Population circuit-breakers like these are crucial to the future of England's villages and towns. But, by their nature, they require concerted political and community effort to make a reality. And that effort can only be sustained when the importance of stable population growth and the contributions of newcomers to the area are recognised and appreciated.

¹⁸ Department for Environment, Food & Rural Affairs (2019), '[Rural earnings](#)'.

¹⁹ ONS, 'Measuring National Well-being: Life Satisfaction', analysed using the 2011 Rural-Urban Classification of Local Authorities.

2. Could immigration help stem depopulation?

In the UK, population decline is rarely a focus of policy attention, and even more rarely linked to immigration. When it has taken place, the discussion has focused on rural areas, in particular in Scotland and Wales.²⁰ But the risk of depopulation does not only affect remote rural communities, and the potential for immigration to help combat it is relevant across the country.

To date, the most consistent advocates of immigration as a tool of local population policy have been in Scotland. Depopulation has been treated as an urgent issue since devolved government was established in 1999. From 2005 to 2008, Scotland-specific immigration policy aimed to help recruit international students and encourage them to stay in Scotland after graduation.²¹ More recently - both before and especially after the EU referendum - the Scottish government has consistently called for devolution of control over migration policy, citing Scotland's need for immigration to sustain its population.²² Scottish local authorities, too, have been actively involved in the argument for using migration to tackle the challenges of depopulation and demographic change.²³ This stands in stark contrast to the Welsh government, which has not tried to build a case for migration to Wales or devolved immigration powers, despite facing similar demographic challenges as Scotland.²⁴

These calls have largely fallen on deaf ears. At the political level, the major nationwide parties have shown no willingness to consider any kind of devolution in immigration policy. More importantly, the argument that migration can help counter the effects of a declining population has not gained much purchase.

The Migration Advisory Committee, for example, responded to submissions about the importance of immigration to combating depopulation in rural Scotland as follows:

Migration is much less effective at dealing with a rising old age dependency ratio than increases in the pension age and immigration may not be an effective strategy for sustaining remote communities unless the reasons for locals leaving are addressed.²⁵

The MAC did not conduct a close analysis of the dynamics of population change and decline, and is understandably reluctant - in this area as well as others, such as social care - to prescribe immigration policy solutions to problems which have different underlying causes.

²⁰ House of Lords European Union Committee (2017), '[Brexit: devolution](#)', 4th Report of Session 2017-19.

²¹ House of Commons Scottish Affairs Committee (2016), '[Post-study work schemes](#)', 4th Report of Session 2015-16.

²² Scottish Government (2019), '[UK immigration policy after leaving the EU: impacts on Scotland's economy, population and society](#)', Report of the Expert Advisory Group on Migration and Population.

Scottish Government (2018), '[Scotland's population needs and migration policy: discussion paper](#)', Consultation Paper.

Commonspace, July 8 2019, '[SNP demands immigration powers as new figures show Scotland set to lag behind European neighbours in population growth](#)'.

²³ Convention of Scottish Local Authorities (2017), '[COSLA Response to the MAC Call for Evidence: EEA-workers in the UK Labour Market](#)'.

Convention of Scottish Local Authorities (2018), '[Local Authority Work to Tackle Depopulation](#)'.

²⁴ See Annexes C and D of Welsh Government (2018), '[Brexit and Fair Movement of People](#)'.

²⁵ Migration Advisory Committee (2018), '[EEA migration in the UK: final report](#)', p123.

But in this case, the suggestion that immigration is not a solution to depopulation neglects the self-reinforcing dynamics of population decline. As described in the previous section, out-migration of local residents can often be caused by earlier out-migration of others. The reason for depopulation is, in many cases, depopulation. Talk of tackling underlying problems makes less sense in this context, and the simple remedy of encouraging immigration to stem population decline can be highly effective.

Vicious cycles don't provide the full explanation of depopulation in local areas. But, over time, they can become more important to continuing population decline than the initial spark for out-migration. Addressing other issues - whether through improving housing affordability or investing in revitalising public space - may require substantial investment over a long period of time. That investment is unlikely to be sustainable if reinforcing dynamics of population decline are allowed to continue. Even if it's true that migration provides only a temporary solution to the challenges of areas facing shrinking populations, that can be a lifeline and vital first step.

That hasn't been widely recognised in the UK. But international experience, from countries facing similar situations, clearly demonstrates the role that immigration can play.

Case study: Nhill, Australia

Australia has had a deliberate policy of using immigration to grow its population since at least the end of the Second World War. A large permanent migration programme has contributed to the Australian population more than tripling since 1945.

As well as adopting a nationwide policy of population growth, Australia has used immigration to help sustain the workforce and population of particular regions and small towns. One widely cited example is the town of Nhill, 400 kilometres north-west of Melbourne.

Nhill is situated in the Hindmarsh Shire local government area, whose population shrank by 10% from 2001 to 2016. The decline in the working-age population was even steeper, making it difficult for employers to recruit enough staff. But the potential damage has been mitigated by the settlement of several hundred Karen refugees from Myanmar, who now make up nearly 10% of Nhill's population. One major employer, a poultry company which had been considering leaving the area due to staffing challenges, has stayed in Nhill largely as a result of this influx.

Although the pre-existing level of diversity in Nhill was extremely low, the impact of the settlement of Karen migrants has been welcomed in the town. Researchers from the University of Amsterdam found that residents of Nhill, compared to those in similar towns, were more trusting of people of different ethnicities and more supportive of welcoming refugees to Australia.²⁶ An economic analysis found that the population boost had increased gross regional product by A\$41 million (£23 million) over five years, more than 4%.²⁷ One resident told researchers that the arrival of the Karen had "brought a new lease of life to the town".²⁸

²⁶ Smerdon & Albrecht (2016), '[When refugees work: The social capital effects of resettlement on host communities](#)', working paper.

²⁷ AMES & Deloitte Access Economics (2015), '[Small towns, big returns: Economic and social impact of the Karen resettlement in Nhill](#)'.

²⁸ Ibid.

Nhill's story is a particularly striking one, which has been widely covered in Australian media. But the phenomenon - immigration helping sustain the population of towns which, by British standards, are both small and very remote - is widespread. In Pyramid Hill, a rural town of 500 people, nearly a quarter of the population is Filipino; one resident told the New York Times that the "school wouldn't be here if it wasn't for them."²⁹ Other towns have welcomed workers from South America to skilled work in the agricultural sector.³⁰ The Regional Australia Institute monitors job vacancies in rural Australia and says that there are tens of thousands proving difficult to fill, and has embraced the role of migration in helping sustain the working-age population.³¹ The organisation recently produced a toolkit to help towns attract immigrants.³²

Australia has some policy mechanisms in place to encourage migration to areas with stagnant or declining population, which will be discussed in the next section. But many migration success stories are not closely connected to these policies, and they are particularly notable for their diversity: refugees as well as high-skilled workers, coming from all parts of the world to places all over the country.

Case study: the Rust Belt in the US

Part of the well-documented decline of communities in America's Rust Belt is a steady fall in the population of previously thriving cities and towns. The city of Detroit, for example, saw a boom in the first half of the 20th century driven by migration both from overseas and of African-Americans from the South. But it has fallen by more than 50% from its peak of 1.8 million, and cities of all sizes throughout the Rust Belt have faced similar outflows.³³ That trend, and the accompanying ageing of local populations, is increasingly being recognised as one of the core challenges for the economies of former industrial hubs.³⁴

As in the UK, the causes of economic dislocation in these depopulating cities are complex, and a broad set of policy responses is needed to fully address them. But in many, migration is playing an important role. CityLab has reported on how the US refugee resettlement programme has boosted the population in many places; of the 11 cities that have resettled the most refugees proportional to their population, eight would have had shrinking or stagnant populations without refugee arrivals. With them, that decline was stemmed or dramatically reversed.³⁵

²⁹ The New York Times, May 21 2018, '[Australia's Immigration Solution: Small-Town Living](#)'.

³⁰ SBS News, July 18 2019, '[With 44,600 jobs in the bush, communities are getting help to bring in migrant workers](#)'.

³¹ The Courier, October 7 2018, '[Opinion: Australia must prioritise regional workforce](#)'.

³² Regional Australia Institute (2019), '[Migration toolkit](#)'.

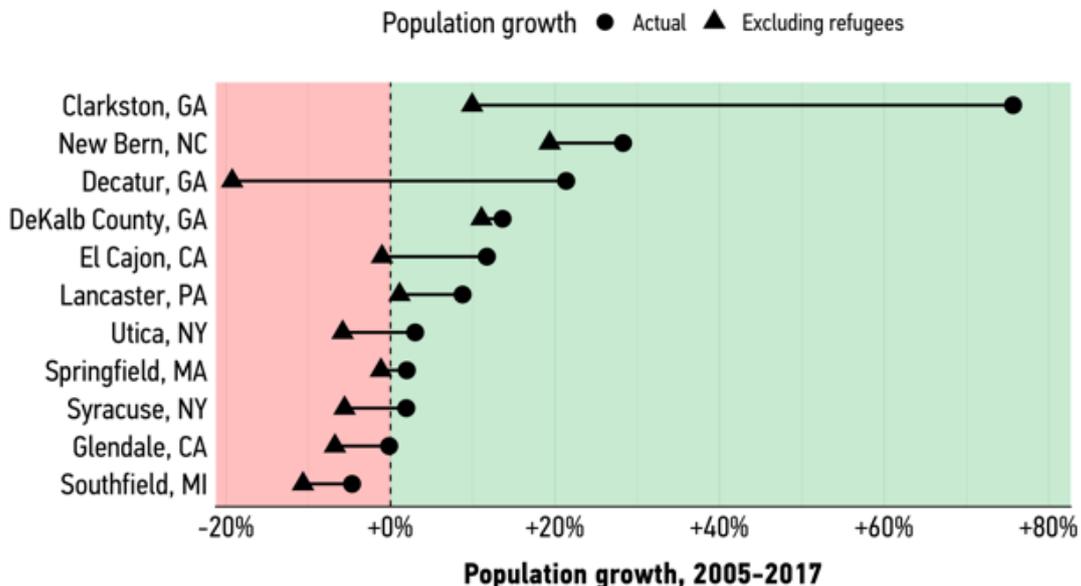
³³ City Journal, July 1 2019, '[The Rust Belt's Mixed Population Story](#)'.

³⁴ The New York Times, April 3 2019, '[America's biggest economic challenge may be demographic decline](#)'.

³⁵ CityLab, January 31 2019, '[The Cities Refugees Saved](#)'.

Figure 5.

Many cities' population growth is due to refugees



Sources: U.S. Census, WRAPSnet. (David H. Montgomery / CityLab)



New American Economy, a research and advocacy organisation, regularly produces work highlighting the contributions of immigrants to smaller cities and towns across the US. Their reports have highlighted the role of immigration in combating population decline, improving local dependency ratios and bringing skills and education which sustain businesses and create employment opportunities. In dozens of areas across the country analysed by NAE, immigrants make up a disproportionate share of the working-age population and often account for the majority of population growth.³⁶

The significance of immigration to avoiding the vicious cycle of depopulation has been recognised in many parts of the country. The population of Dayton, in Ohio, had fallen by 120,000 from its peak when the city launched a new initiative, Welcome Dayton, to make the city more attractive to immigrants.³⁷ The city is part of the Welcoming America network, which supports local governments looking to draw in immigrants to tackle their population challenges.³⁸ The Economic Innovation Group recently published a report examining in detail the ways that immigration can help turn around cities and towns in decline, calling for the development of a new 'Heartland Visa' to attract more migrants to these communities.³⁹

The UK's experience

In every year since 2001, a large number of local authorities would have experienced population decline if it weren't for immigration. Immigration has been particularly important to sustaining the

³⁶ See, for example, NAE reports on the [Great Lakes region](#), [Marion County, Indiana](#), the [Sioux City area](#) and [Portland, Maine](#).

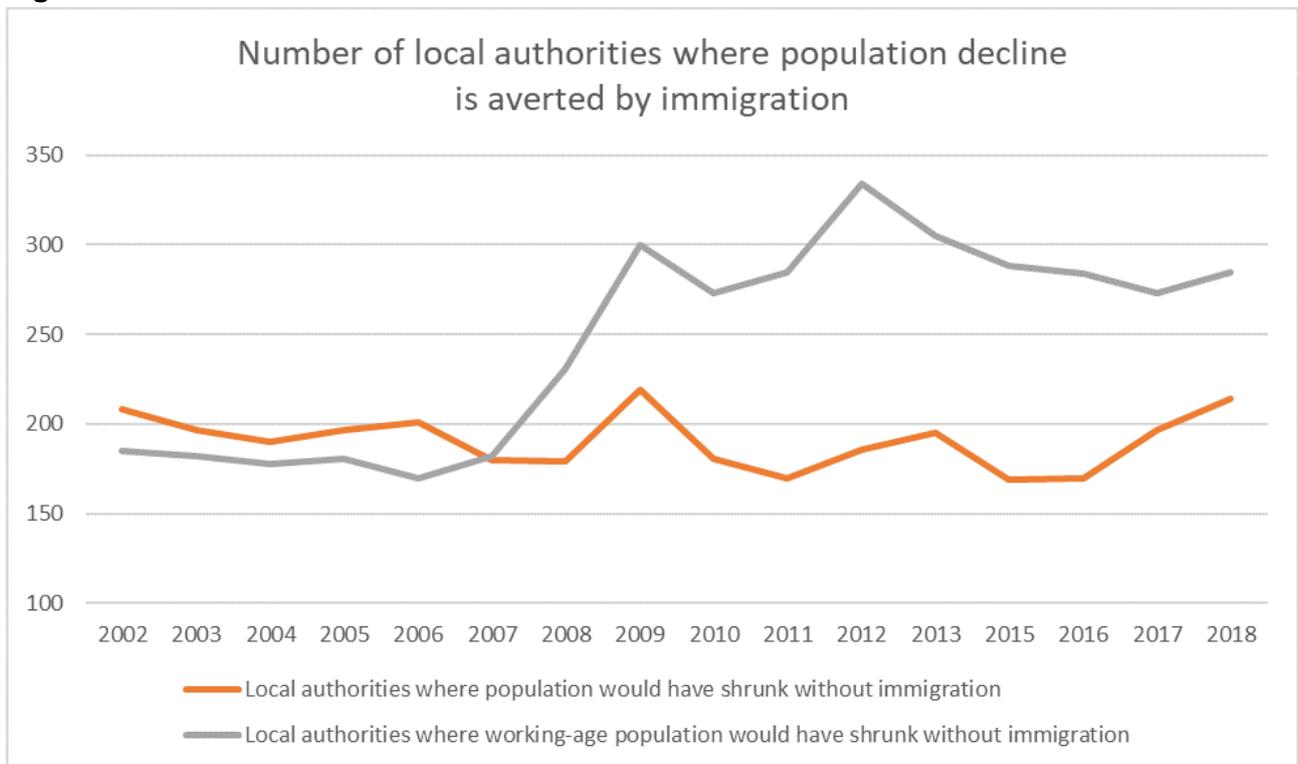
³⁷ Welcome Dayton, '[Implementation Plan](#)'.

³⁸ Welcoming America, '[Who We Are](#)'.

³⁹ Economic Innovation Group (2019), '[From managing decline to building the future: Could a Heartland Visa help struggling regions?](#)'.

working-age population in many areas: in some years, such as 2012 and 2013, more than three quarters of all local authorities would have seen their working-age population shrink without immigration.

Figure 6.



Source: Global Future analysis of ONS Annual Population Survey.

Looking at aggregate changes in population between 2001 and 2016, 57 local authorities saw their UK-born population shrinking but had that decline reversed by growth in the migrant population. When focusing on the working-age population, the effect is even more striking: 128 areas experienced growth rather than decline due to rising numbers of immigrant residents.

Table 1. Total population: decline reversed by immigration

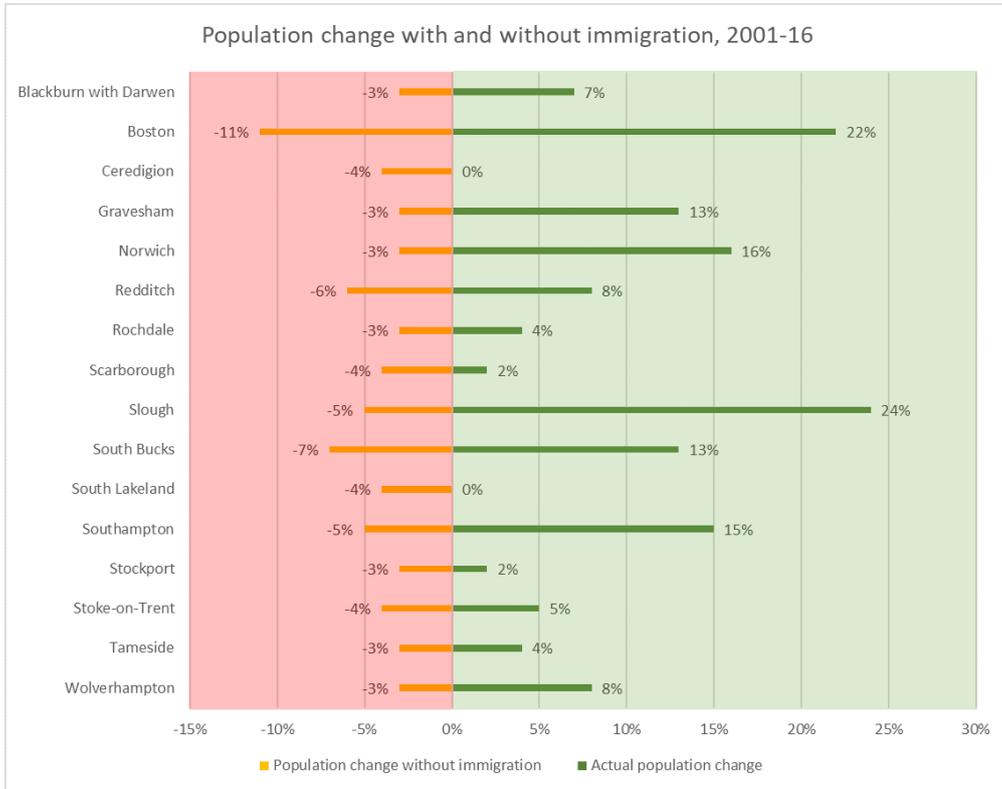
<p><i>East Midlands</i> Erewash High Peak Boston</p>	<p><i>East of England</i> Hertsmere Three Rivers Harlow King's Lynn and West Norfolk Breckland Great Yarmouth Luton Norwich</p>	<p><i>North East</i> Middlesbrough</p>
<p><i>North West</i> West Lancashire Cheshire West and Chester Bury South Lakeland Blackburn with Darwen St. Helens Tameside Rochdale Stockport</p>	<p><i>South East</i> Mole Valley Bracknell Forest Spelthorne Elmbridge Chiltern Gravesham South Bucks Oxford Slough Southampton</p>	<p><i>South West</i> Cheltenham</p>
<p><i>Wales</i> Denbighshire Flintshire Torfaen Blaenau Gwent Ceredigion</p>	<p><i>West Midlands</i> East Staffordshire North Warwickshire Herefordshire, County of Redditch Coventry Wolverhampton Stoke-on-Trent</p>	<p><i>Yorkshire</i> North East Lincolnshire Scarborough Wakefield</p>
<p><i>London</i> Greenwich Bexley Hounslow Sutton Hammersmith and Fulham Barking and Dagenham Ealing Merton Harrow Redbridge</p>		

Table 2. Population aged 16-64: decline reversed by immigration

<p><i>East Midlands</i> Corby Mansfield South Holland Northampton Newark and Sherwood Erewash East Northamptonshire Boston</p>	<p>North West Leicestershire Wellingborough Daventry Gedling Bassetlaw Chesterfield South Kesteven Hinckley and Bosworth</p>	<p><i>East of England</i> Thurrock Epping Forest South Cambridgeshire Peterborough Hertsmere Three Rivers King's Lynn and West Norfolk Breckland</p>	<p><i>North East</i> Darlington Gateshead</p>
<p><i>North West</i> Oldham Bolton South Ribble Lancaster West Lancashire Bury Warrington Blackburn with Darwen St. Helens Tameside Rochdale Cheshire East Wirral Wigan</p>	<p><i>South East</i> Vale of White Horse Epsom and Ewell Maidstone Woking Chichester Reading Tunbridge Wells Windsor and Maidenhead Medway Horsham Mole Valley Bracknell Forest</p>	<p><i>South West</i> Mendip North Devon East Devon South Somerset North Somerset Bath and North East Somerset Cotswold Cheltenham</p>	
<p><i>Wales</i> Newport Swansea Carmarthenshire Wrexham Gwynedd Denbighshire Torfaen Rhondda Cynon Taf Conwy</p>	<p><i>West Midlands</i> Rugby Sandwell Worcester Lichfield Walsall Solihull Warwick Wychavon Telford and Wrekin</p>	<p><i>East Staffordshire</i> Herefordshire Coventry Nuneaton and Bedworth Wolverhampton Stoke-on-Trent</p>	<p><i>Yorkshire</i> Ryedale North Lincolnshire Doncaster Hambleton East Riding of Yorkshire Rotherham North East Lincolnshire Scarborough Wakefield</p>
<p><i>London</i> Brent Kingston upon Thames Croydon Hillingdon Waltham Forest Havering Redbridge Greenwich</p>	<p>Bexley Hounslow Sutton Hammersmith & Fulham Ealing Merton Bromley Harrow</p>		

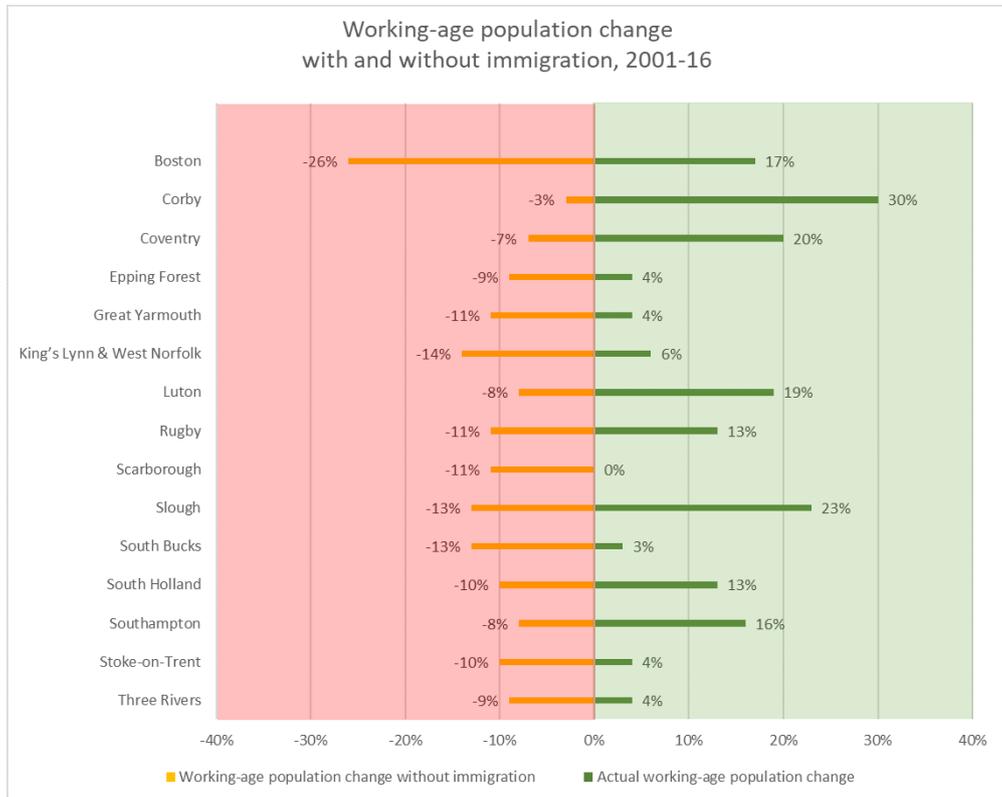
The impact of immigration on the demographic sustainability of some of these areas is significant.

Figure 7.



Source: Global Future analysis of ONS Annual Population Survey.

Figure 8.



Source: Global Future analysis of ONS Annual Population Survey.

It should be noted that these figures from the Annual Population Survey are based on residents' country of birth, not where they moved from. As such, some of the increase attributed to immigration will be due to foreign-born people moving from other parts of the UK, rather than from overseas. Internal moves are unlikely to account for more than a small part of the changes noted above, given the scale of the population boost: a large number of local authorities are affected, and in the UK as a whole growth in the working-age population was almost entirely due to immigration.

Changes in dependency ratio

The boost immigration has provided to the working-age population in many local areas has had a profound effect on dependency ratios, which measure how a population is balanced between those who can work and those who, because they are too young or old, need support.

Table 3 shows the combined old-age and youth dependency ratio, so figures are higher than those given for the old-age dependency ratio alone. We have constructed it using a slightly different definition to the official measure - the elderly dependent population is counted as all those 65 or older, rather than those older than the state pension age - and based on the same data as the tables above.

For comparison purposes, the total dependency ratio for the United Kingdom by this measure and derived from the same data source increased from 55.6% in 2001 to 57.8% in 2016. As the chart shows, increases in many local authorities have been far larger - and would have been larger still without immigration.

Table 3. Changes in dependency since 2001, with and without immigration

Local authority	2001 dependency ratio	2016 dependency ratio	2016 dependency ratio without immigration
Corby	60.6%	58.1%	84.4%
King's Lynn & West Norfolk	67.5%	75.3%	94.1%
Boston	57.1%	63.4%	81.5%
East Hampshire	55.1%	70.6%	87.9%
South Holland	58.3%	68.5%	83.7%
Rugby	58.2%	64.5%	79.6%
East Lindsey	64.1%	82.4%	91.3%
Chichester	62.5%	79.7%	86.4%
Eastbourne	72.5%	74.1%	80.4%

Only six local authorities in England and Wales had total dependency ratios over 80%: Tendring, East Lindsey, East Devon, Rother, South Hampshire and North Norfolk. In the counterfactual without immigration, 13 areas would have dependency ratios over 80% - with eight higher than

85%. Two local authorities would have ratios over 90%, meaning that there is almost one person (child or retiree) in need of support for every person of working age.

Though it's not the focus of this report, it's worth noting the appearance of several London boroughs in these lists. London has benefited from immigration to sustain its population for much longer than the last two decades. The capital's population only very recently passed its 20th century peak, of 8.6 million residents in 1939. Inner London's population peaked in 1911. The 20th century in Inner London was characterised by long periods of population decline, including a fall of 20% - more than 600,000 people – in the 1970s. The fact that this decline has been reversed and the city has become a thriving economic hub, rather than suffering the fate of cities like Detroit that were losing people at the same time, has everything to do with the population boost provided by immigration. It's only more recently that other parts of the country have started to experience the same benefits.

On the ground

The effects of immigration on population change and demographics in the UK as a whole are occasionally raised in public debate. But they are rarely canvassed in relation to local areas, where the effects are arguably much more profound. The tables above highlight the wide range of areas that have been able to avoid depopulation thanks to immigration. Below, we profile four such places, and explore the implications for policy and politics around regional migration.

Ceredigion is a largely rural county in Wales, home to 75,000 people as of 2016. Its largest town is Aberystwyth, whose university has helped attract young migrants to the region. The population of Ceredigion would have shrunk by 4% between 2001 and 2016 if it were not for the increase in the foreign-born population. Instead, immigration has kept the population stable, and the county has seen household income growth of 54% in the same period, which makes it the third-fastest growing local authority in Wales and puts it in the top 30% across England and Wales. In a focus group conducted by British Future and Hope Not Hate for their National Conversation on Immigration, participants in Aberystwyth observed that migration sparked by the university “had helped to reduce population decline in Ceredigion by providing skilled work in a county where much employment is low-skilled and low paid.”⁴⁰ Data from the British Election Study suggests that Ceredigion is in the 15% of constituencies with the most positive views of immigration, and the county voted to Remain by 55% to 45%.⁴¹

The *Vale of White Horse* is a local authority in Oxfordshire, with a 2016 population of around 125,000. The population is quite widely dispersed, with less than half living in the three main towns of the district. From 2001 to 2016, the UK-born population of the Vale did not grow at all. The working-age population of the area would have declined by 8%, but immigration has enabled it to stay stable. Household income per capita in the Vale of White Horse grew by an above-average 51% from 2001 to 2016. Attitudes to immigration are positive; one of the two constituencies which contain part of the local authority is in the top 11% for positive views, and both are in the top 40%, while 57% of the population voted to Remain.

⁴⁰ British Future & Hope Not Hate (2018), '[National Conversation on Immigration](#)', p86.

⁴¹ Immigration attitudes estimates in this section are from Global Future analysis of British Election Study data from the '[Estimating Constituency Opinion](#)' project.

Stoke-on-Trent is a city in Staffordshire with a 2016 population of 250,000, of which 30,000 or 12% were born outside the UK. The city has not enjoyed strong growth since the turn of the millennium: household incomes have risen by 48%, slightly below the median across all local authorities. That picture could have been worse, however, without the contribution of immigration to the sustainability of the local labour market. Stoke's population would have shrunk by 5% between 2001 and 2016, and its working-age population by 10%, without growth in the number of residents born outside Britain. Instead, it experienced moderate, steady growth over that fifteen year period - 5% overall, and 4% in the working-age bracket - and saw its total dependency ratio stay stable, compared to a potential worsening of 7.3 percentage points in the absence of immigration. That has not staved off political discontent in the city, which voted 69% to leave the EU. But views on immigration are nonetheless relatively positive: average attitudes were slightly warmer than average across all local authorities.

South Lakeland is a non-metropolitan district in Cumbria, much of whose area is taken up by parts of the Lake District and the Yorkshire Dales. As one of the most popular holiday areas in the UK, tourism is a major economic strength - contributing over £1bn and supporting more than 16,000 jobs in South Lakeland. But a growing population of retirees also poses challenges. The area faces quite rapid ageing in its 100,000-strong population: the total dependency ratio worsened from 61.3% to 75.4% from 2001 to 2016. That shift would have been slightly worse without the impact of immigration. Increases in the non-UK population held the overall population stable, avoiding a 4% decline, and shored up the population of working-age residents, which shrank by 8% rather than the 15% loss it otherwise faced. That's helped incomes in the district grow by a slightly-above-average 50% in 15 years. 53% of the local population voted Remain in 2016, and positive attitudes to immigration in the constituency which covers most of South Lakeland are in the top quartile for the country.

Migration to these areas has headed off population decline, and the potentially much worse socio-economic trajectory that might have put these communities on. But these examples also illustrate some of the challenges involved in using immigration to counter depopulation. Although in general areas with more immigrants tend to have more positive attitudes, places whose population has been sustained by migration are not uniformly more positive. Some of them - such as Boston and Thurrock - are among the places in the country most strongly associated with anti-immigrant sentiment. The range of attitudes in our four profiled areas demonstrate that a migration population boost does not necessarily lead to positive attitudes.

This is not particularly surprising, given the context in which these population changes have played out. Actual experience of population decline is not particularly common in England and Wales - just 11 of 339 local authorities saw population loss between 2001 and 2016. That means that, apart from in remote parts of Scotland and some very small villages, the vicious cycle dynamic of depopulation is not well understood in Britain. Immigration is experienced purely as changing the *makeup* of the local population; the fact that it is also sustaining that population, and heading off what would otherwise be a pressing problem, is not appreciated because the threat remains purely counterfactual.

This is underlined by the nationwide focus groups conducted as part of the National Conversation on Immigration. Depopulation, and even population ageing, were raised by participants in only a handful of panels. When they were, the discussion did not always agree that immigration could be a solution. Most strikingly, local residents often did not see population decline as much of a

problem at all. This was true even in Scotland, where the demographic situation and depopulation risk is most acute. In Dumfries, for example,

“just two members of the citizens’ panel were aware of this demographic challenge and felt it was a problem. For everyone else, the area’s demographic needs simply did not resonate, something we have found elsewhere in Scotland.”⁴²

That is quite different to some of the positive stories told by locals in the international case studies discussed above. But those places, too, faced challenges with bringing locals on board. They were able to be addressed because the community was brought into discussion about the risks of population loss and the steps that could help combat it. In Nhill, for example, the Australian town discussed above, the arrival of Karen refugees was led by a local employer but from the beginning involved schools, sports clubs and the local council.

Local residents can be brought on board - but it will require a concerted effort from politicians and others in local communities. That means local governments developing specific plans for their population and bringing the community into discussions about the risk of depopulation and what they are doing to counter it. This is not a matter that can be dealt with behind the scenes, in the expectation that residents will appreciate why migration to their area is both necessary and positive.

If politicians - at all levels - are bold enough to launch that discussion and make the case for immigration as a way of sustaining local areas, that can open the way to explicit policy-making which helps direct migration to the areas that want and need it and maximises the benefits they bring. Immigration has already been vital to keeping alive towns and villages in many parts of the country. It could be even more beneficial with better policy - the subject of the next section.

⁴² British Future & Hope Not Hate (2018), '[National Conversation on Immigration](#)', p190.

3. How policy can help

Immigration is already playing a vital role in the demographic sustainability of many local communities. There are numerous ways that policy can change to encourage a wider regional spread of immigration, and to ensure that its benefits for both places and migrants are realised.

Although the UK has never seriously considered using immigration as a way of countering depopulation and ageing, there are several possible measures that could take a step in that direction without requiring radical departure from the existing policy framework. Other steps would need a more significant shift in the government's approach to immigration. That kind of ambitious change should not be ruled out, given the new prime minister's apparent intention to radically overhaul the existing immigration system, and the fact that Brexit is often canvassed as an opportunity to challenge Britain's regional imbalances.

Possible reforms also span several different policy areas. Immigration policy is not the only lever available to encourage settlement of migrants in different parts of the country. Both national and local efforts in other areas, such as housing policy and local spatial planning, could make a significant difference even without reform of the immigration rules.

Adopting measures like these, both incremental and radical and across separate but complementary policy domains, could help migration have a transformative, positive effect on the sustainability of some towns and villages, and the communities that call them home.

Immigration policy

The immigration system as currently designed has no features designed to help direct migration away from large cities, and almost no regional flexibility - with the sole exception of the Scotland-only Shortage Occupation List. There are a large number of ways that could change, ranging from very minor tweaks to major shifts in policy design.

Create regional post-study work visas

The post-study work visa, which allowed international students graduating from universities in the UK to work without restriction for two years, was abolished in 2012. There have been widespread calls for its reintroduction, including from Global Future. If, however, the government is not willing to endorse a straightforward readoption of national post-study work visas, it could consider creating a system of regional visas along the same lines.

This would be in line with the original introduction of post-study work in Britain, in the form of the Fresh Talent scheme in Scotland, which operated from 2005 until 2008.⁴³ This visa was available only to graduates of Scottish universities, and was granted on the basis that they wanted to spend time living and working in Scotland. A new approach could grant visas to students who want to stay longer in the region they studied in, helping avoid a gravitation of skilled graduate migrants towards London.

Regional quotas for skilled visas

The main skilled visa route, Tier 2 (General), is currently subject to an annual cap of 20,700 people, distributed across the twelve months of the year. When the number of applications

⁴³ House of Commons Scottish Affairs Committee (2016), op. cit.

exceeds the cap, applications are ranked using a process which favours jobs with higher salaries - making it substantially less likely that visas will be granted for jobs outside London. (This dynamic is less pronounced for certain workers, including doctors and nurses, who are exempt from the cap – though the minimum salary threshold, discussed below, can still be an issue.)

The cap thus introduces a distortion which actively prevents migration flowing to places facing demographic challenges. A system which allocated part of the quota or gave an additional quota to different parts of the country would partly offset this, by avoiding comparing salaries between jobs in London and those outside it.

A more effective way of completely removing this particular distortion would be to abolish the cap altogether, allowing any visa application which meets the baseline criteria to be approved. Last year's White Paper committed to abolishing the Tier 2 cap, but if the new government decides to keep it in place then regional quotas could be a second-best alternative.

Reforming sponsorship arrangements for GPs and other professions

Even where salaries are high enough to qualify for a Tier 2 visa, the sponsorship system can make this impractical. General practitioners, for example, can be sponsored on Tier 2 visas. But the bureaucratic requirements for becoming a sponsor are quite high, and difficult to bear for individual GP clinics. This is particularly perverse because a loss of GP services can be one of the key factors in sparking a depopulation spiral.

This type of problem is not unique to GP clinics. In teaching, for example, individual schools must act as sponsors. Some types of lawyers, accountants or other professionals may also have no difficulty meeting salary requirements but work for very small firms - often under the aegis of larger professional bodies - which cannot manage the bureaucratic hurdles of being a Tier 2 sponsor themselves.

NHS England is taking some steps to address this problem, such as helping match doctors with clinics that are already licensed sponsors and reimbursing clinics' costs. These should continue, and other steps - such as allowing NHS England to act as a 'proxy sponsor' for all GPs - should be pursued. Similar measures should be considered for other professions where sponsorship requirements are difficult to meet.

Introduce differential salary thresholds for Tier 2 visas

Even when the cap on Tier 2 applications is not hit, there is a minimum salary threshold that a job must meet to be eligible for a skilled visa. For most workers, this is either £30,000 or a higher occupation-specific level; there are lower thresholds for new graduates and workers in a small number of occupations, such as nursing.

Around 60% of full-time jobs in the UK are paid less than £30,000, and that proportion is far higher in certain regions of the UK where average salaries are lower. Given that higher salaries in London are partly driven by much higher housing costs, so don't necessarily translate into higher real incomes, this system may not even pick out the most economically valuable workers. And it certainly directs the flow of immigration towards London and the South East rather than to other parts of the country where the population challenge is more urgent.

Regional differentiation in the Tier 2 salary threshold would be straightforward to implement, given that sponsoring employers are already required to keep the Home Office informed of their address and region of operation. The former home secretary, Sajid Javid, asked the Migration Advisory Committee to report on introducing regional and occupation-specific variation to the salary threshold system. That report is due to be published in January, but it is likely to focus - as previous MAC reports have done - on strictly economic rather than population-related concerns. A government looking to capitalise on the benefits of immigration for local demographics would commit to introduce regional thresholds irrespective of the MAC's view.

Create easier paths to permanent residence

Migrants who want to settle permanently in the UK can apply for indefinite leave to remain after spending time on a Tier 2 visa. There are, however, additional requirements which they must meet. These are, principally, a minimum salary threshold - higher than the baseline Tier 2 threshold, and currently set at £35,800 - and a continuous residence requirement of five years.⁴⁴

The government could encourage migrants to live and work in different parts of the country by easing these requirements for applicants who have lived in designated areas. In Australia, applicants for permanent residence who have spent time living in regional Australia are advantaged in various ways, including by being awarded points under the points-based system.⁴⁵

Under Britain's current system, this could take the form of shortening the qualifying residence period from five years or lowering the salary threshold for migrants who have lived in particular areas of the country while working or studying. If the government does introduce a new points-based system similar to Australia's, there would be further ways to create easier paths to permanent residence for migrants who live in places facing demographic challenges.

Increase refugee resettlement outside big cities

The government recently announced its commitment to resettle 5,000 refugees in 2020, bringing them directly from conflict regions to start new lives in the UK. That number is in line with recent years, and above the UK's near-zero historical resettlement levels. But it is quite small by international standards, and many refugees are settled in London and other major cities.

Many of the most powerful stories of migration reversing population decline, particularly in the US and Australia, are based in refugee resettlement. There is some precedent for the UK settling newly-arrived refugees outside major urban areas.⁴⁶ The government should follow the lead of Australia and the United States and develop a deliberate strategy to resettle refugees in areas struggling to sustain their population and ensure that their settlement is a success. That should be seen as an additive opportunity, to expand the size of the resettlement programme above and beyond the places already on offer, predominantly in large cities.

Introduce rural or region-specific visas

A more radical step would be to create a new visa pathway for immigration to particular parts of the country. This has been proposed by the Scottish and London governments, but it could have much

⁴⁴ NHS Employers (2017), '[Tier 2: Indefinite leave to remain](#)'.

⁴⁵ Migration Observatory (2019), '[The Australian points-based system: what is it and what would its impact be in the UK?](#)'.

⁴⁶ The Guardian, September 7 2018, '[From darkness to the light: Syrian families find peace in rural England](#)'.

broader application within parts of England and Wales where migration is needed to avoid population decline.

A model could again be found in Australia, where the 'Skilled Regional' visa offers a route for migrants who want to live and work outside major metropolitan areas. The Skilled Regional visa is a temporary migration status, but it does not tie migrants to a particular employer. A 'Heartland Visa' for parts of the United States suffering from population decline has also been proposed by the Economic Innovation Group.⁴⁷

Britain could create a similar visa pathway, which would give immigrants the right to live and work for any employer, either in a specific area (a region or local authority) or anywhere outside designated major urban areas.

Give subnational government a role in the immigration system

A rural-regional visa could be entirely managed by the national government, but an even more profound shift would be to give lower levels of government a direct say in the immigration system as it affects their area.

Both Australia and Canada give subnational governments a role of this kind. The Canadian government turns over half of its economic migration programme to provinces through provincial nominee programs (PNPs), designed to help spread migration flows away from Toronto and Vancouver to other provinces. Provincial governments determine the criteria they want to use to admit migrants; the central government approves these criteria but does not apply any more of its own, apart from health and security requirements. In Australia, the federal government retains more control: would-be migrants with a nomination from a state government score higher on the points test, and are able to access several visa routes which are not open to applicants without a nomination.

Either of these models could be adapted for use in the UK. The devolved national administrations are clearly competent to play a role similar to state and provincial governments. Several studies in Scotland have closely examined the possibilities for devolved or jointly-managed migration routes.⁴⁸ The regions of England, of course, do not have their own governments, and the vast majority of local authorities are too small for their involvement in immigration policy to be either feasible or desirable. Other regional bodies, such as city-regions or Local Economic Partnerships, could potentially play a role; given the variable size and capabilities of these bodies, an Australian-style model which grants them input but maintains strong central control would probably be preferable.

The details of any immigration system giving subnational government a role are very heavily dependent on the government's approach to devolution and regional governance. This is a subject of ongoing debate and an area where post-Brexit reform may be quite likely. Any debate on the

⁴⁷ Economic Innovation Group (2019), op. cit.

⁴⁸ Scottish Centre on European Relations (2017), '[Scottish and UK Immigration Policy after Brexit Evaluating Options for a Differentiated Approach](#)'.

Hepburn (2017), '[Options for Differentiating the UK's Immigration System](#)', report prepared for the Scottish Parliament.

topic should, in light of the arguments in this report, include a discussion of how regions and local communities can be involved in the formulation of immigration policy.

Managing regional immigration

If the government pursues deliberate regional migration strategies, of any of the kinds described above, one important issue is the concern that they may become a 'back door' for migrants to apply on false premises and then move away from the areas meant to benefit.

Discussions of regionalised migration systems in Britain have typically presumed that this could be done through existing enforcement mechanisms. If regional visas still required sponsorship from a particular employer, then enforcement would be no different than it is for the current Tier 2 system. If the visa was not tied to an employer, the system would differ slightly, but not add any real complexity to existing arrangements given that employers are already required to check the immigration status and visa conditions of potential workers. There are similar requirements on landlords, which could allow the enforcement of a requirement to live in designated areas.

These existing enforcement mechanisms, however, operate primarily through the hostile environment policy which has faced intense criticism in recent years. Global Future has previously criticised many aspects of this policy. Adding any kind of complexity to rules which are enforced by employers and landlords, who are not trained in immigration law, runs a high risk of creating widespread error and discrimination. Government should not attempt to use these mechanisms to enforce regionally-differentiated immigration policy.

In fact, there is good reason to think that a well-designed regional migration scheme would not need heavy-handed enforcement. In Australia, about 90% of skilled migrants who settle in regional areas stay there for at least 18 months.⁴⁹ Canada's PNP immediately grants permanent residence with unrestricted residence and work rights. There is no ongoing enforcement, except in cases of explicit fraud - for example, when migrants give a false address in their application - but 84% of migrants who enter under the PNP remain in the province that admitted them.⁵⁰

This is achieved by focusing more attention on the selection process. When subnational governments play a role in considering visa applications, they can try to attract migrants who are likely to stay in the area without the need for heavy-handed enforcement. This may mean looking to family or community ties, or to people whose skills profiles are more suited to regional economies than those of major urban centres. Regions can run overseas promotion missions to help attract such migrants. And strong local leadership and adequate settlement and integration services are also vital to creating a sense of belonging. That is crucial if migrants are to stay in the local communities they arrive in, rather than end up following more traditional immigrant pathways back to major cities.⁵¹

Local communities

If immigration is to make a major difference to the population dynamics of small towns and villages, it needs to take place in a context of supportive local communities that ensure cohesion and make

⁴⁹ Australian Parliament (2019), Legal and Constitutional Affairs Committee (Home Affairs Portfolio), [Question on notice no. 155](#).

⁵⁰ Economic Innovation Group (2019), op. cit., p36.

⁵¹ Apolitical, September 11 2018, '[Government can send immigrants to rural areas. But can it make them stay?](#)'.

both new arrivals and locals feel comfortable and welcome. The possibilities extend well beyond local government initiatives: employers and community groups can also play a significant role. There are various steps that local areas can take to guarantee that, and to help draw migrants to their area. Many would be positive and effective even in the absence of major reforms to national immigration policy.

Welcoming initiatives

Local initiatives to welcome migrants and ease their integration into the community, particularly if it is not one which has traditionally had many immigrants, are one such step. The example of Dayton, Ohio was mentioned in the last section; an array of similar commitments take place in places across the United States. 'Welcome Dayton' has, over the years of its existence, involved a combination of formal policies - to counter discrimination and increase access to city services - and community-led activities to promote integration of locals and new migrants.

Deliberate efforts by local communities to become known for welcoming immigrants can help attract people, even - as in the US - when national policy does not change. In the Australian case study described in Section 2, the refugees had been settled by the government in a major city; they moved to Nhill on the initiative of locals, who convinced them that the town was welcoming and that they would prefer it to living in a metropolitan area.

Projects like these can create a long-term positive feedback loop for integration and inclusion. As a welcoming environment draws more migrants to an area, local attitudes are likely to improve – as the research cited above on the case of Nhill, as well as more general research on immigration attitudes, attests. Changing attitudes make subsequent integration easier for both locals and new arrivals.

International recruitment activities

Similarly, active international outreach efforts can help to draw immigrants to parts of a country they might otherwise not have considered. Australian states and Canadian provinces often have representation in embassies and consulates abroad, which aim to attract business investment but also migrants. The province of Quebec has had representatives in Canadian embassies, advising federal immigration officials, since well before it was given a formal role in the immigration system. The state of South Australia established a dedicated agency, Immigration SA, and stationed recruiters overseas to help attract immigrants. Outreach of this sort, especially if it includes representatives of local employers or business groups, can help attract migrants to different parts of the country.

Community planning

Initiatives like these are best implemented when the local community is brought on board from their conception. This is particularly true because, in the UK, population decline is not a widely understood problem outside the unique context of remote parts of Scotland. Local areas can and should launch inclusive processes that consult with their residents, explain the nature of the demographic challenge, and start to develop community support for a policy of population growth.

A model of this can be seen in the Northamptonshire town of Corby, which developed a specific population policy recognising the impact of depopulation on its local economy. Catalyst Corby, the town's population plan, did not specifically aim to attract immigrants as opposed to people from other parts of the UK; nonetheless, the existence of this plan and somewhat higher public

understanding of the need for population growth seems to have moderated local reactions to a very high rate of immigration in recent years.⁵²

National civil society

There is also a role for non-government organisations to support both national policy reform and initiatives at the local level.

Best practice and coordination

Particularly when the community trying to attract immigrants is a particular town or local authority, rather than a larger region, the capacity of local government and community actors to design new policies and initiatives from scratch will be limited.

In the United States, Welcoming America is an umbrella organisation which cities and towns can affiliate to and which provides them with support in developing initiatives like those run by Welcome Dayton. In Australia, the Welcoming Cities programme has developed a national standard for inclusive policy, providing a roadmap which local governments across the country are encouraged to sign up to.⁵³ The Regional Australia Institute has recently produced a “migration toolkit” to help rural communities identify the best ways of both attracting and successfully settling migrants.⁵⁴

Advocacy and research

National organisations can also play a vital part in advocacy, which is necessary to ensure that national policy frameworks facilitate local efforts to attract and welcome migrants. The Regional Australia Institute has also been a major actor in policy advocacy, in favour of policy measures that would help encourage settlement in rural areas.⁵⁵ In the US, the New American Economy thinktank produces analysis of the impact of immigration on cities and towns across the country, helping to build the case for migration at the local level.

National organisations in the UK, both those focused on service delivery and practical support for integration and those with a policy focus, should follow these international examples. Doing so would help build both the capacity and the political appetite in local governments and communities for a positive approach to migration as a response to population challenges.

Addressing older challenges

As the MAC has emphasised, depopulation is ultimately driven by the inability of parts of the country to retain their local residents. Section 1 argued that a large portion of population decline is driven by self-reinforcing dynamics, rather than problems inherent to the places in question. But it’s undeniable that there are other challenges in places with shrinking population, and it cannot be assumed that attracting migrants alone will be enough.

The nature of these local challenges varies widely, and proposing solutions in the array of related policy areas is beyond the scope of this report. It is worth highlighting two particularly prevalent problems. One is housing affordability. Though media discussion of housing often focuses on

⁵² IPPR (2019), op. cit.

⁵³ Welcoming Cities, [‘The Standard’](#).

⁵⁴ Regional Australia Institute (2019), op. cit.

⁵⁵ The Courier, October 7 2018, op. cit.

London, there is also a severe crisis of affordability in rural areas. This reality is a major factor in driving many people's decision to leave rural communities for larger urban areas. Governments both local and national need to take this problem seriously to avoid the ongoing out-migration of people on lower incomes. The second is the state of high street commerce, which has been in sharp decline and is leaving many towns and villages with fewer and fewer shops and associated amenities.

It's important to emphasise these two challenges not only because they are widespread, but because fixing them is fundamental to addressing depopulation. Migrants may, just like British-born residents, decide to leave communities if housing is prohibitively expensive and high streets are derelict. In fact, it may simply be impossible to attract immigrants, no matter what other policy settings are in place, to places where housing is inaccessible and community life is on the decline.

Summary of recommendations

Immigration policy

- Create regional post-study work visas
- Create regional quotas or regionally-differentiated salary thresholds
- Reform sponsorship arrangements for GPs and other independent professions
- Offer easier paths to permanent residence for migrants living in specified areas
- Increase refugee resettlement outside big cities
- Introduce new rural or region-specific visa categories
- Give subnational governments a role in the immigration system

Local communities

- Launch welcoming initiatives to promote integration and access to services
- Conduct international outreach to attract migrants to local areas
- Develop local population plans with full community consultation

National civil society

- Create toolkits and resources for local areas interested in attracting migrants
- Advocate for needed national policy reforms
- Develop research and analysis of the contributions migrants make to particular local areas

Other policy areas

- Work to address housing affordability challenges which are contributing to depopulation
- Develop responses to the ongoing crisis in high street commerce

