

► Appendix A: The history of immigration

The huge scale of present migration should be put in the historical context of previous waves of immigration from across Europe and within the British Isles. For example:

- The Norman Conquest of 1066 consisted of about 10,000 troops of largely French extraction. The total number of Normans who settled in England was never more than 5% of the total population¹ (although their effect was greater because they became the country's governing elite).
- Huguenots (French Protestants fleeing persecution) came in two waves at the end of the 16th and 17th centuries. Their overall number is estimated to have been somewhere between 40,000 and 50,000, making up about 1% of England's population at the time.²
- Jews fled persecution in Poland and Russia in the 1880s and Nazi Germany before World War Two. About a quarter of a million Jews settled here, less than 1% of the total population at the time.
- Irish migrants came to England following the potato famine of 1845-49. Between 1841 and 1861 the number of Irish born adults living in Britain more than doubled (from 300,000 to over 600,000). By the 1880s, the Irish expatriate community in Britain is estimated to have stood at more than one million, over 3% of Britain's total population.³ Given that Britain and Ireland were one country at the time, this should be regarded as internal rather than international migration.

This is the backdrop against which recent large scale immigration should be placed. At present, net foreign immigration is running at 316,000 a year. That is 1% of our population every two years. The immigration of Huguenots and Jews amounted to less than 1% of the population at the time and were spread over 50 years or more. In other words, **the present rate of immigration is 25 times higher than we have experienced for nearly 1,000 years.**

A more recent example is the arrival of the East African Asians in the mid-1970s. They amounted to roughly 27,000 spread **over two years**. In 2006, net foreign immigration was over 26,000 **per month**.

1 Miles, D., *The Tribes of Britain*, page 236

2 Gwynn, R., *Huguenot Heritage: The History and Contribution of the Huguenot's in Britain*, Second Revised Edition, Brighton and Portland, Origin: Sussex Academic Press, 2001, page 2, footnote 2

3 See Winder, R., *Bloody Foreigners; The Story of Immigration to Britain*, London; Little, Brown, 2004, page 229

► Appendix B: The future of immigration from Eastern Europe

Unlike most EU partners, the UK did not impose transition arrangements on citizens of the new East European members of the EU and large numbers have arrived. However, we expect East European migration to come back into balance in three or four years. When Spain, Portugal and Greece joined what was then the European Community, immigration also fell back after a number of years.

The facts about migration from the eight new Eastern European member states of the EU are as follows:

- People are not recorded as they enter and leave Britain so nobody knows how many have arrived or left. However the best guess is that, in total, about one million people have come, about two thirds of them from Poland.
- 812,000 have registered under the Workers Registration Scheme (up to March 2008). After one year of registration they become entitled to the full benefits of the welfare state. However, some do not bother to register and the self-employed are not required to do so.
- 92,730 dependants also registered at the time the worker registered but others will have followed later.
- Registrations in 2007 were about 8% lower than in the previous year. Registrations in the first quarter of 2008 were 15% lower than in the same period in 2007.

The International Passenger Survey (IPS), admittedly on a small sample, suggests that a large number of these EU migrants from Eastern Europe do not intend to settle permanently in the UK:

- It suggests that in the period 2004 to 2006 there was a net inflow of only 60,000 a year.
- This amounts only to just under 20% of net foreign immigration but is almost certainly an underestimate.

There are many reasons to believe that immigration from these countries will decline in the coming years:

a) Economic development

There is a clear link between income per head in the countries of origin and the scale of migration. Incomes will rise in these countries as their economies integrate with the EU 15, leading to a decline in net migration. That is what happened after Spain, Portugal and Greece joined what was then the EC.

b) Unemployment

This is another important driver and is already declining in Eastern Europe. The unemployment rate in Poland has halved since 2004 to about 10%.

c) Demographics

In the two largest countries, Poland and Romania, the number of people reaching 18 will fall by 30% in the next ten years.

d) EU policies

By May 2011 all EU countries will have to open their labour markets to the first eight new members. At present labour markets in Germany, Austria and France are effectively closed. In January 2014 Romanians and Bulgarians will also have free access to all EU member states.

e) Exchange rate

Since 2004, the exchange rate for the Pound Sterling has fallen against the Polish Zloty. As a result Polish workers now get 40% less in their own currency for every pound they earn in Britain.

These factors point very clearly to a fall in the inflow of migrants arriving from Eastern Europe. Opinion polling by a Warsaw-based market research company has suggested that 10% of Poles will settle for good, 45% will stay for at least five years and 45% plan to return home within four years.¹ If these findings turn out to be accurate, the numbers returning home may quite soon counterbalance new arrivals and East Europeans will be in a similar position to the French or Germans – a community of several hundred thousand in Britain with roughly equal numbers coming and going.

We have based our calculations on more cautious assumptions – namely, that 25% of East European migrants will stay under a year; 5% will leave in each of years 1 to 4; 4% will leave in each of years 5 to 9; and 35% will stay permanently in the UK. Calculations on this basis, and on the assumption that the numbers arriving will fall off quite rapidly over the next five years, suggest that migration to and from the new East European members will come close to balance in three or four years. This assumes that any new members of the EU will be subject to tough transition requirements.

► Appendix C: The Confederation of British Industry's evidence to the House of Lords Select Committee on Economic Affairs

The Confederation of British Industry's (CBI) memorandum¹ and oral evidence contain nothing that conflicts with the Balanced Migration proposals in this document. The memorandum was clear about the aim of policy: "the CBI supports an approach to migration that balances the needs of the economy with social issues" (para. 26).

They recognised that "migration can provide a short term solution by filling skills shortages, but in the longer term the sustainable business solution is to strengthen the skills profile of the domestic workforce".

The CBI saw three advantages from immigration:

- a) That price inflation has been restrained as immigrants have raised the supply potential of the economy to match demand growth.
- b) The resultant labour market flexibility has been a significant part of the UK's economic success over the past two decades.
- c) Employee mobility has been a key pillar of this flexible labour market.

However, in terms of GDP per head, they did not claim that it is significantly positive. Instead, they believe that research has shown it to be "broadly neutral to positive".

As regards the Points Based System (PBS), their support rests on it effectively delivering the balance between the needs of the economy and social issues. They believe that a key benefit is its flexibility to adapt to the requirements of the labour market and the wider economy.

The CBI does not support annual target numbers or annual quotas. They prefer the Migration Advisory Committee (MAC) and Migration Impact Forum (MIF) to be used to guide the use of the PBS as an entry tool on a more flexible basis.

They are concerned that the level of English test might hinder intra-company transfers. They believe that Tier 2 should be a demand-led route.

They add: "However, the UK cannot rely on permanent net inward migration patterns; this is unsustainable for the UK and for countries of departure – which leaves the issue of resourcing shortages in the longer term unresolved...The high number of economically inactive UK-born people in the economy could provide a longer term solution. This would be good for society as a whole, as well as the economy, but requires investment in skills and support for the UK-born workforce...and extended working lives, so that actual retirement ages are more in line with the state pension age".²

► Appendix D: Summary of the policies of the Government and Opposition Parties

The Labour Government's approach: the early years

The direction of immigration policy was set for a generation by the 1971 Immigration Act. The broad policy, which had cross-party support, was to bring primary immigration to an end while working to improve race relations in Britain. The Labour Party's manifesto of 1997 was in the same vein. There was only a brief reference to immigration: "Every country must have firm control over immigration and Britain is no exception. All applications, however, should be dealt with speedily and fairly."

The manifesto continued with a promise to reform the marriage rules and to ensure swift and fair decisions for asylum seekers. The marriage rules were eased almost immediately after Labour won power, permitting the use of marriage as an immigration route.

Its next manifesto, in 2001, introduced the concept of economic migration but in vague terms: "As our economy changes and expands, so our rules on immigration need to reflect the need to meet skills shortages."

The Government's 2002 White Paper "Secure Borders, Safe Havens" included the concept of "managed migration". In June that year the Home Secretary, David Blunkett, announced that he had doubled the number of work permits to 150,000.

By December 2003, the Government argued that legal economic migration would "prevent people from seeking asylum when it is not asylum that they want, but a better life, offered through the massive expansion of the work permit system".¹ In reality, the countries which produced asylum seekers were quite different from those from which work applications were coming.

In May 2004, Mr Blunkett produced a new argument. "Migrants don't just come to fill jobs – they also create jobs and make an enormous contribution by setting up businesses, helping our economy grow and giving us a more vibrant culture".

By 2005, immigration had become a major issue in the General Election. The Labour Party's policy was as follows: "Our philosophy is simple; if you are ready to work hard and there is work for you to do, then you are welcome here. We need controls that work and a crackdown on abuse to ensure that we have a robust and fair immigration system fit for the 21st century that is in the interests of Britain".²

Visa applicants were to be finger printed. ID Cards were to be issued to all those planning to stay more than three months. And a new electronic borders system was to be introduced over the following five years. For the whole population there were to be ID cards, including biometric data, backed up by a national register and rolled out initially on a voluntary basis as people renewed their passports.

1 Hansard, 17 December 2003, column 1590

2 Labour Party Manifesto, 2005

Government legislation and reform: The later years

In recent years the Government have reformed our immigration system in an effort to regain control of our borders. However, the new arrangements have a fundamental flaw – there is no provision, or even intention, to limit the overall numbers. When these measures are in force, the Government will have the capability to implement a policy of Balanced Migration.

The reforms include:

a) Tightening border controls

- “Juxtaposed” immigration controls in France and Belgium.
- Stationing Airline Liaison Officers at overseas airports.
- Introducing visas containing biometric information.
- Screening pre-arrival data.
- Data sharing with foreign law enforcement officers.
- Combining Customs and Immigration into a single (uniformed) force.
- Re-introduction of checks on arrival and departure (but not until 2014).

b) Streamlining the asylum system

- A special fast track for clearly weak claims.
- Issue of biometric registration cards when claims are made.
- Increased effort to resolve long outstanding cases.

c) Strengthening removal capacity

- Increased resources, doubled over the three years to 2009/10.
- Bilateral return agreements with foreign countries.
- Tighter procedures for deporting foreign prisoners.
- Expansion of detention capacity.

d) Tougher measures on illegal immigrants

- Regulation of gang masters.
- Heavy penalties for employers of illegal labour.
- Inspection of educational establishments.
- Issue of ID cards to foreign nationals staying for more than six months.

e) Tightening up on marriages

- Increase the age of sponsorship to 21.
- Require an English language test.
- Action to discourage “sham” marriages.

f) Points Based System for economic migrants

- Free access for highly skilled, without a job offer.
- Overseas students allowed to work following graduation in the UK.
- Skilled workers with a job offer.
- Low skilled workers phased out.
- Students, cultural exchange etc admitted but with no route to settlement.
- Formation of a Migration Advisory Committee to advise on skill shortages.
- Formation of a Migration Impact Forum to report on the impact of migration on public services.

Conservative Party policy

Following the 2005 election, Conservative policy was reviewed and a document issued in November 2006.

This paper, confined to immigration rather than asylum, concluded that Britain benefits economically from immigration, but not all or any immigration. The paper suggested two stages. The first would make eligible for admission to Britain only those who would benefit the economy. The second stage would be to control the numbers with regard to the wider effects on society.

In most years this would result in a positive level of net immigration but the exact figure would only be calculated after an annual consultation exercise with a number of bodies, including local authorities, housing and public service providers. The expectation was that this number would be significantly less in respect of non-EU immigration.

The paper also called for a border force and a national debate on demographics, population levels and the distribution of population.

In October 2007, in his first major speech on the subject, David Cameron said that “we need explicit annual limits on non-EU economic migration, set at a level substantially lower than the current rate”. Depending on what is meant by “substantially”, this could be a significant step towards Balanced Migration. This was set in the context of a speech on the challenges of a growing population.

Liberal Democrat policy

The Liberal Democrats have said relatively little about immigration in recent years.

The agenda at their Annual Party Conference in October 2007 called for a “practical liberal approach to immigration” focussed on:

- Creating a system that works: efficient, fair and effective.
- Planning for the effects of managed inward migration.
- Promoting integration as well as immigration.

The Conference also called for “an earned route to citizenship” beginning with a two year work permit for irregular migrants who have been in the UK for 10 years, subject to:

- a) A public interest test.
- b) A long term commitment to the UK.
- c) A clean criminal record.
- d) The payment of a charge waived for those who have completed a set number of hours of service in the community for volunteering.
- e) An English language and civics test, or proof that the applicant is undergoing a course of education in these subjects.

► Appendix E: Possible ways to calculate the impact of Balanced Migration

Immigration statistics do not, by any means, give precise numbers, but a system of Balanced Migration would certainly have a substantial impact on the number of people who settle in the UK each year. There are two methods by which it is possible to calculate the numbers affected by this change.

Approach one

The number of people who entered the UK in 2006/7 under the Highly Skilled Migrants Programme (HSMP) and other schemes which will form **Tier 1** (the successor to the Highly Skilled Migrant Programme) of the Points Based System was 17,100. The Home Office estimated that, on average, each migrant was accompanied by one dependant.¹ In addition to this 14,900 people switched into the HSMP in 2006/7² and they too were accompanied by an average of one dependant. The total number of people who could apply for settlement in the UK eventually under Tier 1 of the Points Based System is therefore in the order of 64,000 people.

The number of people who entered the UK under schemes which will be incorporated into **Tier 2** (skilled workers who will need a work permit) of the Points Based System in the period October 2006 to September 2007 was 65,200 plus 32,400 dependants – a total of 97,600.³ Again, this total does not include those who switched into work permit employment whilst in the UK. In the period 2001-2005, 110,000 such work permits were issued in the UK compared to 320,000 issued abroad.⁴ The in-country applications therefore add roughly a third to the numbers; and on this basis the total number of people granted leave to enter/remain in the UK under work permit arrangements will be about 130,000, including dependants. Thus the total for these two Tiers was about 194,000.

Tier 1 and Tier 2 will see some tightening of rules compared with existing arrangements. The Home Office anticipated that this would reduce the numbers given permission to stay under Tier 2 by about 12% compared with current arrangements.⁵ Similarly there will be some restrictions on who is allowed to switch into Tier 1 compared with current arrangements.

However, if the overall reduction is 12% this would still add up to about 170,000 people a year being given permission to work in the UK or coming as a dependant of a person given permission (i.e. 64,000 under Tier 1 plus 130,000 under Tier 2 = 194,000 less 12% = 170,000).

1 Home Office: Border and Immigration Agency: Tier 1 Points Based System Impact Assessment – Presentation to the Migration Impacts Forum on 16 January 2008

2 Border and Immigration Agency response to a freedom of information request on 25 March 2008

3 Home Office Press Notice 6 May 2008

4 Report of the UK SOPEMI Correspondent to the OECD 2006 – Prof. John Salt – table 5.1 work permit applications

5 Home Office Press Notice 6 May 2008

Approach two

An alternative approach is to examine the International Passenger Survey data for 2006.¹ Before adjustment (for asylum etc.) this shows an inflow of 316,000 non-British/non-EU citizens of whom:

- a) 78,000 had a definite job and 22,000 were looking for work – making a total of 100,000 work migrants
- b) 74,000 were accompanying/joining – some of whom would be accompanying the WP holders
- c) 114,000 came for formal study
- d) 19,000 gave other reasons
- e) and 8,000 stated “no reason”.

If we assume that the ratio of dependants to Work Permit holders is 50% then we have 150,000 work-related migrants (point (a) plus 50%) from outside the EU (EU citizens do not need work permits).

We can further assume that those who came for formal study (point (c)) are largely temporary migrants.

If we ignore the 8,000 for whom no reason is stated, the work-related total is 150,000 out of 193,000 (points (a) plus (b) plus (d)) or 78%.

Clearly there is considerable uncertainty surrounding these numbers, but it would seem that, leaving aside students who distort the numbers, approximately three quarters of non-EU migrants come for work-related reasons.