▶ 5. The Government's policies

- The Government are conducting a major reform of the immigration system.
- The key element, a new Points Based System for work permits, contains no limits on numbers.

The Government have undertaken a major reform of the immigration system. Processes have been tightened up and streamlined. A summary of the main measures it has introduced can be found in Appendix D (along with a summary of the main Opposition parties' policies on immigration).

The Points Based System

Among the measures the Government have recently introduced is a new "Points Based System" for economic migration. EU workers have freedom of movement: this system applies only to non-EU migrants. The Government claim that the new system will address a number of the fundamental weaknesses of the immigration system. It is intended to select those foreign workers who are most useful for the economy while balancing any such benefit against the impact of additional numbers on public services. **However, this scheme does not limit immigration and is not intended to do so**. It is therefore entirely different from the Australian scheme which the Government claim it resembles.

The proposals are, to some extent, a simplification of the present system, reducing 80 immigration routes to five categories, although each will have some sub-categories. The scheme also adds transparency in the sense that the requirements are more clearly set out. A potentially valuable reform is the introduction of "sponsorship" whereby the employer (or educational institution) will be responsible for ensuring the departure of a work permit holder or student when their visas expire. The introduction of electronic checks on arriving and departing foreigners, when implemented, will further strengthen the system. The new regime does, however, have some very serious weaknesses:

a) It is economically unsound

This scheme is designed to attract skilled workers who acquire an almost automatic right to settle permanently even though there might be only a temporary need for their skills. Indeed, over the medium term, the whole concept of skills shortages is dubious. Professor Metcalf, Chair of the Government's own Migration Advisory Committee, told the House of Lords Select Committee on Economic Affairs that "the whole notion of shortages was a bit of a slippery concept"[1] since, over time, wage increases should deal with the shortages. With a workforce of 30 million, the only long-term answer is to train and retrain British workers. The CBI themselves acknowledged this in their evidence to the same Select Committee.[2] In the long term, there is no significant economic benefit to the host country from large-scale immigration as the recent report by the House of Lords Select Committee on Economic Affairs made plain.[3]

1 House of Lords Select Committee on Economic Affairs, The Economic Impact of Immigration, 1 April 2008, para. 109
2 HL Paper 82-II Memorandum by the CBI, para. 2
3 House of Lords Select Committee on Economic Affairs, The Economic Impact of Immigration, 1 April 2008, Abstract, para. 1

b) No limit on numbers

This scheme does not limit work-related migration in any way, and is not intended to. The Australian system which it is said to resemble is, in fact, entirely different; it starts with a limit and selects within that total. By contrast, Tier 1 (the successor to the Highly Skilled Migrant Programme) is entirely open ended. For Tier 2 (skilled workers who will need a work permit), employers are supposed to make sure that there is no satisfactory candidate within the European Union. This test is notoriously difficult to police. Nor does it apply if an occupation has been declared a "shortage occupation", nor if the migrant arrives as an intra-company transfer.

c) It reduces incentives to train British workers

The main effect of the scheme will be to open the skilled section of our labour market to competition from overseas, thus reducing the incentive for employers to train British staff. For example, Tier 1 will be open to any foreign student who has a obtained a Bachelor's degree in the UK, is under 28, has stayed on under the International Graduates Scheme and is earning £23,000 a year. As the average starting salary for a graduate in the UK is about £21,000, this is not a high hurdle. These international graduates will be in direct competition with British graduates who will have run up substantial debts acquiring their degrees. The disaster over specialist training for British medical graduates is the clearest possible example of the impact of immigration on the training of British staff. In 2007 over 1,300 graduates from UK medical schools were unable to pursue their careers as a result of competition for specialist training from foreign graduates benefiting from the Highly Skilled Migrant Programme.[1] Each medical graduate costs the taxpayer about £250,000 so the total cost of those unable to proceed in 2007 was £325 million – not to speak of the implications for those concerned and the impact on future recruitment to our medical schools. By contrast, limiting most economic migrants to a maximum of four years would create an incentive for employers to train and promote British workers.

d) All can apply for settlement

By staying on for 5 years and making an application, all work permit holders will be qualified to apply for permanent residence in Britain or for probationary citizenship. (Tier 1 migrants need to apply for Further Leave to Remain after 3 years.) These routes to settlement will, of course, apply whether or not their skills are needed beyond the short term.

e) It does not "fill gaps in the labour force"

This Government claim is completely contradicted by the facts. In the last seven years there has been net immigration of nearly one and a half million but, by March 2008, vacancies at 690,000 were slightly higher than in the same quarter of 2001.[2] This is because immigrants fill some jobs but also create new demand which means new jobs.

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1 Department of Health Press Release 6 Feb 2008. Notes to Editors para.5
2 House of Lords Select Committee on Economic Affairs, The Economic Impact of Immigration, 1 April 2008, para.103

f) Scope for abuse

At the application stage, the incentive to forge the necessary documents will be huge. At stake is a "meal ticket for life" both for the successful fraudster and his family. The Government say that "intelligence led" detection methods will be effective but, with applications approaching 200,000 a year, that must be a dubious claim. Some multinational companies operating in India no longer rely on paper qualifications because of their unreliability. This scheme is almost entirely paper (or e-mail) based; most applicants will never be seen by an Entry Control Officer as the application process has been out-sourced in most countries. Furthermore, after arrival, there is no guarantee that those granted work permits under Tier 2 will actually do (or continue to do) the jobs that they were recruited for. Under Tier 1 there is not even a requirement that they should do skilled work.

g) Absence of embarkation controls

This scheme is being brought into effect before border checks on individuals are fully in place. The Home Office are, therefore, in no position to know whether someone granted a work permit has left at the end of it.

h) Difficulties of removal

Quite apart from the extensive legal and practical difficulties of removing people against their will, the Government have almost no capacity to remove people who are neither foreign prisoners at the end of their sentence nor failed asylum seekers. The Government's claim to be removing an immigration offender every 8 minutes is deeply misleading. This number includes those turned away at the border. The number actually being removed *after* entry is about 1,000 a month.[1] Meanwhile, the number of visas issued has risen 50% in the last 6 years to about 2 million a year. The Government's removal capacity is less than 1% of this number. Therefore, unless over 99% of those granted visas leave when they are supposed to, despite the absence of any checks, the number of illegals in Britain will climb every year.

i) The risk of collapse

This will be a huge and complex scheme. There are potentially 26,000 job titles and it is expected that there will be 14,000 sponsors in the first year. Given that students are included in Tier 2, there could well be half a million applications a year. On past form, the Home Office is most unlikely to have the staff and resources necessary to check on the authenticity of the applicants and their sponsors. The pressure from industry and academia will be to reduce waiting times and backlogs. It could well be only a matter of time before they are simply going through the motions for the sake of appearances, as we have seen in the past when the asylum system collapsed.

1 House of Commons written answer 460, 17 March 2008