IEA Discussion Paper No. 95

IMMIGRATION: PICKING THE LOW-HANGING FRUITS

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January 2019

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Economic Affairs

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Summary

- Opinion surveys consistently show that the British public is overwhelmingly hostile to immigration. This widespread hostility actively shapes our immigration policies in many ways. Although those policies are often demonstrably economically damaging, economic liberals tend to treat the topic as a lost cause.

- However, if we dig a little deeper into the polling data, a more differentiated picture emerges. Most people in Britain are not per se "anti-immigration" or "pro-immigration". Despite overall hostility to immigration, there are types of immigration that are widely accepted, or even popular with the public.

- This means that there are opportunities to liberalise our approach to immigration in some respects with popular support. It is not the case that clamping down on immigration is automatically popular, or that liberalising immigration is automatically unpopular.

- Contrary to the way the debate is usually framed, concerns about immigration are not really about overall numbers. Anxieties about immigration are primarily cultural, not economic. Overall numbers are therefore a sideshow.

- The net migration target should be abolished. Net migration levels are irrelevant. Current and recent rates of population growth in Britain are not particularly high. Plenty of countries, cities and regions around the world have been able to cope successfully with population growth rates far in excess of what any British city or region has experienced. Insofar as immigration really has led to problems, this has been due to self-imposed domestic policy constraints, not immigration as such.

- The cap on the number of work visas for highly skilled people (Tier 2 visas) should also be abolished. Skilled migration is popular with the public, and Tier 2 migrants are, almost by definition, highly productive economic and fiscal net contributors. Limiting their numbers is not just needless economic self-harm: it is not even good politics. In addition, the Tier 2 system should be simplified in a number of ways.

- International students are another highly popular group of immigrants. The government should make it easier for foreign students to come here, to work alongside their studies, and to work here after their studies.

- Debates about post-Brexit immigration policy options are predicated on the assumption that after Brexit, the UK must have one single immigration regime vis-à-vis the EU as a whole. This is not true. The UK could keep free movement with some countries, and end it for others. Free movement was never controversial in the UK before the 2004 EU enlargement. There is no reason why the UK should not be able to keep free movement for the old member states (the EU-14) and the EFTA countries.

- There is a two-thirds majority for free movement between Canada, Australia, New Zealand and the UK ("CANZUK"). This is a clear-cut example of where immigration policy can be liberalised with public support. Free movement between these countries should be introduced immediately, ideally on a reciprocal basis, or unilaterally if not. This could potentially be extended to other countries, if and when there is public support for it.

- Britain's future migration system should be a two-lane system. There should be free movement for some countries, although unlike in the past, those would not all have to be European countries. They would simply be the countries which the British public is most comfortable to share an open border with. For the rest of the world, there should be a simplified, uncapped version of the current tier system.

1. Introduction

Attitudes to immigration, and why they matter

Between 63% and 70% of the British public believe that current levels of immigration are too high (YouGov 2018). Between 30% and 42% of the public want to reduce immigration "a lot", and another 20-24% want to reduce it by at least "a little" (Ipsos MORI 2018). The "hostile environment" policy, often presented in the media as extremely contentious, is not contentious at all with the wider public: over 70% support it. Insofar as internationally comparable survey data is available, it suggests that immigration is a more salient issue in Britain than in most neighbouring countries, including in countries with similar or higher levels of net migration (Rolfe et al 2018: 17).

This is not a new phenomenon. Widespread hostility to immigration can be detected in surveys from as far back as the 1960s (Migration Observatory 2018; Rolfe et al 2018: 15), when Britain was a net emigration country. If anything, attitudes have become *less* hostile over time. But what has changed over the past twenty years is that immigration has become a much more high-profile topic. Immigration was no more popular in the 1990s than it is now – but back then, it was not yet deemed particularly important. Throughout most of the 1990s, when asked what the most important issues facing Britain were, fewer than one in twenty people picked immigration (ibid.). This share then began to rise sharply from the end of the 1990s, with immigration eventually overtaking all other concerns. It dropped in relative importance during the financial crisis, when, for obvious reasons, the economy became the public's top priority, and then again after the EU Referendum, when it was, again for obvious reasons, crowded out by Brexit. But it is fair to say that in economically and politically 'normal' times, immigration is the British public's top priority, or at least one of them.

Is this a problem?

For our day-to-day lives, the answer is probably "No". Hostility towards immigration in the abstract does not necessarily translate into hostility towards individual migrants. Britain is generally good at welcoming newcomers and integrating immigrants. It is also notable that unlike many other European countries, Britain does not have a successful far-right party.

But for better or worse, attitudes to immigration do have policy implications. For a start, they were a main determinant of the EU referendum result, and more importantly, of the *type* of Brexit that was subsequently deemed politically feasible. 51% of Leave voters, but only 13% of Remain voters, want to see immigration reduced "a lot" (Ipsos MORI 2018).[1] About four in ten Leave voters named control over immigration as their main reason for voting Leave, with another three in ten naming it as their second most important reason (Carl 2018).[2]

The perception that the Brexit vote was, first and foremost, a vote to curtail immigration began to shape the course of the Brexit negotiations early on. In her Lancaster House speech, Prime Minister May repeatedly emphasised her commitment to ending the free movement of people after Brexit. This automatically ruled out a number of "off-the-shelf" solutions, i.e. comparatively simple versions of Brexit, which would consist of emulating an already existing model. This is because other models (e.g. the models of Switzerland, Norway, Iceland, Jersey, Guernsey and the Isle of Man) involve freedom of movement, and other elements of those models depend on this. The EU does not generally accept a mix-and-match approach, so "Norway without free movement" or "Switzerland without free movement" are not available. Thus, ruling out free movement meant ruling out all of those models at a stroke.

The perceived need for politicians to present themselves as "tough on immigration" is also the motivating factor behind a raft of policies that would be hard to justify on their own, and that seem to serve no purpose other than "toughness-signalling". For example, there is a monthly cap on the number of visas that can be awarded to highly skilled migrants. Due

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1 The share of people who want to see it reduced "a little" is about the same in both camps, at one in four (ibid).
2 This is from a survey which offered a fixed menu of possible reasons, with no "other" or "none of the above" response option. In more open-ended surveys, the share of Leave voters naming immigration as their most important concern is lower, at one in three (see e.g. Ashcroft 2016).

to this cap, the Home Office rejected almost 2,000 medical professionals, about 1,500 IT specialists, 1,800 people who would have worked in professional services, 400 scientists and engineers, and various other skilled professionals, in the first quarter of 2018 alone.[3]

The government also attempts to bring net migration below a target level of 100,000 (the "net migration target"). Problematically, foreign university students – who can, in some years, represent the largest group of migrants – are counted towards that target. The government has repeatedly resisted calls to drop students from the target, apparently motivated by fears that a redefinition of the target would be seen as going "soft on immigration".

Such examples show that public attitudes to immigration matter – or at least, the way those attitudes are interpreted by politicians does. For better or worse, they actively shape our immigration policies in a number of important ways.

The immigration debate: Fatalists vs Educators

Against this backdrop, supporters of a more liberal approach to immigration tend to fall, broadly, into two camps, which we might label the "Educators" and the "Fatalists".

"Educators" believe that public opposition to immigration is simply the result of an avalanche of misinformation: the public is hostile to immigration because a xenophobic tabloid press and populist politicians are constantly whipping up fears and peddling myths.

One version of the Educator argument, which is particularly popular on the political left, is that this stoking of anti-immigration sentiments is part of a wider, more sinister agenda. A shadowy "corporate elite" is trying to scapegoat minorities (including immigrants) for problems that have "really" been caused by the "neoliberal" economic policies from which said corporate elite benefits. Anti-immigration rhetoric is part of a divide-and-rule strategy,

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3   BBC News: '1,600 IT workers and engineers denied UK visas', 16 May 2016. Available at https://www.bbc.co.uk/news/science-environment-44113324

which cynically pits communities against each other. It is deployed in order to deflect public anger, and distract people from the "real" issues.[4]

A more moderate version of the Educator argument, which dispenses with the conspiratorial aspects, is popular among liberal commentators. In this version, hostility to immigration has more mundane explanations. It is not deliberately orchestrated by anyone, and it is not part of any agenda. It is simply the result of intellectual laziness. Populists in search of cheap applause amplify it, but they do not originally create it.

For example, in his IEA discussion paper *Free to Move*, Philippe Legrain (2016: 10) argues:

> Britain's biggest problem with immigration is the chasm between the generally positive reality of immigration and often-negative public perceptions. This […] has many causes, including ignorance, misinformation, misperception, localised anecdote […]. Regrettably, many politicians, anti-immigrant campaigners and media propagandists have exacerbated this […] problem through their fear-mongering, xenophobic rhetoric and outright lies

What both the liberal and the left-wing versions of the Educator argument have in common is the conviction that objections to immigration are unfounded, and that if people were more accurately informed, they would become more supportive of immigration. The implication would be that supporters of a more liberal approach need to do more to challenge popular myths, and be more vocal about the benefits immigration brings.

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4   E.g. Gary Younge: 'Don't let Trump fool you: rightwing populism is the new normal – video', 6 January 2016. Available at https://www.theguardian.com/commentisfree/video/2016/jan/06/dont-let-trump-fool-you-rightwing-populism-is-the-new-normal-video

Jonathan Friedland: 'We'll never stop Brexit or Trump until we address the anger fuelling both', The Guardian, 10 November 2017. Available at https://www.theguardian.com/global/commentisfree/2017/nov/10/never-stop-brexit-trump-address-anger-impeachment-second-referendum

The Guardian Books podcast: 'Naomi Klein on neoliberalism and the fightback against Donald Trump – books podcast', 4 July 2017. Available at https://www.theguardian.com/books/audio/2017/jul/04/naomi-klein-trump-neoliberalism-left-failed-books-podcast

Seumas Milne: 'The rise of Europe's far right will only be halted by a populism of the left', The Guardian, 14 May 2014. Available at https://www.theguardian.com/commentisfree/2014/may/14/rise-of-europe-far-right-only-halted-by-populism-of-left

The Fatalists, meanwhile, treat immigration as a lost cause. They believe that the public is implacably hostile to immigration, and that current policies are simply a reflection of that fact. Trying to win support for liberalisations is therefore seen as a waste of time. Accepting current restrictions on immigration, and adding new ones, is just a matter of *Realpolitik*, even where this is demonstrably economically damaging.

A case in point is the Migration Advisory Committee's recent report on immigration from the European Economic Area (MAC 2018a). There is a strong disconnect between the report's descriptive part, which summarises the empirical evidence on the impact of EEA migration in a range of areas, and the prescriptive part, which contains recommendations for a post-Brexit immigration policy. In the first part, the report finds that virtually all of the perceived downsides of EEA migration are either non-existent, or relatively small. But the second part then nonetheless goes on to recommend a much more restrictive immigration policy, in order to address those non-existent or minimal "problems".[5]

There are a number of problems with both the Educators' and the Fatalists' arguments.

Educators start from the presumption that the national conversation about immigration is dominated by people who are hostile to it. But interestingly, critics of immigration tend to believe the exact opposite. They do not at all see themselves as the ones who dominate the debate. They see themselves as the underdog. They see the debate dominated by an aloof "metropolitan elite", which only experiences the upsides of immigration, and which stifles any sensible discussion of the subject. For example, in a review of David Goodhart's book *The British Dream*, Peter Oborne writes:

> Until recently, it has been impossible to have a balanced public discussion about immigration. Anyone who challenged the liberal view that mass immigration was a good thing risked being denounced as racist. […]

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5 Arguably, the Labour Party's (2017: 28) manifesto for the 2017 General Election, which contained an explicit and unequivocal commitment to ending free movement of people after Brexit, represents another example. Given that the party never tried to reduce EU immigration before (although there have always been *some* policy levers for this, even without securing any opt-outs from the EU), it would appear that this is more a matter of electoral pragmatism than a profound change of heart.

Goodhart […] demolishes the myths created by the liberal elite about immigration, exposes the lies and contradictions[6]

Similarly, Paul Embery writes for *Unherd*:

There are the gentrified hotbeds of liberal cosmopolitanism […] top heavy with the professional classes and cultural elites […]

But, then, there are those places outside the bubble […] populated by those steamrollered by globalisation, for whom austerity and mass immigration have exacerbated the problems of low wages, poor housing and under-pressure public services. […]

Barking and Dagenham […] was once […] stable, close-knit and settled. […] Barking and Dagenham enjoyed its steady constancy, its social and cultural homogeneity. […]

But then things changed. […] [T]here was a sizeable influx of migrants, precipitating rapid social and cultural transformation. […]

The indigenous population cried out for respite. […] But nobody in power took a blind bit of notice, other than to patronise them with trite arguments about improved GDP and cultural enrichment.[7]

We can see this contrast as an example of the so-called "Hostile Media Effect". Proponents of diametrically opposed viewpoints often sincerely believe that their own respective viewpoint is socially stigmatised and marginalised, while the opposing viewpoint is an unchallengeable orthodoxy.[8] This is, of course, logically impossible. A viewpoint cannot be both marginalised *and* the prevailing orthodoxy at the same time. But on some subjects, it is not uncommon for partisans of all hues to feel that they are the marginalised, picked-on minority, and that their opponents are firmly in control.

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6   Peter Oborne: *The British Dream* by David Goodhart and *The Diversity Illusion* by Ed West: review, The Telegraph, 15 April 2013. Available at https://www.telegraph.co.uk/culture/books/bookreviews/9986465/The-British-Dream-by-David-Goodhart-and-The-Diversity-Illusion-by-Ed-West-review.html
7   Paul Embery: 'The truth about 'liberal' London', Unherd, 3 May 2018. Available at https://unherd.com/2018/05/truth-liberal-london/
8   See Scott Alexander: Against bravery debates. Slate Star Codex, 18 May 2013. Available at http://slatestarcodex.com/2013/05/18/against-bravery-debates/

In the UK, immigration clearly is one of those subjects. Supporters of a liberal approach see themselves as the reasonable David, who is up against a hysterical, xenophobic Goliath. But critics also see themselves as the reasonable David, who is, in this case, up against a hysterical, politically correct Goliath. They feel that they cannot express perfectly valid objections without immediately being branded as racists and bigots. With this in mind, doubling down on pro-immigration rhetoric alone is unlikely to change many minds when immigration critics already feel that they are under siege.

Educators also tend to take the commonly voiced objections to immigration completely at face value. The most commonly voiced objections, e.g. "immigration leads to wage dumping", "we no longer train our own, because employers prefer to hire foreign labour" etc relate to the *economic* impact, as opposed to the *cultural* impact, of immigration. Claims about the economic impact are much more easily empirically testable than claims about the cultural impact, and empirical assessments almost always show them to be false (more on this later). Yet critics of immigration keep repeating those demonstrably false claims anyway. Educators tend to see this as evidence of their ignorance.

But this is, in all likelihood, a misunderstanding. The most commonly voiced objections are probably not really the *main* objections. As Eric Kaufmann points out:

> The reasons people say they oppose immigration are those they […] feel to be socially acceptable. […]
>
> [T]he salience of immigration […] is largely because of its cultural and psychological impact, which immigration opponents are compelled by social norms to rationalise in economic terms.[9]

"Rationalise" is probably too strong a word here, because it implies that economic anxieties are not real – that they are merely a cover story for cultural anxieties, which people are too afraid to express publicly. But Kaufmann's basic point still stands. Immigration is, after all, a hypersensitive topic, surrounded by strong social taboos, especially when ethnic and/or

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9 Eric Kaufmann: "Why culture is more important than skills: understanding British public opinion on immigration", LSE Politics and Policy blog, 30 January 2018. Available at http://blogs.lse.ac.uk/politicsandpolicy/why-culture-is-more-important-than-skills-understanding-british-public-opinion-on-immigration/

religious minorities are concerned. It is far less socially awkward to talk about economic issues, such as labour market outcomes or fiscal impacts, than it is to express negative views of the cultural impact of immigration. Economic anxieties are more than just rationalisations, and it would be a mistake to ignore them (more on this later) – but they are unlikely to be much more than the tip of the iceberg.

This could explain why the provision of information, on its own, rarely changes attitudes. Rolfe et al (2018: 23-26) review the literature on the relationship between factual knowledge about immigration, and attitudes towards immigration. On the one hand, they do find that people who have a better grasp of the facts tend to have more positive attitudes towards immigration, which, at first sight, seems to confirm the Educators' view. But they also find:

> The existing literature, though it is limited, suggest that […] people update their beliefs about the factual information but interpret these in a manner consistent with their anti-immigrant attitudes […]

> [I]mmigration attitudes are grounded in stable psychological predispositions which enable people to resist information that challenges their beliefs […]

> A recent survey […] followed up with people who had significantly overestimated the size of the immigrant population and asked them why they thought they had overestimated in order to understand their conscious justifications. The two most common responses both rejected the validity of the official data

Fatalists, meanwhile, rarely try to delve any deeper into what exactly it is about immigration that makes it so unpopular. They appear to assume that any policy that is perceived as "tough on immigration" is automatically popular, while any policy that is perceived as "soft on immigration" is automatically unpopular.

This is not borne out by the data. Surveys on immigration show an interesting divide. When people are asked about immigration in general, abstract terms, public opinion appears indeed highly polarised, and overwhelmingly hostile. But when people are asked more specific questions about specific types of immigration, a much more differentiated picture emerges. Most people see huge differences between different groups of

immigrants, especially with respect to country of origin, skill level, or motivation for migrating. Amidst overall hostility to immigration, there are some forms of immigration which are widely accepted, or even popular.

This should not be surprising. Different groups of immigrants differ in terms of many economic, social, cultural and other outcomes. Whether we look at employment rates, crime rates, educational attainment, levels of English language proficiency, rates of intermarriage with British-born people, levels of welfare dependency, or any other measure, we will find colossal differences in outcomes between different groups of immigrants. Thus, in most conversations about immigration, the level of aggregation is too high. As the writer Ed West puts it:

> [T]he argument about whether "immigrants" benefit the country […] is as meaningless as asking "are foreigners better at football than England?" Put that to a football fan and he'd respond "which team? Brazil? San Marino? Scotland?" […] The term "immigrant" is essentially meaningless in statistical terms unless we break down the figures[10]

But when we debate "immigration" in the abstract, such distinctions often get lost. Based on qualitative research involving focus group interviews, Runge finds:

> [P]eople constantly conflate different migrant groups, such as economic migrants, asylum seekers and refugees, as well as non-EU and EU migrants.[11]

A study by British Future and Hope not Hate (2018: 13) also finds:

> [D]ifferent groups of migrants are frequently not distinguished or are conflated

This is why disaggregated findings are much more meaningful, and much more suitable to inform policy, than findings about "immigration" in general.

10 Ed West: 'What's the difference between German and Romanian immigrants?', The Spectator, 19 May 2014. Available at https://blogs.spectator.co.uk/2014/05/whats-the-difference-between-german-and-romanian-immigrants/
11 Johnny Runge: 'People's perceptions of EU immigration: it's the economy, stupid!', National Institute of Economic and Social Research, 10 October 2018. Available at https://www.niesr.ac.uk/blog/people%E2%80%99s-perceptions-eu-immigration-it%E2%80%99s-economy-stupid

Most people in Britain are not "pro-immigration" or "anti-immigration". Most people are hostile to some forms of immigration, indifferent to others, and supportive of yet others.

This paper takes a different approach from both the Educators and the Fatalists. Unlike the former, it does not treat cultural (as opposed to economic) objections to immigration as a result of mere misinformation or ignorance, and it does not treat them as easily malleable. Instead, it accepts such objections as largely given, and fixed. But, unlike the latter, it does not treat this as a reason for inaction, let alone for pointless toughness-signalling. Instead, it tries to spell out the most liberal, most economically sensible immigration policy that is compatible with public opinion.

This paper does not attempt to spell out a comprehensive new immigration policy. It aims for neither breadth nor depth. It is a "lazy" paper, which deliberately avoids the tricky subjects. Its purpose is a narrow one: it simply seeks to show that there are a number of low-hanging fruits in immigration policy. It is possible to liberalise immigration in some respects, without antagonising public opinion.

2. Which immigrant groups are popular?

There are types of immigration that are accepted, or even actively supported, by a relative or even an absolute majority of the British public.[12]

More than seven out of ten people believe that we should admit more, or at least the current level, of highly skilled, highly paid people, university students, and healthcare professionals. Fewer than one in five want to reduce the numbers of those people coming here. Net approval for investors is slightly lower, but still clearly positive, and, perhaps surprisingly, there is also net support for accepting at least the current number of refugees.[13] There is, however, strong support for reducing immigration of low-skilled, low-paid people.

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12 Absolute majorities are hard to obtain in surveys that allow non-committal response options like "Neither" or "Don't know". In some surveys about immigration, up to half of respondents choose non-committal options, making an absolute majority for any position unachievable. In the above, the term "relative majority" is used in the sense of "an absolute majority among those who express an opinion".
13 A note of caution is required here: the survey describes refugee status, but it does not actually use the – potentially politically loaded – term "refugee".

Figure 1: Support for, and opposition to, different types of migration
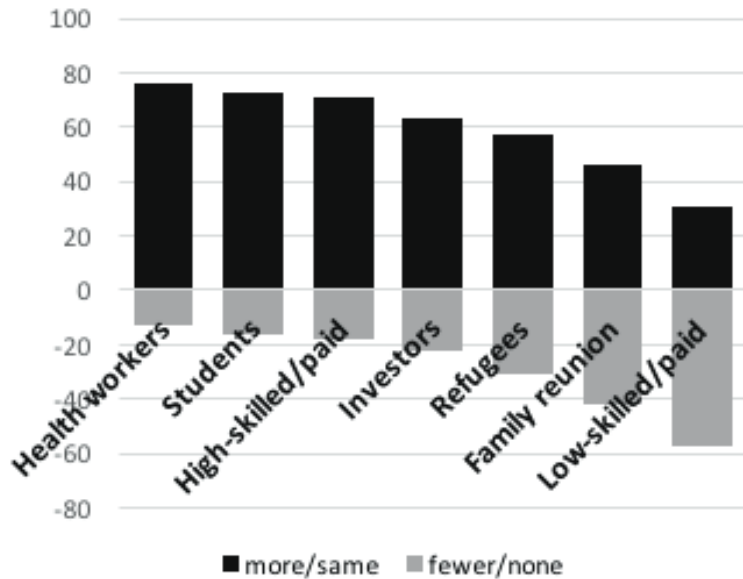
Based on YouGov (2018)

The exact numbers differ from survey to survey, but the general pattern is consistent. As Rolfe et al (2018: 27) explain:

> One of the most clear distinctions found in the literature is the higher acceptance of high-skilled workers and occupations compared to low-skilled […] while there is majority support for reducing immigration for low-skilled workers, only a minority of the UK public supports reducing immigration of high-skilled workers

High-skilled migration remains popular when the generic term "high skill" is replaced with specific professions, such as scientists/researchers, engineers, business/finance or IT specialists (Katwala et al 2017: 20-21). Low-skilled migration, in contrast, becomes a lot more popular when the generic term "low skill" is replaced with specific professions, such as construction workers, waiters, bartenders, care workers or fruitpickers (ibid: 23-24). There is no overall majority for reducing the number of immigrants working in any of those professions. There are also huge differences in approval depending on immigrants'

place of origin. For a start, European migration is, on the whole, a lot more popular than non-European migration. As Hix et al explain:

> British voters prefer EU to non-EU migrants: […] desired levels of European immigration are higher than […] preferred levels of non-European immigration […] This pattern of preferring immigrants from inside the EU to those from outside holds across all social groups in our data. For example, […] [m]iddle class people (in ABC1 social grades) prefer more net immigration than working class people (in C2DE social grades), but both groups want fewer non-EU than EU immigrants.[14]
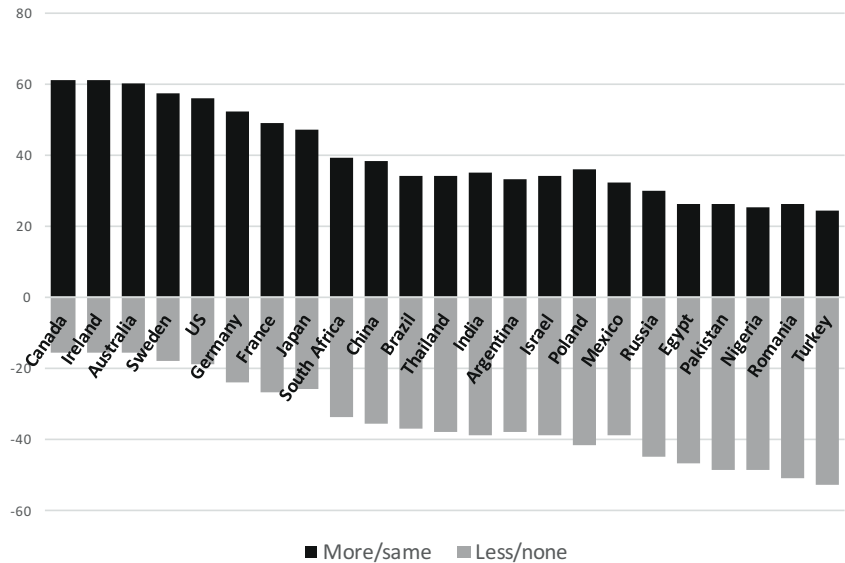
Figure 2 shows a more disaggregated breakdown by country of origin. It is based on a survey that asks people which countries they would allow more immigration from, which countries they would allow less immigration from, which countries they would allow no immigration from at all, and which countries they would continue to allow current levels of migration from.

Unsurprisingly, it turns out that people from high-income English-speaking countries are the most popular group of migrants (although many may not even see those people as "migrants" at all). An absolute majority believe that we should admit at least the current numbers of people from those countries, with less than a fifth of respondents believing we should admit fewer or none. One step down in this hierarchy are Western Europeans, who, as a group, are not quite as popular as first-world Anglosphere migrants, but still enjoy high levels of net approval. The fact that Japan is treated almost like a Western European country suggests that this is not simply a matter of racial preference for people who do not "look foreign" (although there is a correlation).

For migration from many middle-income countries, approval and disapproval roughly balance each other. Middle-Eastern and African countries tend to enjoy the lowest rates of net approval.

14 Simon Hix, Eric Kaufmann & Thomas J. Leeper: 'British voters prefer EU to non-EU migrants', LSE blog, 5 June 2017. Available at http://blogs.lse.ac.uk/brexit/2017/06/05/uk-voters-including-leavers-care-more-about-reducing-non-eu-than-eu-migration/

Figure 2: Support for, and opposition to, different types of migration by country of origin
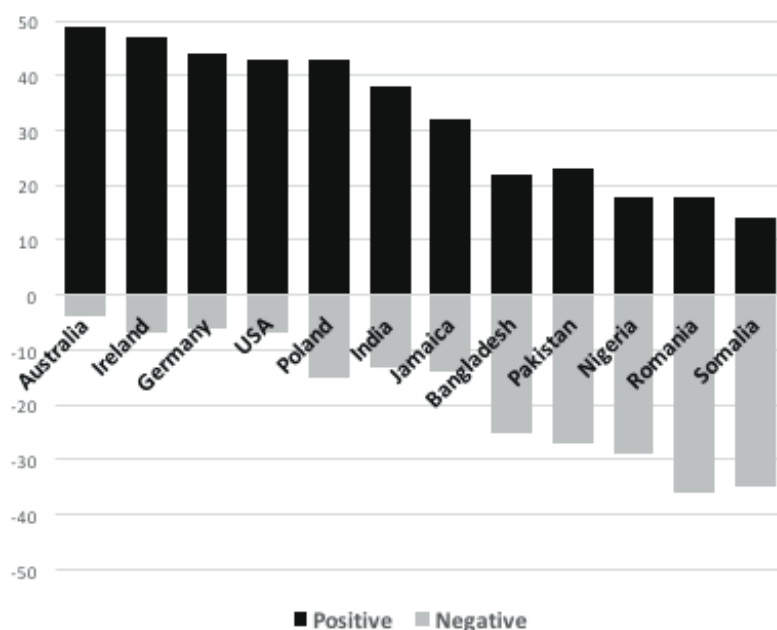

YouGov (2016)

Again, the exact numbers differ from study to study, but the general pattern is a consistent finding in the literature. As Rolfe et al (2018: 27) explain:

> Another clear distinction [found in the literature] is by immigrants' country of origin, which may be understood as a proxy for other factors such as religion, language and cultural factors. Survey studies show a clear pattern where British people are more accepting of white, English-speaking, European and Christian countries compared to non-white, non-Europeans and Muslim countries

Approval of migration from different countries is closely linked to perceptions of the contribution to British life that people from the respective country have made so far (although there are other factors at play as well). Here, it is harder to get a clear picture, because around half of respondents choose non-committal answers like "don't know". But we can loosely see the same hierarchy as above, which has people from rich Anglosphere

countries at the top, followed by Western Europeans, and people from African and Middle-Eastern countries at the bottom.

Figure 3: Perception of the contribution that different migrant groups have made to British life

YouGov (2018)

The above surveys do not ask about a specific migration system. There are, however, surveys about the idea of introducing reciprocal free movement rights, similar to free movement within the EU, between the UK and Canada, New Zealand and Australia. In the UK, there is a two thirds majority for this idea (CANZUK International 2017). There is also a relative majority – 45%, with 27% answering "Don't know" – for free movement between the UK and the US (YouGov 2015).[15]

Similarly, a recent survey by Opinium Research and the Social Market Foundation describes a potential post-Brexit immigration system vis-à-vis

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15 These surveys ask about a system in which freedom of movement is a two-way street. It is not clear how popular a unilateral version, under which citizens of those countries could freely move to Britain without a visa, but British citizens could not do the same, would be.

the EEA. Under this system, EEA citizens would be free to come to the UK to look for work and take up a job, but they have to register upon arrival, and if they do not find a job within six months, they can be deported. They can live off independent means (e.g. savings), but in that case, they would have to have private health insurance, i.e. they would not be entitled to free NHS care. Under this system, the UK government has the option to temporarily halt migration if it creates problems in the UK. The survey showed that 58% of respondents would support such a system, while 18% would oppose it. It was particularly popular among self-identified Leave voters.[16]

This "hypothetical" migration system is, of course, not hypothetical at all. It simply describes how free movement already works in the EU, plus the temporary emergency brake that is available to non-EU EEA members. More precisely, it describes free movement as it works in EEA countries where governments choose to enforce its limits and conditions, and as it *could* also work in the UK if the UK government chose to enforce its limitations and conditions (Home Affairs Committee 2018: 15-19). The survey suggests that free movement with strict enforcement of its constraints is not at all unpopular.

More generally, surveys on free movement within Europe do not produce a consistent picture. In a recent Eurobarometer (2018: 33) survey, 72% of UK respondents expressed approval for "the free movement of EU citizens who can live, work, study and do business anywhere in the EU", with only 21% opposing. Other surveys, however, show a strong skills bias. There is overwhelming support for keeping an open-door policy for highly-skilled EU migrants: only about one in seven respondents want to restrict the number of those people coming to Britain, and on this question, there is little difference between Leave voters and Remain voters (Katwala et al 2017: 20). At the same time, there is nearly a two-thirds majority for reducing the numbers of low-skilled EU migrants, which is, of course, incompatible with free movement. In focus group interviews, demands for "controls"

16 James Kirkup: 'Most Tory voters would back Norway-style immigration (just don't tell them)', The Times, 2 October 2018.

A potential problem with interpreting the survey is that the wording could create the impression that the emergency brake is a routine tool, which governments can use as they please. The actual emergency brake is a measure of last resort, which can only be used in specific circumstances. Liechtenstein can readily use it does not mean that the UK could do likewise, if it remained a member of the EEA or closely aligned with it. It is unclear how popular this version of free movement would be if the survey made that clearer.

frequently come up, but there is no consensus on the type of controls that people want to see implemented (ibid.). For some respondents, this merely means better record-keeping, background checks to exclude foreign criminals, and work requirements – measures that could be quite compatible with free movement rules. For others, it means the introduction of a more selective admission system, which would spell the end of free movement.

Other surveys ask people what they see as the main benefits (if any) and the main downsides (if any) of immigration. Table 1 shows the five most common responses for both sides. (Respondents can choose more than one option, so the percentages add up to more than 100%).

Table 1: Perceived upsides and downsides of immigration

Negative		Positive	
Claiming benefits	47%	Filling skill gaps	48%
Pressure on public services	43%	Brings in fiscal net contributors	38%
Pressure on housing	43%	Doing jobs Britons will not do	28%
Extreme views and terrorist sympathies	38%	Brings in entrepreneurs	25%
Damaging British culture and traditions	25%	Revenue for universities	23%

YouGov (2018)

This survey asks about "immigration" in general, rather than about specific groups – but it nonetheless gives an indication about the relative popularity of different groups, because most response options apply to some groups more than others. Most obviously, the point about university funding only applies to students.

A look at the perceived upsides shows that most people take a utilitarian view of immigration. The five most common responses are all related to economic/financial benefits. The options "Giving Britain a more diverse culture" and a "more diverse cuisine" are also available, but they do not make it into the top five.

The perceived negative sides show a mix of cultural and economic concerns. Those answers, however, are likely to be skewed by "social desirability bias", the tendency for survey respondents to report what they think they are socially expected to say, rather than what they truly believe. Expressing concerns about pressure on public services is a socially acceptable response. Expressing concerns about extremism and terrorism is much more contentious, and can quickly be met with accusations of racism and/or Islamophobia. Thus, those response options do not "compete" on a level-playing field.

Interestingly, the possibility of immigrants undercutting the wages of native British workers, a point which receives a disproportionate amount of media attention, does not make it into the top five.

In addition, a ComRes (2017) survey tries to find what exactly the term "immigrant" means to different people: which foreign-born residents are considered "immigrants", and which are not. Technically, this survey is about a definitional issue, not popularity. But the results suggest that at least for some respondents, it is about more than that. For example, two thirds of respondents would describe an unskilled labourer from outside the UK as an immigrant – but only half would apply that label to a highly skilled worker from outside the UK. If "highly skilled worker" is replaced with "university researcher, academic or scientist", that proportion drops even further, to about 40%. If we take these responses literally, this makes no sense. A person's skill level has nothing to do with their immigration status. But at least some respondents seem to mix notions of approval or disapproval into their definition of the term "immigrant". This could be an attempt to reconcile a generally negative view of immigration with a positive view of foreign academics and researchers, by insisting that the latter are somehow not "really" immigrants.

Finally, it is worth noting that there is no recognisable relationship between the number of people from a particular country who already live here, and the public's willingness to accept more people from that country in the future. There are nearly 400,000 Irish-born, over 300,000 German-born, 175,000 French-born, over 150,000 American-born and about 140,000 Australian-born people living permanently in the UK (ONS 2018). These are among the largest groups of foreign-born residents – but they are also among the most popular groups, and ongoing migration from their countries of origin is uncontroversial.

3. Numbers vs composition

Surveys on attitudes to immigration do not reveal anything particularly groundbreaking. What stands out most clearly is that most people prefer immigrants from culturally similar countries, who tend to blend in easily, and that most people prefer immigrants who are likely to become fiscal and economic net contributors. Some readers may, at this point, be wondering why we need surveys for this at all: is this not blatantly obvious?

The answer is: it may well be – but it nonetheless needs to be spelled out, because our immigration debate does not reflect it adequately.

Supporters of a more restrictive immigration policy often argue, or imply, that concerns about immigration are primarily about overall numbers. Their arguments revolve around issues of overcrowding and resource constraints: pressure on housing, pressure on infrastructure, pressure on the NHS, pressure on schools, pressure on public transport, pressure on job markets etc.

For example, Migration Watch UK argues:

> Immigration is a natural part of an open economy and society and at Migration Watch UK we welcome it. The problem is the current scale of immigration, which is simply unsustainable. […] We recognise that most migrants come here for a very understandable reason, to try to better their lives, and that many make a positive contribution to our communities and to society. The issue is the scale that immigration has now reached with serious consequences for the size of our population and for the ability of our public services to cope.[17]

17 Migration Watch UK (n.d.): What is the problem? Available at https://www.migrationwatchuk.org/what-is-the-problem

If resource constraints really were the main issue, the composition of Britain's immigrant population would not be particularly important. It would not matter where they come from, why they want to live in Britain, or what they do once they are here. Integration would be a sideshow, because an immigrant who speaks perfect English, embraces British culture, and fits in effortlessly, still needs a place to live, still needs to use roads, and still needs to see a doctor when they get sick. As far as their impact on housing, infrastructure and public services is concerned, an immigrant is an immigrant. Emigration of British citizens, on the other hand, would be a blessing.

But as the above survey data show (and as is clear to anyone who takes even a fleeting interest in the immigration debate), this is clearly not the way most people think about immigration. Compare the following two hypothetical migration scenarios:

1. A series of devastating natural disasters make many Australian cities uninhabitable. Millions of Australians emigrate, five million of them to the UK. There is no migration from or to anywhere else, so net immigration is plus five million.

2. A series of devastating natural disasters make large parts of Africa and the Middle East uninhabitable. Millions of people from that part of the world emigrate, five million of them to the UK – but at the same time, five million Britons emigrate. There is no migration from or to anywhere else, so net immigration is zero.

If groups like Migration Watch UK were consistent, they would have to shrug their shoulders at Scenario 2. After all, it does not create any extra demand for GPs or road space. They would, however, have to be alarmed about Scenario 1, which, at least in the short term, would undoubtedly create huge pressure on housing, infrastructure and public services.

But it does not take a lot of imagination to see that there would be far more public resistance to Scenario 2 than to Scenario 1. One could make the point even clearer by replacing the latter with a scenario in which there is no international migration at all, but five million people move from other parts of the UK to London and the southeast. Given that we are talking about pressure on goods and public services that are inherently local in nature (nobody is complaining that, say, national defence cannot cope with immigration), the effect on the recipient regions should be the same.

It is difficult to avoid the impression that the overemphasis on physical constraints is primarily an attempt to shift the conversation to safer, less socially awkward territory.

Economic and cultural concerns are, of course, not mutually exclusive, and there is evidence that both play a role (Rolfe et al 2018: 19-22). But it is not too speculative to argue that the latter matter more than the former.

Kaufman runs a survey where respondents can choose between two immigration scenarios. Under the first scenario, net immigration would increase by 100,000 people. Those additional migrants would all be skilled people from outside of Europe. Under the second scenario, net immigration would fall by 150,000 people, with skilled people from outside of Europe accounting for the entirety of the reduction. Perhaps surprisingly, there is a slim relative majority for the first scenario. This is not what we would expect if numbers really were the main concern.

The same question is then presented to a control group, with one little tweak: the generic "outside of Europe" is replaced by "Africa and Asia". Given that "Africa and Asia" is a subset of "outside of Europe", one might not expect a huge difference in responses. But there is: in this version, a clear relative majority favours the second scenario. This supports the suspicion that economic objections to immigration are expressed because they are more socially acceptable to express, not because they really are the most pressing concern.

Rolfe et al (2018: 61-62) come to somewhat different (albeit not necessarily incompatible) conclusions. Their focus group participants do not show much reluctance to raise non-economic issues, and yet, economic concerns nonetheless do not go away:

> We did not ask focus group participants directly about cultural concerns but they did raise them and often quite forcefully. Participants were not shy in expressing cultural concerns […]

> When participants did raise cultural concerns, it was largely with reference to British ethnic minorities, in particular Muslims […] These findings are in line with existing experimental survey evidence which shows that different migrant and ethnic groups are associated with different concerns: Eastern European migrants are associated with economic threat and Muslim ethnic minorities and migrants with security threat and crime

Thus, economic concerns are not *just* a rationalisation. They are part of the mix, and anyone who is interested in migration policy must address them (which the next section of this paper will do). But the current obsession with overall numbers is nonetheless unwarranted.

This would not be a problem if it were just a matter of rhetoric. But it has real policy implications. Concerns about overall numbers and concerns about cultural compatibility are not mutually exclusive, but they do lead to very different policy prescriptions. The policies of a government that is primarily concerned with cutting migration numbers would be very different from the policies of a government that is primarily concerned with cultural cohesion.

Yet if we care primarily about cultural cohesion, but *pretend* to care primarily about overall numbers, because we find the first issue too uncomfortable to talk about – then we have a problem.

Some of our immigration policies are clearly predicated on the assumption that concerns about immigration are concerns about overall numbers. This is why we have a net migration target, caps on the number of visas for skilled workers, the classification of students as immigrants, and plans to control the numbers of EEA migrants after the post-Brexit transition period.

This means that we hinder types of immigration that few people object to, and make life harder for groups of immigrants that are popular with the public. We could, in theory, quite easily relax immigration rules for popular groups, while leaving them unchanged for others. The former would be better off, the latter would be no worse off, and the British economy as a whole would benefit as well. Not everybody would win, but no group would lose out – a win-neutral-win policy. But we could no longer tip-toe around the social taboos around immigration.

4. How many immigrants can the UK absorb?

As mentioned, our immigration debate often conflates two separate issues: the UK's ability to "absorb" immigrants in a cultural sense (integration), and its ability to absorb immigrants in an economic or logistical sense (the provision of housing, infrastructure, public services etc). The latter is about changes in population *numbers*, the former is about changes in the *composition* of the population.

Those two issues get conflated because, even though economic anxieties are real, and need to be addressed, they are also often used as a vehicle to express cultural anxieties. Since it is not deemed socially acceptable to express reservations about specific groups, we pretend that the only issue with immigration is its overall level. We pretend that it is not physically or logistically possible to accommodate more people in Britain.

This paper takes a lazy approach; it evades the thorny subjects around integration and cultural compatibility. This section therefore disentangles those two issues. It looks at just one of them, namely, the UK's ability to absorb migrants in an economic/logistical sense, in isolation. We could imagine a scenario in which the five million UK citizens, who live permanently abroad, all simultaneously decide to move back to Britain. Integration would clearly not be an issue, but all the issues that define our immigration debate would apply to this scenario no less. Would there be an economic case for restricting their numbers?

As mentioned, Kaufmann and others argue that many of us rationalise cultural concerns about immigration in economic terms, and while this cannot be easily proved or disproved, they provide some compelling

evidence that this is indeed the case.[18] There is, however, a problem with the word "rationalise". It implies that people who present economic objections to immigration know, at some level, that these objections are unfounded. If that were the case, addressing those issues would be a waste of time.

But this is not how it works. What starts as a rationalisation can sometimes turn into a genuinely held belief. It may not be the whole story, but it still needs to be addressed. This is what this section will do.

The non-issue of population growth

Between 1960 and 1973, the UK population increased by almost 4m people, or 7.4% (based on ONS 2017). This was not considered a problem at the time, because the main driver was not immigration (although that also played a part), but high birth rates among the native population – the post-war baby boom. Housing, for example, was not an issue, because throughout the period, over 300,000 new homes were completed every year.

By international standards, Britain's rate of population growth over the past few years and decades has been by no means unusual. Various US states have recorded rates well in excess of that. Between 2010 and 2017, the population of Texas increased by nearly 13%, while the populations of Colorado, the District of Columbia, Florida, Nevada, North Dakota, Utah and Washington also increased by double-digit figures (US Census Bureau 2018). Yet some of those places score remarkably well on measures of housing affordability. In most of Texas, the 'Median Multiple' – the ratio of median house prices to median annual household incomes – is between 3 and 4 (Demographia 2018). This means that a family in the middle of the regional income distribution can afford a house in the middle of the regional price range with between 3- and 4-years' worth of their income. Median Multiples in most British housing markets are far higher than that.

The Canadian province of Alberta has also recently seen a population increase of almost 12% in just five years (Statistics Canada 2018). Yet Median Multiples in the province's major housing markets range from under

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18 Eric Kaufmann: 'Why culture is more important than skills: understanding British public opinion on immigration', LSE Politics and Policy blog, 30 January 2018. Available at http://blogs.lse.ac.uk/politicsandpolicy/why-culture-is-more-important-than-skills-understanding-british-public-opinion-on-immigration/

3 to just over 4, which represents an increase, but which is not out of line with developments in other Canadian provinces (Demographia 2018).

By European standards, UK population growth rates over the past 15 or 20 years have been relatively high (given that some European countries have stagnant or shrinking populations), but by no means exceptional (European Environment Agency 2016). National aggregates, however, could mask huge population increases in some places, especially when, as is the case in the UK, immigrants tend to cluster in specific regions, and when international migration flows are compounded by internal migration flows.

Table 2 therefore shows population increases in selected Western European metropolitan regions which have experienced strong population growth between 2004 and 2014. It turns out that the UK is quite well represented: some of Europe's fastest-growing cities are in the UK. But it also turns out that there is nothing unique or particularly special about the UK in this regard. One could say the same thing about many other parts of Europe.

Table 2: Population increase in Western European metropolitan regions, 2004 – 2014

Metropolitan region	Population increase
Luxembourg (LUX)	+20.8%
Palma de Mallorca (ESP)	+19.5%
Oslo (NOR)	+18.2%
Málaga-Marbella (ESP)	+17.9%
Lausanne (FRA)	+17.3%
Stockholm (SWE)	+16.2%
Rome (IT)	+15.5%
Alicante (ESP)	+15.5%
Dublin (IRL)	+15.1%
Uppsala (SWE)	+15.0%
Toulouse (FRA)	+14.7%
Zurich (CHE)	+14.1%

Cork (IRL)	+13.2%
Bergen (NOR)	+12.7%
London (UK)	**+12.1%**
Brussels (BEL)	+11.8%
Brighton and Hove (UK)	**+11.6%**
Bordeaux (FRA)	+11.3%
Cambridge (UK)	**+11.1%**
Helsinki (FIN)	+10.9%
Geneva (CHE)	+10.7%
Madrid (ESP)	+10.6%
Malmö (SWE)	+10.5%
Reading (UK)	**+9.9%**
Munich (DE)	+9.8%
Seville (ESP)	+9.8%
Bradford (UK)	**+9.7%**
Lyon (FRA)	+9.6%
Leicester (UK)	**+9.3%**
Verona (IT)	+9.2%
Granada (ESP)	+9.2%
Zaragoza (ESP)	+9.1%
Vienna (AT)	+9.1%

Eurostat (2016)

When interpreting the figures, we need to bear in mind that the period from 2004 to 2014 is an unusual one. In the beginning of that period, Western European labour markets were opened up to Eastern Europeans in an asymmetric way, with most countries retaining temporary restrictions, and only the UK, Ireland and Sweden immediately granting full freedom of movement. As a result, net migration from Eastern Europe suddenly shot up, reaching a peak of over 90,000 people in 2007 (Migration Watch UK 2018). Just as Eastern European migration had begun to slow down, the eurozone

crisis hit, leading to an influx of people from Mediterranean countries. Net migration from the "old" EU countries shot up from less than 25,000 in 2010 to almost 80,000 in 2014 (Migration Watch UK).

These were both unusual events, leading to temporary spikes in migration to the UK. At the same time, the above figures do not yet record the impact of the refugee crisis, which resulted in huge population increases in many parts of continental Europe, but not in the UK. The refugee influx has caused its fair share of political discontent in various European countries – but these are all related to the issues of integration and cultural compatibility, not population growth. The 2015/16 New Year's Eve incidents in Cologne, and the high incidence of violent crime in Malmö, have been well publicised, but we do not read about shortages of housing in Germany, or shortages of doctors in Sweden.

Another fast-growing metropolitan region is Tokyo, where the population has increased from under 12m in 2000 to 13.5m today (Tokyo Metropolitan Government n.d.), an increase of more than 12%. Yet house prices have remained almost completely flat. This is because more are built in the city of Tokyo per year than in the whole of England.[19]

We can also find examples of countries or regions grappling with immense population growth under much more difficult circumstances. From, roughly, the end of World War II to the construction of the Berlin Wall, the population of West Germany grew from 46m to 56m (Statistisches Bundesamt 1985: 12-13), due to an influx of refugees from the former Eastern territories and East Germany. It is hard to think of a country that was (at least in the early stages) less well prepared to cope with such an influx. One fifth of the pre-war housing stock, and two fifths of traffic facilities, were irreparably damaged; industrial output had collapsed to a quarter of the pre-war level, and long-eradicated diseases had made a comeback (Weimer 1998: 11-19).

To say that the country "coped" would be an understatement. During the years of the Adenauer government, more than 7.5m homes were built (ibid: 144), and similar strides were made in infrastructure and healthcare. By the end of the 1950s, West Germany's main problem was not overcrowding or a lack of infrastructure, but labour shortages. This led to a concerted recruitment campaign in Mediterranean countries, resulting

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19 Financial Times: 'Why Tokyo is the land of rising home construction but not prices', 3 August 2016. Available at https://www.ft.com/content/023562e2-54a6-11e6-befd-2fc0c26b3c60

in yet another large population influx, as the number of migrant workers increased from 0.3m in 1960 to almost 2m in 1970 (ibid: 169-170).

In short, plenty of countries, cities and regions have been able to cope with population growth rates well in excess of what we observe in the UK. This shows that even in the short run, population growth need not be a problem. In the medium-to-long run, it is a non-issue anyway. There is no reason why the provision of housing, healthcare, infrastructure, or anything else, should be harder in a country with a large population than in a country with a small population. It would be absurd to claim that their provision is harder in Britain than in e.g. Ireland (or harder in Ireland than in Iceland, or harder in Iceland than in Liechtenstein) just because there are more people. It is absurd to claim that it is not logistically possible to provide housing, infrastructure and public services for a population of more than 65m people, when e.g. Japan manages to do just that for a population about twice as large. While a larger population means more demand for the aforementioned goods and services, it also means more supply: more taxpayers, more doctors, more nurses, more teachers, more construction workers etc. The overall size of the population is irrelevant.

The non-issue of population density

Proponents of the population pressure argument would object that it is harder for the UK to cope with a population influx than it is for most other countries, because the UK is an overcrowded island. But this claim is demonstrably false. The UK is not, in any meaningful sense of the word, "overcrowded". It is not even particularly densely populated.

The UK *appears* relatively densely populated if we look at population density figures at the national level. In Europe, only Belgium and the Netherlands are, on this measure, more densely populated than the UK, with Germany being about on a par. However, national averages for population density can be highly misleading. There is a simple reason why the UK appears more densely populated than most comparable countries: unlike many other countries, the UK has no large unpopulated areas, which could pull down the national average.

The problem with national-level population density figures becomes particularly obvious if we look at large countries where most of the population is clustered in and around a handful of urban centres, which are surrounded by vast expanses of near-empty land. Australia appears to be almost empty if we just

divide the number of inhabitants by the size of the landmass, and yet, most Australians do not live in sparsely populated areas. Density figures for Australia's main population centres, namely, the east coast and the south-eastern tip, are not much lower than those of a typical Western European region (cf. Australian Bureau of Statistics 2018; Eurostat 2018). Similarly, while *national* population density figures for Sweden and Norway are only a fraction of the UK figure, *regional* population density figures for the regions containing Stockholm and Oslo are comparable to those of a typical English region (Eurostat 2018). The same pattern holds for Canada. Even in Iceland, Europe's most sparsely populated country, about two thirds of the population live in the Greater Reykjavik area, which represents a tiny fraction of the overall land mass. For those countries, national population density figures do not tell us anything meaningful. The fact that there are huge tracts of near-empty land, which are technically part of the same country as the population centres, may be of interest to a geographer or a geologist, but it is of no relevance to an urban planner, an urban transport operator or a housing developer.

The above are extreme examples, but plenty of other countries show a less extreme version of the same pattern. As Alasdair Rae, a Professor in Urban Studies and Planning, explains:

> Spain […] has a population density of 93 people per km², giving the impression of a sparsely populated country. […] Yet characterising Spain as a sparsely populated country does not reflect the experience on the ground – as anyone who knows Barcelona or Madrid can tell you.

> Spain contains within it more than 505,000 1km squares. But only 13% of them are lived in. This means that the "lived density" for Spain is in fact 737 people per km², rather than 93. So even though the settlement pattern appears sparse, people are actually quite tightly packed together.

> In fact, Spain could claim to be the most densely populated major European country by this measure[20]

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20 Alasdair Rae: 'Think your country is crowded? These maps reveal the truth about population density across Europe', The Conversation, 23 January 2018. Available at https://theconversation.com/think-your-country-is-crowded-these-maps-reveal-the-truth-about-population-density-across-europe-90345

The UK is different insofar as the population is much more evenly distributed across the country. Apart from the Scottish Highlands, the UK has no thinly populated regions. But it has no exceptionally densely populated ones either. The UK has no Alaskas, and no Singapores. At the regional and sub-regional level, population density figures for most of England are relatively high, but not remotely unusual by European standards.

At this point, proponents of the "overcrowded island" argument would interject that while Britain may not be *literally* "full", population growth is nonetheless undesirable, because it would lead to an unacceptable loss of green spaces. It may be *physically* possible to build more houses and infrastructure, and it may make Britain richer in material terms, but this would come at the expense of quality of life. Vast swathes of the English countryside, and thus an essential component of what makes the country what it is, would be irretrievably lost.

But this is not true either. Only about 11% of England (and less than 7% of the UK as a whole) is, in the broadest sense, "urbanised" (UK National Ecosystem Assessment 2011), and this includes domestic gardens, parks and green spaces within urban areas. In contrast, 55% of England is enclosed farmland, much of it highly subsidy-dependent, intensively farmed, and characterised by low levels of biodiversity.

Built-up areas have an average density of about 50 houses per hectare (Cheshire 2014). This means that even if we built another 10m houses (which is, of course, far in excess of any projections of housing need) on previously undeveloped land, we would only need 1.5% of the surface area of England for that. This is before we look at additional options like building at higher densities, densifying existing (sub-)urban areas, etc.

The idea that immigration could ever lead to a 'concreting over' of the English countryside is baseless fearmongering. We could build millions of houses, plus all the infrastructure required to support them, on dreary farmland with little scenic or environmental value. Even if we had a complete open-doors immigration policy, combined with an aggressive drive for large-scale housing development, there would still be no need to go anywhere near Areas of Outstanding Natural Beauty, Areas of Special Protection, National Parks, Sites of Special Scientific Interest, National Nature Reserves, or other conservation areas.

Britain is not crowded, and its green spaces are not in danger. How many immigrants, and more importantly, *which* immigrants, Britain can integrate, is a matter for debate, and a subject on which reasonable people can disagree in good faith. But the number of immigrants is irrelevant. From an economic and logistical perspective, Britain can absorb virtually limitless numbers of immigrants.

With this in mind, the following sections will spell out a few policy recommendations, in line with the paper's overall objective.

5. The case for abolishing the net migration target

As mentioned, this is a "lazy" paper, which deliberately avoids the difficult issues. It limits itself to the low-hanging fruits. It proposes economically sensible liberalisations in areas where this seems compatible with public opinion, and ignores areas in which it is not.

Perhaps counterintuitively, an abolition of the net migration target might fit that bill. As described, there are good reasons to believe that all the talk about the alleged need to control overall numbers is really just a clumsy way of demanding controls on the numbers of specific, less popular groups of immigrants.

The net migration target should be abolished. It may be tempting to believe that since the government keeps missing the target anyway, it cannot be much of a constraint in practice. But the target does not have to be met in order to be counterproductive. The target is more of an overall agenda-setter, which focusses attention on overall numbers. This is the wrong focus, and in order to end it, the target must go.

But this should not happen in isolation. The question that needs answering alongside is: why is Britain so poorly placed to cope with population growth rates that are not particularly unusual, either by international standards or by historic standards? Why does population growth lead to housing shortages, GP shortages and traffic congestion here, but not elsewhere?

Immigration and housing

It would be wrong to claim that immigration has not led to pressure on house prices and rents. It has. The magnitude of the effect is unclear, but

its existence is not (see MAC 2018a: 68-70). But the point is that immigration did not *have to* have that effect. It only had that effect because self-imposed, self-inflicted domestic policy constraints prevented Britain's housing supply from responding to increases in demand. In a different policy framework, that increase in demand would not have been a problem.

Suppose there are two identical countries, A and B, which allow no housing construction at all. Now country A experiences an influx of migrants, while country B does not. House prices increase in country A, and stay the same in country B.

Now suppose there is an additional country, C, which is identical to A and B, except in that it has no regulatory barriers against housing construction. Now, C experiences an influx of migrants twice as large as the influx A experienced. C's housing stock quickly adjusts, and after a temporary surge, house prices fall back to the pre-influx level. The (medium-term) impact of migration on house prices is zero.

What caused the increase in house prices in country A? If we use B as the counterfactual, we will be led to conclude that it was caused by immigration. B had no immigration, and B had no price surge. Ergo, without immigration, A would not have had a house price surge either.

But if we use C as a counterfactual, we have to conclude that the house price increase was caused by the construction ban. C had no construction ban, and C had no house price surge. Ergo, without a construction ban, A would not have had a house price surge either. Immigration triggered it, but it did not *have* to trigger it.

Both statements are technically true, but C is the more appropriate counterfactual. The construction ban is a political choice, not a natural constraint that country A just has to put up with. It makes no sense to impose a constraint that hinders the country from coping with immigration, and then blame immigration rather than said constraint.

But this is, in effect, what the UK does. We are not that far away from this stylised country A. The UK's land use planning laws are among the most restrictive ones in the world, and the UK's planning system is also a highly discretionary one, which makes it easy for local "NIMBY" ("not in my back yard") groups to block development. The empirical literature shows, as conclusively as economic literature can realistically get, that planning

restrictions are a major determinant of housing costs (see Niemietz 2015: 14-16).

The MAC (2018a: 70) report is therefore correct in pointing out:

> The impact of immigration on the housing market is very likely to depend on policy towards releasing land for residential use. If immigration causes the demand for housing to increase but the supply is restricted, it is not surprising if house prices rise as a result. But increases in housing supply, made possible in part by migrant construction workers, would have militated those effects. […]

> [T]he impact of migrants on house prices is larger in local authorities with a higher refusal rate on major developments, this is one measure of the difficulty of expanding supply. The impacts of migration on house prices cannot be seen in isolation from other government policies on house-building.

Immigration should have led to a *drop*, not an increase, in house prices, because such a large share of recent immigrants work in construction. For example, the share of Eastern Europeans in London's construction sector went up from fewer than one in ten in the early 2000s to over half today (MAC 2018a: 40-41).

Liberalising planning will be politically harder to sell if it is perceived to be merely about accommodating immigrants, so supporters of liberalisation need to make clear that this is not the case. Planning liberalisation would make sense under any set of circumstances, including a zero-migration policy. There are huge population movements within the UK: almost 3 million people move between regions and local authorities every year (ONS 2016). The increase in housing demand had domestic drivers as well, namely increases in life expectancy, rising incomes, and changes in household and family structure. This is why the house price explosion started long before the surge in immigration caused by EU enlargement. In the decade leading up to 2004, UK house prices increased by more than 130% in real terms, compared to an OECD average of less than 30% (based on OECD 2018).

But whatever the impact of immigration has been in the past, it has already happened, and it is now water under the bridge. The housing shortage is there, and there is a backlog in demand, which would not go away even if net migration fell to zero tomorrow.

Planning liberalisation makes sense for a number of reasons unrelated to immigration. But it would also, among other things, make Britain better able to cope with immigration.

Immigration and public services

The net fiscal contribution of immigrants is hard to estimate. It is easy to find out whether somebody pays more in direct taxes and national insurance contributions than they receive in benefits and transfers. The treatment of indirect taxes and benefits in kind (such as social housing) is a bit trickier, but it can still be done. But there is no accepted methodology for allocating the costs of public services and public goods to specific groups, or a consensus about what the appropriate timescale is. Unsurprisingly, then, estimates vary. But on the whole, the immigrant population seems to pay its way – although "the immigrant population" is an unreasonably high level of aggregation.

Whatever the aggregate situation for "immigrants" as a whole may be, there are large groups for which it is safe to say that they are substantial net contributors, both in absolute terms, and relative to the UK-born population. The average Eastern European contributes about £1,000 per annum more to the UK's public finances, in net terms, than the average UK-born adult (MAC 2018: 73). Even though their hourly earnings are, on average, about a quarter below those of UK-born workers, their employment rate is about 8 percentage points higher (ibid: 18-19), and they also work longer hours. They are slightly less likely than UK-born people to live in social housing, although this may change if current trends continue (ibid: 96).

The situation for Western Europeans is even more clear-cut. The average Western European's annual fiscal net contribution is about £3,700 higher than that of British-born adults. This is unsurprising: Western Europeans earn about an eighth more than UK-born workers, and their employment rate is also a few percentage points higher (ibid: 18-19). About two thirds of them are highly skilled, meaning tertiary education or a vocational equivalent (ibid: 77). They are only half as likely as UK-born people to live in social housing (ibid: 96).

The net contribution of non-EEA migrants, meanwhile, is negative. "Non-EEA", however, is not a meaningful aggregate, given that it lumps together refugees and non-European CEOs. It includes groups which one could

not realistically expect to be net contributors, the most clear-cut case being asylum seekers, who are usually not even legally allowed to work in the UK. The fact that they are net recipients is the result of a political choice. It cannot sensibly be held against them, or indeed, counted against the positive net contribution made by other groups of non-EEA migrants.

There are no estimates of the fiscal net contribution of non-EEA migrants who entered the UK via the tier system, i.e. the standard visa for non-EEA entrepreneurs (Tier 1) and highly skilled workers (Tier 2). But given the stringent entry criteria for these groups, combined with their limited access to benefits, it would be virtually impossible for these people not to be net contributors, even if they deliberately tried to be a burden on the British state. In all likelihood, their fiscal profile will look very similar to that of Western Europeans.

There are a number of "niche" visas, which account for smaller groups of non-EEA immigrants, but which also come with either work or self-sufficiency requirements.[21] They are therefore highly likely to be net contributors.

If most migrant groups are, in aggregate terms, fiscal net contributors, how can immigration cause problems for public services? If a group of immigrants pays e.g. £10m in tax between them, but only consumes £7m worth of public services, then surely, the presence of that group should lead to an improvement, not a deterioration, in the quality and availability of public services?

The problem, of course, is that there is no guarantee that the £10m paid by those people are actually spent on the public services they use. If that money is diverted to something completely unrelated, public services will still end up in worse shape, even if those immigrants are technically net contributors. In that case, the two statements "Immigrants pay more tax than they consume in public services" and "Immigration leads to overstretched public services" can both simultaneously be correct.

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21 See Gov.uk, 'Work visas A to Z'. Available at https://www.gov.uk/browse/visas-immigration/work-visas

Public spending in the UK loosely follows local changes in population numbers and estimates of demand for public services, but it does so in a slow, clumsy and unreliable way. The MAC (2018a: 80-81) report points out:

> It is not clear to us how much thought has been given to the possibility that migration might influence the local demand for public services […]

> It is important to manage the consequences of migration and an effective, timely allocation of public funds is an important part of that. We are not convinced that sufficient thought has been given to this in the various funding formulae currently used.

The MAC suggests solving this problem by updating population projections more frequently, and improving census data collection. This cannot do harm, but it would still leave local communities reliant on the goodwill, and competence, of central government. A more stable solution would be to give local communities much more control over the provision of local public goods and services, and to allow them to keep a much greater share of the tax revenue paid by their residents. A place that experiences an influx of immigrants would then automatically also experience an increase in tax revenue, which it could spend on local priorities.

There is a lot of scope for decentralisation, and this would be a sensible course of action even if net migration fell to zero. The UK is one of the most centralised countries in the world, an arrangement which is neither popular nor economically sensible. There is plenty of good evidence that more decentralised governance structures are superior in terms of accountability and efficiency (Booth 2015: 37-41).

Like planning liberalisation, decentralisation is something that we should do anyway, for reasons unrelated to immigration. But it would also make Britain more effective in dealing with population changes, be they caused by international immigration, internal migration, or something else.

6. The case for abolishing visa caps, and simplifying the tier system

The main work- and study-related entry routes for people from outside of the EEA is the tier system, with the so-called Tier 2 (General) Visa being the standard visa for highly-skilled workers. This is technically a points-based system, although in practice, it is more like a checklist, where applicants have to meet almost all of the criteria. This is because the point range is specified in such a way that applicants cannot easily balance out weak performance in one category by performing strongly in another.

It is a very restrictive system, characterised by high hurdles. A Tier 2 Visa immigrant must, first of all, have a work contract already – they cannot move to the UK in order to search for work here. They cannot just work in any profession, or for any employer: they must choose from set lists.

They cannot directly compete with British applicants. Firstly, their prospective employer must prove that they have advertised the position before, and have been unable to find a suitable domestic applicant (the 'Resident Labour Market Test'). Secondly, Tier 2 applicants must clear two separate salary thresholds, a general one – currently £30,000 – and an occupation-specific one. The latter is to stop wage competition; it means that Tier 2 Visa applicants cannot price themselves into the British labour market by undercutting domestic workers.

They must also clear a skills threshold: they must have at least an undergraduate degree, or a professional/vocational equivalent. They have no access to benefits, and they must have a minimum of around £1,000 worth of savings. They must have an English language certificate, and a

clean criminal record. They must pay an application fee of £610 for themselves, and another £610 for every dependant. They must also pay a healthcare surcharge, and their employer must pay a so-called 'Immigration Skills Charge' of £1,000. Given that there is no evidence that immigrants use the NHS more than British-born workers, or that the availability of a migrant talent pool reduces employers' willingness to invest in training for the British-born workforce (see MAC 2018a: 63-65), these are just arbitrary additional charges. Even then, there is no way to ensure that the healthcare surcharge really is spent on healthcare, or that the skills charge really is spent on training.

As far as public attitudes towards immigration are concerned, these immigrants tick all the right boxes. All of them are highly skilled, and about 70% of the public approves of highly skilled immigrants (YouGov 2018). When people are asked about the upsides of migration, the two most commonly mentioned points are filling skill gaps, and bringing in fiscal net contributors – two points which seem tailor-made to describe Tier 2 visa applicants (ibid.). When people are asked which attributes of an immigrant they consider important, more than three out of four mention a job offer, English-language proficiency, a clean criminal record, and, again, skills (YouGov 2016). If one were to translate those responses into a points-based system, it would look a lot like the Tier 2 system – if anything, it would be *less* stringent, and more permissive.

With this in mind, there is neither an economic case nor a political case for capping the number of Tier 2 visas (which is currently capped at 20,700 per year). It cannot even be explained as "Trumpite" populism, because if it were, it would target unpopular groups. It does the opposite. This is not *Realpolitik*. It is needless economic self-harm.

Earlier this year, the government relaxed the system by exempting doctors and nurses from the cap.[22] This is undoubtedly a step in the right direction. But it does not address the fundamental problem. Doctors and nurses were not rejected in large numbers because of any anti-medicine bias in the system. They were rejected because this is how the system works. Exempting one particularly popular, and particularly visible group of migrants from it does not change that.

The cap should be abolished outright, and without replacement. But this should only be the beginning.

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22 Gov.uk: "Doctors and nurses to be taken out of Tier 2 visa cap". Available at https://www.gov.uk/government/news/doctors-and-nurses-to-be-taken-out-of-tier-2-visa-cap

Even without the caps, the system is too onerous, complex and bureaucratic. The MAC report contains some helpful suggestions for simplification and reform. In particular, they recommend an abolition of the Resident Labour Market Test, on the grounds that it is "likely that the bureaucratic costs of the RLMT outweigh any economic benefit" (MAC 2018a: 115). They also recommend lowering the minimum skills threshold, to open this route to people in the upper-medium, below-degree skills segment. Alongside, they recommend broadening the range of eligible employers and occupations.

This is a good start. But one could go further. The median gross annual salary for full-time workers in the UK is about £29,000 (ONS 2017b), which means that everybody who clears the absolute salary threshold of £30,000 is in the top half of the earnings distribution. The public is anxious about wage competition among the low-paid, and there is some evidence that immigration may have had a small negative impact on the wages of the low-paid. But there is no evidence that immigration has any such impact on people on higher incomes, and no indication that many people are worried about wage competition among them. The second, sector-specific salary threshold should therefore also be abolished. A single, absolute threshold for all applicants is sufficient.

Ultimately, the problem with the Tier 2 visa system is that it contains too much duplication. It is rarely possible to land a job on an above-average salary in a foreign country without speaking the language, and without possessing at least some relevant skills. A job offer is a market test. One could make a good case for ditching most visa requirements beyond a job offer on a minimum salary, and a clean criminal record.

7. International students

Over the past twenty years, a number of formerly poor countries have risen to the ranks of middle-income or upper-middle-income countries. One consequence of this has been a huge increase in global demand for higher education, including overseas education. Globally, the number of students studying in a country other than their country of permanent residence has increased from 2m to nearly 5m (MAC 2018b: 32).

The British university sector has benefited hugely from this development. The number of foreign students studying at British universities has more than doubled, from about 200,000 in 1998 to around 450,000 (ibid). On top of this come (typically short-term) English language students, as well as people gaining professional qualifications. The UK is a global leader in higher and further education. It is the world's second-most popular destination country for international students, surpassed only by the US. The UK is, in this respect, far ahead of any of its European neighbours. By effectively "exporting" educational services, the UK finances a part of its persistent current account deficit.

The benefits of this go far beyond the education sector itself. According to one recent estimate, international students make a net contribution of more than £20bn to the UK economy (ibid: 56-57). Geographically, this contribution is much more evenly spread than one might expect. Despite the prominence of Oxford, Cambridge and several of the London universities, London and the South East only account for one third of the total. A strong education industry can regenerate struggling areas.

Estimates of the fiscal contribution of international students vary, but there is no doubt that it is substantial, and positive (ibid: 59-60).

International students are among the most popular groups of foreign-born residents. A joint study by British Future and Universities UK (2014: 7) into public attitudes shows that

> despite […] debates around immigration, the public is not concerned about international students […] coming to study at British universities. This […] remains broadly constant even when people are informed about how many international students come to Britain […] [T]his new knowledge about the numbers does not then translate into anxiety or concern […]

> While many people may have negative feelings towards some forms of immigration, they view international students, on the whole, in a very positive light

This adds further weight to the suspicion that despite frequent claims to the contrary, concerns about immigration are *not* about numbers. If they were, the public would be as worried about international students as they are about any other group. In some years, international students account for more than half of the net immigration numbers. The fact that students typically only stay for a few years is irrelevant. Returning students immediately get replaced by new ones, who need housing, infrastructure, public transport and healthcare as much as the previous cohort.

Nonetheless, when pollsters draw respondents' attention to the tension between the aims of attracting foreign students, and slashing net migration numbers, most respondents prioritise the former:

> What is most striking in our research findings is that the perceived benefits brought by international students trump the desire to cut immigration numbers. The public is far less concerned about people coming to Britain in relatively large numbers when they are seen as hardworking contributors who benefit the country (ibid: 23).

In addition, a ComRes (2017) survey shows that only one in four people see university students as "immigrants" at all. (For comparison, one in ten people see even a tourist, who stays for three months, as an immigrant.)

In short, here is a group of immigrants (if they are indeed "immigrants" at all) that, despite high numbers, is widely popular with the public. Nonetheless, government policy has not been supportive of this type of immigration.

There is no explicit cap on the number of Tier 4 visas, the most common type of student visa for students from outside of the EEA. But in recent years, the government has tightened eligibility criteria for them, and abolished post-study work visas. This may or may not have been motivated by the fact that students count towards the net migration target.

The glass-half-full reading of those developments would be that given that the number of international students is at an all-time high, those policy changes cannot have had that much of an adverse impact. The glass-half-empty version would be that while student numbers have grown in absolute terms, this has been driven by global growth in the overall size of the market. Britain's market *share*, however, has not grown. More precisely, it grew up to a point, reaching a peak of about 11% in the mid-2000s, but then fell back again. It is now slightly lower than it was twenty years ago.

The impact of immigration policies is hard to quantify. But there are a number of studies which try to find out what drives international students' choice of destination country for their studies (MAC 2018b: 35-40). They find that migration policy does play a role, although it is not the main factor, and its effect is often indirect. This is not an exact science; there may be a difference between what students tell pollsters, and what they actually do. But it should give us a first impression.

A response that often comes up is whether the country is perceived as "welcoming". It is not specified what exactly this means, but it is presumably partly about actual immigration policies, and partly about the general tone of the immigration debate. This would mean that hostile official rhetoric can, at the margin, tip the balance for some students, even if it is not followed up by any actual policy changes.

Another point that comes up, unsurprisingly, is how hard or how easy it is to get a student visa, the ability to work while studying, and the prospects for working in the destination country after graduating. The UK has room for improvement on all three counts.

Students on a Tier 4 visa are currently allowed to work up to 20 hours per week during term time. Presumably, the motivation is to separate "genuine" students from people who mainly want to come to the UK in order to earn money, and who use a Tier 4 visa as an entry ticket for that. The implicit assumption is that work is a distraction from studying. However, at least

for more advanced and/or more specialised degrees, working can also be a sensible *complement* to studying, if it is in a field related to the degree. Working during one's studies does not always have to mean pulling pints or waiting tables. A student of Accounting and Finance, who also works for an accountancy firm, or a student of architecture who also works at an architectural firm, may not perceive that job to be a distraction from their studies.

More importantly, the hours limit discriminates against part time students. Studying part time, and working alongside, can be a viable route especially for students from less wealthy backgrounds. Visa rules should not get in the way of this. The working hours limit should be dropped.

In terms of visa criteria, the UK government currently performs functions that would more sensibly be left to the individual university. It is easy to see why a university would want its students to be fluent in English, and demand proof of that as part of its admission criteria. But it is not clear why universities should be able to effectively outsource part of their application process to the Home Office.

As far as post-study work opportunities are concerned, an obvious option would be to simply reinstate the old post-study work visa that was abolished for no good reason in 2012. However, even though this would just be a return to the status quo ante, it would mean adding yet another visa route to an already overly complicated system.

A simple way out would be to add an automatic leave-to-remain period of at least two years, counting from the date of graduation, to every standard Tier 4 visa, which would be treated like an extended non-term period. Given that there are no work restrictions outside of term times, such an extension would fulfil the same role as a post-study work visa, but without the additional administrative requirements.

It should be noted that this would go against the recommendations of the Migration Advisory Committee. They argue that

> a longer period in-country would likely increase demand from international students but without ensuring that graduating students are in appropriately skilled work. The demand for student visas should stem from the value of the education being acquired and an opportunity to stay in a skilled job in the UK afterwards […] An

extended post-study period of leave, with no conditions tied to it, risks adding to low-skilled migration and encouraging institutions to market themselves based on post-study work opportunities rather than the quality of the education they offer (MAC 2018b: 108-109)

But this seems like an unnecessarily restrictive and paternalistic approach. It is, first of all, implausible that many graduates will deliberately choose to work in low-skilled jobs on a long-term basis. There are plausible reasons why a recent graduate may work in a non-graduate job for a while after graduation. They may simply not have found a job that truly suits their interests and talents yet, and use their current job as a stopgap. Or they may use a period of internships, work placements or volunteering, whilst working in a non-graduate job on the side, as a route into the career they ultimately want to work in. The MAC position is heavily biased in favour of a streamlined career path, where a student moves straight from graduation to a well-paid, highly skilled graduate job. But there is no reason why the visa system should discriminate against less conventional career paths.

Secondly, even if large numbers of graduates chose to work in low-skilled jobs for prolonged periods, it is not clear why this is a "problem" that must be "rectified" via visa rules. People on student visas must be self-supporting, and generally have no recourse to benefits. This would remain the case under the above proposal, so it cannot be objected to on the grounds of fiscal costs. Nor is public opinion an obstacle. Fifty-nine per cent of the public believe that foreign students should be allowed to stay and work after graduation for a period of at least two years, with most of them believing that they should be allowed to stay for considerably longer than that (British Futures & Universities UK 2014: 20-22).

The objection that universities might "market themselves based on post-study work opportunities rather than the quality of the education they offer" is a particularly odd one. Of course, universities' promotional materials will always refer to a package of factors, some of which will be peripheral to the university's core mission. They may mention a city's student life, its tourist attractions, and other attractive features of the neighbourhood, city or region. Why not work opportunities? The marketing strategies of universities, or the career planning of students, are really not issues that the Home Office needs to concern itself with.

Finally, if the net migration target is abolished (as suggested above), the question whether or not students should be included in the net migration figures would become almost redundant. But as long as the target exists, students should not be counted towards it.

8. A post-Brexit immigration policy for EEA countries

The advantages of free movement

The author's first preference would be to keep free movement of people after Brexit – not just for a transition period, but indefinitely. In aggregate terms, the story of EEA migration to the UK has been an unambiguous success story. EEA migrants have high employment rates, they are fiscal net contributors, they tend to learn English quickly and integrate easily.

It is theoretically imaginable that a system of managed migration would improve those outcomes even further, but this would make the perfect the enemy of the good. The greatest strength of free movement is that it is a "low-maintenance system": it achieves what it does at a remarkably low administrative cost, and it offers a high degree of legal certainty. The system is virtually bureaucracy-free, hassle-free and paperwork-free – not just for EEA migrants themselves, but also for their employers, landlords, councils, banks, healthcare providers etc. Employers do not need to verify whether an EEA applicant is in the UK legally, or whether they have a right to work here. They do not need to apply for a sponsor licence or prove that they meet their sponsorship duties. GPs and hospitals do not need to verify whether an EEA national is eligible for NHS treatment, or under what conditions. Landlords, banks, councils, Job Centres, or any other private or public sector organisation, can enter into contractual arrangements with EEA nationals in the same way as they would with a British national. They face no additional compliance costs, and no legal uncertainty. There is no Home Office division which has to deal with issuing, monitoring and renewing work permits or residence permits for EEA nationals. Such a division would have to be created from scratch.

Any hypothetical improvements that a more selective system might bring need to be weighed against this loss of simplicity, cost-effectiveness and predictability.

Jonathan Portes describes a relatively optimistic scenario for a post-Brexit immigration policy, in which free movement is replaced by a less complicated, less restrictive version of the current Tier 2 system for non-EEA nationals.[23] He argues that even this relatively benign regime

> would replicate the bureaucratic and inflexible Home Office work visa system, albeit at a different level. This would require significant extra resources, which are unlikely to be forthcoming, and even if properly resourced would result – if the current system for non-EEA nationals is anything to go by – in large costs to business and a significant reduction in labour market flexibility. It is reasonably safe to assume that the consequent extra regulation would, in itself, more than outweigh any remotely plausible gains from reducing "EU red tape" post-Brexit.

Complaints about EU red tape were among the strongest arguments in favour of Leave. It would therefore be ironic if the imposition of migration-related red tape, with all the associated compliance costs, became the most tangible outcome of Brexit.

But this is a very likely outcome of ending free movement. The key point to note about ending free movement is that it does *not* mean "taking back control" from a supranational institution. It means *creating* an additional set of controls, where none currently exist. It would *not* be a repatriation of powers currently held by the EU. It would be the creation of additional powers currently not held by anyone. This is why in terms of "bang for the buck", free movement represents the first-best solution, and any alternative can, at least in this respect, only be inferior.

This would be true even if free movement had never existed. But the transition from a system of free movement to a system of controlled migration will create additional complications. In practice, there will be no clear dividing line between those who qualify for the retained rights acquired under the old system, and those who have to clear the hurdles of the new one. There will be plenty of disputes, appeals, revisions and wrong decisions.

23 Jonathan Portes: "Ending free movement of people in Europe will create a bureaucratic nightmare", IEA Blog, 8 July 2016. Available at https://iea.org.uk/blog/ending-free-movement-of-people-in-europe-will-create-a-bureaucratic-nightmare

The way the process is being handled so far does not bode well. The months after the EU Referendum saw a spike in applications for permanent residence status from EEA citizens. This should, in principle, be a very straightforward process. Under free movement rules, any EEA citizen who has been exercising treaty rights for five years in a row should automatically qualify. And yet – more than one in four applications are being rejected.[24] This is not *yet* a problem. As long as free movement rules still apply, permanent residence status is optional for EEA citizens. But it is a preview of things to come.

Free movement rules allow for some policy variation, and, ironically, the UK has always been at the most permissive end of that spectrum. Free movement rules do not grant an unconditional right to reside in any EU country – only a right to work, study, or live off independent means (the "treaty rights"). EU countries have always had the option to terminate an EU migrant's right to reside if they were not exercising treaty rights, and if necessary, expel them (Home Affairs Committee 2018: 15-19). Some EU countries do so regularly.

Successive UK governments have simply chosen not to enforce those rules. They have always had the tools at their disposal, but they have not made use of them. Tabloid press stories about people who are, in some way, abusing British hospitality, are usually about people who are clearly *not* exercising treaty rights,[25] and whose removal would be perfectly compatible with free movement rules. It is highly plausible that free movement would have been a lot more popular, or at least a lot less controversial, if the limitations of free movement rules had been rigorously enforced.

Enforcing those rules would also involve some administrative costs. It would require a system of mandatory registration for EEA nationals, who would have to demonstrate that they are indeed exercising treaty rights.

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24 The Guardian: 'Rejection of EU citizens seeking UK residency hits 28%', 27 February 2017. Available at https://www.theguardian.com/uk-news/2017/feb/27/rejections-eu-citizens-seeking-uk-residency
25 See e.g. The Daily Mail: 'Record number of jobless EU migrants in Britain: Hammer blow for PM as 270,000 EU nationals came here last year', 26 May 2016.

The Daily Mail: 'Your benefits system is crazy. It's like finding a sackful of cash left on the road': How shocking admission by Rudi and his huge Romanian family debunks Eurocrat's claims that 'benefit tourism is a myth', 14 February 2014.

The Daily Mail: 'How do I claim benefits when I get to Britain? Romanians demand help from job agencies in the UK', 3 November 2013.

There would have to be a process for finding and removing those who do not. Whether those administrative costs would pay for themselves, relative to the current, lax version of free movement, is not clear. But even free movement with full enforcement of its limitations would still be a low-maintenance system, characterised by a high degree of cost-effectiveness and legal certainty.

Which aspects of free movement can be saved?

Free movement with strict enforcement of its rules and limitations might be compatible with public opinion. But for now, this ship has probably sailed. Starting to enforce the limits of free movement rules, and trying to win public consent for this new, more restrictive version of it, would have been a viable strategy before the EU Referendum, or perhaps even immediately after it. But starting this process *now*, so late in the day, would not be considered credible by the public. This paper, as mentioned, does not seek to spell out an ideal immigration system, but the most liberal system that is compatible with public opinion. Keeping free movement, even in a modified form, would push that envelope.

But this does not mean that all is lost. So far, the entire debate about post-Brexit immigration policy has been predicated on the assumption that the future migration regime will be negotiated between the UK and the EU-27, and that the UK will have one single immigration policy vis-à-vis all EEA countries. This does not have to be the case. The EU is a trading bloc, but not an "immigration bloc". The UK could not have one trade agreement with France, and a different one with Poland, because France and Poland are part of a customs union, which can only negotiate trade deals en bloc. But the UK could easily have one immigration regime for France, and another one for Poland.

As we have seen above, free movement for people from the "old" EU member states is entirely uncontroversial. Free movement with poor Eastern European countries, such as Romania, is highly controversial, and free movement with more prosperous Eastern European countries, such as Poland, is somewhere in between. We can also see this from the fact that free movement only really became a political issue after the EU enlargement of 2004, and even then, not immediately. In the 2005

General Election, even UKIP did not say much about free movement in its manifesto (see UKIP 2005).[26]

It is obviously not desirable to have a separate immigration regime for every country, reflecting the relative popularity of migrants from there. But it is possible to have a two-lane system, with free movement (or something very much like free movement) for some countries, and a simplified version of the current tier system for the rest of the world. Open borders with Eastern Europe is controversial, but to respond to this by ending free movement with the *whole* of Europe would mean taking a sledgehammer to crack a nut.

Before the end of the post-Brexit transition period in 2021, the UK government should, unilaterally or bilaterally, secure continued free movement arrangements with, at least, most of Western Europe. The UK could, for example, seek to simply go back to the pre-2004 status quo ante, and have free movement with the old EU member states (the EU-14) and the EFTA countries. This would honour not just the letter, but also the spirit of the Brexit vote.

This would be a sensible arrangement for 2021. But it should not be a permanent arrangement. It should be done with a view towards extending the free movement zone eventually, as Central and Eastern Europe catches up with Western Europe economically – thus reducing push factors for migration, especially low-skilled migration – and the issue becomes politically less controversial.

The economic gap between Eastern and Western Europe will not be there forever. The EU's Eastward expansion took place at an unusual moment, when the new member states had more or less finished the transition from socialist to market-based economies, but they had only just begun to reap the resulting economic benefits. Thus, when Poland and Lithuania joined the EU, their national income per capita was still less than half of the UK's.

A lot has changed in the meantime. Poland has now reached two thirds, and Lithuania three quarters, of the UK level. Even Romania, where the

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26 The party has not changed its position since then (it still advocates a points-based system, and a reduction in numbers), but certainly its emphasis. In the 2005 manifesto, immigration is not a chapter in its own right, but a subchapter of 'Home affairs'. Within that subchapter, free movement is not especially prominent. It is just one point alongside many.

post-socialist transition had been particularly chaotic, has experienced considerable catch-up growth (see Figure 4). Arguably, if EU enlargement had taken place a decade later (or if there had been a longer transition period of EU membership without free movement rights), free movement would never have become such a salient political issue. The 2016 Referendum inevitably reflected the conditions of 2016, and the years leading up to it. It tells us little about what the UK's migration policy should be in 2030.

Figure 4: GDP per capita (PPP) relative to UK level, 1990 - 2017
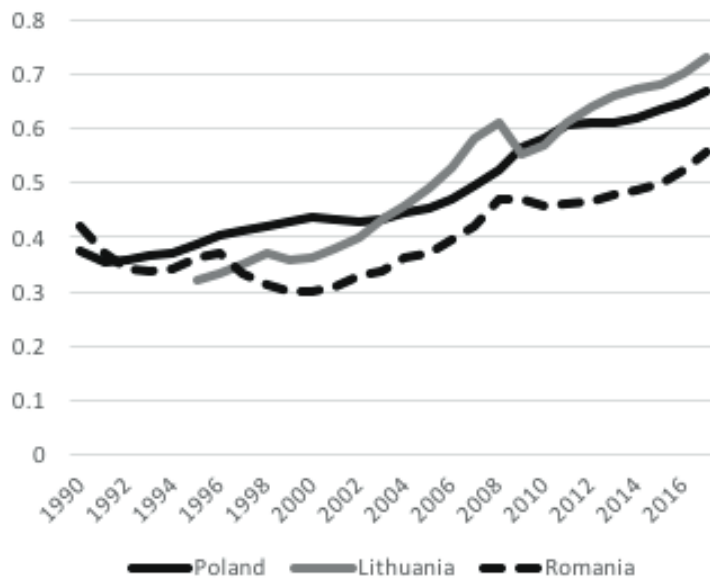
IMF (2018)

Closing the economic gap need not lead to a drastic reduction in migration. There are over 1.3m foreign-born residents in the UK who come from countries that are richer than the UK, and many more from countries that are not much less rich.[27] But it does seem to change its composition, in that rich-world migration is heavily biased towards the more highly skilled and highly paid. There is nothing at the moment that could stop unskilled

27 These are 1.337m permanent residents from Ireland, Germany, the USA, Australia, Canada, the Netherlands, Taiwan, Singapore, Belgium and Sweden. See ONS (2018) for population figures, and IMF (2018) for GDP per capita (PPP) figures.

workers from, for example, Denmark or Luxembourg from working in the UK in large numbers, but in practice, this does not happen. EU-14 nationals in Britain do not just contain an exceptionally high proportion of highly skilled people. They are also overrepresented in high-skill occupations and high-skill sectors (ONS 2017c), meaning that they do not match the cliché of the "barista with a degree" (i.e. the overqualified migrant, who may be technically skilled, but who does not get a chance to apply those skills).

As shown above, skilled migrants working in skilled professions are popular in Britain, even among people who are otherwise very sceptical of immigration. Migration from high-income countries, even when completely unfiltered and uncontrolled, is automatically biased in that direction. This means that in the case of high-income countries, self-selection produces an outcome that is quite close to what an elaborate, idealised points-based system might produce. Except, of course, that it produces that at a fraction of the cost.

Granting culturally similar high-income countries free movement rights should therefore be a no-brainer. A way to formalise this would be to have a rule of thumb, under which the UK automatically allows free movement for citizens of countries above a certain level of economic development, measured, for example, by GDP per capita or median income. This measure could be specified in absolute terms and updated periodically, or it could be set relative to the UK level.

For example, suppose countries qualified for free movement once their GDP per capita reaches 80% of the UK level. At the moment, this would mean free movement for all EU-14 countries except Greece and Portugal, and for the EFTA countries. None of the new member states would qualify, except – and only just – the Czech Republic. Slovenia and Slovakia would be close to the threshold, and would have a realistic chance of crossing it in a few years' time. Romania and Bulgaria would still be a long way off.

Figure 5: GDP per capita (PPP) of European countries in % of UK level
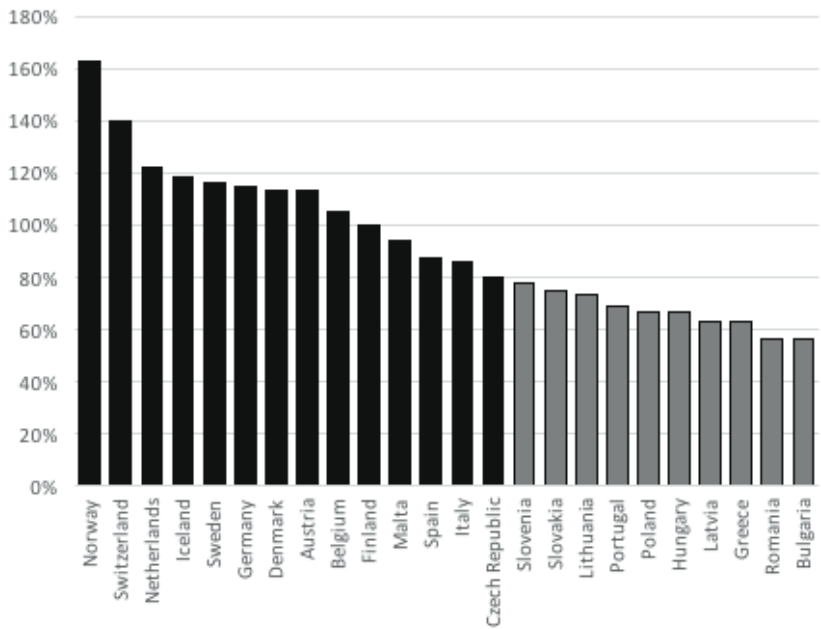
Based on IMF (2018)

There is no reason why this rule of thumb should be limited to Europe. If it were applied globally, places like South Korea, Japan, Taiwan, Hong Kong, Singapore etc would also qualify for free movement. In the not-too-distant future, so might the most prosperous parts of Latin America, which are currently Chile and Uruguay. Whether this would be popular is not clear, as public opinion in this area is under-researched. But unless there is major resistance to it, the expansion of free movement to wealthy non-European countries would be a logical next step.

9. "CANZUK plus"

A common criticism of free movement within Europe has always been that it discriminates against people from countries that have closer cultural, historical and personal ties with the UK than most of Europe. Canada, Australia and New Zealand were the most commonly mentioned examples.

This criticism has never had much merit. Free movement rules stopped the UK from discriminating against EEA nationals, but they never stopped it from extending similar, or even identical rights to citizens of non-European countries.

The UK government could always have allowed New Zealanders, Australians and Canadians to move here under the same rules, and with the same rights, as EEA citizens. They could not, of course, have given them the right to also move to France or Norway on this basis, because that would have been a matter for the French or the Norwegian government to decide. But insofar as they are, or want to become, UK residents, any distinction between Europeans and non-Europeans is the result of a domestic political choice, not free movement rules.

There is, as mentioned above, a two-thirds majority for free movement between Canada, Australia, New Zealand and the UK ("CANZUK"). There is also a relative majority in favour of free movement with the US. This is a clear example of where a liberalisation of immigration can be not just acceptable, but popular with the public. It should be introduced as soon as possible, ideally multilaterally, creating a "CANZUKUS" free movement area, or bilaterally between the UK and each of the other countries, to ensure that free movement rights are reciprocal. If this proves unfeasible for now, the UK should go ahead anyway, and introduce it unilaterally first. A non-reciprocal system would almost certainly be less popular, but it need not remain unilateral forever. If one country

made the first step, it might even increase the pressure on the other countries to reciprocate.

Whether this is justified in terms of these countries' special historical and personal ties with the UK, or simply on the basis suggested in the previous section – namely, the fact that their income per capita is in the same league as the UK's – is not especially relevant here.

To avoid the bureaucracy and complexity of having to deal with multiple immigration regimes, the legal status of "CANZUKUS" citizens exercising free movement rights should be identical to those of European citizens from countries with which free movement is retained (as described in the previous section). This would create a two-lane system, with free movement rights for some countries (namely the EU-14, EFTA, CANZUK and the US), and a simplified, uncapped version of the tier system for the rest of the world.

The free movement zone could be extended to other countries in stages, if and when public opinion is ready to accept it. As mentioned, for now, South Korea, Japan, Taiwan, Hong Kong and Singapore would be the most obvious candidates. Chile and Uruguay are among the plausible contenders for a round of expansion in the not-too-distant future.

10. Conclusions

When US President Obama brought in the Patient Protection and Affordable Care Act ("Obamacare"), surveys showed an intriguing divide. Individually, a lot of the Act's most important measures were popular, not just among Obama supporters, but also among Republicans and Independents. But as soon as the word "Obamacare" was mentioned, the topic immediately became hyper-partisan and polarising.

Something like that is happening with immigration in Britain today. Many types of immigration are widely accepted, or even popular – not just among left-wingers and economic liberals, but also among small-c conservatives and "nativists". But mentioning the word "immigration" immediately triggers a culture war, where one side sees bigots and racists everywhere, while the other side feels sneered at by an arrogant metropolitan elite.

Yet once we disaggregate the figures a bit, it turns out that there is quite a lot of agreement. Highly skilled migrants and entrepreneurs are popular, almost regardless of where they come from. So are international students, and seemingly irrespective of their numbers. Migrants from culturally similar countries, especially English-speaking and Western European countries, are popular, too. Rich-world migration in general seems to be popular, again irrespective of numbers. Taken together, this means that we could quite easily liberalise migration for large groups without antagonising public opinion.

The reason why this does not happen, and the problem with our immigration debate more broadly, is that we are not being honest with ourselves. Since it is not deemed socially acceptable to express reservations about specific groups, we pretend that the only issue with migration is that there is too much of it. We pretend that the country is "full", and cannot physically accommodate more people. And at some point, we have started to believe it.

As a result, a lot of our immigration policies focus on overall numbers. We have a net migration target, we cap the number of skilled visas, we count students as immigrants, and we are about to replace free movement for EEA nationals with a system of numerical controls. This results in needless economic self-harm without really addressing public concerns.

The purpose of this paper was not to spell out an ideal immigration system, but the most liberal system that is just about compatible with public opinion. One system which could do that would be a two-lane system, with a simplified, liberalised version of the current visa tier system for most of the world, and free movement for selected countries.

The standard lane would use the current tier system – especially the Tier 2 system – as a starting point. But it would abolish the cap, and a lot of costly and bureaucratic requirements. It would abolish the Resident Labour Market Test, which obliges employers to offer the position to current residents first. It would abolish the sector-specific income threshold, which prevents even the most highly-paid migrants from engaging in wage competition. And it would broaden the range of sectors and occupations Tier 2 migrants can work in.

The fast lane – free movement – would, in principle, work like the current system of free movement within the EEA, except that the limits and restrictions which are permissible within that system would be used to the fullest. The major difference would be that the version of free movement proposed here would apply to a different set of countries. It would not apply to the whole of the EEA – but at the same time, it would be extended to a number of non-EEA countries.

Within Europe, it would apply to those countries that the British public are most comfortable to share an open border with, namely the old EU-14 and the EFTA countries. Outside of Europe, it would apply to those countries that the UK has the closest historical and personal ties with, namely Australia, New Zealand, Canada, and perhaps the United States. Over time, more countries could move from the standard lane to the fast lane, if and when public opinion is ready for it.

The student visa system, meanwhile, would become a lot more permissive. Students would be allowed to work here without limits during their studies, and for a substantial period afterwards.

The net migration target would be abolished, and the focus on numbers would end.

At the same time, domestic reforms would have to make Britain more "immigration-proof". Planning liberalisation and fiscal decentralisation would make housing supply, and the provision of infrastructure and public services, more responsive to local changes in demand.

The system proposed here would be a lot more liberal than the current one – a lot more so for some groups, moderately more so for others. It would not introduce any additional restrictions, over and above what would happen anyway (assuming freedom of movement in its current form comes to an end after the post-Brexit transition period). And yet, there is no reason to believe that the system proposed here would be less popular than the current one. It might well be *more* popular, because it gets rid of a raft of restrictions that do not enjoy popular support at the moment.

Supporters of an open-borders policy, or something close to it, will not be fully satisfied with the system proposed here. They will see it as no more than a step in the right direction. But these are the steps that can be taken now, given public opinion as it stands. These are the low-hanging fruits of immigration reform – the fruits that we should have picked long ago.

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