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Established in 2004, the Centre for Social Justice (CSJ) is an independent think tank that studies the root causes of Britain’s social problems and addresses them by recommending practical, workable policy interventions. The CSJ’s vision is to give people in the UK who are experiencing the worst disadvantage and injustice every possible opportunity to reach their full potential.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in Government thinking and policy. The majority of the CSJ’s work is organised around five ‘pathways to poverty’, first identified in our ground-breaking 2007 report, Breakthrough Britain. These are: family breakdown; educational failure; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

In March 2013, the CSJ report It Happens Here shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

The CSJ delivers empirical, practical, fully funded policy solutions to address the scale of the social justice problems facing the UK. Our research is informed by expert working groups comprising prominent academics, practitioners and policy-makers. Furthermore, the CSJ Alliance is a unique group of charities, social enterprises and other grass-roots organisations that have a proven track record of reversing social breakdown across the UK.

The 13 years since the CSJ was founded has brought with it much success. But the social justice challenges facing Britain remain serious. Our response, therefore, must be equally serious. In 2019 and beyond, we will continue to advance the cause of social justice in this nation.
Acknowledgements

With Thanks to the Sponsors of the Future of Work Programme:

Deutsche Bank

With additional thanks to B.E. Wedge Holdings.
The Centre for Social Justice

The Future of Work Programme: Overview

The Future of Work research programme was conceived in response to the 2017 report by the Centre for Social Justice (CSJ), *The Great British Breakthrough: Driving productivity growth in the UK*. That report concluded that there were several significant barriers to productivity growth in the UK and proposed a whole series of policy initiatives to address this. The barriers included: low investment, including low capital investment across the UK economy that had resulted in a slow take-up of new technologies and a low rate of investment in training of staff; a regional growth imbalance, explained by many factors including the deindustrialisation of large parts of the Midlands and North of England and by the competitive strength of London; and a lack of occupational mobility in the labour market, alongside low wage growth, that led a large number of people to just manage in low paid and low skilled work for the majority of their working lives. Where *The Great British Breakthrough* was retrospective, this report aims to look to the future. Work is changing, both here and across the globe, and Britain needs to be prepared for this. This has implications for people, for businesses, and for policymakers in Westminster, who need to be aware of the drivers of change, prepared for them and positioned for the future. If not, then Britain will not succeed in tackling the drivers of low productivity, issues connected with low pay and low skills, or in maintaining high levels of employment. This research programme seeks to better understand the future of work, and in particular its impact on those at the bottom of the ladder. In order for the UK to have informed policy decisions and look after its most vulnerable, there is a need to understand fully the changes that are occurring, and could take place, in the world of work. These include socio-economic change, demographic trends, technology advancements, greater levels of globalisation, evolving skill demands and a cultural shift among younger workers. Informed policy decisions should help ensure employment rates remain high and that no one is left behind, allowing the market mechanism to work properly and intervening where needed. Work is a vital route out of poverty and central to future prosperity.

Structure
This paper is the fifth in a series of reports, as part of The Future of Work Programme:

1. Working in Britain Today – State of the Nation
2. Regional Revolution – Rebalancing Growth and Opportunity in Post-Industrial Britain
3. A Vision for the National Retraining Scheme – Building a Workforce for the Future
4. Technology, Artificial Intelligence and the Future of Work
5. Prioritising Growth – The Future of Immigration Policy
6. Ageing Confidently – Supporting an Ageing Population
Working group

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- **Dr Adam Marshall**, Director General, British Chamber of Commerce
- **John Mills**, CEO, JML Ltd
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- **Carole Stott MBE**, Chair, Association of Colleges
- **Patrick Spencer**, Head of Work and Welfare Unit, CSJ (lead author)
- **Dr Gerard Lyons**, CSJ (Chair of the Working Group)

Disclaimer: Views and recommendations in this report are those of the CSJ and not necessarily of working group members.
Executive summary

This is the fifth report in our Future of Work series which addresses questions on the future supply of labour. Labour (human capital) has always been an essential factor of production in our economy and therefore it is in this vein that this report addresses British immigration policy. In recent years there have been huge demographic changes in the size, shape and composition of the UK population. Firstly, the population has grown by a fifth in the last fifty years, more than half of which has occurred in the last 15 years. The two biggest drivers of population growth have been falling mortality rates and increased immigration. Immigration has contributed to nearly two-thirds of population growth since the early 70s.

While immigration has been a net positive for the British fiscal purse, pockets of the population have not benefited. The significant increase in low-skilled immigration has helped put downward pressure on wages for UK-born workers at the bottom of the income spectrum as well as arguably reduced social mobility. The employment outcomes for low-skilled immigrants from certain countries have also been quite poor, with many facing higher levels of unemployment and deprivation.

Britain is also changing rapidly. It is becoming a geographically less equal place with more jobs clustered around urban centres, leaving entire communities left behind. Technology and globalisation will continue to force Britain to become a more advanced and sophisticated economy that generates growth from the fields of AI, big data, and high value manufacturing. While employment rates have continued to grow with the size of the population in the last 50 years, there is less of a guarantee that this will continue in the future. Perceived levels of inequality and economic disenfranchisement has meant that the political will is moving against unfettered population growth. The role that immigration will play in Britain’s economic story in the next 50 years could be very different from the one it has played for the last 50 years.

Considering these factors, this report lays out an immigration policy for the future. The aim for the Future of Work series has always been to expand the franchise of work to all people across the UK, especially the most vulnerable. Here we prioritise economically valuable immigration, reducing the risk that vulnerable immigrants come here without adequate resources to thrive and increasing the support for those immigrants who do settle in Britain. In that spirit, we have recommended the following:

- Fold EU immigration policy into the exiting immigration rules for non-EEA migrants, and rename the Tier 2 Visa as a ‘Skilled Work Visa’ but tighten-up eligibility criteria for this route.
- Provide more holistic support for refugees over a longer period of their initial settlement in the UK. Support should include English language training, housing, financial support and skills training.
- Incorporate the Race Disparity Unit into the Government Equalities Office, create a new Parliamentary Under Secretary of State for Race and Minority Groups to sit under the Minister for Women and Equalities, and ensure the Minister for Women and Equalities is a permanent cabinet position.

- Empower the Gangmasters and Labour Abuse Authority and Employment Agency Standards Inspectorate to crack down on employment abuse.
chapter one

Population growth over the 20th and 21st centuries

The UK population has increased by over 10 million over the last 45 years. In this time population growth has averaged at 0.36 per cent annually and achieved total growth of 17 per cent. Two-thirds of that growth has been in the last 20 years alone. In this time the population of the UK has grown by 7.6 million, or 13 per cent.

Figure 1 below gives us an idea of what population growth could look like in the future. The ONS estimate that the population will reach more than 70 million in 2028 and potentially 72.9 million by 2040. CSJ calculations using the average growth rate over just the last 20 years shows that if the UK population carries on this trend, Britain would reach a population of 70 million by 2027 and a population of 76.2 million by 2040. These scenarios (by no means extreme) suggest there could be a further 3.2 to 4.2 million people living in Britain in the next 10 years, and between 6.8 and 10.2 million more people living here by 2040.

Figure 1: UK population growth

Source: ONS, CSJ calculations
What are the drivers of population growth?

The two main drivers of population growth in recent years have been immigration and ageing. High birth rates and lower mortality rates (achievable thanks to advances in medicine) have driven global population rates higher, however in the UK the birth rate has fallen over the last 60 years. In that time, life expectancy for a male has increased from 66.4 years (in 1951)\(^1\) to 79.5 years (in 2014),\(^2\) and for a female from 71.5 years (in 1951) to 83.2 years (in 2014).

As the British population aged in the second half of the 20th century, so we became more racially and ethnically diverse with an increasingly large portion of our population either born in other countries or descendants of people who had moved here from other countries. In 2018, approximately 9.4 million people, 14 per cent of those living in Britain, were born outside of the UK. And, while immigration has contributed to 61 per cent of UK population growth since the early 70s, net inward migration only really accelerated from 90s going forward. In the 20 years leading up to 1983, in only one year did Britain record a positive net inward migration figure. However, since 1994, net inward migration has grown from 77,000 to 332,000 in 2015 (a peak) and 283,000 in 2018.\(^3\)

Why is population growth important?

Population growth is important because it determines the supply of labour in the economy and therefore impacts our long-term economic success. Along with technology, human capital is one of two factors of production. Population growth impacts a country’s fiscal position, indicates the demand for public services, and can impact our perceived sense of social cohesion. Stable population growth is associated with economic stability. Population shrinkage is associated with declining economies and structural problems within a society that forces people to move elsewhere. High levels of emigration can lead to a brain drain. Conversely, rapid population growth presents risks to public services and the environment (see below).

Why uncontrolled population growth is a risk

Despite the economic benefits of more people working and paying taxes, population growth can create significant near and medium term pressures on some public services. An ageing society can put pressures on social and health care. Immigration growth can be directly linked to problems of social deprivation and place significant short-term pressures on important public services, such as school places, social housing and NHS services. Some public services have limited ability to react to population growth in the medium and long term. This is most obviously a pressing problem in urban areas, where transport links struggle with congestion, the environment suffers, and housing becomes increasingly expensive. We detail these below.

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\(^1\) ONS, ‘How has Life Expectancy Changed Over Time?’, (9 September 2015), accessed via: www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lefeexpectancies/articles/howhaslifexpectancychangedovertime2015-09-09


\(^3\) ONS, ‘Explore 50 Years of International Migration to and from the UK’, (December 2016)
Transport

Today the unprecedented demand for the British transport system has contributed to severe levels of congestion. There were 37.3 million vehicles registered in 2016 of which 3 million were newly registered that year. This compares to 21 million vehicles that were registered in the UK in the early 90s, and the less than 5 million in 1951. According to SKY news, congestion on UK roads cost the economy £37.9 billion in 2018. There were 1.7 billion rail passenger journeys between 2017/18. This compared to 792 million in 1991/92 and 1.1 billion in 1951. The most compelling illustration of Britain’s increased transport congestion has been the growth in air travel. The number of airports in the UK has not radically changed since the second world war. However, while there were 195,000 landings and take-offs from British airports in 1951, and 1.3 million in 1991, there were 2.3 million landings and take-offs in Britain over 2017. Over that same period, the total number of passengers that have arrived or departed from British airports has increased from 2.1 million (in 1951) to 95 million (in 1991) to 284 million in 2017.

Housing

As population increases, and cultural practices change (including the growth of one person households and fall in multigenerational living) so the demand for housing units has increased dramatically. In 2018 there were 27 million households in the UK, compared to 22 million in 1991, and 16 million in 1961. While the housing market varies by location and price point, housing demand has consequently outstripped supply in recent years. Research from the National Housing Federation (NHF) stated that there could be a housing need backlog of 4 million homes. Housing charity Crisis and the NHF believe that 340,000 new homes need to be built a year to create the supply necessary to meet demand. The need for housing will be most acute in wealthier parts of the UK, such as the South East and London.

School places and classroom sizes

Population growth has placed demand on capacity within schools to accommodate a larger number of children at school age. This has been particularly pronounced in recent years at primary level. In 2018 there were 4.4 million state funded primary school pupils (an increase of 613,000 since 2010) and 3.2 million state funded secondary school pupils (a decrease of 32,000) in the UK education system. According to the Department for Education, there were more than 636,000 more primary school places in UK primary schools in 2018 compared to 2010, and 285,000 more secondary school places. As the number of school age children

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10 Barker, N., ‘England needs 340,000 new homes a year, says NHF’, Inside Housing, (18th May 2018)
have increased, so too have class sizes. According to the OECD, the UK has one of the highest average sizes of students per classroom. The UK is sixth out of 35 countries (lower than China and Japan but higher than Ireland, Brazil, France and the Netherlands).  

Health and social care

NHS Confederation data shows that the NHS deals with over 1 million patients every 36 hours, with a total of 16.3 million hospital admissions in 2015/16 (a 28 per cent increased from 2005/6), and 23.4 million A&E department attendances in 2016/17 (a 23.5 per cent increase from a decade earlier). This increase in demand has been linked to many socio-economic trends including a better understanding of medical conditions such as mental ill health and the rising problem of obesity. However, a larger and older population has been the most significant pressure on the health and social care in the UK. Outpatient attendances increased by almost 5 per cent between 2014/15 and 2015/16.

Environmental

The environment also bears the cost of problems linked to overpopulation and overcrowding. Increase in car related congestion on roads and the need for more housing has led to less green space in cities, worsening air pollution and consequences for public health. London has less green space than Stockholm, Singapore, Zurich, Oslo and Rome according to the World Cities Culture Forum. Despite moderate improvements in recent years Nitrogen Dioxide levels in London are worse than Madrid and New York. Children growing up in polluted areas risk developing stunted lung capacity that is 8 to 10 per cent smaller than those growing up in clean air environments, and ‘in London air pollution contributes to more than 9,000 premature deaths each year’. The UK has the highest incidence of childhood asthma in EU with 280 cases (per 100,000) compared to Netherlands with 230, Belgium with 210 and France with 180. It is technically possible to have a clean environment and a large population; however, the observed characteristics of most major cities suggest that population growth poses major environmental problems.

Prioritising economic growth through immigration

This report does not sign up to the Malthusian theory that population growth can deplete natural resources and lead to mass starvation. Nor is it of the opinion of this report that the British population has or is close to reaching a tipping point in terms of population size. The purpose here is to highlight the risks that unsustainable population growth could pose in the future. For this reason, it is important to consider the drivers of population growth and ensure all policies maximise the country’s economic potential. In the following section follows a more detailed account of the immigration story so far, and how it is a far more nuanced picture than is often reported.

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17 The Times, ‘UK Air is Worst in Europe for Causing Child Asthma’, (11th April 2019)
Immigration has contributed to almost two-thirds of UK population growth since the early 70s. It has played a major role in Britain’s economic and social stories of both the 20th and 21st century. Understood simply as the process by which an individual moves to Britain to live for a prolonged period (if not permanently), an immigrant is most easily described as someone born outside of the UK who has moved here subsequently to settle in the UK. In 2018, approximately 9.4 million people (14 per cent of those living in Britain), were born outside of the UK. ONS data shows that 627,000 people moved to the UK in 2018, and, since more than 345,000 left, net migration totalled at more than a quarter of million people.  

Figure 2: Net migration into the UK

[Graph showing net migration into the UK from 1991 to 2017]

Source: Oxford Migration Observatory

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This is significantly more than in 1991 when 3.7 million (6 per cent of the population) were born outside the UK and annual net migration during the early 90s fluctuated between 0 and 50,000. In 1961 there were approximately 2.5 million foreign-born habitants (4.9 per cent of the UK population). Since 1971 our population has grown by 10.1 million. Immigration has contributed 61 per cent of that growth.

The five largest places of origin for immigrants currently in the UK are Poland (832,000), India (832,000), Pakistan (535,000), Romania (392,000) and the Republic of Ireland (369,000). Contrary to public perception, EU immigration is less than half of the total adult immigrant population in the UK (as of 2016/17). In fact, immigrants from the New Member States (Poland, Slovakia, Slovenia, Lithuania, Latvia, Hungary, Estonia and the Czech Republic), who are traditionally low-skilled workers, make up approximately 1 in 5 immigrants currently in the UK. Approximately one-third of foreign-born inhabitants are British citizens. Indian, Pakistani, German and Bangladeshi immigrants living in the UK but born outside of the UK are more likely to take up British citizenship. Poles, Romanians, and Irish immigrants are more likely to retain the citizenship of their original nation. While the UK population was 14.4 per cent foreign born, non-UK citizens made up 9.5 per cent of the population in 2017.

Figure 3: Total adult immigration population by place of origin (2016/17)

![Figure 3: Total adult immigration population by place of origin (2016/17)](image)

Source: Oxford Migration Observatory

While the total immigrant population consists of more people from outside of the EU, the working immigrant population in the UK is predominantly from within the EU. The growth in the immigrant population in recent years has been driven by an acceleration in the number of EU nationals coming to work in the UK. In 2017 there were 2.4 million EU born
workers, 3.2 million non-EU born workers, and 25.2 UK born workers currently working in the UK.\textsuperscript{23} When looking at UK workers by nationality, the figures change to 2.3 million EU nationals, and 1.3 million non-EU nationals (as of May 2019).\textsuperscript{24}

Figure 4: Non-UK nationals working in the UK

Immigrants are more likely to be of working age than UK born nationals. Oxford’s Migration Observatory said, “between 69 per cent and 76 per cent of those born in different countries are adults, only about half of the UK born population are adults aged between 26–64, while one in every 5 UK-born residents is a child; 11 per cent of the UK-born population are youths, while the UK-born population has the highest proportion of retirement age individuals (19 per cent).” Generally, EU economic migrants who come to work in Britain tend to be younger than UK nationals. 69 per cent of EEA immigrants are under the age of 44 (compared to 42 per cent), while 83 per cent of the EEA new member state immigrants are under the age of 44.

**Since 1971 our population has grown by 10.1 million. Immigration has contributed 61 per cent of that growth.**

CSJ, ONS

Employment rates for immigrants vary considerably. In December 2018 the employment rate for people born in the UK was 76.3 per cent, whereas for those born outside the UK it was 74.7 per cent.\textsuperscript{25} EU immigrants had higher than average employment rates (82.6 per cent) while new member state migrants had the highest employment rate at 86.1 per cent. High performing groups from outside the EU included immigrants from

\textsuperscript{23} Oxford Migration Observatory, Ibid
\textsuperscript{24} ONS, UK and non-UK people in the labour market: May 2019, accessed via: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/ukandnonukpeopleinthelabourmarket/may2019
South Africa (84.7 per cent) and Australia and New Zealand (85.7 per cent). At the lower performing end of the scale, the lowest employment rates were for immigrants from Pakistan and Bangladesh (55.9 per cent) while Asian migrants generally had lower rates of employment averaging at 65.5 per cent.\(^\text{26}\)

Using foreign born statistics from the Oxford Migration Observatory, of the 9.4 million foreign born people living in the UK, 5.5 million work – equivalent to 58 per cent. This is in line with the percentage of UK-born residents who work, which is also 58 per cent.

Immigrants settle around the country; however, they often live in urban areas. The one exception remains EU new member state immigrants from Poland, Romania and Lithuania who are involved in seasonal work in the agriculture and food packaging industry. Partly as a result, immigrant employment rates are highest in parts of the South West – Dorset and Somerset – the East of England – Cambridgeshire, Norfolk, and Lincolnshire – as well as Scotland and Wales. They tend to be lowest in urban areas (some of which have struggled in the post-industrial era) – Portsmouth, Swansea, Glasgow, Blackburn, Middlesbrough, Dundee, Merseyside and the West Midlands. A large portion of immigrants settle in London where there is the largest populations of Indians, Poles, Bangladeshis, Romanians and Pakistanis.

ONS data showed 20 per cent of elementary occupations and 18 per cent of process, plant and machine operatives were taken up by migrants (predominantly migrants from EEA new member state countries).\(^\text{27}\)

CSJ, ONS

As there is wide variation in employment rates between different immigrant groups, there is also divergence in what immigrants do when they are employed. The sectors that have the largest portion of immigrant workers include manufacturing (14 per cent), wholesale retail trade and restaurants (13.7 per cent) and transport and communication (14.5 per cent).\(^\text{27}\)

Digging into the detail, a large portion of immigrants from older EU member states (including France, Italy, Germany and Spain etc) work in the professional services industry. Rishi Sunak and Saratha Rajeswaran writing for Policy Exchange highlight the fact that there was significant clustering of South East Asian immigrants (including second and third generation immigrants who have become naturalized citizens) in certain vocations, “42 per cent of Bangladeshi men work specifically in restaurants… 24 per cent of Pakistani men are taxi drivers”.\(^\text{28}\)

Incidentally, Sunak and Rajeswaran state that both Pakistani and Bangladeshi workers were more likely to earn below the minimum wage, at 29 per cent and 32 per cent respectively.\(^\text{29}\)

Non-UK born workers are disproportionately found in low skilled occupations. 32.9 per cent of EU workers work in process or elementary occupations, compared to 18.7 per cent of non-EU workers, and 15.3 per cent of UK born workers. ONS data shows 20 per cent of


\(^{29}\) Ibid
all elementary occupations and 18 per cent of process, plant and machine operatives were taken up by immigrants (predominantly migrants from EEA new member state countries). Non-EEA immigrants were evenly distributed across the occupational skill spectrum, while EEA old member state immigrants were more likely to be in professional and associate professional occupations.  

There are a large number of non-EU born workers in high skilled managerial and associate professional roles, however the non-UK born immigrant population tend to work in lower skilled occupations.

### Table 1: Non-UK and UK born workers by skill level

<table>
<thead>
<tr>
<th></th>
<th>Non-UK born Number</th>
<th>%</th>
<th>UK born Number</th>
<th>%</th>
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<tbody>
<tr>
<td>Managerial</td>
<td>51,700</td>
<td>9%</td>
<td>2,681,000</td>
<td>11%</td>
</tr>
<tr>
<td>Professional</td>
<td>1,201,000</td>
<td>22%</td>
<td>5,017,000</td>
<td>20%</td>
</tr>
<tr>
<td>Associate professional</td>
<td>615,000</td>
<td>11%</td>
<td>3,819,000</td>
<td>15%</td>
</tr>
<tr>
<td>Administrative</td>
<td>413,000</td>
<td>7%</td>
<td>2,730,000</td>
<td>11%</td>
</tr>
<tr>
<td>Skilled trades</td>
<td>521,000</td>
<td>9%</td>
<td>2,689,000</td>
<td>11%</td>
</tr>
<tr>
<td>Personal service</td>
<td>511,000</td>
<td>9%</td>
<td>2,402,000</td>
<td>10%</td>
</tr>
<tr>
<td>Sales</td>
<td>379,000</td>
<td>7%</td>
<td>2,003,000</td>
<td>8%</td>
</tr>
<tr>
<td>Processing</td>
<td>493,000</td>
<td>9%</td>
<td>1,460,000</td>
<td>6%</td>
</tr>
<tr>
<td>Elementary occupation</td>
<td>873,000</td>
<td>16%</td>
<td>2,395,000</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>5,526,000</td>
<td>100%</td>
<td>25,196,000</td>
<td>100%</td>
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</tbody>
</table>

Source: Oxford Migration Observatory

The Migration Advisory Committee (MAC) did find that immigrants were generally better educated than their occupations would suggest, “The migrant population has a higher level of educational attainment than UK natives. We estimated that 63 percent of adult migrants from the [Old Member States] of the EEA have completed a qualification in higher education or equivalent, while the proportion is 55 percent of those from non-EEA countries. The level is significantly lower for adult migrants from [New Member States], at 41 percent, but still higher than that of UK natives, of whom only 36 percent of the adult population have a completed higher education or equivalent”.  

The MAC reported that average wage levels reflected the skill levels; EEA old member state migrants had an average hourly wage of £16.80, whereas non-EEA workers could expect an average of £14.80 and EEA new member state migrants were the lowest paid on average at £10.40 per hour.

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32 Ibid
The macroeconomic story so far…

The empirical evidence on the impact of immigrant labour on economic growth has been, on the whole, positive. Ottaviano and others (2015) found that “immigrants increase overall productivity in service-producing firms.” This is linked to firms being able to keep costs down while maintaining jobs and production sites in the UK, therefore increasing “country-specific exports, consistent with a reduction in bilateral communication and trade costs.” Their research showed that a 1 per cent increase in immigrants’ representation in UK labour markets is associated with a 2 to 3 per cent rise in UK labour productivity. Jonathan Portes summarised research that showed “migration in general boosts productivity in advanced economies, but by varying amounts; for the UK, the estimated impact is that a 1 percentage point in the migrant share of the working age population leads to a 0.4–0.5% increase in productivity.” The ONS has repeatedly found that labour composition, the value of human capital in the economy, has continued to act as a positive force, pushing productivity higher since 2008.

We find a pattern of effects whereby immigration depresses wages below the 20th percentile of the wage distribution but leads to slight wage increases in the upper part of the wage distribution.

Dustman, Frattini and Preston (2013)

The positive macroeconomic impact of immigration in the UK is replicated across other advanced economies. IMF economist Flauence Jaumotte and others (2016) found that a 1 per cent increase in the migrant share of an advanced economies’ adult population is associated with an increase in GDP per capita and productivity of approximately 2 per cent.

There is contention over the extent to which immigrants have impacted labour market outcomes for native workers. In the UK, the empirical evidence suggests there has been no effect on employment rates of indigenous UK workers. Jonathan Portes wrote last year that “Studies have generally failed to find any significant association between migration flows and changes in employment or unemployment for natives (see, for example, BIS 2014 for a review). Since 2014, the continued buoyant performance of the UK labour market has further reinforced this consensus. Rapid falls in unemployment, now down to just over 4 per cent, have been combined with sustained high levels of immigration.”

The evidence on the impact of immigration on wages shows that there has been a small and negative impact for low-skilled workers below the 20th income percentile, while workers above the 20th percentile tended to see a positive effect of immigrant labour on their take-home pay.

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Outside of regression analysis, most major macroeconomic and industrial indicators point towards an economy that will continue to feed on labour, including immigrant labour. The UK has become an increasingly service orientated economy. The service sector contributed 70 per cent more than net UK economic output in January 2019. Industries with higher than average growth rates over the last couple of years include Retail, Information and Communication, and Professional Services. These are predominantly labour-intensive industries.

Since December 2000, the UK labour market has increased in size by 18 per cent, adding 5.1 million jobs. 87 per cent of these new jobs have been in the private sector, of which the main contributions have been from Professional Services (810,000 new jobs), Education (1 million new jobs) and Human Health/Social Care (1.3 million new jobs).

Law firms, insurance brokers and underwriters, accountants, and banks based in London are competitive employers for EU nationals living France, Germany, Italy and Spain. 10 per cent of doctors and 7 per cent of nurses in the UK are EU nationals (as well as a large contingent of Indian and Filipino immigrants working in the NHS). Universities UK estimates there are some 50,000 EU Nationals working in the higher education sector and a total of 83,345 international staff working in UK universities.

Put simply, the British economy and its growth industries have been partly defined by their reliance on immigrant labour. The Resolution Foundation said in 2017 “The arrival of large numbers of foreign workers has provided a major boost to the UK’s GDP and eased a wide range of labour shortages, both sectorally and geographically”. Despite ongoing advances in technology, it is unlikely that the importance of labour in our economic model will abate.

The fiscal impact of immigration

The fiscal cost of immigration in the UK is also generally positive. On the whole, immigrants pay more in taxes than they take out in the form of direct and indirect welfare. EEA migrants from old member states make the highest contribution, whereas EEA migrants from new member states also make a positive (albeit marginally lower) contribution, and non-EEA migrants have a net-negative impact on the country’s fiscal position.

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40 House of Commons Library, ‘NHS Staff from Overseas: Statistics’ (October 2018), accessed via: https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CPB-7783
41 Universities UK, ‘Immigration’, (October 2018), accessed via: www.universitiesuk.ac.uk/immigration-news
The Migration Advisory Committee (MAC) estimate that the 2016 migrant cohort (EEA plus non-EEA) will have a total lifetime net contribution of £26.9 billion to the UK’s public finances.43 The MAC, however, also warn against over interpretation of these data points. A migrant’s fiscal contribution is determined by their age (with younger and older migrants generally net-negative contributors while working age migrants are net-contributors); “When considering the contribution of each individual migrant, it must be remembered that today’s working adult, paying large amounts of tax, will become tomorrow’s state pensioner, with above average healthcare costs. Today’s secondary-school pupil, educated at the expense of the taxpayer, will tomorrow contribute through the income taxes they pay once they enter the labour market. From the perspective of a policy-maker, therefore, what really matters is whether an additional migrant is likely to make a positive or negative net fiscal contribution over their entire time in the UK, from the day of arrival to the day they leave or the end of their life”.44 It is unsurprising therefore that non-EEA migrants have a lower fiscal contribution because many multi generation migrant households from South East Asia and Africa have a large portion of young and older people. Migrants from the EU are more likely to be working age, however.

International brain drain

While this report clearly focuses on the impacts of immigration on UK society and the economy, it is right to recognise the impact that emigration has on countries of origin. Many poorer former Soviet states in Eastern Europe have seen a large portion of younger, skilled workers move to Western Europe. Almost one in five working age Romanians (19.7 per cent) lived in another EU country in 2017, which precipitated Finance minister

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Eugen Teodorovici heavily criticizing the EU policy of free movement. An EU report from 2012 found that “By the end of 2011, about 1.4 million people or about one third of the Albanian population was estimated to be living abroad, mainly in Greece and Italy” and that Albanian migrants had a higher level of educational attainment than those that remained living in Albania. This problem exists outside Europe: 85 per cent of Haitian college graduates are working abroad. While there are clear economic costs to losing skilled workers to other countries, these migrants often remit earnings to their home country (providing a form of capital inflow), and many have argued that large emigration can help increase the soft power that a country has around the world. Large Irish migration to America in the 20th century has strengthened the relationship between the US and Ireland, which has clear economic advantages. Migrants also return home and bring back practices, skills and ideas that benefit future generations.

45 European Commission, Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe
chapter three

What role will immigration play in our future economy?

There is limited work forecasting the role that immigrant workers will play in the future of the British economy. After several decades of increased inwards migration to the UK, much discussion is dedicated to analysis on the public opinion and the labour market impact of foreign workers. Little effort has been spent analysing how important those foreign workers will be for future growth. Here we detail the four main arguments in favour and against increasing our reliance on immigrant labour.

Immigration will remain important

It has played a significant role in our past economic development and will continue to in the future

As we showed earlier, immigrant labour has played a significant role in driving economic growth since the end of the Second World War. The British Nationality Act in 1948 allowed for citizens of Commonwealth countries to migrate to Britain and settle. This preceded an inflow of immigrants from the Caribbean, South East Asia and parts of East Africa. Specifically, young men and women from Bangladesh and Pakistan (which left the Commonwealth in 1972 but re-joined in the late 80s) moved to the UK to work in the textile mills in the North of England. Migrants from India moved to the UK in the pre-war era to work in domestic service or serve in the British army. In the post-war period an increasingly well-educated Indian diaspora filled public sector jobs or worked in the private service sector. Descendants of immigrants have gone on to be symbols in British society and the economy.

From the mid-90s onwards, migrant labour from the EU has supported low and high skilled occupations in financial services, food sector, retail, higher education and academia, manufacturing and construction. Migration Observatory analysis of the Labour Force Survey found 10 per cent of employees in the manufacturing sector were born in the EU, and 13 per cent of employees in the accommodation/food service industry were born in the EU. 47 In June 2018 there were 19,142 Indian nationals, 13,132 Irish nationals and 8,896

Polish nationals working in the NHS. 10 per cent of NHS doctors and 7 per cent of NHS nurses are EU nationals, while “one-third of all EU nationals in the NHS work in London.” According to the ONS population survey there were 91,000 French, 49,000 German and 150,000 Italian nationals living in London in July 2018, with a large number working in the City of London and the West End.

In June 2018 there were 19,142 Indian nationals, 13,132 Irish nationals and 8,896 Polish nationals working in the NHS.

House of Commons Library

There is little doubt that the human capital offer of foreign migrants is huge. Improvements in education standards across the world, the proliferation of the English language and our own domestic skills deficit mean that many industries and organisations in the UK have been able to remain competitive thanks to immigrant labour.

Our economy will be increasingly ‘high-spec’ in the future, which means we will need increasingly sophisticated human capital

As we documented in a previous report, A Vision for the National Retraining Scheme, the British economy is becoming increasingly dependent on high skilled labour to fill occupations that demand higher order qualifications. The proportion of occupations in the UK economy that are considered high skilled increased by 4 percentage points between 2006 and 2017 to 44 per cent. The percentage of jobs that require higher order qualifications (degree level) increased “from 20 per cent in 1986 to almost 40 per cent in 2017”.

The need to attract high-quality labour has meant British-based businesses have to look further afield for staff. A Tech UK report in March 2017 said “The success of the UK tech sector in the last decade has been built on access to global tech talent in many forms... Access to the EU talent pool has allowed tech companies in the UK to mitigate the paucity of domestic digital skills, and is why European talent remains so important to continued growth.” A joint NESTA Tech City report in 2016 stated that immigration policy was central to bridging the skills gap, and cited survey data showing 43 per cent of businesses felt ‘access to talent’ was the major challenge to growth for their business.

The proportion of occupations in the UK economy that are considered high skilled increased by 4 percentage points between 2006 and 2017 to 44 per cent. The percentage of jobs that require higher order qualifications (degree level) increased from 20 per cent in 1986 to almost 40 per cent in 2017.

CSJ, Dr Alan Felstead (2017)

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49 Ibid
A 2015 Government report that surveyed businesses that employed migrant workers found that “Of the businesses interviewed, the overall view of migrants’ impacts was broadly positive” because “migrants bring knowledge and skills over and above that outlined in the job specification… they have upskilled colleagues, leading to improvements in process and innovation and securing new work for their employers. These changes have led to both improved productivity and company expansion.”

The notion that high skilled migrant labour working in Britain can easily be replaced with domestic talent in the short term is naïve. A Deloitte survey in 2017 found 58 per cent of foreign workers in Britain believed it would either be difficult or very difficult for their employer to replace them with a British worker. Migrant workers make up a large portion of some high skilled industries, notably in manufacturing (14 per cent of total manufacturing workforce) and financial services (12 per cent) and Information and Communication Technology (13 per cent).

Immigration will diminish in importance

Technology will replace jobs (specifically low skilled ones) that immigrants traditionally fill

This argument follows that immigrant labour will be less important for economic growth going forward as new automotive technology will displace workers, specifically low skilled ones. The impact of automotive technologies on jobs and whether robots, algorithms, and AI will replace the need for human labour in the future is disputed. The seminal work completed by Carl Frey and Michael Osborne found 47 per cent of US jobs and 35 per cent of UK jobs are at risk of being automated within 10 to 20 years. Arntz, Gregory and Zierahn (2016) used a different approach, estimating the probability that a task (within an occupation) would be automated. This would reduce the probability that an entire occupation would be lost. Unsurprisingly, as a result they predict that automotive technology will displace just 9 per cent of jobs across OECD countries, with the UK at risk of losing 10 per cent of jobs and experiencing significant disruption in 25 per cent.

The link between the probability of automation and skill level depends on whether the study is of tasks or occupations. ONS analysis of the Frey and Osborne results found that occupations demanding either degree or higher-level qualifications were at relatively lower risk of automation compared to occupations that only needed GCSE or A-levels. When analysing tasks however, the occupations more likely to struggle are in the middle of the skill spectrum.

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56 Ibid
Despite a degree of uncertainty around the impact of technology across the skill spectrum and ultimately on the shape of the labour market in the future, there is most likely to be a negative effect on low skilled jobs that have historically been filled by immigrant labourers in recent years. Frey and Osborne identify textile machine setters, café attendants, and residential plasterers and painters as having an above 90 per cent chance of being automated.

Immigration from low-income countries has reduced social mobility and thus steepened the social gradient in natives’ labour market outcomes, whereas immigration from high-income countries has levelled it. Hoen et al (2018)

Stagnating levels of social mobility will mean a greater political focus on supporting native workers

The impact of immigration on social mobility is also hotly debated. As we noted earlier evidence links low skilled immigration growth with lower levels of wage growth at the bottom of the income spectrum in Britain. However, there has been limited analysis on the impact of immigration on the medium to long term economic mobility of native workers. How does immigration impact the chance for native British people to move up in the world and achieve a better standard of living than their parents? Theory suggests that increased competition for jobs has created a bottle neck of opportunity.

Evidence from other countries validates this theory. Hoen et al. (2018) analysed Norwegian mobility by social class and found that generally “immigration from low-income countries has reduced social mobility and thus steepened the social gradient in natives’ labour market outcomes, whereas immigration from high-income countries has levelled it” and “while increased supply of low-skill labour primarily affects low-class natives by pushing some of them out of the labour market, it affects high-class natives by raising their expected earnings”. Put simply, children from low income families have been negatively
impacted by immigration from low income countries but benefit from immigration from high income countries while children from higher income families have been negatively impacted by immigration from high income countries but benefit from immigration from low income countries.\textsuperscript{58}

Murray et al. (2006) provided a literature review of evidence on the effect of immigration on wages and job displacement in America. They found, like others, that the evidence was inconclusive. However, on job displacement they said “the recent literature on job displacement is fairly convergent: immigration has displaced some low-skilled workers and/or African American natives”.\textsuperscript{59}

Oberdabernig and Schneebaum (2017) analysed whether immigrant children were more likely to experience upward educational mobility across generations and found that “migrants’ descendants are more often upwardly mobile (and less often downwardly mobile) than their native peers in the majority of countries studied”.\textsuperscript{60}

Despite the lack of evidence on the impact of immigration on the upward mobility of native workers, there is some evidence from public opinion polling that suggests that working class British people feel there are fewer opportunities for progression in life. A recent Social Mobility Commission survey found that 88 per cent of working-class respondents felt their social class has either no effect or a negative effect on helping them in work while 17 per cent felt that being working class had reduced chances for in-work progression.\textsuperscript{61}

Politics has and will continue to react to this public sentiment. Matthew Goodwin and Roger Eatwell in their book National Populism, The Revolt Against Liberal Democracy (2016) argue that conflation of high levels of immigration with a perception that there has been an erosion of national identity and an increase in inequality has contributed to the increasingly hard (and populist) line that both electorates and politicians have taken on immigration in recent years. While the gross economic value of immigrant labour is well evidenced, there is a growing political consensus to prioritise British over foreign workers. This is of course nothing new: the then Chancellor of the Exchequer Gordon Brown called for ‘British Jobs for British Workers’ in 2007. A sense that British public policy should prioritise workers in Britain above foreign citizens increasingly pervades social and economic thinking today.

\textsuperscript{58} Hoen et al., ‘Immigration and Social Mobility’, IZA Institute for Labour Economics, (October 2018)
\textsuperscript{59} Murray et al., ‘The Impact of Immigration on Native Workers: A Fresh Look at the Evidence’, Migration Policy Institute, (August 2006)
\textsuperscript{61} Social Mobility Commission, ‘Social Mobility Barometer’ (December 2018)
chapter four
Immigration and poverty

Despite migrants being disproportionate net contributors to the economic and fiscal position of Britain, immigrants in the UK are more vulnerable to falling into poverty and experiencing social and economic deprivation. This increased vulnerability endures through generations, meaning that in Britain today, descendants of immigrants who are minority ethnic naturalised citizens are also more at risk of falling into poverty today.

The different impact of immigration across different communities over multiple generations\textsuperscript{62}

The EU referendum in Britain brought to the fore the reality that different communities had very different interpretations of the impact of immigration on the UK, its economy and society. While it is true to say that immigration has helped boost UK median wages, growth and productivity, the impact varies across the income spectrum and localities. As mentioned before, Dustmann et al. (2013) found that immigration had a negative impact on the wages of the poorest but a positive impact on wages of the richest, “an inflow of immigrants of the size of 1 per cent of the native population would lead to a 0.6 per cent decrease at the 5th wage percentile and a 0.5 per cent decrease at the 10th wage percentile. On the other hand, it would lead to a 0.6 per cent increase at the median wage and a 0.4 per cent increase at the 90th percentile.” \textsuperscript{63} CSJ analysis of local authorities shows that wage growth at the 20th percentile has struggled in areas with the highest levels of immigration (as defined by percentage of residents who were born in the UK).

\textsuperscript{62} Note: In this section we expand our analysis of immigration to include communities that have experienced high levels of immigration at any point in the last 60 years. As a result, we use data detailing the minority ethnic composition of communities and begin to dissect social indicators according to ethnicity. This is because this report takes a multigenerational view of immigration. Immigration as a human and economic phenomenon must be understood not just on day 1 of arrival, but also as something that has a generational impact. The UK Government Race Audit ultimately found that minority ethnic groups, of which many are British citizens, but ultimately descendants of immigrants, found wide disparities in the economic and social performance of groups. It is for this reason that immigration policy must be looked at with a multigenerational view.

\textsuperscript{63} Dustmann, C, T Frattini and I P Preston, “The effect of immigration along the distribution of wages” (Review of Economic Studies, 2013)
Figure 7: Immigration and pay growth at the bottom 20 per cent

Source: CSJ analysis of NOMIS data

A good example of this would be Kensington and Chelsea. In the above graph, fewer than one half of Kensington and Chelsea residents were born in the UK while wage growth at the 20th percentile has been the lowest in the country at 15.6 per cent. Even though wages are higher in London boroughs than in other parts of the country, and many of the wealthier inhabitants who live there have benefited financially from immigration (as we found had happened in Hoen’s research in Norway), the lowest earners in Kensington and Chelsea have seen hardly any nominal wage growth in last 16 years.

Large immigrant communities are more likely to be found in urban and wealthier parts of the UK, most notably London. Approximately one third of foreign-born residents in the UK currently live in London. Areas such as Newham (46.3 per cent UK born residents), Wandsworth (64.6 per cent UK born residents) and Harrow (55.2 per cent UK born residents) have large immigrant and minority-ethnic British populations. Cambridge has a large EU representation due to their roles at the University of Cambridge as well as working in the Life Sciences sector. One-in-four residents of Manchester were born outside of the UK. Leicester has a large Indian diaspora and is a middle income and prosperous town with some of wealthiest parts of the country located towards the south of that city.

However, some immigrant groups – specifically those that migrated in the mid to late 20th century – settled in lower income communities in the Midlands and North of England. Today many in these immigrant communities have become naturalised citizens and have raised children in the area. Small Heath in Birmingham has a non-white British population of nearly 90 per cent and is concurrently in the 10 per cent most deprived areas in the UK (according to the Government’s Index of Multiple Deprivation). Bradford as a city has a large Pakistani community that arrived in the decades after Indian partition, while over a third of the city is ranked in the 10 per cent most deprived areas of the country. Boston in Lincolnshire has a large Eastern European community that took advantage of the
European Union’s Free Movement policy, while also being in the 10 per cent most deprived communities in the UK. 60 per cent of Oldham identify as of Bangladeshi heritage while being one of the poorest parts of Greater Manchester.

The reality is that immigrants are not a homogenous group and immigration is not an identical process. Immigrants coming to the UK vary significantly in terms of their economic capacity, their cultural tendencies and where they eventually settle. As we mentioned earlier, the employment rates for Pakistani and Bangladeshi’s (specifically women) is far lower than the employment rates of EU migrants. Unemployment rates for men of Caribbean and African descent is much higher than the average. Conversely immigrants from the EU perform much better in the labour market than the average. As a result, immigration is less about the quantum number of people moving in or out of an area, and more about the material context in which it occurs.

While in some cases the immigration story is overwhelmingly positive, such as the role French or German nationals have played in London’s professional service sector, or the role the Indian diaspora has played in the delivery of public services across the country, in other cases, immigration has precipitated a multigenerational story of increased economic marginalisation. There is clearly anecdotal evidence showing communities that have seen a shift in the ethnic make-up of their population have experienced low levels of economic growth, parallel communities, declining social mobility and a growing sense of hostility between different groups. This story is not just about the impact of immigration and experience of immigrants on day one of being in Britain, but what happens to multiple generations of descendants of immigrants.

The vulnerability of immigrants

Migration to the UK is driven by a myriad of factors but there are four dominant themes. Many move to the UK due to family connections with the intention of getting a job and staying for a long time, if not indefinitely. Foreign students move to the UK to study. A small number who arrive in the UK are escaping political persecution in their home country and are seeking refuge. Economic migrants move to the UK for job opportunities where the intention to stay could be very short term or indefinite. The third and fourth groups are more likely to face financial challenges when they first arrive in the UK and are therefore most vulnerable to falling into poverty.

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CSJ
Poles and Indians are the largest two immigrant group in the UK with 832,000 working in the UK (most Polish immigrants retain Polish national citizenship). The Polish diaspora moved to the UK largely to work for higher wages in low skilled jobs in sectors such as food manufacturing, construction, retail and logistics. Other groups with similar narratives include Romanian immigrants (410,000 living in the UK) and Lithuanians (184,000).

Successful asylum seekers make up approximately 5 per cent of total net immigration in the UK. In 2017/18 there were 14,308 grants of asylum (down 12 per cent from the year before). Asylum seekers are most likely to come from conflict zones where they are escaping violence. In 2018 asylum applications were made by refugees from Iraq (2,405), Sudan (1,641), Eritrea (1,526) Syria (604) and Afghanistan (1,380). However, a large number are travelling from countries that aren’t in the middle of a civil war but regardless face political persecution – Iran (2,440) and Pakistan (2,313).

As a result of their financial vulnerability and structural barriers that exist in the UK labour market (such as preclusion of national educational qualifications and rules around eligibility for a work visa) many economic migrants and refugees work in jobs below their skill level and in low skilled jobs that native workers would not put themselves forward for.

A 2018 report from the Strategic Alliance on Migrant Destitution (SAMD) (led by housing charity Homeless Link) found an increasing number of non-EU migrants (predominantly political refugees from North Africa and the Middle East) were becoming destitute and remaining destitute for an average of 2 years. SAMD found non-EU migrants were increasingly exposed to “Physical and mental health deterioration, depression, anxiety, stress-related illness, loss of self-esteem, confidence, shame and hopelessness, desperation and substance misuse”.  

Homelessness among immigrants has been difficult to measure with an increasing number sofa surfing, staying in temporary accommodation and moving regularly. However, rough sleeping is an increasing problem for both EU and non-EU migrants. Government statistics claim one-third of all rough sleepers are foreign nationals. The Ministry for Housing, Communities and Local Government estimate that in 2018 there were 1,029 EU nationals sleeping rough every night, and 140 non-EU nationals. 27 per cent of all rough sleepers in the UK were in London.

One third of all rough sleepers are foreign nationals. In 2018 there were 1,029 EU nationals sleeping rough every night, and 140 were non-EU nationals. Ministry of Housing

It is unsurprising considering the reality of both EU and non-EU low skilled emigration, that modern slavery has become a serious problem in Britain. Modern slavery is not confined to the immigrant population, but human trafficking, where vulnerable groups from poor countries are promised jobs and economic opportunity in the UK, is a major driver of slavery in the UK today. The CSJ estimated in 2012 that there were over 1,150 adults and

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65 Ibid
children that were kept in some sort of forced servitude. However, UK charity Unseen recently cited that 5,145 potential victims had been submitted to the National Referral Mechanism in 2017. They also pointed out that “Potential victims of human trafficking were reported from 116 different nationalities in 2017 according to the National Crime Agency’s National Referral Mechanism statistics. Albanian, UK and Vietnamese nationals were the most commonly reported potential victims.”

Unseen raises the story of Asif, which illustrates how refugees who are offered a pathway into the UK can be at risk of exploitation, “[he] escaped persecution in his home country and arrived in the UK vulnerable and desperate for work. He managed to find a job but was subjected to labour exploitation for three years, working in various restaurants for little or no pay, sleeping on their floors and working in hazardous conditions, frequently receiving burns and scars, which caused him great mental and physical stress”.

For those who do succeed in accessing secure housing, and legitimate work, the reality is that many remain vulnerable. Bloodworth (2018) documented the harsh reality facing Romanian immigrants employed at Amazon in Staffordshire. The workforce was overwhelmingly Eastern European and spoke a variety of languages, was paid at the National Living Wage, would work 10 and a half hour shifts (often through the night) in what Bloodworth described as a prison-like atmosphere. McBride et al. (2017) recanted the story of someone who was caught in a cycle of low paid work, unpredictable working hours, poor employment practices (including late and inaccurate payment of salary), eventual food bank usage and problem debt.

The Joseph Rowntree Foundation pose the point that destitution among migrants has been a direct result of changing immigration and asylum policy that restricted social security to them, “Further changes in immigration legislation, with impacts in the housing, social welfare and employment spheres, have …explicitly sought to create a difficult environment for those that the government deems have no legal right to be in the UK”. The implication is that structural barriers to integration of non-UK citizens into Britain has led to high poverty levels for this demographic.

Ethnic minorities and poverty

In many instances across the UK, ethnic minority households are more vulnerable to being in poverty than White British households. As we mentioned earlier, recent immigrants from the EU accession countries are more likely to be employed but paid less than native workers. Employment rates are comparatively low for recent immigrants from Africa and Asia. Employment rates sink to chronically low levels when you look at entire ethnic groups (incorporating second, third and fourth generation descendants of immigrants). Pakistani males living in Britain have an employment rate of 73.2 per cent, 10 per cent lower than the White British employment rate. Just one-third of Bangladeshi women living in Britain are in employment compared to three quarters of White British women. One in five Black African and Black Caribbean men and almost one in four mixed race men is economically inactive.

68 Centre for Social Justice, ‘It Happens Here, Equipping the United Kingdom to Fight Modern Slavery’ (March 2013)
Poverty rates among Black and Minority Ethnic (BME) Groups was twice as high as for White British groups.

The Joseph Rowntree Foundation found that poverty rates among Black and Minority Ethnic (BME) Groups was twice as high as for White British groups. Nandi and Platt (2010) wrote “Bangladeshi and Pakistani children have a very high risk of being persistently in poverty. Black Caribbean and Black African children have a lower risk of persistent poverty but higher than that of Indian and White children. Indian and White children are less likely to start off poor and have a greater likelihood of exiting poverty”. Dame Louise Casey wrote in the Casey Review on opportunity and integration in immigrant communities that “By ethnicity, people with a Pakistani background are most likely to live in the most deprived areas in England – with 31 per cent in the 10 per cent most deprived areas, followed by 28 per cent of people with a Bangladeshi background, 20 per cent of Black groups, 15 per cent of Mixed White/Black/Asian groups, 17 per cent of other non-white ethnic groups, 10 per cent of people of Chinese ethnicity, 9 per cent of White groups and 8 per cent of people with an Indian background”.

Figure 8: Attainment 8 scores by ethnicity

Source: GOV.UK

Sunak and Rajeswaran (2014) detail at length the vulnerabilities that many from ethnic minorities face. Certain BME communities are more likely to experience family breakdown with “59 per cent of Black Caribbean, 44 per cent of Black African and 61 per cent of children in mixed race households grow up in single parent families; while 22 per cent of all children in the UK live in lone parent families.”74

Department for Education statistics consistently show that Black Caribbean, Gypsy/Roma and Irish traveller students perform poorly at school. High achievers include Indian, Irish, Mixed Asian, and Bangladeshis. While entry rates for all ethnic groups have risen in recent years with White students performing the poorest, ethnic identity has a big impact on Higher Education participation. While 63 per cent of Chinese students go on to university, just 45 per cent of Asian students and 40 per cent of Black students follow that route.75 Lower levels of educational attainment among Black African and Black Caribbean students reflect problems specific to those groups including low levels of parental education, income and higher than average levels of family breakdown.

Health standards are sometimes comparatively worse, “The NHS states that South Asians (which includes Indians, Pakistanis and Bangladeshis) are up to six times more likely to have diabetes than the general population, and there is a specific issue among Pakistani women. South Asians are also ‘50% more likely to die prematurely from coronary heart disease than the general population’.”76 A CSJ report on mental health support in Britain found that mental health inequalities were particularly pronounced; “A body of evidence shows that out of all ethnic groups, Black and African Caribbean people are disproportionately represented in mental health services and experience poorer outcomes. In 2005, the first Count Me In Census report showed that Black people are 44 per cent more likely than average to be detained within psychiatric settings under the Mental Health Act, and Black Caribbean men are 29 per cent more likely to be physically restrained”.77

State financial support also varies by ethnicity. While more than half (58 per cent) of White British households claim some form of support, making them the largest ethnic group to claim state support, this was largely because a large number of White British people claim a state pension. A larger portion of Bangladeshi (34 per cent), Pakistani (24 per cent) and Black households (30 per cent) claim tax credits and/or income related benefits.78 Claims for child benefit are particularly high in Bangladeshi (36 per cent) Pakistani (33 per cent), Mixed (25 per cent) and Black households (30 per cent). The pattern for child tax credits is similar. Unemployment rates are marginally higher for Pakistani (4 per cent), Black (5 per cent) and Mixed (4 per cent) compared to White British households (2 per cent).

76 Sunak, R. and Rajeswaran, S. A Portrait of Modern Britain (Policy Exchange, 2014)
### Table 2: Tax Credit claimant count by ethnicity

<table>
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<th>Ethnicity</th>
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<th>Working Tax Credit</th>
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Source: GOV.UK

Disability benefit claimant rates for White British and Black households are at the national average, whereas it is slightly lower for Asian ethnicities. While the proportion of households receiving state support has declined for most ethnic groups, only Bangladeshi and Chinese households have seen an increase since 2010.79

### Figure 9: State support by ethnicity, 2011–2016

[Bar chart showing state support by ethnicity from 2011 to 2016]

Source: GOV.UK

79 Ibid
Home ownership rates are low for certain groups. 68 per cent of White British households are homeowners, whereas the same is true for just 21 per cent of Black African households, 37 per cent of Black Caribbean households, 38 per cent of Chinese households and 40 per cent of Bangladeshi households. Most Indian and Pakistani households are also homeowners. With lower rates of homeownership, there are unsurprisingly higher rates of social housing across some ethnic groups. While most of UK social housing is made up of White British households, at just 16 per cent it remained a small portion of the overall population. However, 47 per cent of Black African, 45 per cent of Black Caribbean and 39 per cent of Bangladeshi households are socially housed.

Finally, there is variation in arrest rates across different ethnic groups. The rate of arrest is highest for those who identify as Black with 35 arrests per 1000 people, where there were 11 arrests for White individuals and 12 for Asian individuals.

Social and cultural capital

While generations of immigrants and their descendants have played a significant role in shaping Britain’s economic and social development in the latter half of the 20th Century as well as 21st Century, certain groups are clearly more vulnerable to falling into poverty by virtue of their susceptibility to family breakdown, poor educational attainment, worklessness, bad health and welfare dependency. The reason for the disproportionate risk is widely debated. Academics have suggested that there are structural barriers such as racism or exclusivity of welfare support for immigrants. This could manifest itself by inhibiting an immigrant from getting access to social housing, getting a good job or through young Black men being more likely to come in to contact with the criminal justice system. However, there are also social and cultural capital arguments that suggest immigrant and ethnic minorities become disadvantaged due to a deficit in social capital that can partly be caused by cultural differences and practices. Social capital can mean not only connections to an immediate network but also outside of someone’s physical proximity. Social capital may mean friendships via membership to voluntary organisations but also being able to leverage friendships from university in the workplace.

The most often cited argument on this subject evolves around explaining low participation rates for British Muslim women in the labour market. Social and cultural factors include the fact many young Muslim women have children at a younger age resulting in a very young British Muslim population, with 33 per cent of British Muslims under the age of 15. There is an increasing number of non-traditional family structures in the Muslim community which places extra pressure on parents.

“While it is true that Muslims are mostly married with children (35% compared to 15% in the overall population), data highlights that there is also an emergence of newer kinds of family structures in the Muslim community, evident by the incidence of single parent households with dependent children (over 77,000) and also of people living on their own (over 135,000). However, structural barriers exist that prevent women from gaining good

employment even when they want to, “For some women, the barrier to return to work is because when seeking employment, they are not finding commensurate support and equal opportunities. Some factors attributable to the lower employment rate of British Muslim women affect all women, including accessing affordable childcare services or gender discrimination. But studies show that British Muslim women may also face additional challenges, including discrimination (perceived or actual) based on clothing and faith”.  

Richard Norrie made the point in 2016 that employment rates increase among Muslim women in Britain the longer their family have been living in Britain, with second and third generation women much more likely to be in work.

Another group that that is often cited for having low levels of social capital is the Black Caribbean community. A survey by the Centre for Social Investigation at Nuffield College, Oxford, found that Black Caribbean groups had lower levels of trust in society and less likely to trust their neighbours but were more likely to be involved in community organisations. David Goodhart (2014) has highlighted the marginalisation of the Windrush generation and the successive generations of Black Caribbean (predominantly men) to feel distrust towards authority, most obviously the police, and a disaffection with what they perceive to be post-colonial elitism in British society. Tracey Reynolds (2012) commented on the perception that high levels of unemployment among young Black men was part of wider marginalisation that meant many felt “stigmatised, avoided and directly excluded from public engagement”. For Reynolds, growing up in ‘poor Black neighbourhoods’ in London has a restrictive impact on many young Black men’s ability to climb the social mobility ladder; “In particular, ‘street culture’, ‘the streets’ or ‘being on road’, played a significant role in shaping the young people’s aspirations and attitudes towards social mobility”.

Whether it is a sense of disaffection that is common among young Black men, or social isolation that is sometimes found in South East Asian communities, cultural practices and social capital can clearly play a role in enforcing economic disadvantage. Some immigrant groups have succeeded at avoiding these traps. James Kirkupp wrote on the success of British Indians who “are twice as likely to marry outside their ethnic group as British Pakistanis are; 70 per cent of British Indian women work, which is close to the national average. And according to the think tank Demos, they are far more likely to live in multi-ethnic neighbourhoods, instead of the homogeneous areas where many British Pakistanis reside”. The Integrated Communities Action Plan, published by Government in February 2019, went some way to addressing these issues. However, regardless of the efficacy of this intervention, these generational challenges need to be addressed and readdressed if public policy is going to support these vulnerable groups in Britain.

86 Ibid
Understanding the link between immigration and poverty

Any consideration of immigration policy must accept that the impacts can be felt for decades and across multiple generations. Despite the net positive contribution of immigrants to the economy, the reality is that certain groups, predominantly from poor countries, are at greater risk of being trafficked, living in substandard accommodation, working in dangerous and unregulated work, and potentially falling into crime. This risk of falling into poverty does not go away over time. Certain ethnic groups that are descendants of immigrants are at greater risk of being unemployed, having poor health, living in poor neighbourhoods and falling into poverty. Immigration policy must reflect this. Historically, policy has prioritised attracting migrant workers to the UK without enough consideration for supporting those who do come here. This needs to change.
chapter five

Policy recommendations that prioritise growth

As Britain leaves the European Union, there is an opportunity to revisit immigration policy and set new rules on allowing people to move to, work and live in Britain. Immigration policy over the last 20 years has been defined by open access for EU nationals and a skills-based points system for non-EU nationals with caveats carved out for family members and asylum seekers. This system has resulted in a rapid increase in the number of non-UK born workers in Britain, who are disproportionately low skilled. This has clearly impacted wages for low skilled native workers, wage mobility and has potentially had an indirect link on productivity. While foreign born residents in the UK are just as likely to work, they are more at risk of falling into poverty, not just in year one, but over successive generations.

A YouGov survey in April 2018 found 63 per cent of the Britons believe immigration levels over the last 10 years have been either ‘much too high’ or a ‘little too high’. This figure was 65 per cent in March 2017, and 70 per cent in August 2016, while the proportion that believe it is ‘about right’ has been approximately one-in-five. Attitudes change though when you survey opinion on high skilled immigration and people who come to work in the NHS, with 71 per cent and 76 per cent of respondents reacting positively. Low skilled workers and people with family in Britain who come to live with their relatives are less popular with 57 per cent and 42 per cent of respondents wanting to reduce immigrants from both groups.

[The current immigration] system has resulted in a rapid increase in the number of non-UK born workers in Britain, who are disproportionately low skilled. This has clearly impacted wages for low skilled native workers, wage mobility and has potentially had an indirect link on productivity.

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Immigration caps do not work because they risk impeding the opportunity for skilled labour to come to the UK and are ethically undesirable. However, tighter rules governing our borders are acceptable as long as those rules prioritise what is economically in Britain’s interest and in the interest of its citizens. Combine this with an ethical obligation to support refugees and those foreign nationals who currently reside here in the UK legally, and Britain can have an immigration system fit for the 21st Century.

Prioritising high skilled immigrants

The economic opportunities of high skilled immigration are considerable. As this report has already emphasised, immigration allows British businesses to attract and employ global talent. If our economy is to remain competitive, UK immigration policy must reflect this economic need for highly skilled workers to come here, invest here, create here, employ here and ultimately pay taxes here.

An imbalance between high and low skilled immigration has however built up over the past 20 years. The proportion of foreign nationals in high skilled occupations fell from 55 per cent in 2002 to 49 per cent in 2013\(^9\) (the most recent data). And, while immigrants coming to the UK are likely to have higher qualifications than British workers, they are more likely to be over-educated for their occupation, working in a role that is below their educated skill level. Combine this with the reality that low skilled occupations are declining as a share of the labour market and are expected to decline in number in the future, there is good reason to reduce the opportunities for low skilled workers to come to the UK. This policy was advocated by the Migration Advisory Committee when it did not advise the Home Office to develop an immigration tract specifically for low skilled workers after Brexit.

Recommendation

Following the publication of the Home Office White Paper on post-Brexit immigration policy. This report agrees with the principle of folding EU immigration policy into the exiting immigration rules for non-EEA migrants. This report also agrees that people visiting the UK (for non-work purposes) from EU countries should not be subject to visa rules or intention questioning (however this should be paired with enhanced regulation of employers who use casual workers from foreign countries (see below). This report welcomes the introduction of a Digital Checking Service that allows employers, landlords and public services to check more easily an individual’s immigration status. It also welcomes the scrapping of arbitrary immigration targets (specifically for high skilled immigration which is economically damaging) and the resident labour market test that did little to support opportunities for domestic workers. However, we recommend the following changes to Tier 2 visa admissions:

- Rename the Tier 2 route to be a ‘Skilled Work Visa’.
- The current Tier 2 (work permit) visa stipulates that applicants must meet certain criteria. By meeting those criteria, applicants score points. This report suggests the following amendments for the proposed Skilled Work Visa.
- The minimum salary threshold should increase to 35 per cent above the median, a level commensurate to the status of skilled, at £36,700 (in 2019/20 prices).
- Certificates of Sponsorship can be awarded in cases where the occupation is of strategic importance (if it is not already on the Shortage Occupation List). The Home Office should consider constructing a list of occupations considered strategically important or in high demand, for instance NHS workers. This would ensure nurses or other public sector workers (who do not command a salary above £36,700) could continue to migrate to the UK to work.

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The Government should review and reform the family-related visas. There is support for low income family members to migrate to the UK contingent on a family member being in the UK. In 2018 there were 134,789 family-related visas granted. The system risks leading to increased low income and low skilled migration in the UK.

The Government should review and reform the permanent residency test. There were 71,676 people granted permission to stay permanently in the UK in the year ending March 2018, 23 per cent more than in the previous year. Eligibility is extended to anyone who has been in the UK legally for 10 years and kept to the terms of a visa. We recommend basing eligibility on similar criteria for Tier 2 visas and granting permanent residence to individuals who work in high skilled occupations, or occupations in shortage or of strategic importance.

It is worth noting that the plan to fold EU immigration into the existing framework for non-EU immigration is popular among Britons. YouGov polling in October 2018 found that ‘treating EU citizens who want to come and live in the UK the same as people from elsewhere in the world’ was supported by 65 per cent of respondents. Scrapping the limit of high skilled immigrants was supported by 46 per cent of respondents, while the same proportion felt £30,000 was an adequate threshold for skilled jobs.

International examples of a skills focussed points-based immigration system

Australia

Australia operates a points-based system in which work visas are granted to applicants who score 60 or more points. Metrics include, among others, the age of the applicant (where 25–32 year olds score the highest), English language ability (where superior ability to read, write and speak score highly), experience in occupation (where more experienced candidates score highly), educational attainment (with higher qualifications scoring highly) and the skill level of the applicants partner (where, obviously, the higher the skill level, the more points are awarded). The system has meant that more than two-thirds of migrants into Australia are deemed to be ‘skilled’.

Canada

The Canadian immigration system focuses around three groups – economic migrants, family reunification, and refugees. All candidates are assigned a score based on their profile using the Comprehensive Ranking System (CRS) based on various criteria e.g. age, education, language proficiency, work experience, and connections to Canada. The highest-ranking candidates are issued invitations to apply for permanent residence. Canada welcomed more than 286,000 permanent residents in 2017 of which over half were ‘skilled immigrants’. The Canadian Government state unequivocally that migrants are assessed without regard to race, nationality, ethnic origin, colour, religion or gender.

90 YouGov, Two thirds support treating EU immigration in the same way as that from the rest of the world (October 2018) accessed via: https://yougov.co.uk/topics/politics/articles-reports/2018/10/15/two-thirds-support-treating-eu-immigration
New Zealand
The Minimum Requirements of the Skilled Migrant Category are as follows: acceptable standard of health, good character, proven English language capabilities, under the age limit of 56 years. Other factors that influence the awarding of points include skilled work experience, skill type, recognized qualifications, and age.

Denmark
The Danish comply with EU rules free movement. However, they have a Green Card Scheme for non-EU workers who demonstrate their skill capacity (experience, qualifications and language skills) in an occupation that is on the Positive List (e.g. of strategic importance or of which there is a shortage).

Supporting refugees
Current support for those that are granted asylum status in the UK is below what we would expect to be needed for a vulnerable group settling in the UK. The Government provides new refugees financial support and housing assistance for 28 days. The financial support varies but the base rate is just £36.95 per week. Refugees are also eligible to receive free accommodation for 28 days after arriving in the UK.

This paltry support is only going to increase the risk of financial hardship for refugees, vulnerability and reduced integration. Refugee Council states that 57 per cent of refugees end up sleeping rough or in a hostel or night shelter when they leave asylum accommodation. A survey of 54 refugees in 2017 found that just one had a job at the end of the 28 day asylum period, half of them struggled to open a bank account, most of them had to rely on charities and food banks for support, and one of them admitted to making several suicide attempts.

Recommendation
The Government must reform the existing support for refugees moving to Britain and develop a far more holistic financial and non-financial support package for all refugees who are granted asylum status in the UK. This should incorporate:

- Financial support – Refugees should be automatically eligible to the equivalent of the Universal Credit base rate – a single claimant aged 25 or over gets £317.82 per month and joint claimants aged 25 or over get £498.89 per month. Additional support should be made available for households that have children or have members that face disabilities. This will last 3 months, at which point the individual/household will apply for Universal Credit and be subject to the same conditionality that everyone else is, therefore having to sign the claimant commitment and meet a work coach.
- English language training and a British ‘values’ course – refugees settling in the UK should be introduced to British society, customs and practices. These courses should be directed by councils and run out of council buildings. Courses should include support for refugees in setting up bank accounts. They should last for up to 3 months.

- Housing – refugees should be eligible for emergency housing and housing benefit the moment they arrive in Britain. This should be in place of the current provision of free housing that can be claimed for 28 days.
- Skills and job support – refugees should be encouraged (through their English language and British values courses) to invest in their skills and get a job. Extra support should be made available through JCPs to help refugees (once they have completed their council-led courses) accumulate skills and get a job.

Supporting minority groups

The Government has made steps to address issues that face poor immigrant and ethnically diverse communities. Whether it has been the Race Disparity Audit, the Casey Review, the Lammy Review, a review in to race in the workplace, the Integrated Communities Strategy, the plan to tackle Hate Crime or the Civil Society Strategy Plan, there has been ample policy focus on supporting better life outcomes for disadvantaged groups, creating stronger communities, and achieving greater integration between different ethnically diverse communities.

Financial support has also been made available to support immigrants in the UK. The Controlled Migration Fund was launched in 2016 to help communities who have seen a significant increase in the local migrant population. So far it has disbursed £50.6 million across 126 projects. Projects range from support for English language training, money to tackle rogue landlords and rough sleeping as well as support for small groups that look to bridge community divides. The Integrated Communities Innovation Fund was established to challenge the main drivers of poor integration; fast pace immigration, high levels of school segregation, high levels of residential segregation, labour market disadvantage, lack of English language proficiency, personal/cultural/religions practices, and lack of meaningful social mixing. The Integration Area Programme has been introduced in conjunction with the fund. The programme focuses on improved provision of English language learning, monitoring of school segregation levels and efforts to ensure greater reflection of the wider residential area, information provision to recent immigrants to help them integrate, additional funding to job centres, monitoring of hate crime and more evaluation research successful integration strategy.93

The Race Disparity Audit began a conversation on the ethnic disparities; however, the Government Equalities Office has struggled to make any major inroads into the issue of poverty among ethnic minority groups. While Women and Equalities Minister Penny Mordaunt said in a speech, “People from Black African, Bangladeshi and Pakistani ethnic groups are still most likely to live in poverty and deprivation and, given the damaging effects of poverty on education, work and health, families can become locked into disadvantage for generations”,94 the Government Equalities Office has been lacklustre in its focus on racial disparities.

**Recommendation**

The Government Equalities Office (GEO) leads on expanding gender equality in the UK. Its focus in recent years has been to reduce the gender pay gap. With the Race Disparity Audit published, it is time for the GEO and its corresponding Minister to step up and take responsibility for the BME agenda. The GEO should subsume the Race Disparity Unit, and the Minister for Women and Equalities remit should include a greater and more equal focus on the disparities that exist between different race and ethnic groups. Lastly the Minister for Women and Equalities should be a permanent cabinet position (if not ranked as a cabinet minister) similar to the Chief Secretary to the Treasury role.

**Recommendation**

The Minister for Women and Equalities currently has two Parliamentary Under Secretaries of State – Under Secretary of State for Women (currently held by Victoria Atkins MP) and under Secretary of State for Equalities (currently held by Baroness Williams). This report proposes that the Under Secretary of State for Equalities’ brief is confined to LGBTQ and disabilities, while a new post is created – Parliamentary Under Secretary of State for Race and Minority Groups – which is tasked with overseeing government policy on reducing race disparities and increasing integration between ethnic groups. The new role will work with the Minister for Women and Equalities to co-ordinate policies across government (Home Office, Ministry for Housing, Communities and Local Government as well as the Departments for Education and Work and Pensions) to meet the GEO commitment to “improving equality and reducing discrimination and disadvantage for all in the UK; improving people’s life chances at work, and in public and political life”.  

**Target employers who use and abuse cheap labour**

The UK has a history of being ahead of the curve on tackling slavery. The Modern Slavery Act introduced in 2015 (conceived by researchers at the Centre for Social Justice) was the first major legislative effort to tackle modern slavery in Europe. When Theresa May became Prime Minister, she set up the Modern Slavery Taskforce. However, it remains a problem, in 2018 “there was a total of 3805 recorded victims of modern slavery in the UK, a 17 per cent increase on the year before” with the victims from both the UK and abroad. Labour exploitation is particularly prevalent in industries that may be attractive to migrants. The Gangmasters and Labour Abuse Authority (GLAA) have stated that construction, recycling, nail bars and car washes were the riskiest, while agriculture, food packing, fishing, shellfish gathering, warehouse and distribution, garment manufacturing, taxi driving, retail, domestic work, and social care also highlighted.

The end of free movement for European workers will reduce the prevalence of abuse of European workers in industries such as agriculture, food packing and construction. However, abuse of Vietnamese women in nail bars or Pakistanis in textile factories (both exhibit high levels of abuse) is a phenomenon that is abstract from European free
movement rules. The European Migrant Crisis saw hundreds of thousands of refugees from Syria, Iraq, Afghanistan (and the Balkan regions) cross the Mediterranean often in the company of people smugglers and make their way to Western Europe. This had little to do with European or British immigration policy, and more to do with conflict and political and economic crisis in their countries of origin.

Sub-standard employment practices also remain a serious problem in the UK. The Director of Labour Market Enforcement, David Metcalf, stated in May 2018 that an "estimated 342,000 jobs were paid below the National Living Wage in 2017, total unpaid wages amounted to £3.1 billion in 2016, [and] £4.5 billion is misappropriated from agency workers annually." 97 Tackling exploitative labour practices is an important part of policy to stem the inflow of low skilled and vulnerable migrants, as well as support those who are here legally.

**Recommendations**

This report advocates for the call from the Director of Labour Market Enforcement to increase enforcement and penalty levels for illegal employment practices, most notably the under-payment of staff (below the National Living Wage), failure to produce a contract and payslip, failure to pay holiday-pay, and unpaid/uncontracted hours. Increased enforcement could most successfully be done by increasing the budget for more Labour Abuse Prevention Officers (LAPOs) and the Employment Agency Standards Inspectorate and encouraging more random inspections of suspected abusers.

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Conclusion

This report cannot emphasize enough that Britain will be better off if it continues its tradition of being an outward looking, open-minded and tolerant place for people of different nationalities to come and work in. However, uncontrolled immigration growth has had negative consequences, notably growth in low skilled labour, wage repression, a negative impact on social mobility and potentially an impact on productivity. This is linked with a loss of mutuality that underpins a social order. David Goodhart’s progressive dilemma is true, that maintaining a sense of kinship and mutual regard among a citizenry is impossible if the civic bonds are eroded due to a volatile and increasingly diverse population. As he said in 2004,

“We share public services and parts of our income in the welfare state, we share public spaces in towns and cities where we are squashed together on buses, trains and tubes, and we share in a democratic conversation – filtered by the media – about the collective choices we wish to make. All such acts of sharing are more smoothly and generously negotiated if we can take for granted a limited set of common values and assumptions… And therein lies one of the central dilemmas of political life in developed societies: sharing and solidarity can conflict with diversity. This is an especially acute dilemma for progressives who want plenty of both solidarity – high social cohesion and generous welfare paid out of a progressive tax system – and diversity – equal respect for a wide range of peoples, values and ways of life”.

But it is not just for this reason that we should care that some immigrant groups are more likely to end up unemployed, dependent on welfare, and cycling in and out of the criminal justice system. It is incumbent on the Government to take more of an active approach to reduce poverty among first generation immigrants and their descendants. By restricting migration opportunities for vulnerable low skilled immigrants, the Government can reduce the prevalence of poverty in the UK, maintain public services for people living and working in Britain, without harming the economy’s ability to attract high skilled talent. It is also plausible that by increasing salary conditions for prospective skilled immigrants who want to come to the UK, businesses will theoretically react by hiring British workers who are available and willing to do the job. In the long term, it is in this report’s opinion that reducing low skilled immigration will force businesses to increase wages, increase their investment in workers and increase their capital investment.

63 per cent of the Britons believe immigration levels over the last 10 years have been either ‘much too high’ or a ‘little too high’. This figure was 65 per cent in March 2017, and 70 per cent in August 2016, while the proportion that believe it is ‘about right’ has been approximately one-in-five.

CSJ, YouGov

98 Goodhart, D., “Too diverse? Is Britain becoming too diverse to sustain the mutual obligations behind a good society and the welfare state?”, Prospect Magazine, (20th February 2004)
Of course, some will argue that the British Government has a responsibility to foreign migrants who want to come to the UK for work. In response, Oxford Philosopher David Miller argues that the state has a prior responsibility to serve (within the confines of what is considered moral and legally justifiable) domestic inhabitants’ interests, whether they are economic, social or political grounds, above those interests of people who wish to migrate here.\textsuperscript{99} It is in this report’s opinion that immigration policy must better reflect this principle.

Importing poor and low skilled workers to fuel the service industry, at the cost of UK-born workers and the countries of origin who lose their own home-grown labour, is hardly an ethical obligation either. The British Government would better serve the wider interests of the global population in the long term by working with low income countries through aid and trade to improve economic opportunities around the world.

The reality is that the role immigration played in Britain’s economic story of the last 50 years is expected to be very different to the role immigration will play in this country’s economic story of the next 50 years. Policy must reflect the changing political, economic and social context of the times and prioritize economically valuable immigration that is popular and will help Britain’s economy grow.


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