

# Fall in sterling after Brexit vote has done more to make people poorer than immigration, says MAC - Politics live



EU migrant workers harvesting lettuce in West Lancashire. Photograph: Alamy Stock Photo

## **Reaction to the MAC report from thinktanks and academics**

And here is some reaction to the MAC report from thinktanks and academics.

From Stephen Clarke, senior economic analyst at the Resolution Foundation, a thinktank specialising in the needs of low and middle-earners

The migration advisory committee's recommendations would, if accepted by government, represent the biggest change to the UK labour market in a generation.

If enacted these proposals would effectively end low-skilled migration, while prioritising mid- and high- skill migration in areas where we have labour shortages. This would represent a huge shift for low-paying sectors like food manufacturing, hotels and domestic personnel, where over one in five workers are migrants.

While it will take some time for the government to respond to this report, it is time those sectors started to prepare more proactively for change, including by looking at the need to invest in new technology, and recruiting from harder to

reach parts of the existing UK population.

From Sunder Katwala, director of British Future, a thinktank focusing on integration, migration and diversity.

The MAC is right to recommend that high-skilled and low-skilled migration are treated differently in future. Most of the public would agree. That should also mean the end of the one-size-fits-all net migration target.

The report also rightly notes that funding to manage the local impacts of immigration on public services needs to get to the areas that need it most. Expanding the Controlling Immigration Fund would be one way to do this. In our research across the UK we found that local impacts make a real difference to how people view immigration.

This report should now prompt politicians to step up and lead the debate about how Britain will approach immigration after Brexit - a debate that's been ducked and delayed for the last two years, causing frustration and mistrust on all sides.

It is missing a vital element, however - the voice of the public. Neither the MAC nor the government has engaged the public in the choices we now face on immigration. That's a serious oversight - the national conversation on immigration found an urgent need to rebuild public confidence and consent in our immigration system, and greater public engagement would help to do that.

From Ryan Shorthouse, director of Bright Blue, a liberal Conservative thinktank

The migration advisory committee has provided evidence that cuts through the exaggerations of both sides of a very divisive debate, showing that immigration generally has no or very modest positive economic and social impacts.

The migration advisory committee has offered some strong suggestions for reforming our immigration system: abolishing the cap on tier 2 (general) visas and extending the tier 5 youth mobility scheme, as Bright Blue has been campaigning for.

But this report was a missed opportunity to propose significant reforms to our post-Brexit immigration system to ensure it is more effective, popular and contributory-based.

From Prof Jonathan Portes, a senior fellow at The UK in a Changing Europe, an academic network, who wrote a paper that contributed to the MAC report

Today's report is backed up by the most comprehensive evidence and research ever produced on the impact of immigration on the UK. Contrary to fears that immigration might reduce the incentive for businesses to boost productivity, my paper suggests the opposite: immigration has a substantial and positive impact on productivity. Areas that see inflows of immigrants see productivity rise. Other papers show that immigrants - especially those coming from the EU - who arrived during 2016 are expected to make a large contribution, more than £25bn, to the public finances over their entire time in the country [see 11.16am], taking account of the taxes they pay and the service they consume, and that immigration has a positive, albeit small, impact on subjective well-being - how happy people are - at a local level. In other words, much of the scaremongering we've heard over the past few years has little or no basis in fact.

What does that mean for policy? The MAC are too polite to say so, but this report shows beyond doubt that the government's economically illiterate net migration target should finally be put out of its misery. After Brexit, we will need immigration - for growth, productivity, and not least to help the public finances - more than ever. Since 2010, many aspects of UK immigration policy have been based not on analysis and evidence but on unpleasant and damaging nativism. This report provides an opportunity for our politicians to reverse that, if they have the courage to take it.

From Richard Brown, research director at the Centre for London, a thinktank focusing on the needs of London

This report highlights the positive contribution that highly skilled EU workers bring to London's economy. Yes we need bankers, lawyers, tech specialists, but we also need low skilled workers too.

Nearly 30 per cent of London's construction workers are from the EU. A huge number of European workers keep the city's cafes, restaurants and hotels running. London's design, artistic and tech start-ups benefit from London's ability to draw workers from across the continent.

Expanding the youth mobility scheme to EU workers would enable young Europeans to fill some of the gaps, and changes to the tier 2 visa system are steps

in the right direction - though the process will still be daunting for many small businesses. But we need a flexible system - one which maintains the frictionless movement of people - to help London meet its needs.

### **Business groups warn MAC proposals could increase labour shortages**

And here is a response to the MAC report from the CBI's UK policy director, Matthew Fell. Like other business groups (see 12.42pm), the CBI is worried that the recommendations could increase labour shortages.

This report provides useful insights but is not a roadmap for a new system.

The findings are clear about the immigration dividend. Productivity and innovation benefit from migration, and training for UK workers increases. It finds barely any negative effects for jobs or wages for UK citizens.

The critical recommendation missing from the report is that migration should be part of trade negotiations, starting with the EU. The Migration Advisory Committee leaves this decision open to Government and says that it might be 'something of value to offer in negotiations'. If it is the Government's intention to implement a global system, preferential access for countries where the UK has trade deals will be essential to provide the basis for an open and controlled system that can work for the UK's economy.

The current non-EU visa system is highly bureaucratic and cannot be extended to EU workers without major reform, so the MAC is right to recommend scrapping the tier 2 cap. But these proposals don't go far enough.

But retaining the £30,000 salary threshold would block many essential workers from coming to the UK. Similarly, plans outlined for low-skilled workers are inadequate, and risks damaging labour shortages.

The government should now build on this evidence to pursue an open and controlled system that shows the UK remains open to the world, and make Global Britain a reality.

**Lord Green**, chair of **Migration Watch UK**, which campaigns for controls on immigration, is not impressed by the MAC report, the BBC reports.

Dominic Casciani (@BBCDomC)

Very critical response from @MigrationWatch to the MAC's report. It's chair, Lord Green, says: "This is a very technical report which seems blind to the impact of high levels of EU immigration on many communities in this country as a result of rapid population growth."

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Source:

<https://www.theguardian.com/politics/blog/live/2018/sep/18/brexit-mac-migration-eu-confirms-emergency-summit-planned-for-november-to-finalise-brexit-deal-politics-live>

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