Reforming immigration for a post-Brexit reality





What impact could lower levels of immigration in the UK following Brexit have on the country's economy? Lisa Laird and Otto Ilveskero write that the UK faces a challenge in retaining a controlled flow of both high and lower-skilled workers to fill gaps in the domestic workforce. They argue that reforming the present Visa Points Based System would allow Britain to retain international talent passing through its universities, but that the UK cannot afford to overlook the needs of its jobs market when it comes to international workers

who compensate for a lack of home-grown professionals in particular sectors.



Credit: Jessica Lea/DFID (CC BY 2.0)

As a first step, we recommend that the government remove visiting international students from the net migration target. Student visas are temporary and do not provide a direct legal route to settlement, meaning that international students should not be classified as settled migrants. According to Home-Office data, only 17% of those who entered the UK on a student visa in 2009 were still eligible to remain five years later. More particularly, we propose overhauling the Visa PBS to create opportunities for those who will prove to be a long-term investment to the UK economy and society, particularly younger, highly educated applicants. We suggest four key changes:

Lower the threshold for companies to sponsor working visas (Tier 2 visas)

This measure is aimed at making the market more open for young, highly skilled workers, decreasing costs and removing barriers to companies that wish to sponsor these workers. Consider the <u>Dutch application model</u> for companies that want to sponsor international workers. This would also help to fill those lower-skilled positions that lose workers due to Brexit.

Increase temporary work exchanges (Tier 5 visas)

Increasing exchanges would provide an opportunity for younger workers to get a taste of the working culture and life in Britain without committing to settling in the UK. This would allow Britain to bring in more young workers on a temporary basis and maintain a level of diversity in its workforce.

Bring back the 2-year post-study work visa

After receiving a British education, students entering the workforce should have the chance to contribute to the British economy. Bringing back the <u>2-year post-study visa</u>, which was scrapped in 2012, would allow young workers time to prove themselves as hard-working assets to the British economy.

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Reduce the earnings threshold for those entering the workforce

As many young workers begin their careers, they start with an entry-level salary, while the current earnings threshold to settle in Britain stands at £35,000. As the average UK salary, however, is only £26,500, we suggest the earnings threshold for younger worked be lowered to £22,000 so that they may have a fair chance to stay.

Importantly, these changes to the Visa PBS are also designed to remove any discrimination based on nationality, providing fair opportunities to young workers from EU and non-EU countries alike. We believe that these changes would also encourage paths to citizenship, as such schemes will attract committed individuals who will work hard for Britain and its economy. Such measures would be necessary following the two-year Brexit negotiations. However, the changes could be implemented earlier for non-EU countries. For example, this could be initially limited to Commonwealth countries as a trial implementation.

The proposed changes to the Visa PBS would address the UK's need to maintain a controlled flow of both high-skilled talent and low-skilled workforce in the future after Brexit. The reform is designed to encourage highly educated workers to remain in Britain, which we see as an asset that should not be lost. Since Britain will continue to take the time and effort to train these young people in its universities, this talent should also be given the opportunity to prove itself as an asset to the UK economy after the studying period. In terms of politics, allowing international students to stay in the UK for a period of time after their studies is also a highly popular view across the population at large (91% according to a Universities UK survey from 2016). Removing international students from the official net migration figures would also be in line with UK public opinion, as a clear majority of Brits (75%) would like to see the same number, or more, international students in the UK in the future.

Simultaneously, we recognise the requirements, particularly regarding the UK services sector, for the international workforce to fill in gaps in the lower-skilled jobs market. Therefore, we propose decreasing the costs of visa sponsorship and increasing the breadth of company eligibility. In addition, by providing the same opportunities for young workers from both EU and non-EU countries, the proposal places migrants on an equal platform, thus addressing the concerns of many over the discrimination between migrants of different nationalities. Finally, these changes would provide for continued international collaboration and innovation across global sectors of the UK economy through the maintenance of diversity of experience and skills post-Brexit.

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Note: The <u>Visa Points Based System (PBS)</u> is the regulation governing the issuing of visas by the UK government. Five different types of visa can be granted known as tiers for migrants coming from outside the European Economic Area. This article gives the views of the author, not the position of EUROPP – European Politics and Policy or the London School of Economics.

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