

Division, austerity, the gig economy: migration isn't our biggest labour market problem

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*Policymakers are beginning to wake up to the cold reality of what Brexit means for immigration. They are right to be alarmed, says **Emma Carmel**. The gig economy and London's growth as a financial centre have changed Britain's labour market radically. Trying to manage it through visas and work permits will stretch a state already buckling under the strain of austerity.*



Recent days have seen a flurry of activity and pronouncements on the status, rights and future migration prospects of EU citizens in the UK: not just the Lords' vote to amend the 'Brexit bill' to 'guarantee the rights' of currently resident EU citizens irrespective of Brexit, but reports from the [Commons ExEU](#) and Lords [EU Home Affairs](#) parliamentary committees. That's even before the Commons Home Affairs Committee [reports](#) on UK immigration policy, the heavyweight [Casey Review](#) on Opportunity and Integration and the APPG on Social Integration [on the Integration of Immigrants](#).

So what insights are emerging from all this earnest investigation? First, that parliamentarians and policymakers are chilled by the cold light of day in Brexit's dawn hours. Second, that **they are right to be chilled**.

To develop any kind of post-Brexit migration policies, policymakers must explicitly acknowledge and address four significant challenges. The House of Lords reports in particular show this with model clarity. They should not make comfortable reading.



The gig economy ... a Deliveroo worker in London. Photo: [Môsieur J. \[version 9.1\]](#) via a [CC-BY 2.0 licence](#)

Policy problem one: **the labour market is more of a problem than migration**. The 'gig economy', marked by precarious, low paid, insecure employment with limited- to no-employment rights, isn't going away. It also generates its own policy problems, [in employment](#) and [out of it](#). The use of agency work and *de jure* self-employment will continue to increase, whether in low skill (e.g. delivery drivers), medium skill (e.g. social care, food processing) or high skill employment (e.g. nurses, doctors, researchers).

Formal entry controls on labour migration, through visas, for example, *are unlikely* to change migrants' access to employment. They *are likely* to lead to a) informal employment in such jobs by migrants who enter the UK, but do not have relevant work permits; b) more *de jure* self-employment as migrants seek to enter as self-employed or enter as workers and register as self-employed to extend their stay; c) [increased poverty among migrants \(including currently](#)

resident EU citizens) in low-paid precarious work if entitlements to tax credits (“in-work benefits”) is removed.

Policy problem two: **the UK’s economy is radically divided and uneven.** Without free movement to respond to labour market demand, a ‘national’ post-Brexit immigration policy is called for. But we do not have ‘national’ economic requirements. The UK, especially England, has always been dominated by London’s trade and economic activity. However, in the last 20-30 years, its distorting effects have been allowed to grow exponentially, by privileging support for financial services as a generator of so-called ‘national wealth’ (GDP). In turn this privileging has further separated London from the rest of the UK.

This disconnection shapes demography and migration (e.g. affecting housing and transport), alters public policy priorities (from taxation to school funding), political values and culture. Post-Brexit migration policy also highlights radical regional divisions, in part stemming from sectoral differences in employment patterns and availability of work in agriculture, high-tech and research, in manufacturing. London’s special pleading for regional immigration policies, supported by the APPG report and think tank witnesses at the Select Committees are, however, [unworkable](#), as the [HoL report acknowledges](#).

Policy problem three: **UK state capacity has been fundamentally undermined by long-term reforms and austerity. And it isn’t over yet.** This concerns the operational practices of post-Brexit immigration and settlement policies. The UK state has yet to face some of the most significant cuts of ‘austerity’. Its administrative capacity, especially at local level, is stretched to breaking point. Managing post-Brexit immigration policy is set to create huge new demands, even with the most [straightforward policy options on offer](#). Two examples:

- ***Inadequate data on migration and settlement.*** The data available in the UK tell us a bit about overall estimates of foreign-born citizens resident in the UK, change over time, and something about those registered to work. This is helpful for political grandstanding. The data tell us rather less about where such citizens live, whether they have children, whether they move around in or out of the UK, what their education and skill levels are, or who employs them for which jobs. This is not helpful for sober-minded policymaking that can ‘guarantee rights of EU citizens in the UK’, or secure effective new immigration policies, as the House of Lords wants to do.
- ***The UK state does not have administrative capacity to effectively introduce, manage, or monitor a work permit system under current conditions.*** Work permit systems are by definition complex, and organise migrant selection by skill, sector or type of work. To introduce such a scheme with any effectiveness probably needs a registration card, itself a digital and logistical challenge. To manage and monitor such a scheme with any authority definitely needs a robust system of inspectors to work on the ground, in order to avoid problems of informal/irregular employment.

Policy problem four: **Current UK immigration policy strategies – intimidation by bureaucracy, internal controls and selection by income – are not fit for purpose.**

- Intimidation by bureaucracy is a generalised immigration practice of the UK state. The 85-page application form for permanent residency that has [shocked and raised the ire of many mobile professionals is not unique](#). The labyrinthine condition of UK immigration law means that [even immigration lawyers cannot understand it](#). [Decision-maker guidelines and changes in regulations ‘under the radar’ of legislation make migrants’ rights difficult to interpret for decision-makers and migrants](#). This also means that [‘guaranteeing rights of EU citizens’ – in the UK or elsewhere in Europe – is difficult, because those rights are in practice contested and unclear](#). It would be more effective to generate a new category of resident with explicit and specific rights, that can apply to all currently resident EU citizens.
- Recent UK immigration policy has relied on internal controls by employers, landlords, transport companies, universities, and [increasingly, NHS staff](#), partly to overcome its dwindling administrative capacities. Employers should indeed be held to account for the regular and lawful employment of all workers. Requiring them to monitor residence conditions as well, is surely a step too far.

- In current UK immigration policy, the income of prospective migrants (their [money](#)) is a key selection criteria for the desirability of migrant workers. It is sometimes also used as a proxy for skill level. In a context of free movement this selection strategy tends not to generate problems filling labour market gaps (although we might object to it). This is because EU migrants are able to take up diverse jobs that do not fit these high and rigid financial demands. However, if deployed as a generalized selection strategy to meet demand for labour across the UK's precarious and low-wage economy, it threatens to be unworkable. The selection criteria simply do not match the reality of today's labour market. For example, low income doesn't mean low skilled employment; while high-skilled employment can also be too short-term to grant a migrant the status of ordinary residence. In the post-Brexit context, immigration strategies need to be designed with utmost care and clarity, or their consequences will be perverse and inequitable.

These policy problems show that the UK does indeed need a new immigration policy. Whether the Immigration Bill that the Brexit White Paper promised will have the courage and clarity to address these problems is another question, but they will not go away.

This post represents the views of the author and not those of the Brexit blog, nor the LSE.

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