

# Labour Market Needs and Migration Policy Responses

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1. The nature of migration in the UK
2. Migration policies introduced by the Coalition Government with reference to highly skilled workers
3. Evaluation and future changes

# The nature of UK migration has been changing



- Post-colonial migration has always been important
- Work grew prior to the recession (especially for EU migrants) but was not the dominant reason for migration
- Asylum applications peaked in the early 2000s, but have since fallen significantly
- Very strong growth in migration for study

Long-term International Migrant  INFLOW	All reasons  TOTAL  (’000s)	Work Related			Accompany /  Join	Formal  study	Other  (including Asylum)
		All	Definite job	Looking for work			
YE Dec 2002	516	176	109	67	65	122	125
YE Dec 2007	574	242	171	71	85	148	65
YE Dec 2012	497	179	112	67	61	180	43
Change 2002-12	-4%	2%	3%	0%	-6%	48%	-66%

# What makes the UK different?



- High levels of migration historically, and compared to other EU
- High net migration, compared to other EU
- Less work migration and asylum than many countries
- Very high levels of study migration
- Plentiful supply of low-skilled migrants from the EU
- High and rising fertility rates
- Strong diversity and a tradition of welcoming other cultures
- Lack of widespread support for extremist political parties

# The 2010 Coalition Government



- Nov 2010 Government speech on migration top priorities as follows:
  - *'To encourage more entrepreneurs and investors to come to Britain'*
  - *'Put a stop to abuse of the student route'*
  - *'Cutting the link between those who come here temporarily and permanent settlement'*
- These policies have been introduced, following wide and deep public consultation

# Major reforms in 2011



## Affecting all migration routes:

- Tiered system introduced in 2008 revised
- Major reforms to points based, demand led and caps on some categories
- Reforms provide incentives for businesses to recruit domestic workers
- ensure migrants using highly skilled routes were obtaining only highly skilled jobs
- Break link between employment and settlement

# Overview of Points Based System



**There are four tiers:**

**Tier 1:** for elite migrants. It consists of five categories: *Exceptional Talent; Entrepreneur, Investor; and Graduate Entrepreneur*

**Tier 2:** for skilled workers with a job offer. It consists of four categories: *ICT, Sportspeople, Minister of Religion and General*

**Tier 4:** for international students who wish to study in UK

**Tier 5:** for youth mobility and temporary workers.

# Overview – Tier 1

In 2011 we closed our Tier 1 General route for jobseekers (Points were awarded for qualifications, earnings, age and UK experience)

Tier 1 is now a more focussed, elite route with three main categories:

## Investors



Minimum £1 million investment. Those investing £5 million or £10 million get faster settlement.

## Entrepreneurs



Must invest £200,000 and create 2 jobs in the first three years. Faster settlement for those who create 10 jobs or have a £5 million turnover.

## Exceptional Talent



Leading experts vouch for the most talented world leading people in science, engineering, humanities and the arts.



# Overview: Skilled Workers (Tier 2)



- Tier 2 is the main route for non-EEA nationals applying to work in the UK.
- Applicants need a graduate-level job offer from a licensed UK Sponsor.
- The main categories are:



**General:** skilled vacancies not filled by settled workers. Job must normally pass the '*Resident Labour Market Test*' or be in a shortage occupation. Annual limit of 20,700 overseas applications. Leads to settlement in the UK.

**Intra-Company Transfers (ICTs):** for employees of multinational companies transferring to the UK branch for between 1 and 9 years, depending on pay.

**Separate categories** for Ministers of Religion and Sportspeople.

## Reforms: sponsored skilled workers (Tier 2)



Minimum salary of £20,300 for all Tier 2 jobs.

Skills level for eligible jobs raised from diploma to graduate level in line with the brightest and best strategy.

Senior global managers paid £152,100 or more are exempt from the limit and Resident Labour Market Test.

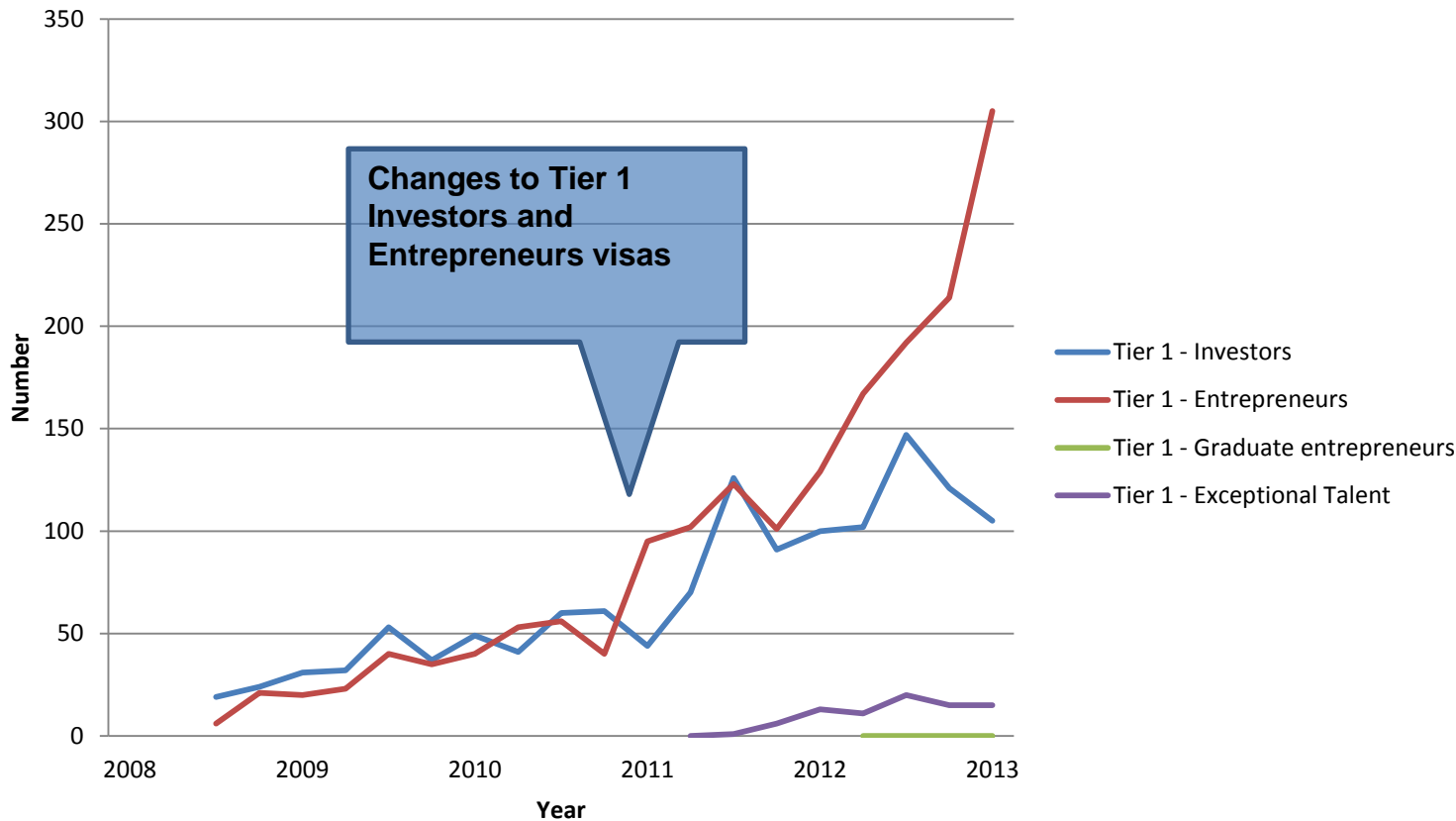
Settlement reserved for high earners (£35,000) and those in shortage occupations.

No limits on Intra-Company Transfers but there are minimum salary requirements, maximum periods of leave and there is no route to settlement.



# Highly qualified TCNs

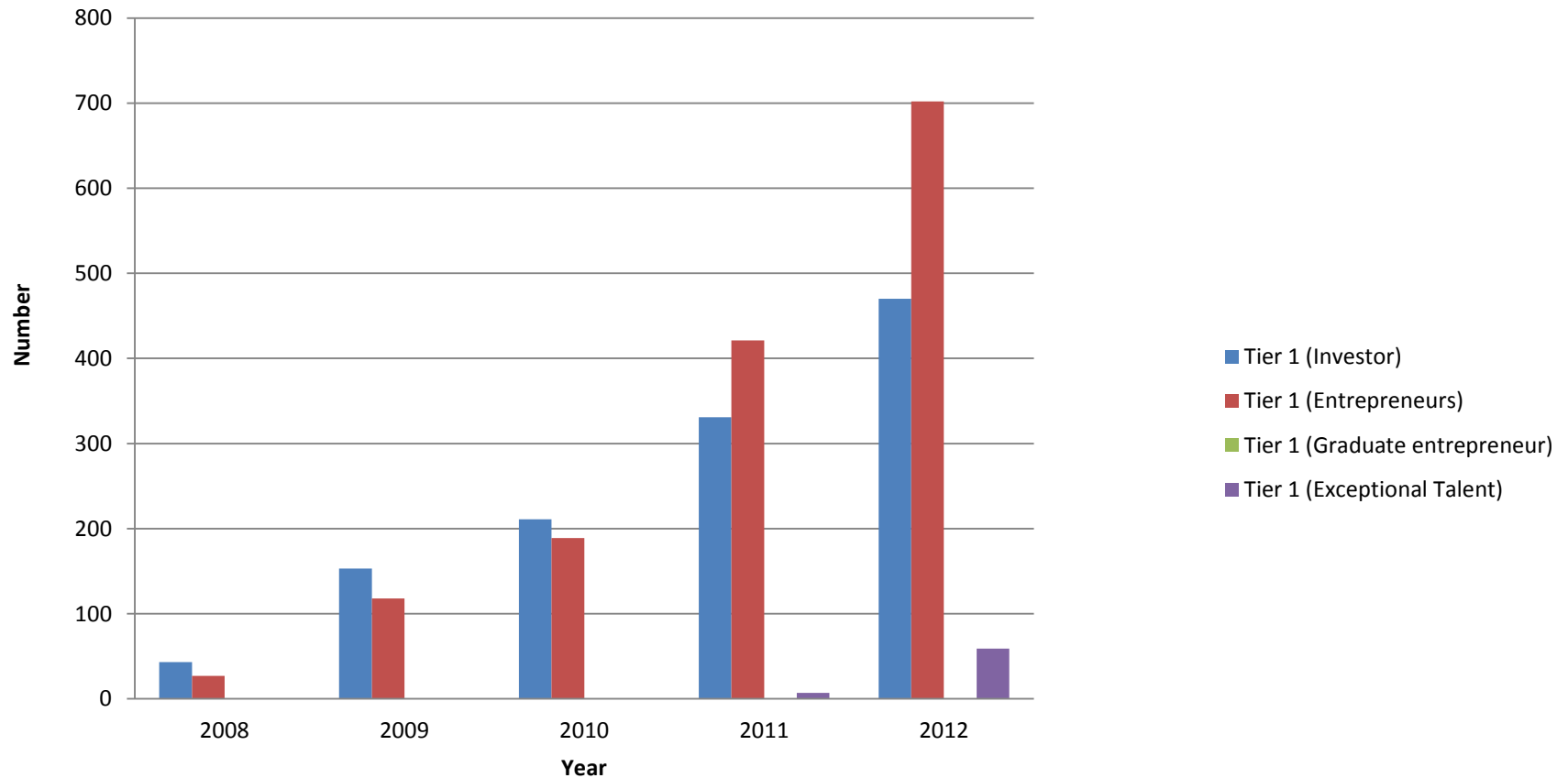
## Quarterly figures: visas issued for Tier 1 highly qualified TCNs in the UK 2008 to 2012



Source: Immigration Statistics, January to March 2013

# Highly qualified TCNs

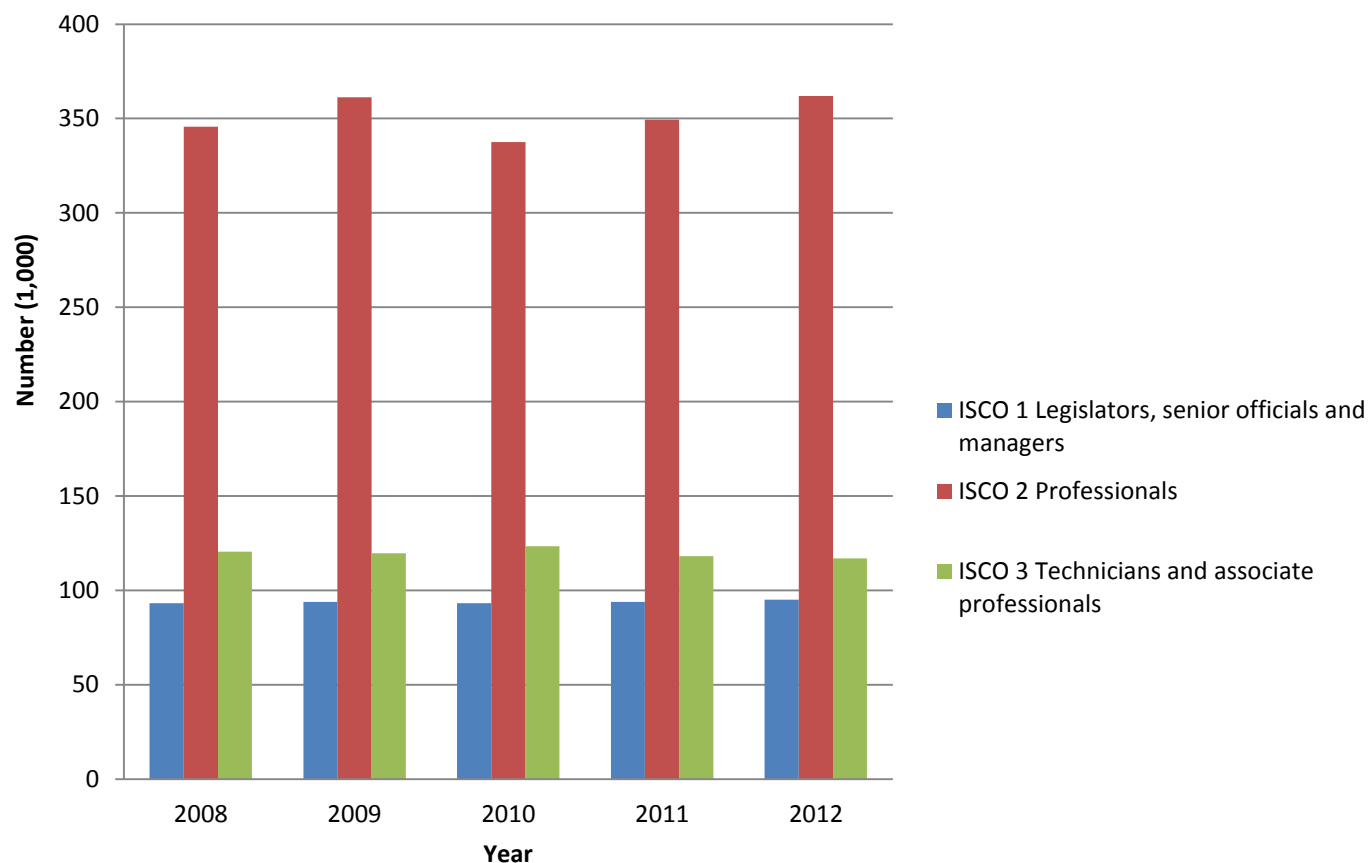
**Annual figures: visas issued for Tier 1 highly qualified TCNs in the UK 2008-2012.**



Source: Immigration Statistics, January to March 2013

# TCNs occupations

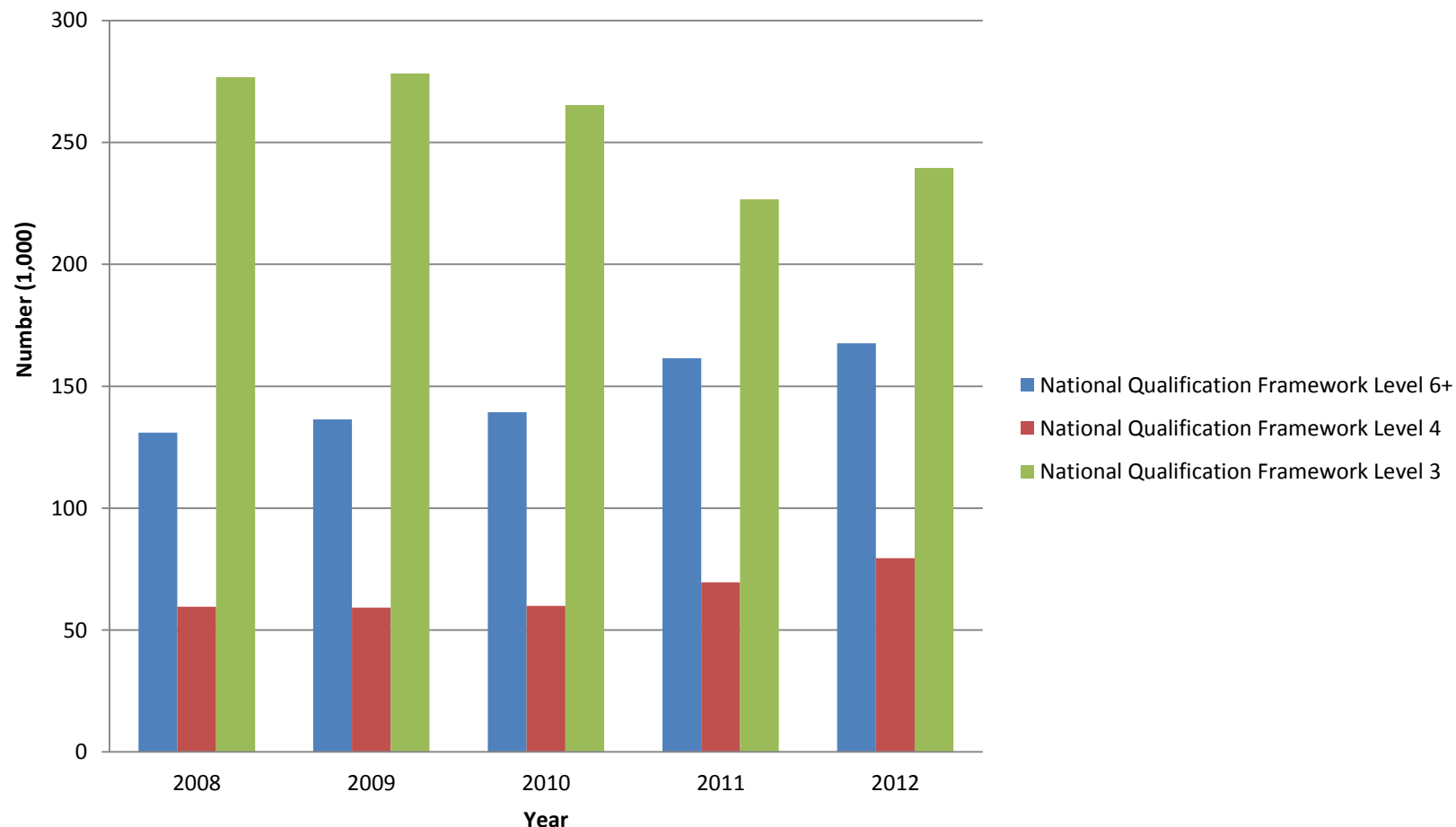
## Employment of TCNs in highly-skilled occupations in UK



Source: UK Labour Force Survey, 2008-2012

# TCNs and skill levels

## TCNs employed in skilled occupations in the UK



Source: UK Labour Force Survey, 2008-2012

## What lessons have we learned?

- Destinations of Tier 1 General migrants (UK BA 2010)
- Users' View on Point Based System (UK BA 2011)
- The State of HR Survey (King's College London 2010, 2011)

# Quotas and TCNs

Are quotas creating obstacles? in arrival of highly qualified and qualified TCNs?

Immigration routes that are subject to an annual limit, 2011/12–2012/13

	Quota	Used in 2011/12	Used in 2012/13
Tier 2 General certificate of sponsorship granted	20,700	43%	49%
Tier 1 Exceptional Talent approved	1,000	3%	5%
Tier 1 Graduate Entrepreneur approved	1,000	n/a	11%

Source: UK Border Agency



# Improving customer service - attracting the global elite



Priority (3-5 day) visa services rolled out everywhere commercially viable by end 2013

Super-priority (24 hour) visa services in all key decision-making centres by end 2013

Expansion of passport pass-back service, assisting those who want to make another application (e.g. Schengen) alongside their UK application

In-country priority postal application service piloted for Tier 2

Business Helpdesk launched to support businesses and investors with policy or guidance queries, preventing illegal working, the employer checking service and to provide status updates for applications made in the UK



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