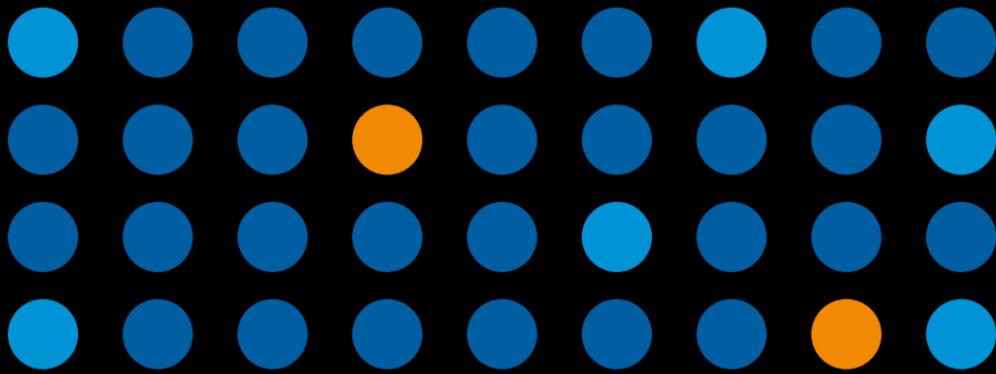




Ryan Shorthouse
and David Kirkby



A balanced centre-right agenda on immigration

*A centre-right plan on immigration from
decision makers and opinion formers*

A BALANCED CENTRE-RIGHT AGENDA ON IMMIGRATION

A centre-right plan on immigration from
decision makers and opinion formers

Ryan Shorthouse and David Kirkby



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Ryan was previously a Research Fellow for the think tank the Social Market Foundation and was part of the team that won Prospect Magazine's Think Tank of the Year in 2012. At the SMF, he authored ten research papers and designed innovative policies on childcare, welfare, public service reform, higher education and health. He has provided regular analysis and policies to various Ministers and government departments, with many ideas adopted by the Government.

Prior to 2010, he was a researcher for Rt Hon David Willetts MP when he was Shadow Education Secretary, where he authored the Conservative Party's Childhood Review, and an adviser to the Conservative Party on families and education, formulating party policy and managing media relations. He was the Political Secretary of the Bow Group, a centre-right think tank.

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Chapter 1: Introduction

Background

Immigration is now consistently ranked in polling as the general public's 'most important issue' often above the economy.¹ A majority of the public believes that the number of immigrants coming to the UK is too high and that immigration is more of a problem than an opportunity, much higher than in most other developed countries.²

However, most of the public do have a nuanced view of immigration: for example, 61% of the public agree that "immigration brings both pressures and economic benefits, so we should control it and choose the immigration that's in Britain's best economic interests".³

The evidence of the impact of immigration is still developing, but overall it supports the idea that immigration is largely economically beneficial to the UK, but bringing challenges. Despite the benefits of immigration, mainstream political parties have proposed tougher action on immigration in recent years. The Conservative Party now proposes to clampdown on EU migration and the out-of-work and in-work benefits migrants can receive. Early in 2014, the Conservative Minister for Immigration and Security delivered a high-profile speech

1. Scott Blinder, *UK public opinion toward immigration: overall attitudes and level of concern*, <http://www.migrationobservatory.ox.ac.uk/briefings/uk-public-opinion-toward-immigration-over-all-attitudes-and-level-concern> (2014).

2. The German Marshall Fund, *Transatlantic trends: immigration*, http://trends.gmfus.org/files/2012/09/Trends_2014_complete.pdf (2014).

3. Sunder Katwala, Steve Ballinger and Matthew Rhodes, *How to talk about immigration* (London: British Future, 2014), 12.

to the think tank Demos blaming a “wealthy metropolitan elite” for pushing for mass immigration at the expense of “ordinary, hard-working people”.⁴

But this tougher approach has not succeeded in convincing the public of the success of the government’s handling of immigration. In fact, the Conservative Party is guilty of fixating in recent years on trying to appease a minority of voters who are attracted to UKIP’s prominent position on immigration, which is heavily negative about the impact of immigration, and wants to see net migration substantially reduced.

If managed correctly, immigration is both economically and culturally enriching. So it is necessary for the centre-right – represented mainly by the Conservative Party – to shape a more positive and compelling vision on immigration, and to construct a competent and fair immigration system that would capture the benefits, manage the challenges and reassure the public. This would serve the national interest.

A new centre-right agenda on immigration

Over the past year, Bright Blue has been undertaking a project to devise a balanced centre-right agenda on immigration. To successfully do this, we have needed to identify the views of those on the centre-right on immigration.

We understand someone to be on the centre-right if they are Conservative Party representatives, influencers, members or voters (including prospective or former voters). These parameters may exclude those with centre-right opinions who never vote for or associate with the Conservative Party, but we believe the parameters are sufficient to accurately capture centre-right opinion.

4. James Brokenshire, “Speech to Demos”, <http://www.demos.co.uk/files/JamesBrokenshireSpeechtoDemos.pdf> (2014).

Broadly, there are two main types of people on the centre-right of British politics: first, centre-right voters; second, expert opinion formers and decision makers.

We have established the views on immigration of voters on the centre-right in two ways. First, by hosting a fringe event at the 2014 Conservative Party Conference to better understand the opinions of Conservative Party members. Second, through public polling of Conservative or prospective Conservative voters, who we deem to be most representative of centre-right voters. This polling was analysed in Bright Blue's report, *Understanding how Conservative voters think about immigration*.⁵

We have established the views of expert opinion formers and decision makers on the centre-right through three roundtable discussions. Contributors included Conservative MPs, London Assembly members, advisors, journalists, academics, policy experts, researchers and campaigners. Some attendees were not on the centre-right of British politics, but framed their ideas in relation to what the centre-right could do. The key themes and arguments from the discussions in these roundtables are the subject of this report.

The focus of this report

This report details the key themes that emerged from our roundtables on immigration with opinion formers and decision makers. These roundtables were conducted under Chatham House Rule.

In each chapter, we describe the key themes and provide supporting evidence through selected anonymous quotes from participants. We also draw on wider academic and survey evidence from a literature review to substantiate ideas that emerged in the discussions. The report proceeds as follows:

5. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration* (London: Bright Blue, 2015).

- **Chapter two** explores the themes which emerged from our roundtable which we hosted in July 2014 on the cultural impact of immigration.
- **Chapter three** turns to the themes which emerged from our roundtable which we hosted in September 2014 on the economic impact of immigration.
- **Chapter four** focuses on the themes which emerged from our final roundtable which we hosted in November 2014 on what policy agenda the centre-right should adopt on immigration.
- **Chapter five** is a conclusion of the key themes that emerged from all the roundtables.

Chapter 2: The cultural impact of immigration

Our first roundtable focused on the cultural impact of immigration. A number of key themes emerged from the discussion: first, public concern about immigration is primarily concern about the cultural change which immigration is perceived to represent and cause; second, the change which most concerns the public is perceived to operate at the national – as opposed to local – level; third, promoting the integration of immigrants is vital.

Public concerns about immigration are primarily cultural

Public concern over immigration has grown in recent years and the British Social Attitudes Survey has found that 77% of the public want a reduction in immigration.⁶ A question which recurred throughout our discussions was what is driving this concern.

Most contributors – though not all – argued that public concern over immigration is driven primarily by broadly cultural, as opposed to economic, considerations. High levels of immigration are widely seen by the public as effecting significant cultural change. It is perceived to signify the loss of familiar points of social and cultural reference. In recent Bright Blue polling, when selecting from a range of possible positive and negative impacts of immigration, respondents were most

6. Alison Park, John Curtice and Caroline Bryson (eds.), *British Social Attitudes Survey 31* (London: NatCen Social Research, 2014), 101.

likely to agree that immigration has ‘diluted our national identity’ and ‘increased racial tensions’.⁷

As one contributor highlighted, annual net migration is at a historically high level and it is perhaps not surprising that many people have seen this as generating significant cultural change. Some people may be more relaxed about change and cultural difference – young people, for example, perhaps explaining why, as Bright Blue’s previous report illustrated, they tend to be more welcoming of immigrants – but many people “just don’t like change”.⁸ Concern about immigration is not a UKIP invention, but grounded in a wariness of cultural change and difference.

“The immigration debate is about economics and about culture, but it is mostly about culture”

Indeed, this can help explain why many attempts to address public concerns about immigration have not succeeded. Often, studies of the impact of immigration – particularly economic studies – are used by policymakers to try and persuade the public that immigration is beneficial in one respect or another: that it is a good kind of change. Yet, insofar as public anxiety is largely concern about change generally, talking about the benefits of immigration is likely to miss the point for many.

There were mixed views on the historical precedent for the degree of change which contemporary levels of immigration represent. One contributor argued that Britain has always been a country of immigration, undergoing various waves of immigration throughout its history and associated cultural shifts. As such, recent immigration is essentially continuous with this tradition. However, this view was

7. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*, 39.

8. Ibid.

disputed and other contributors argued that the phenomenon since the late 1990s has been different. It was pointed out that on most measures, contemporary levels of immigration are “unprecedented”.

The perception of national change

Following on from the observation that public concern about immigration is primarily concern about cultural and social change, an important secondary thesis emerged about the character of this change. In particular, a number of contributors argued that when it comes to immigration, it is the perception of change operating at a national level, rather than in individuals' immediate environments, which most worries the public.

A number of contributors argued in favour of this view. One contributor highlighted how when individuals are asked whether immigration should be reduced, individuals from regions experiencing very different levels of local inward migration often give a similar spread of responses.⁹ As such, concern about immigration does not appear to correlate with the local change individuals actually experience.

In fact, there is evidence demonstrating that individuals with more contact and daily interactions with migrants are actually less likely to be worried by immigration and less intent upon reducing the numbers.¹⁰ Conservatives who know immigrants well are more likely to be welcoming of different types of immigrants, positive about the impact of immigration and positive about what immigrants do.¹¹ This makes sense. Knowing immigrants well will often involve the recognition of common values, aspirations and interests, reducing the perception

9. Scott Blinder, 'UK public opinion toward migration: determinants of attitudes', <http://migrationobservatory.ox.ac.uk/briefings/uk-public-opinion-toward-migration-determinants-attitudes> (2011).

10. Sunder Katwala et al, *How to talk about immigration*, 37.

11. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*.

of difference and distance. Those who know immigrants well are less likely to view immigration as marking significant cultural change. Contact with immigrants, or a lack thereof, is therefore a vital factor underlying public concern.

“Immigration anxiety is negatively associated with the presence of immigration”

This suggests another explanation of why young people are more welcoming of immigrants. Since young people are more likely to know immigrants well, especially through interactions at school and university, they therefore do not see immigration as representing as significant cultural change as older generations.

It is true that, as one contributor cautioned, where the pace of change in a particular local environment is very rapid, this can foster resentment of immigration. Overall though, immigration concern does not appear to be associated with the perception of change in a local area.

Rather than local change, public concern about immigration is largely about the perception of national change. As one contributor put it, it is about whether “Britain is still Britain”. It is about the cohesion of the country as a whole. In support of this, it was pointed out that surveys have shown that individuals are markedly more likely to see immigration as an issue which affects the country than one which affects specifically them and their families.¹²

This disparity between local experience of immigrants and views on the impact of immigration on the nation as a whole was reflected in recent Bright Blue polling. An overwhelming majority of Conservatives (82%) agreed that immigration has resulted in communities living separate lives. Yet, when asked about immigrants they knew well, the

12. Bobby Duffy and Tom Frere-Smith, *Perceptions and reality* (Ipsos MORI, 2014).

picture was very different. Seventy two percent agreed that immigrants they know well participate in local community organisations. Seventy four percent agreed that immigrants they know well go to the pub. Seventy nine percent agreed that immigrants they know well are active members of a local religious group.¹³

Integration

As has been explained, most contributors agreed that public concern about immigration is primarily cultural in nature. Importantly, there was corresponding agreement about how this concern can best be addressed. This was that a greater emphasis and value should be placed upon the integration of new immigrants.

Well-integrated immigrants adapt – in one way or another – to British society. As such, an integrationist agenda may help address public concern about immigration because it reduces the degree to which immigration signifies change – negative or otherwise. It may help to dispel the impression that immigration will lead to the erosion of key social and cultural points of reference or to communities living separate lives.

There was overwhelming agreement amongst contributors that a greater focus on integration is imperative for addressing public concerns. Furthermore, there was a conviction that while many questions relating to immigration are controversial and difficult to settle, integration is an issue which could command widespread support, even among immigrants themselves. Indeed, one contributor spoke of an “integration consensus” which those who like change and those who find change unsettling can agree upon.

From our discussion, three distinct concepts of integration emerged. The first concerned social mixing between immigrants and natives.

13. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*, 51-52.

On this view, integration is largely about ensuring immigrants are not segregated from the rest of society. Immigrants should mix with non-immigrants in different contexts, thereby preventing different groups becoming isolated from each other. Indicators of social mixing include marriage between people of different ethnicities or people of different ethnicities living in the same communities. There is some evidence to suggest that such integration in the UK is a success story. For example, the proportion of the population of mixed-race has risen markedly, particularly for children under five.¹⁴ However, there is other evidence to suggest Britain still has much more to do to improve social mixing. The OECD has found that the children of migrants in Britain are more likely to be segregated in the school system than in comparable countries.¹⁵ Worryingly, teenagers are now less likely to have friends of other ethnic background than people in their twenties and thirties.¹⁶

However, it was pointed out that while this concept of integration-as-mixing is often useful in a policy or academic context, it is not what most individuals mean by 'integration'. In fact, for most people, a well-integrated immigrant is one who 'makes the effort'. This was the second concept of integration. On this view, integration is about ensuring that immigrants contribute, socially and economically, to Britain. For example, a well-integrated immigrant would be one who works rather than claims benefits and speaks English – or at least makes the effort to learn. There is evidence that the public prioritises these characteristics when thinking about a well-integrated immigrant.¹⁷

14. The Economist, 'Into the melting pot', *The Economist*, 8 February, 2014.

15. The Organisation for Economic Co-operation and Development, *Education at a Glance*, 2012.

16. John Bingham, 'Multiculturalism in reverse as teenagers buck the trend towards integration', *The Daily Telegraph*, 29 June, 2014.

17. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*.

Contribution has been shown to be especially valued by Conservative Party voters,¹⁸ and this form of integration ought to be celebrated and emphasised more by those on the centre-right. Setting aside international students, evidence suggests that immigrants overwhelmingly come to the UK to work.¹⁹ They are also less likely to claim out-of-work benefits than those born in the UK.²⁰ Other work shows that immigrants to the UK tend to have high levels of motivation and ability, which is unsurprising considering they are willing to travel great distances and leave their home communities to come to Britain.²¹

The third concept of integration which emerged concerned the notion of a common British identity. On this view, integration can be understood in terms of whether immigrants self-identify with Britain as a nation. This could range from supporting British sports team to defending traditional British institutions and values.

One contributor highlighted how on this measure, Britain is already reasonably successful at integrating immigrants. Migrants tend to arrive in Britain with positive conceptions of British democracy and values. It was argued that Britain has a stronger record in this area than many other European countries, including Germany, Sweden and France. Young people of ethnic minority backgrounds in Britain are more likely to identify with the nation than young people from ethnic minorities in these countries. Furthermore, individuals from different ethnic minorities are much more likely to self-identify as ‘British-only’ than those of white ethnicity.²² As such, focusing more

18. Ryan Shorthouse and David Kirkby, *Give and take: how conservatives think about welfare* (London: Bright Blue, 2014).

19. Raziye Akkoc, ‘Revealed: the real reasons immigrants come to the UK’, *The Daily Telegraph*, 22 December, 2014.

20. Jonathan Portes, ‘The truth about “benefit tourism”’, *The Guardian*, 20 January, 2012.

21. Anthony Heath, Stephen D. Fisher, Gemma Rosenblatt, David Sanders and Maria Sobolewska, *The political integration of ethnic minorities in Britain* (Oxford: Oxford University Press, 2013).

22. Rishi Sunak and Saratha Rajeswaran, *A portrait of modern Britain* (London: Policy Exchange, 2014), 8.

upon such integration appears to represent a way to build more positive perceptions of Britain's immigration system.

Nevertheless, a contributor argued that integrating immigrants in this way is being held back by Britain's reluctance to engage in 'nation-building'. Whereas countries such as Canada and Australia have been comfortable in promoting a set of core national values, Britain has been more uneasy in this regard. The question of promoting British values in schools has received a lot of attention in recent times, yet less noticed has been its relevance to integrating new immigrants and encouraging them to self-identify with the nation.

"We have not paid enough attention to nation-building"

One contributor proposed that a way to undertake nation-building of this kind would be to make British citizenship a requirement for holding certain public offices such as Governor of the Bank of England or Police and Crime Commissioners. This theme of nation-building is one which the centre-right, with its historic and political affinity with nationhood, is well placed to develop.

Contributors' enthusiasm for integration was mirrored by a wariness of multiculturalism. This is perhaps not surprising as integration is arguably in tension with multiculturalism – which values diversity instead of convergence. One contributor suggested that the term "multiculturalism" is now seen negatively as denoting an absence of assimilation on the part of new migrants.

As well as a trade-off with multiculturalism, another contributor highlighted that an integrationist policy agenda also involves a trade-off with an agenda heavily focused reducing the number of immigrants. If the primary concern of the country's immigration policy is to reduce the numbers, then it follows that immigrants should be encouraged to leave as soon as possible, leading to more churn immigration. By contrast, integration implies citizenship and settlement.

The centre-right and the cultural impact of immigration

This chapter has shown that our opinion formers and decision makers believe that anxiety about immigration is largely cultural and related to perceptions of its impact on the nation rather than local experience. If the centre-right is to revive trust in our immigration system, and generate more positive attitudes toward immigration, it should focus on integration. There are different ways of conceiving of what counts as successful integration: social mixing, contribution and identity. There was a particular desire to encourage greater social mixing between immigrants and the native population to improve trust and reveal common behavior and values. In addition, there was a feeling that nation-building and strengthening British identity could help. This stood in opposition to aims such as multiculturalism or wanting immigrants to leave as soon as possible to reduce the number of migrants.

Chapter 3: The economic impact of immigration

Our second roundtable focused on the economic impact of immigration. The key themes covered during the discussion included the impact on wages, the impact of international students, the macroeconomic impact, implications for skills, innovation and entrepreneurialism, and the impact upon public services.

The impact on wages

Contributors to our discussion generally accepted that immigration is a net economic benefit for the UK economy. On the issue of wages, there was some disagreement about how immigration impacts the lowest earners. There are studies indicating that it has an adverse effect upon the wages of the lowest 20% of earners.²³

However, one contributor pointed out that the recorded effects of immigration on the lowest earners are marginal and time-limited. Another argued that we ought not to accept at all the premise that immigration adversely affects wages for the lowest earners because the real drivers of low pay lie in skill shortages, not immigration. In addition, it was noted that the current evidence on wage effects portrays a limited picture. Real wages are also determined by the cost of living.

23. Christian Dustmann, Tomasso Frattini and Ian Preston, *The effect of immigration along the distribution of wages* (London: Centre for Research and Analysis of Migration, 2008).

Immigration may boost disposable incomes by enhancing levels of competition and leading to cheaper goods and services.

The difference of opinion amongst contributors on the degree to which we should accept that immigration adversely affects the wages of low earners exemplifies a broader issue about the extent to which the centre-right ought to speak about, and address, the challenges which immigration raises. While the effects of immigration on the wages of low earners do appear to be modest, a balanced approach to immigration will be one which is willing to engage with this issue and accept the legitimacy of peoples' concerns, rather than simply dismissing them.

The impact of international students

International students were singled out by a number of contributors as a vital export industry for the British economy. One contributor advised that for this reason, we should avoid speaking of attracting "the brightest and the best" and instead be aiming to attract as many legitimate international students as possible in order to maximise the revenue they generate for our universities and wider economy.

Concerns were voiced about the prospects for Britain continuing to be attractive for international students. Although there is technically no cap on student visas, one contributor argued that much of the political rhetoric, as well as the restrictions on post-study work visas, is deterring international students from choosing UK universities at a time when the global education market is increasingly competitive. For example, the number of international students coming to study at UK universities from India has fallen and, it was suggested, this may well be linked to the negative headlines which announcements from UK policymakers have generated in the Indian media.

The macroeconomic impact

The evidence on the impact of immigration is still developing, but overall it supports the idea that immigration is largely economically beneficial to the UK. On the whole, immigration boosts the national economy,²⁴ and the OECD has found that immigration has a net fiscal benefit.²⁵

By boosting the number of working age inhabitants, immigrants spread the UK's public debt over a wider pool of taxpayers, reducing the burden on every individual. In this sense, immigrants help to pay off a debt which they had no part in incurring. Furthermore, since most immigrants tend to arrive at a relatively young age, they are helpful in boosting the number of working-age people in the economy in comparison to the increasing number of retired people, who are costly to the public finances primarily because of pensions and health expenditure.²⁶

Despite the benefits of immigration for the national economy, there was a general agreement amongst contributors that emphasising these macroeconomic advantages does little to ameliorate public concerns. A number of explanations for this were offered.

As was suggested in the previous chapter, for many contributors public anxiety about immigration is less about its economic impact and more about its cultural impact. Hence, emphasising economic benefits fails to address public anxiety. It was pointed out that concern with immigration is broadly counter-cyclical to the economic cycle, suggesting that the performance of the economy has little bearing on the issue.

24. Migration Advisory Committee, *Analysis of the impacts of migration*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257235/analysis-of-the-impacts.pdf (2012).

25. OECD, "Is migration good for the economy?", <http://www.oecd.org/migration/mig/OECD%20Migration%20Policy%20Debates%20Numero%202.pdf> (2014).

26. The Economist, 'What have the immigrants ever done for us?', *The Economist*, 8 November, 2014.

By contrast, other contributors thought that economic considerations were relevant to public concern and that there were reasons why macroeconomic facts specifically seemed to have little impact.

One contributor traced the phenomenon to a more general disconnect between the national economy and individual living standards. For example, in recent years, the strong economic recovery has struggled to lift earnings and household disposable incomes (although there are indications that this is now beginning to change). The buoyant national economic picture has not been matched by an improvement in household finances. Given this disconnect, it was suggested that the public may doubt whether the national benefits of immigration have any effects for them as individuals and households.

“Cost-benefit analyses of immigration do not play well with the public”

An alternative explanation was that macroeconomic language and concepts, such as GDP, have limited resonance for the general public because they are too abstract. It was suggested that commentators and policymakers need to work harder to frame the economic benefits of immigration in more concrete terms, providing examples which are relevant to individuals' daily experiences. One example which was offered in this respect was how the value of international students can be described in terms of their effects on local economies. Studies have estimated that for every two international students a university admits, roughly one local job is supported.²⁷ In areas with universities, there are many businesses which rely upon spending by international students and there are jobs which exist only because of their spending power.

27. Oxford Economics, 'The economic impact of the University of Exeter's international students' (University of Exeter, 2012).

This seems like a more effective and comprehensible way of describing the economic value of international students.

Skills, innovation and entrepreneurialism

In an increasingly globalised world, Britain needs to be able to attract workers with skills needed to boost the county's competitiveness. Across the Western world, countries prioritise immigrants who are highly skilled for this reason – Australia's 'point system' is often highlighted in this regard – and Britain's visa system is no exception.

There was a recognition in our discussion that immigrants bring valuable skills to the British economy. Interestingly though, two distinct models emerged for how immigrants boost Britain's skills base.

The first model concerns the particular skills and expertise which immigrants bring and how these can benefit British businesses. British businesses benefit from being able to draw upon a pool of highly skilled global labour. Especially where there has been rapid growth in a particular part of the economy or shortcomings in the education system, it is important that businesses are able to fill positions with immigrants with the necessary skills. For example, one contributor felt that the IT sector in particular has benefitted from immigration in this regard. Essentially, this is a 'skills-plugging' model of immigration.

"Just as the free movement of goods and services is a good thing, so too is the free movement of labour"

There was, however, also a wariness amongst the group of this kind of 'skills-plugging' argument, at least with respect to public opinion. One contributor suggested that it can sound rather corporatist. Placing too great an emphasis upon it can give rise to the impression that public policy is simply serving a narrow set of business interests. This addresses a wider point: if the centre-right is to trumpet the benefits

of immigration, it is important that it doesn't focus too heavily on the benefits to big business in particular.

The second model which emerged for how immigrants boost Britain's skills base concerned not the plugging of particular skills gaps but by, more generally, lifting levels of entrepreneurialism and innovation in the economy. In Britain, migrants are twice as likely to be entrepreneurs compared to natives.²⁸ Internationally, three in ten US Nobel laureates are immigrants.²⁹ There does seem to be a strong connection between high levels of innovation and migration. It was pointed out that standard economic models fail to account for the dynamic contribution which immigration appears to make to rates of innovation and productivity growth. In this sense, the economic contribution of immigration is typically understated.

A number of explanations of this phenomenon were offered. It was pointed out that migration is like starting a business. It is risky and requires a lot of work to make it pay off. Furthermore, another contributor highlighted evidence showing that immigrants are "positively selected", meaning that immigrants are generally not typical representatives of their countries of origin, but are exceptional in their personal characteristics. They have typically overcome considerable barriers in migrating and tend to have exceptional amounts of drive, ambition and determination.

Finally, the innovative and productive impact of immigration was also explained in terms of the collision of different experiences and contrasting perspectives. Often in a business environment, new and innovative ideas emerge when people with different experiences and preconceptions work together. Too much agreement and harmony can actually be detrimental to originality and innovation. The suggestion

28. Centre for Entrepreneurs and DueDil, *Migrant entrepreneurs: building our businesses, creating our jobs*, <http://www.creatingourjobs.org/data/Migrant%20EntrepreneursWEB.pdf> (2014).

29. James Witte, 'Build bridges, not fences: thirty percent of U.S. Nobel laureates are foreign-born', *Huffington Post*, 1 November, 2013.

was that in bringing different outlooks and experiences, immigrants help to create the collision of ideas across different sectors of the economy which leads to new innovations.

All of these factors likely play a role in explaining why immigration lifts levels of innovation and enterprise.

Public services

As has been described, contributors were positive about the impact of immigration upon the national economy, as well as the boost it provides to levels of skills and innovation. While there was agreement that immigration is economically beneficial to the UK, a number of contributors highlighted how high levels of immigration can place pressures upon public services in particular communities.

Housing, schools and hospitals – specifically Accident and Emergency departments (A&Es) – were singled out by contributors as services which can experience greater demands in communities experiencing high inflows of immigrants. Housing supply is constrained in many parts of the country and the pressure on A&Es is growing. These strains can be exacerbated in communities which experience high levels of immigration.

“Immigration makes planning for adequate public service provision more difficult”

Some contributors considered pressure upon local public services to be a significant reason, in fact the most significant reason, for public anxiety about immigration. This marks a difference from the culturally-based concerns discussed in the roundtable summarised in the previous chapter.

A number of contributors urged that because immigration places added strain upon public services in communities, the immigration debate needs to be a broader one involving questions such as

investment in housing, education, and enforcement of the minimum wage. In other words, tackling public concern about immigration and making the immigration system more effective, actually requires action on – what at face value appear to be – quite distinct policy areas. For example, on this view, a way of addressing immigration concern may be to relax planning regulations, allowing more housing to be built and thereby reducing the strain upon communities.

One policy idea which was suggested in this regard was to use the fees from visas and citizenship to invest in public services in areas with higher levels of immigration. These fees could be channeled into a fund dedicated to mitigating pressures which immigration can give rise to in specific localities. Such a fund used to exist in the UK, worth £50 million and funded through a levy on non-EU visas, but it was scrapped in 2010.³⁰

However, other contributors warned against an approach which explicitly or implicitly blames shortcomings in public services on the arrival of immigrants. As one contributor pointed out, the challenges facing public services generally run much deeper than the strains attributable to immigration. Often, citing immigration strains merely masks more fundamental shortcomings with education, housing or welfare provision. Citing immigration can therefore direct attention away from the root of the problems.

As with the issue of wages, there was a divide between contributors who accepted that immigration raises challenges for public services and thought that this needs to be addressed, and those who rejected making this connection at all on the grounds that it exaggerates the impact of immigration.

30. Patrick Wintour, ‘Fund to ease the impact of immigration scrapped by stealth’, *The Guardian*, 6 August, 2010.

The centre-right and the economic impact of immigration

This chapter has demonstrated how our opinion formers and decision makers believe that immigration brings considerable economic benefits, but also pressures. A balanced agenda on immigration for the centre-right must enable Britain to take advantage of these benefits, without assuming that public concerns can be addressed simply by highlighting the macroeconomic advantages. It was argued that pressures on public services are a real concern for the public at a more local level and should not be dismissed. Nevertheless, properly tackling these concerns may well require looking beyond immigration policy to broader issues such as housing supply and investment in schools.

Chapter 4: Where next for the centre-right on immigration?

In our final roundtable we turned to the question of what the centre-right, and in particular the Conservative Party, should do next on immigration to make the system more effective and address public concerns.

Three key themes emerged. First, the centre-right needs to be more positive about immigration. Second, the centre-right must better convey competence in the management of the immigration system. Third, more should be done to make Britain's immigration system more welcoming and encouraging of immigrants who contribute and integrate.

The centre-right should be more positive about immigration

The previous chapter showed that most contributors to our roundtable discussions thought the centre-right should advance a balanced agenda on immigration, promoting and enhancing the benefits that it brings at the same time as addressing the challenges. However, there was concern among contributors that the centre-right, and the Conservative Party in particular, was in recent years letting UKIP – which is very negative about the impact of immigration and wants net migration substantially reduced – set the tone of public debate on immigration.

In our discussion, contributors highlighted a number of reasons why developing a more positive policy agenda on immigration is essential for the centre-right. Of course, as a significant area of public policy, this

is not an exclusive concern for the centre-right. Nevertheless, there are reasons why it is particularly significant.

First, free and competitive markets are central to the centre-right's vision for society and are seen as the best means for delivering prosperity for all. This requires not only the free movement of goods and services, but also the free movement of labour. Just as Britain benefits from workers being able to move within the country to where the jobs are, so too the competitive pressures which immigrant workers bring ought to be celebrated by those who value free markets. However, as mentioned in the previous chapter, it is important that this argument is not just centered around the benefits to business, as this risks being corporatist and alienating.

Second, immigrants bring an outlook and set of values which resonate with those of the centre-right. As one contributor emphasised, immigrants tend to be positively selected: highly ambitious with a strong work ethic. Furthermore, immigrants exhibit high levels of religious observance, family values and patriotism. These are values and qualities which ought to resonate with those on the centre-right and they make a positive policy agenda all the more important. Some contributors suggested that immigration is often a story of social mobility, which is particularly prized by Conservatives.

“These people are getting on their bike to work, and then travelling across the world to do so”

Third, there is an electoral imperative for the centre-right. It was pointed out that many ethnic minority individuals still see the Conservative Party as ‘not for them’. There is a strong memory in many communities of Enoch Powell’s ‘Rivers of blood’ speech. Some recent measures, such as the Government’s ‘go-home’ vans, have reinforced the impression that the Conservative Party does not welcome immigrants and is not interested in winning the support of ethnic minorities.

“The one thing which BMEs are united on is that the Conservative Party barely registers as a voting option... Tories are basically invisible to BME voters”

Polling has shown that ethnic minorities tend to be more welcoming of immigrants and more positive about their cultural and economic impact.³¹ As one contributor put it, developing a positive and balanced immigration agenda is essential, though possibly not sufficient, for addressing the perception amongst ethnic minorities that the Conservative Party is ‘not for them’.

Competence

In order to restore public confidence in the effectiveness of Britain’s immigration system, the centre-right, and the Conservative Party in particular, needs to develop a policy agenda which conveys competence and sound management. Polling conducted for our previous report for this immigration project suggests the characteristic of an ideal immigration system most likely to be chosen by the public is one which is “well-managed and efficient at keeping out illegal immigrants whilst letting desirable immigrants in as smoothly as possible”. This is much more popular than the policy aim of having fewer or no migrants.³² The centre-right must hold the Government accountable for its immigration record in ways which are reliable and command public confidence.

There was a strong consensus amongst contributors that in order to establish greater competence on immigration, it is important for the centre-right to move the debate away from a narrow focus on the cap on net migration. Before 2010, the Conservative Party promised to introduce a cap on net migration with the aim of reducing net migration to “tens of thousands each year, not hundreds of thousands”.

31. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*.

32. Ibid, 16.

In government, this has meant that the immigration debate has been dominated by the issue of the net migration numbers.

A number of problems with this were highlighted in the discussion. First, the cap on net migration is an arbitrary figure without consideration for the level of immigration the British economy may need. Second, it was pointed out that the cap on net migration is to a certain extent hard to attain. Controlling net migration is difficult in part due to EU free movement of worker rules, but also because migration is largely driven by economic forces and the attractiveness of Britain as a place to work and reside. Being to some extent an uncontrollable measure, the net migration figures leave the Government's immigration record hostage to circumstances – as indeed has happened with the recent admission that the target of “tens of thousands” of net migrants is now unlikely to be met.³³ Third, the cap on net migration is indiscriminate, failing to sufficiently differentiate between the skill levels of different types of migrants. This problem is discussed further in the next section.

Britain cannot have an open-door approach to immigration and contributors did not advocate abolishing the cap. Nevertheless, a number of possible revisions were offered. First, it was proposed that instead of focusing upon net migration, gross immigration would be a preferable measure as it strips out variation in the rates of emigration from the UK. Second, it was proposed that certain types of immigrants, such as international students, could be excluded from the net migration figures. Third, it was proposed that instead of targeting net migration, it may be possible to target a measure of aggregate economic impact.

While some contributors argued that the cap on net migration should be revised, others argued that the problem lies not with the cap, but with the amount of emphasis and focus which the Conservative Party has tended to place on it. Placing an unreliable cap on net migration centre-stage has meant that other measures of competency have been

³³ BBC, ‘Immigration target unlikely to be met, says Theresa May’, BBC, 23 November, 2014.

missed and gone unnoticed. A competent approach to immigration will be one which looks beyond net migration numbers.

More should be done to highlight other immigration-related reforms that have been implemented since 2010 to eliminate abuses of the system.

"We should stress that things are being done and are succeeding in getting rid of the worst abuses of the system"

For example, one contributor pointed out that since 2010, roughly 700 'bogus' language schools have been closed. There has been a tightening up of the allocation of National Insurance numbers, with greater checks put in place. Furthermore, landlords are now required to inquire about the legal status of prospective tenants.

Beyond measures already taken, more could be done to ensure that immigration is effectively and competently managed. On the issue of detention of asylum seekers, is important that detainees are managed quickly and effectively and not detained for longer than necessary. It was also suggested that more resources be channeled into effective border control. Enforcement of the National Minimum Wage is also important since this helps to address the concern that immigrants undercut the wages of native workers.

In fact, one contributor suggested that immigration should not just be the responsibility of the Home Office; but HM Treasury, the Foreign Office, and the Department for Business, Innovation and Skills, should all play a greater role in shaping and determining the government's immigration policy.

Getting the right immigrants for Britain

The third key theme which emerged from the discussion was the importance of having an immigration system which welcomes the immigrants who will best benefit Britain. The centre-right should

identify the kinds of immigrants which Britain needs – the immigrants who will benefit Britain – and then win public consent for an immigration system built around welcoming these people.

While the majority of the public wish to see a reduction in immigration numbers, it is also the case that the public makes nuanced distinctions about the kinds of immigrants the UK should be welcoming. For example, Bright Blue polling found that 80% of Conservatives voters would admit an international student who wanted to pay to come and study at a UK university for three years; only 13% would admit someone with no job or savings looking for a better life for himself.³⁴ In other words, the public make sharp distinctions between different kinds of immigrants. This underlines one of the problems with the net migration cap mentioned in the previous section. Whereas the cap is indiscriminate, measuring only total numbers, the public discriminate between different kinds of immigrants.

It was argued in our discussion that people from across the political spectrum, whether they be Conservative, UKIP or Labour voting, broadly agree on the kinds of immigrants which should be welcomed.

“You can talk about things which are consensual, which includes what kinds of migrants are welcome in Britain”

From our discussion, key characteristics of immigrants emerged which the centre-right should build a positive policy agenda on immigration around. The first key characteristic was contribution to Britain’s economy.

International students were singled out as one group which makes a huge contribution to Britain’s economy through the high fees they pay and the spending power they bring to local economies. The

34. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*.

centre-right should be promoting the contribution of international students, explaining why they are so important for the country and be encouraging more to come to Britain. Including international student numbers in the cap on net migration and the current restrictive regime of post-study work visas were cited as damaging in this regard and should be reconsidered.

Tourists were the other specific group who were singled out for the contribution they make, particularly to London's booming economy. It was pointed out that while Chinese tourists spend a large amount per head, the current visa system for Chinese tourists is highly restrictive and limiting the numbers which arrive.

"Our highest spending tourists are the Chinese, but our immigration system is restricting the numbers which arrive"

Chinese tourists spend four times more than the average foreign visitor to the UK.³⁵ However, our visa system means that far fewer visit the UK than visit other comparable European countries.³⁶

There was also concern that some businesses could not recruit talented staff from overseas with the necessary skills because of the bureaucracy associated with the visa system, especially in the financial and digital industries in London.

Beyond skilled professionals, tourists and international students, a number of contributors urged more generally that for immigrants who arrive to settle permanently or for a period of time, the centre-right must develop a policy agenda and narrative on immigration which

35. The Economist, 'Quality, not quantity', *The Economist*, 31 May 2014.

36. Henry Samuel, 'How France is benefitting from Chinese tourists over Britain', *The Daily Telegraph*, 11 June 2013.

emphasises the importance of paying taxes and wanting to work: two characteristics highly valued by the public.³⁷

As described in the previous chapter, evidence supports the idea that immigrants primarily come to the UK to work and immigrants are less likely to claim out-of-work benefits than non-immigrants. Nevertheless, contributors felt that more could be done to develop a contributory immigration policy agenda. Interestingly, one of the key suggestions which emerged from the discussion in this regard was to further restrict immigrants' access to welfare benefits. The roundtable was held days before the Prime Minister's keynote speech in November 2014 in which he declared that he would be looking to work with EU partners to restrict the time before EU migrants can claim in-work benefits and social housing in the UK to four years. This declaration chimed with recommendations which emerged from our discussion.

Apart from restricting access to benefits, other ideas were suggested for ensuring that new immigrants contribute to the British economy and are seen as contributing. One idea was to require new immigrants to purchase a national bond upon entry to the country. Effectively, this would be an up-front fee for migrating to Britain, potentially supported by government-backed loans which would eventually be repaid by the immigrant. This could be paid for by the individuals themselves or the businesses employing them. As well as providing tax revenue, it would visibly enshrine the contribution of immigrants. Another contributor responded by highlighting how with the cost of visas rising, in many respects such a bond already effectively exists. A related suggestion was that a higher tax rate or National Insurance rate for immigrants could be imposed.

Contribution was identified as a key characteristic, around which the centre-right should build a positive policy agenda. The second

37. Ryan Shorthouse and David Kirkby, *Understanding how Conservative voters think about immigration*, 18-19.

characteristic was integration – or contributing culturally. The centre-right should be seeking to develop a policy agenda on immigration which recognises and expects immigrants to integrate into British society.

Integrating immigrants well matters because the majority of the public believe that immigration has led to communities living separate lives and are anxious about the cultural change which immigration seems to represent. Integration can help to address these concerns. The centre-right in general, and the Conservative Party in particular, should be comfortable speaking about the expectation that new immigrants integrate into British society and promoting an integrationist immigration agenda.

“The Conservative Party should be more confident when speaking about integration”

A couple of policies were suggested in this area. One contributor highlighted how councils should ban funding for community groups or events aimed exclusively at a single ethnic or religious group.³⁸ Furthermore, free English language classes were advocated as a key policy that the centre-right should be doing more to promote as a means for ensuring better integration of immigrants.

Where next for the centre-right on immigration?

This chapter has explained how our opinion formers and decision makers generally believe that developing a positive and balanced policy agenda on immigration is essential for the centre-right. A number of problems with the current immigration agenda which focuses heavily on the cap on net migration were identified. While revising the net

38. John Bingham, ‘Census 2011: The areas where English is not spoken’, *The Daily Telegraph*, 12 December, 2012.

migration target may be fruitful, the centre-right needs to broaden its message to better exhibit competence and effective management of the immigration system. Furthermore, a balanced centre-right agenda on immigration should be making the case for immigrants who contribute economically (work and pay taxes) and culturally (integrate). The centre-right should work to earn public consent for a positive policy agenda shaped around welcoming and encouraging immigrants who will benefit Britain in these ways.

Chapter 5: Conclusion

The aim of this report was to unearth the views of policymakers and opinion formers (largely but not exclusively on the centre-right of British politics) toward immigration to help inform our year-long project of shaping a balanced policy agenda on immigration for the centre-right of British politics. Based on our three roundtable discussions, our report explored the cultural impact of immigration, the economic impact of immigration and where next for the centre-right on immigration. The following key themes emerged:

- **Public concern about immigration is primarily cultural**
Public anxiety about immigration is high. While both economic and cultural factors play a role, this anxiety is primarily driven by cultural considerations. The public are concerned that high levels of immigration represent and will lead to significant cultural change and a breakdown of social cohesion. It is the perception of change operating at a national level, rather than in individuals' immediate environments, which most worries the public. In local environments where individuals have more experience of immigrants, this concern is significantly reduced.
- **Encouraging integration is the best way to tackle public concerns**
It is possible to address public concerns about immigration by building a consensus around the importance of integrating new immigrants. This is an approach capable of uniting those who are

relaxed about change and those who are unsettled by it. There are three ways of improving integration, which should particularly appeal to those on the centre-right. First, more social mixing to increase trust between immigrants and native Britons, and reveal common values and behavior. Second, supporting and promoting the economic contribution immigrants can make. Third, strengthening national identity. On some measures, Britain already performs well at integrating new immigrants, but more should be done.

- **The centre-right should have a balanced agenda on immigration, which illustrates that it brings both economic benefits and challenges**

Immigration is largely beneficial for the national economy, boosting growth and the public finances. It also enhances levels of skills, innovation and entrepreneurialism. Nevertheless, immigration also brings economic challenges. It seems to depress marginally the wages of the lowest earners and can increase demands on public services in ways which are difficult to respond to in the short term. The centre-right needs to be honest about both the benefits and the challenges which immigration brings and embrace policies which address the challenges. In addition, the centre-right needs to generate effective policies that tackle problems such as housing affordability and availability that affect attitudes toward the immigration system.

- **We need a more positive agenda from the centre-right on immigration to counter the negative discourse on it that currently dominates**

The centre-right has been too negative on immigration in recent years, especially as a result of trying to fight the rise of UKIP, which

is the mainstream political party most negative about immigration and wants to see net migration substantially reduced. However, the centre-right needs to be more positive on immigration for three main reasons. First, free markets – which the centre-right firmly believe in – work best with the free movement of labour. This argument, however, should be promoted carefully: it is important to not just emphasise the economic benefits to businesses, since it could appear corporatist and alienating. Second, immigration strengthens key centre-right values in society such as work ethic, religious faith, family values and social mobility. Finally, BME communities are becoming an increasingly larger proportion of the electorate and they tend to be more positive about immigration, understandably.

- **The centre-right should focus more on competence than the cap**
Focusing too much on net migration is problematic because it is unreliable and indiscriminate. While it is not necessary to abolish some form of cap on migration levels, the centre-right needs to look beyond the net migration figures in order to establish a record of competence on immigration and manage the system effectively.
- **The centre-right should welcome and prioritise those immigrants who will benefit Britain**

There is a firm consensus about the kinds of immigrants Britain should be welcoming. Immigrants who contribute to Britain's economy and who will integrate into British society are not only the immigrants who will best benefit Britain, but also the ones the public are most welcoming of. The centre-right must build a positive policy agenda around encouraging such immigrants to come to Britain, and welcoming those that do.

This report has demonstrated how an understanding of the cultural and economic impact of immigration can inform a balanced centre-

right agenda on immigration. Moving the debate away from a narrow focus on the net migration figures and instead conveying competence and welcoming immigrants who will contribute both economically and culturally to Britain should be components of a new, balanced centre-right agenda.

Immigration is now one of the most important issues the public are concerned about. This is despite tougher measures from the current Government to cap and clampdown on immigration. At this crucial juncture, it is imperative that the centre-right develops a balanced agenda on immigration that allows the UK to benefit from the immigration it needs while addressing the challenges it brings. Bright Blue is currently undertaking a year-long project to do exactly that.

This report is the second from this project. It outlines the key themes which emerged from a series of roundtables on immigration with opinion formers and decision makers. It demonstrates how an understanding of the cultural and economic impacts of immigration can inform a balanced centre-right policy agenda on immigration. The centre-right needs to broaden its message beyond a narrow focus on the net migration figures in order to better convey competence and sound management of the immigration system. Immigrants who contribute economically and who integrate should be prioritised and encouraged.



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