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Summary

Our current immigration system lacks a strategic mission.

For too long, the development of immigration policy has been driven by ad hoc reactions to political and operational crises, operating independently of wider social and economic ambitions. The net migration target pursued by the Home Office has forced the Government to crudely drive down overall numbers, often in contradiction to the objectives of other departments, on the basis of unreliable data and irrespective of the social impacts of its policies. With the immigration system coming under increasing scrutiny, now is the time for a comprehensive rethink to ensure the rules meet the needs of our economy. A new immigration strategy for post-Brexit Britain should be designed to address some of our country's core economic weaknesses: including addressing geographical imbalances, boosting innovation, halting the stagnation of real wages, and tackling the trade deficit.

The ideas in this discussion paper do not attempt to predetermine the Brexit negotiations. We recognise, along with the Government, that any future policy for EU nationals will depend on an agreement with the EU. This paper is therefore designed to offer recommendations for policy change primarily for non-EU immigration. For each recommendation, we also explore how, depending on the post-Brexit agreement, EU migrants could be incorporated into the new system.

The UK's post-Brexit immigration strategy should be based on six objectives:

- 1. Our immigration strategy should clearly differentiate between types of immigration.** The Government should replace the net migration target with an Annual Immigration Framework composed of separate targets for different types of migration. This could include categories for workers of different skill levels, entrepreneurs and investors, family migrants and resettled refugees. The Government would set each target annually, on the advice of the Migration Advisory Committee.
 - Unlike the net migration target, which crudely combines all forms of long-term migration, the Annual Immigration Framework would provide the flexibility for the Government to tailor its policy in different ways for different groups.
 - The Annual Immigration Framework would be more likely to receive broad support from the public.
- 2. Our immigration strategy should actively address geographical imbalances in the economy.** Geographical flexibility should be built into the immigration system, in order to address sustained economic imbalances across the UK's nations and regions. This could be done in one of two ways: a 'sub-state' system that would remain in the hands of central government but would allow immigration rules to vary across nations and regions; or a 'devolved' system that would give new powers to sub-state bodies over how to shape their immigration rules. Under both proposals, the Home Office would retain responsibility for issuing visas and non-labour migration would remain under the purview of central government. But there would be new variations between work migration rules across the different nations and regions of the UK.
 - A sub-state or devolved system could help to address geographical disparities in immigration.
 - A devolved system would give nations and regions more control over their own immigration rules.
 - A sub-state or devolved system could be managed through the current Home Office measures to deal with immigration and prevent overstaying.

3. **Migrants have the kind of country-specific knowledge that should help boost exports.** The Government should introduce a Global Talent Visa to actively recruit top global talent from sectors critical to driving forward innovation, such as research, digital technology, and the creative industries. The Global Talent Visa would provide a new immigration route for those with relevant technical or creative skills, a track record in research and innovation, or a graduate degree in a science, technology, engineering or mathematics (STEM) or another key subject to work as employees, set up businesses, or freelance in the UK. The visa would be coordinated by industry bodies in relevant sectors alongside the Home Office.
 - The Global Talent Visa would send a clear signal that the UK is open to international talent.
 - The Global Talent Visa would accord with the public's support for highly skilled immigration.
4. **Our immigration strategy should forge a new compact between employers and government, as a means to achieving a high-pay, high-productivity economy.** For employers who seek to recruit internationally, the Government should introduce a new Trusted Sponsor Scheme. This scheme would offer additional visa benefits – such as fast-tracking, prioritisation, and access to an expanded Shortage Occupation List – in return for demonstrating responsible employment practices. Those employers who do not apply to the scheme would still be able to recruit as a Tier 2 sponsor, as they can now, but would face an increase in the Immigration Skills Charge.
 - The Trusted Sponsor Scheme would strike a balance between ensuring employers are investing in domestic skills and not undercutting workers, while continuing to provide access to migrant labour.
 - The Trusted Sponsor Scheme would aim to ensure migration contributes to wage and productivity growth.
5. **Our immigration strategy should support the UK's trade balance.** Recent research suggests that immigration can help to increase services exports through providing country-specific knowledge of export markets. But currently the UK's immigration policy is not well-equipped to meet our trade needs. The Government should introduce a new trade and migration strategy, coordinated by the Department for International Trade and the Home Office, to rethink how our immigration policy can contribute to boosting UK exports.
 - The trade and migration strategy should aim to boost education exports by excluding international students from the Annual Immigration Framework.
 - The trade and migration strategy should harness the skills of the UK's diasporas to boost services exports.
6. **Our immigration strategy should promote equality and integration.** The UK is one of the most unequal societies in Western Europe. Inequalities cut across migrant groups: non-EU migrants face high rates of economic inactivity, while Eastern European migrants tend to be overqualified and on low pay. Supporting the integration of migrants into the labour market and wider society is a critical means of addressing these sustained inequalities.
 - The Government should assess every new immigration policy against its effectiveness for supporting migrant integration.
 - There should be new routes for citizenship for migrants on low incomes.

The IPPR Commission on Economic Justice is a landmark initiative to rethink economic policy for post-Brexit Britain

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The IPPR Commission on Economic Justice

