

## **-CHECK AGAINST DELIVERY-**

DAMIAN GREEN: IMMIGRATION SPEECH

SEPTEMBER 6<sup>th</sup>

### “THE REAL IMMIGRATION QUESTION”

Most analysis of immigration policy is entirely concerned with the present and the future, and heavily influenced by emotion and prejudice. I want to start by looking briefly at the past, and want to continue, both with this speech and more widely as Immigration Minister, by relying more on evidence than is customary in this role. Nearly 800 years ago, in 1216, Hubert de Burgh described Dover Castle as “The key in the lock of England”, and with appropriate modernisation that is still a good metaphor for immigration policy. Who are we going to welcome in through our front door?

Immigration has also been a source of dispute between the Executive with one set of priorities, and Parliamentarians with another, perhaps responding to pressure from below. Sir Edward Troup’s history of the Home Office says “The policy of admitting or excluding aliens has for many centuries been a matter of controversy in English politics. Parliament repeatedly imposed stringent restrictions, but Plantagenet and Tudor

monarchs claimed a prerogative right to exclude or to admit, and when they needed loans from Hanseatic merchants or Lombard money lenders to carry on their wars, found occasion not only for their admission but for the grant of special privileges.” There is nothing new that comes out of the financial sector.

Modern immigration policy can be dated from the early years of the twentieth century, when after decades of open borders the pressure of large numbers of Eastern European Jews was causing unrest in east London. The inevitable Royal Commission was followed by the 1905 Aliens Act, which Sir Edward Troup describes as “from the administrative view one of the worst ever passed”—fighting talk given some of the legislation passed in the last 10 years. There were though some fairly obvious loopholes. First class passengers were entirely exempt from immigration control, as were all ships carrying fewer than 20 immigrants. 'Just like today the ingenious and the determined were able to slip through the gaps in the law.'

For the rest of the twentieth century, with its wars and movements of population, immigration came and went as a big political topic. The original Aliens Act was replaced at the start of the First World War with something more effective, and a permanent Immigration Service was set up at the end of that war. The Second World War saw naturally tougher restrictions,

especially exit controls. But the real resonance of past policies with current controversies starts in the 50s and 60s. The Notting Hill riots led eventually to the Commonwealth Immigrants Act of 1962. As ever, just like today, the speed and scale of change led to political unease. T W E Roche's book "The Key in the Lock" gives the stark figures. In 1959 net migration was 44,000. In 1960 it was 82,000. In 1961 it was 160,000. A doubling of the numbers every year led inevitably to some restrictions.

The same pattern repeated itself through the seventies and eighties. The sensible solution which underlay all Government's response was a twin track one. Immigration numbers would be held down, and at the same time serious efforts would be made to integrate new arrivals, and to eliminate discrimination against them. This balanced approach worked reasonably well, especially once the Thatcher Government came to terms with inner city problems after 1981. Immigration was not a significant issue in any election between 1983 and 2001. But from 1997 net migration started rising fast, and stayed high right to the end of the Labour Government, as we saw with the publication of the 2009 figures last month. Any casual knowledge of history would have taught us that it would rise in political salience.

The real question though, to address the title of this speech directly, is not how many, or where are they from. It is how can Britain benefit most from immigration? What controls do we need to maximise those benefits and minimise the strains? David Cameron has pointed out that “Immigration brings many benefits to our country—economic, social and cultural. And even if it were possible to pull up the drawbridge, in our new world of freedom, where Britain has so much to gain from being open to the world, to do so would be not just wrong but self-defeating. Instead we should bring down the level of net migration to a more sustainable level.”

This balance is at the heart of this Government’s approach to immigration. Britain benefits from immigration, and has always benefited from immigration, but it will only continue to do so if it is properly controlled. This means that the unsustainable levels of net migration seen in recent years must be brought down.

The Prime Minister has identified the sustainable level as an annual rate of net migration in the tens of thousands rather than the hundreds of thousands. Which brings me right up to date. How do we get from where we are now to a position where we can continue to attract at least our fair share of the brightest and

the best to study and work here, without putting unacceptable levels of pressure on our public services and the ability of our society to absorb change?

The inheritance for the new Government is a tough one. The provisional net migration number for 2009 was 196,000 - higher than any of those 1960s figures I quoted which caused such turmoil. Of course, Britain is a different society today. Indeed the world is a different place. For an increasing proportion of the world's population the opportunity to work or study in another country, perhaps intending to stay for only a limited period, is an attractive option. As I have said, Britain has benefited from these changes and can continue to do so. But it can do so only if we understand and manage the impact of this kind of migration on our population, on the pace of change in local communities and the pressure on our public services. And the reality is that this level of net migration which of course includes many people intending to come for short periods only, has led to the number of people settling in the UK increasing by 37%, to 224,400 in the twelve months to mid 2010, and grants of citizenship increasing by 13% to 198,000 over the same period.

We need to solve two problems simultaneously. We need not just to cut the numbers, but to make sure we gain maximum

benefits from those in the new smaller pool of immigrants. To achieve this we need better information about who stays long term, and why they stay. Whatever your stance on immigration, if you are not basing policy on decent evidence you will be likely to fail.

This is why I am pleased to be unveiling new Home Office research today called *The Migrant Journey*. I dare say that in previous eras Ministers would have clutched this research close to them, so that they had knowledge which was not widely available. In the new age of transparency, it is already available on the Home Office website, not least because I want others to contribute to our analysis. One of the necessary steps towards a better immigration policy is a more intelligent debate about immigration, and new information contributes to this.

What the research does for the first time is give us evidence about the behaviour of immigrants coming here through all managed routes apart from the visitors' routes, and the common pathways through the immigration system that result in settlement. The data (which has of course been anonymised) looks at all those who came here in 2004 (apart from on visit visas) and their immigration status for each year up to 2009. At the same time it looks at the cases granted settlement in 2009 and looks backward through their immigration history to see

why they came here in the first place, and what changes to their status they subsequently went through before deciding to stay here permanently.

I will go through each of the routes in turn. The largest group of cases in our study granted visas in 2004 were to students, around 186,000. We think of students as people coming here for a short period, normally up to three years, to do a course. But more than a fifth of those 186,000 were still here after five years. If we are looking ahead the number of student visas, not including student visitors and dependants, issued in the 12 months to June 2010 was almost 288,000 rising to over 320,000 once you include their dependants. It is true that there have been many changes in the system since 2004 so it would be wrong to extrapolate directly, but the possible consequences are clear. If we continue to have a fifth of students staying long term we will have very high net migration numbers indeed.

To those who say that these are precisely the brightest and the best who Britain needs, I would say let's look at the facts. We estimate that around half, I repeat, around half of the students coming here from abroad are coming to study a degree level (or above) course.

Most people think foreign students come here to attend our top universities and of course these are the students we want to attract. But the real picture of the parts of Britain's education system that attract foreign students is much more varied. It includes the publicly-funded further education sector, private vocational colleges, language schools, independent schools and many partnerships between higher and further educational institutions. The foreign students attending these various establishments may, or frankly may not be, the brightest and the best. I want a student visa system which encourages the entry of legitimate students coming to study legitimate courses. For me that certainly means students coming to study in universities, students who are equipped to study the courses to which they have subscribed and who fulfil their academic obligations, students who at the end of their period of leave return to their country of origin. That is good for the students concerned, it is good for the institutions they study in, and it is good for Britain. Indeed study of this kind has been one of our national success stories ever since Margaret Thatcher took the decision to expand our higher education sector and it certainly brings significant economic benefits to the UK.

However, it also means that we need to understand more clearly why a significant proportion of students are still here more than five years after their arrival. And we also need a system which



can scrutinise effectively, and if necessary take action against, those whose long-term presence would be of little or no economic benefit. Of course we are the ideal country for others to learn English. But I want to ensure those who come here to study at language schools or any other institutions play by the rules and leave when their visas expire.

We estimate we are bringing more than ninety thousand people into Britain every year to do courses below degree level at private institutions. We need to decide whether this is right and also whether it is the best thing for the students themselves, given the high financial commitments required of them. When I visited India last month I found the authorities and education sector representatives were happy to work with us to raise the quality of applicants and also to make life difficult for the unscrupulous agents who prey on them.

It is beyond dispute that Britain's universities contain some of the best in the world and that they need to be competing for the world's best students. The immigration system should help them in this. But this does not mean that every student visa issued is necessarily benefiting Britain.

The next biggest group in our 2004 cohort study, totalling 106,000 is for work routes leading to settlement. Two fifths of

this group were still here in 2009, as you might expect. In this area, when I visited India last month I made clear that Britain was open for business. We want to attract the brightest and best that India and other countries have to offer, and that is not incompatible with an approach which controls migration. I met representatives of Indian companies with an important contribution to make here. But I was also struck by some of the individual applications I saw under the skilled worker category. People running take-away restaurants and production line workers on salaries in the low £20,000s. These are not the sort of jobs we talk about when we think of bringing in skilled immigrants who have talents not available among our own workforce or the unemployed. And there is some evidence that not all those coming in under the highly skilled route are finding highly skilled work. Certainly we cannot assume that everyone coming here to work has skills that the UK workforce cannot offer.

In any case we will not make Britain prosperous in the long term by telling our own workers “don’t bother to learn new skills, we can bring them all in from overseas.” Just as with students, we need to make sure that those coming in under the work-based routes are really the people we need.

The third biggest group in our study, at almost 95,000 is for work not leading to settlement. Of this apparently short-term route, just over 10% are still here after five years. Most of these had transferred into another route along the way. This must give rise to the thought that maybe it is too easy to transfer from the temporary to the permanent routes to migration.

The fourth group in our study is for family visas, totalling over 63,000. Nearly two thirds of those who arrived in 2004 are still in Britain after five years, with the vast majority already having been granted settlement. We have started to take action in this area by requiring, from November, a minimum level of English from those applying for marriage visas.

These figures, and the breakdown between different routes of immigration, help to put into context the debate over the annual limit on the economic routes for non-EEA migrants. This limit is absolutely necessary to achieving our overall target, but it will not be enough on its own. Those who accuse the Government of concentrating too much on controlling the numbers of skilled workers alone are simply mistaken. We are looking at all routes, and will need to set rules for each of them that give us the immigrants we need. Immigration policy is always described in terms of how tough it is. I am more interested in how smart we

can make it. Toughness we can reserve for the equally important task of dealing with illegal immigration.

So what specific policy prescriptions can we draw from the information available?

- The Points Based System gives us a framework but does not in itself give us the control we need to bring the net migration annual figure down to sustainable levels—as the most recent figures dramatically illustrated.
- Within the PBS, we need to look harder at who is qualifying both in the work and study categories, to make sure we really are attracting the brightest and best.
- Those who come here claiming it will be only for a short time may be finding it too easy to stay here permanently.
- Above all, we need steady downward pressure on many routes to long-term immigration in order to hit our net migration commitment.

Each of these policies will be controversial with those who have become used to the previous system. Change is seldom easy. But in an increasingly globalised world it is ever more important that proper immigration controls are not only in place but are seen to be in place. If we do not create public confidence in our immigration system we will remain vulnerable to those who

want to find scapegoats for social problems. New arrivals have always been the likeliest scapegoats, and among those who are helped most by a successful immigration system are minority communities. In recent years we have spent increasing amounts of taxpayers' money on palliatives for immigration levels which have been too high. Instead of this inefficient cure, we should reach for more effective prevention, and keep immigration at sustainable levels in the first place.

One of the frequent criticisms is that globalisation means immigration controls are pointless. It is also said that since free movement of people is available within the EU it is not worth controlling numbers from elsewhere. The answer to the first is that without controls there will very likely be rising public resentment, and a rejection of the basic proposition that we benefit from immigration. Globalisation will itself become purely a threat, which would be a self-defeating attitude for a trading country like the UK. The answer to the second is that apart from when new countries join the EU, which has in the past meant a significant one off increase in migration pressure, the regular flows of people to and from Europe tend to be small or balance out over the longer-term. This is why the Government has said that we will put transitional controls on any future new entrant to the EU.

The other frequent criticism is that it is too easy to enter this country illegally, and to stay beyond the length of a visa. These have both been true, and quite apart from the action we need to take to keep legal migration at sustainable levels, we need to take more effective action against illegal immigration. Tough juxtaposed controls in France and Belgium, the new Border Police arm of the National Crime Agency, and a revived e-borders scheme, will all contribute to this.

There is no doubt that by the end of their period the last Government wanted to bring immigration under control. But the Points-Based System is not enough on its own. It needs bolstering in two important ways. Annual limits on work visas, just as they have in other open and successful economies: and a much closer focus on who is qualifying under each section of our immigration system. We absolutely need sustainable immigration levels. This will relieve pressure on public services, and stop immigration being such a delicate political issue. At the same time, we must be confident enough to say Britain is open for business and study to those who will make this a better country, and a more open society.

That is one of the most challenging tasks for the new Government. We are determined to act on the basis of the new information we are releasing. Because it is important we

succeed in delivering a sustainable level of immigration, not just for the Government, but for the success of our whole society.