

BRIEFING

A SERIES OF POST-REFERENDUM BRIEFINGS

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[This briefing can also be viewed on the Campaign for an Independent Britain website]

EU IMMIGRATION

FALSE FIGURES MAKE FOR FALSE POLICY

The survey of voting motivation in the EU Referendum of 2016 carried out by Lord Ashcroft on 24th June 2016, showed that the principal motivation of 62% of Leave voters was the return of democracy to the UK, 'The principle that decisions about the UK should be taken in the UK', or about 'How the EU expanded its membership or its powers in the years ahead'.

An important number (33% of Leavers) voted primarily for leaving as it '... offered the best chance for the UK to regain control over immigration and its own borders'. Only 6% said their main motivation was that 'When it comes to trade and the economy, the UK would benefit more from being outside the EU than from being part of it'.

It is fair to say that trade and economy issues have dominated politics since the referendum although this was a minor motivation for Leave voters.

The sheer magnitude and impact of migration from the EU27 to the UK has not been understood by the British political and media class, who have regarded those who were concerned by the impact as ignorant and racist.

In fact, the EU27 migration to the UK has a 50 times greater impact on the UK labour market and wages than the migration of British nationals to the EU27 has on the EU27.

'Rights' of Migrants

While control of migration has frequently been emphasized by the current Prime Minister, the actual negotiations between the EU and the UK on migration have revolved around 'rights'.

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The Joint Report from the Negotiators of the European Union and the United Kingdom government in December 2017 emphasised this when it recorded:

“Both parties have reached agreement in principle ... on protecting the rights of Union citizens in the UK and UK citizens in the Union”

The Labour Market

While the matter of citizens' 'rights' affects all UK citizens living in the UE27, and vice-versa, whether working or not, the labour market effects are quite different.

The arrival of non-working pensioners in a country means that the labour supply is not affected and, indeed, extra demand is likely to pull up wage rates.

Despite the fact that the UK labour force is just under 15.6% of the EU27, total worker migration between the UK and the EU is heavily skewed so that worker migration is many times greater from the EU into the UK than vice-versa.

When the total size of the workforce is considered (the EU27 being 211 million and the UK 33 million) this skewed migration becomes overwhelmingly one-sided with EU27 migration having some 50 times the impact on the labour force and the UK economy than UK migration has on the EU27 labour force and economy.

What were voters concerned about

Best calculations (and all subsequent figures are only best estimates) show that about 320,000 UK nationals work in the EU27 which has a labour force of 211 million, therefore, adding 0.15% to the EU27 labour supply. Simultaneously, 2.3 million EU27 workers work in the UK which had a previous workforce of 30.8 million, adding 7.46% to the UK labour force, an impact about 50 times as great.

It is hardly surprising that the motivation to leave the EU, defined as 'To regain control over immigration and its own borders' was so widespread while, at the same time, the EU leaders, not facing in general (although some EU labour markets had sizeable immigration) the same scale of migration, simply continued to make a red line out of freedom of movement.

What is baffling is why UK politicians did not seem to understand the different scale of migration into the UK and into the EU27 and through their pre-occupation with 'rights' they seemed not to understand the arithmetic.

It should be noted that EU free movement rules are based on citizenship and residence, not where you were born.

Why did the politicians (British and EU) emphasize 'rights'?

The one-sided relative level of migration (50-1) has been masked for a long time by the issuance of false totals on UK nationals living in the EU. These have been reported on numerous occasions by the UK government and the media.

These gross errors can be traced back to a report by the IPPR think-tank in 2010 (entitled '*Global Brit*') based on an earlier report in 2008. In 2008 the IPPR estimated that 1.8 million UK nationals were living in the other EU countries (2.2 million for part of the year). This wildly inaccurate estimate was recycled in a House of Lords' answer by Baroness Warsi on 4th February 2014, who admitted her figures (for 2010) from the Foreign Office were compiled by the IPPR.

Nevertheless, the theme of 2 million UK nationals living in the EU27 continued. It was quoted by Dominic Grieve in March 2015 and it reappeared from the depths in HM government's paper of February 2016, '*The process for withdrawing from the European Union*', "*This [negotiation] would include the status and entitlements of the approximately 2 million UK citizens living, working and [bizarre] travelling in the other 27 member states of the EU.*"

Meanwhile some journalistic sources muddied matters further by reducing the number of EU27 citizens in the UK. For one example, on 10th February 2014 euobserver.com stated, "*British figures indicate that just as many UK citizens live in the EU as vice-versa, despite popular perceptions*". Lord Oakeshott's contribution in *The Times*, 10th February 2014 was "*scaremongering ... could poison the atmosphere for 2 million of our fellow countrymen in the rest of Europe [sic]*".

However, a page was turned on 11th January 2018 when the House of Commons issued new figures for migration between the EU and the UK which quoted Office for National Statistics estimates for 2011 which concluded that there were only 890,000 British nationals living in other EU countries in 2011. 80% were in five countries: Spain (309,000), France (157,000), Ireland (112,000), Germany (96,000) and Netherlands (41,000).

In other words, the UK government had been employing and propagating figures for UK nationals living in the EU 27 which were of the order of a 125% plus error.

This error inevitably had an impact on the Brexit negotiations and the lack of UK response to EU pressure to maintain migrant rights. It also explains the relative insouciance with which British politicians approached the immigration issue. This was in part based on the comforting, but absurdly wrong, notion that UK nationals were working in the EU27 on the same scale as EU27 nationals were working in the UK. Not only were the absolute totals of UK migrants wrong but the relative totals of EU27 and UK migrants to each other were of a completely different scale.

It should be noted that the IPPR has withdrawn the figures in its 2008 and 2010 reports.

Pensioners

On looking at Baroness Warsi's reply to Lord Oakeshott on 4th February 2014 (where the IPPR role is clearly set out) which estimated the figure of UK citizens living in other EU countries at 2.2 million, there was also supplied to Lord Oakeshott the number of UK citizens claiming a UK pension within the 2.2 million. These were listed country by country and totalled 395,450. Baroness Warsi stated that this did not include UK citizens not drawing a UK pension, for example, certain categories of widows, persons who worked entirely abroad, etc. [omitted from the following calculations] and also, vice-versa, persons drawing a UK pension, but not of British nationality, would be included [also omitted from the following calculations].

The estimate for UK pensioners, according to Baroness Warsi, was based on information available from UK government sources. Presumably the UK government is readily able to count how many pensions are paid to British pensioners to each EU27 country. These were reasonably hard figures compared with the IPPR's estimates.

EU Citizens in the UK

The House of Commons' study (based on the ONS statistics) stated that "*the available data suggests*" there were around 3.6 million EU27 nationals living in the UK in 2016. It also quotes the ONS figures for employment, that around 2.3 million EU27 nationals are in work (64% of total).

From the figures quoted elsewhere in this study it can be seen that the economically active percentage rate of the total population in the EU is 47%. Bearing in mind that the pensioner population (defined as those over 65) in the EU is around 19% of the total population, and few pensioners retire from the EU27 to the UK (UK government figures show about 100,000 EU27 citizens in the UK receive EU27 pensions), these figures seem coherent.

It should be noted that not all EU27 nationals come to work, some are students, some, of course, are married women and children, some are spouses of UK citizens. Some of these join the workforce.

The calculations on the impact of migration on the Labour Market

Eurostat's estimate is that the populations of the EU in 2016 was 510 million and the labour force (including unemployed) was 245 million (47% of population). For the UK the population (ONS for 2014) was 65.5 million and the labour force 33 million.

The EU27 totals are, therefore, EU totals minus UK totals which amounts to EU27 population 445 million, labour force 212 million.

The pensioner (over 65) population in the EU27 and the UK was almost the same level – at 19%.

According to the UK government approximately 100,000 EU citizens in the UK receive EU27 pensions.

The situation of EU27 citizens in the UK is as follows:

3.6 million EU27 nationals living in the UK (ONS, House of Commons)

2.3 million are workers, 64% of total and 7.46% of the UK labour force, which is 30.8 million (2017) exclusive of EU27 workers.

The 100,000 EU27 pensioners have been omitted since the number of EU non-pensioners has risen by more than 100,000 in the last year.

The situation of British citizens in the EU27 is as follows:

ONS, House of Commons' total (2011)	890,000
Pensioners per Baroness Warsi's country-by-country breakdown	<u>395,450</u>
Workers, dependants, etc.	494,550
[Assumed 64% of these are workers, as with EU27 workers (excluding Pensioners) in the UK]	
Therefore, British nationals working (primary purpose)	316,000
Rounded up to	320,000

This totals 0.15% of the EU27 labour force which is 212 million.

As with EU27 citizens in the UK, not all UK nationals go to the EU27 to work. Some are students, some are dependants. Some of these join the EU27 workforce.

The comparatives, therefore, when considering the labour market impact on the UK and EU27 labour force, are that 7.46% is approximately 50 times greater than 0.15%.

Perspectives

The relevant rate of migration of workers between the EU27 and the UK has a different impact on the two entities, namely 7.94% of the UK workforce and 0.15% of the EU27 workforce.

In order to understand the difference in impact, it is worth estimating:

- a) What the EU27 migrant worker total in the UK would be if it was the same size relatively as the UK migrant workforce in the EU27.

The calculation is $0.15\% \times 30.8 \text{ million} = 46,250$ instead of 2.3 million

- b) What the UK migrant worker total in the EU27 would be if it was the same size relatively as the EU27 migrant force in the UK.

The calculation is $7.46\% \times 212 \text{ million} = 15.81 \text{ million}$ or approximately half the UK labour force

In other words, it is necessary for the EU27 and British politicians and business and workers and electorate to understand that the UK position on restricting migration is conditioned by an impact of the same magnitude as if 15.81 million British workers arrived to work in the EU27.

At present there is no sign that most British or EU leaders appreciate the size of the issue. What is more tragic is that British politicians have continually issued false figures and played down the magnitude. There is a lot of talk about 'rights' but none about the real impact on wages and constant political bewilderment about poor wage rates and inequality.