

– Check Against Delivery –

Ed Miliband MP, Leader of the Labour Party, said:

It is a great pleasure to be giving this speech with the Institute for Public Policy Research today.

IPPR has led the way in new, radical, progressive thinking for many years.

Including on the really difficult issues.

When I was running for the Labour Party leadership, I said that one of the areas where we had got things wrong and needed to change was immigration.

As on everything else, our approach must be consistent with the kind of country we want to build.

A country with an economy that works for working people, not just a few at the top.

A society in which everybody has a shared sense of responsibility, both for ourselves and each other.

And a politics where everyone's voice is heard and in which we only make promises we can keep.

To have the right debate about immigration, we must avoid two dangers.

The first is the trap of wishing away public concern about immigration, failing to address it, and hoping it goes away.

The second is either in rhetoric or in promises made, suggesting that we can close Britain off from the world, when all of us know we cannot.

The debate we must get to is a grown-up debate, informed by the facts, serious in intent, and conducted in a candid way.

This is an incredibly hard thing to achieve.

And none of us will get it completely right.

But it is what I am seeking to do today.

So let me start with a basic truth.

Britain must control its borders but it must always face outwards to the

world.

The Britain I believe in is a confident and optimistic country, not one which is insecure and inward looking.

If people are looking for a politician who says immigration is just bad for Britain, that's not me.

I believe immigration has benefits, economically, culturally and socially.

Our economy has gained from being open to talent from across the world.

Some who have come here have gone on to win Nobel prizes, run successful businesses and lecture in our universities.

Britain's industry, music, sport and art have been enriched by the arrival of different cultures.

On Sunday when England take on Italy in the European Championships, many of our team will be the children or grandchildren of immigrants.

I love this city.

London.

A global city.

That won the Olympics because we're a multi-ethnic city.
And part of the reason I love my country is because we have a proud history of welcoming those fleeing persecution.

I have good reason to know this.

My father came to Britain in 1940, escaping from the Nazis.

The country took him in.

Britain gave him a chance.

He served in the Royal Navy.

And he made a contribution to Britain, becoming a professor whose writings became known around the world.

My mum also came to this country, just after the war.

For my parents, Britain was both a refuge and a home.

I am the son of immigrants and I am hugely proud of it.

I will always talk about immigration in a way that is true to who I am, to my heritage, to my mum and dad.

But when I talk about immigration I know I must be true not just to my mum and dad but to other parents across the country, like those in my constituency, Doncaster North.

They are worried about the future.
They want there to be good jobs.
They want their communities to grow strong.

They worry about immigration.

They worry it might make things harder rather than easier for them and their kids.

Worrying about immigration, talking about immigration, thinking about immigration, does not make them bigots.

Not in any way.

They're anxious about the future.

And since this conversation is going on in the houses, streets and neighbourhoods of Britain, it must be a conversation that the Labour Party joins too.

Our party seeks to be more rooted in peoples' lives than any other party.

And therefore we must listen to those anxieties and speak directly and candidly to them in return.

That's not bowing to the Right.

It is doing what Labour does at its best.

And if we are to address people's concerns, I believe Labour must change its approach to immigration.

Recognising the costs as well as the benefits.

And above all recognising that we can answer people's concerns about immigration if we change the way our economy works.

Setting out a new direction on immigration policy requires knowing how and why the last Labour government went wrong.

Quite simply, we became too disconnected from the concerns of working people.

We too easily assumed those who worried about immigration were stuck in the past.

Unrealistic about how things could be different.

Even prejudiced.

But Britain was experiencing the largest peacetime migration in recent history.

And people's concerns were genuine.

Why didn't we listen more?

At least by the end of our time in office, we were too dazzled by globalisation and too sanguine about its price.

By focusing too much on globalization and migration's impact on growth, we lost sight of who was benefiting from that growth – and the people who were being squeezed.

And, to those who lost out, Labour was too quick to say 'like it or lump it'.

But the truth is that the public were ahead of us in seeing some of the problems caused by the rapid pace of migration, especially from the expanded EU.

And they were ahead of us in seeing some of the costs of migration as a whole.

I believe those issues fall into three broad categories:

First, rapid changes in population led to pressures on scarce resources such as housing and schools.

Some areas were not equipped to cope in the short-term and it brought to the fore questions about entitlements.

Second, there were problems with the pace of change in some of our communities.

Ties of solidarity and community are not built overnight.

And sometimes migration ran faster than the time it took to build that sense of community, to build those ties.

These are vital questions because they are about how we choose to live together.

And I will return to them in future speeches.

But today I want to focus on a third problem which is far too often ignored in this debate, because it's difficult: the pressure on our economy.

My vision is of an economy where work pays for all; and where all firms succeed because owners, managers and employees see themselves as being part of one shared project.

Britain does not have an economy like that today.

In some industries we are a long way away from that vision.

In those sectors, immigration in the last few years collided with a labour market that is too often nasty, brutish and short term.

Proper control of who comes into the country is essential.

But it is not enough.

To have an effective immigration policy, we must also reform how our economy works so that it works for all working people in Britain, whoever they are and wherever they come from.

That means tougher labour standards to do more to protect working people from their wages and conditions being undermined.

And action to create a different kind of economy: one which offers working people rewarding and high-skill jobs.

So what happened?

First of all, as a result of immigration combined with weak labour standards in some sectors, there was a direct effect on wages, especially in lower skilled jobs.

The story a local Labour party member told me some years ago about a chicken factory in my constituency in Doncaster illustrates the point.

He told me that overnight, the factory had started getting Eastern European workers from a recruitment agency.

He told me they were sleeping nineteen or twenty to a house. And they were paid far less than the factory was paying before.

Less than the minimum wage.

It worked out at about £4 an hour.

He got the union involved to sort it out.

But there are lots of stories like this, of wages having been pushed down.

They are the hidden stories of Britain.

They are the stories that make people angry.

They are stories that politicians have ignored for too long.

They are not good for the people of Britain.

They are not good for the people who come here.

They reveal standards of employment that are simply not good enough for one of the richest economies in the world.

Of course, many migrant workers are hired because they have high skill levels or because of perceptions of their dedication.

They are simply seeking a better life in this country.

And they should never be blamed for that.

But neither should we deny some of the consequences.

Even where there has not been illegality, there has sometimes been an immediate and direct effect on wages.

Particularly in certain sectors.

If you wanted some building work done in your home, you were probably better off.

If you were working in construction, you often weren't.

Immigration made things easier for some, but it also made it harder for

others.

Overall, it has benefits, but there are also costs.

And where those benefits and costs fall is related to economic position:

Class.

We were too slow to realise that.

And the combination of immigration and an under-regulated labour market held wages down in hospitality, food processing and social care.

But it is not just about the direct effect on wages.

There is a second issue.

It has to do with the sorts of jobs that are available in Britain.

The sorts of jobs that firms have the incentives to create.

There are some wonderful examples in our country of firms who make the patient investment in training their local workforce.

Morrisons, the supermarket chain, has been working in partnership with local communities in Salford.

Identifying local talent.
Giving them skills.

Helping them build a career and make a life for themselves.

And there are many other companies that do so too, from Pinewood Studios to Rolls Royce to Dixons.

Those are the kind of companies we need more of.

Those are the kind of companies we should be doing everything to help.

But there are still too few of them around.

The ready supply of temporary, low wage, low skill migrant labour has further pushed some businesses to take a short-term, low skill approach.

And it has discouraged too many firms from training and developing their own workers.

There is nothing wrong with anyone employing Polish builders, a French chef, or a Swedish childminder.

I am not going to promise "British jobs for British workers."

But we need an economy which offers working people a fair crack of the whip.

The problem we need to address is in those areas and sectors where local talent is locked out of opportunity.

Take the construction industry.

Far too many British firms in construction today find it is in their interests to hire foreign-trained workers, rather than to train up workers from Britain themselves.

The rules encourage them to hire workers from other countries already trained there.

Then take the social care sector.

One of the most important jobs in our society, but one that we choose not to fund properly.

What incentive does that give to firms?

Too often, not to hire high skilled labour from overseas. Nor to develop and train local people.

But sometimes to pay low wages and hire on short-term contracts.

And then right across our economy, our system of training, our system of finance, the short-term culture, gives firms the wrong incentives.

Let me give you another very vivid example which I think demonstrates where things can go wrong.

Recruitment agencies.

At a time when jobs are scarce and skills are under-developed, they act as the oil in the system, keeping the different parts of our economy working together.

When they work well, these agencies can play a crucial role in our economy.

And the majority of them do.

But some recruitment agencies operating in Britain are now effectively open solely to foreign workers.

They exclude local workers from their books.

Foreign workers, both high skilled and low skilled, make an important contribution to the British economy.

The idea that in industries like construction or agriculture you can get recruitment agencies who boast all their workers are Polish or denigrate the talents of those who are living locally isn't right.

It's happening because it is a part of our economy that has not been subject to sufficient rules and regulations.

We need to change it.

So that we can build our economy so that it works for working people.

For too long, we've had a phoney debate about immigration which has often ignored the big issues of how our economy works.

And too often governments have promised what they cannot deliver.

The Conservative-led Government wants us to believe that their cap on non-EU migration will solve all the problems.

It won't.

It can't.

It covers less than three percent of the total number of people who come into the country.

In 2011, 589,000 people arrived in Britain and the cap covers just 20,000.

Their cap was supposed to bring net migration down.

But it has not.

They cannot possibly deliver their target of getting net migration down to the tens of thousands.

They made a promise they couldn't keep.

That doesn't increase trust, it undermines it.

But it's even worse than that.

It means they are now starting to make decisions like stopping universities generating income from foreign students.

Of course, we'll look at caps, limits and numbers.

We'll look at the evidence on what makes a difference and what protects the taxpayer.

And if there is evidence that measures work, we will keep them.

But in truth, we need to acknowledge that at most they can only ever be a part of the solution.

Because of our decision on new EU countries, the pace of change and therefore the level of low-skilled migration was too high.

But the reality is that different migrant labour has different impacts. And we cannot set the numbers coming in from the rest of the EU.

So I'm not going to make promises I can't keep.

But I am clear we can improve the way our economy works for working people.

So we need an approach.

An approach which only makes promises we can keep.

An approach that understands that we can't solve people's concerns about immigration unless we change our economy.

And an approach which accepts that the job of government is to ensure the benefits and burdens are fair for all.

My starting point is that it means four things.

First, we need genuinely effective controls.

That means systems for knowing who comes in to the country and who goes out.

Not just empty promises.

It means a Border Agency that is properly funded and properly managed

Capable of getting on with the job that matters to people: protecting the integrity of our borders.

And doing so in the humanest possible way.

And we didn't always achieve that.

Within EU, the ability of people to move within the 27 countries is part of our treaty obligations.

But when it comes to the accession of future countries to the European Union, we should take advantage of the maximum transitional controls.

That means we would limit the numbers of people who can come to work here for seven years after accession.

Second, we need to enforce the laws we currently have on the protection of wages.

It is one of the proudest achievements of the last Labour government that we introduced the national minimum wage.

It was a great Labour innovation that we should put an end to the idea of poverty pay.

But unfortunately, too many people are not receiving its protection.

We need to toughen up the enforcement of the minimum wage so that employers understand not paying it is a real risk.

Just seven employers have been prosecuted since it was introduced.

We should increase the fines on employers who breach the law and pay below the minimum wage.

These fines are currently set very low – at £5,000 – and should be increased to at least something that would act as more of a deterrent, and should at least be doubled.

And we should consult on the idea of local authorities playing a role as well as the HMRC in enforcing the minimum wage.

Third, we must deal with the specific issue of recruitment agencies turning workers away.

That is the wrong direction for our economy and the wrong direction for our country.

No recruitment agency should be effectively closed to working people.

Government should strengthen the law so that agencies aren't able to exclude people, even informally.

The last Labour government responded swiftly and rightly to the terrible events at Morecambe Bay and the death of Chinese cockle-pickers.

It introduced the Gangmasters Licensing Authority to oversee that industry.

Through our policy review, we will also look at the merits of extending the scope of its work to other industries where there is exploitation.

A modern industrialised country should have proper, enforceable labour standards.

Fourth, we must do all we can to build a more responsible capitalism.

An economy that works for working people.

So many good firms feel a sense of connection to the communities in which they are located.

We want as many as possible to behave as the best already do.

Part of this comes from the wider reforms that I believe we need in the economy to create a more long-term culture.

That means everything from tax incentives to encourage investment to our commission on long-termism.

We should do all we can to improve the quality of training and qualifications, and providing support to businesses.

But we also need to know more about where we need to act most.

Where there are sectors in which the migrant share of the workforce has dramatically increased, it can be a sign that we haven't done enough to equip young people with the skills they need to compete.

Or to help firms create the quality of jobs that our economy needs.

In the past, these problems have emerged without anyone outside the firm realising what was going on.

We need better early warning systems in place.

So that national government, local authorities and job centres can respond.

A Labour government would commission the Migration Advisory Committee to identify the sectors and regions where this is happening.

And to identify the obstacles preventing people getting those jobs.

We shouldn't be afraid to ask difficult questions about sectors of our economy where firms are forced to rely simply on labour from overseas.

Finally, in sectors where there is a problem identified, we need to make it possible for action to be taken at a local level.

We should survey employers and where there are more than 25 percent migrant workers - double the average share in the population - Jobcentre Plus should be notified.

Not to impose a quota.

But to help identify where a problem might exist with skills.

Then we can set about providing the training to fix it.

I started today by saying that we needed a new debate about immigration.

The public feel too often politicians only speak about the issue to close the conversation down.

That's not good enough.

We must do better.

That debate has to start with what is happening in our communities.

And it has to reflect our values.

My thoughts today are only the start of the conversation that my party must have with the British people.

I will be returning to this issue.

But today I have set out a direction in which I will lead my party.

Protecting our borders.

Providing a refuge for those fleeing persecution.

And a new approach to immigration based on building a different kind of economy.

An economy that doesn't leave anyone behind.

That continues to attract people from abroad who contribute their talents to our economy and society.

That offers proper wages and good conditions.

That's the kind of economy that will enable Britain to compete with the world.

It's an economy that works for working people.

This is the approach that will make Britain the confident and outward looking country I want us to be.