

BECOMING ONE OF US

Reforming the UK's citizenship system for a competitive, post-Brexit world

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60-SECOND SUMMARY

Decades of high migration have brought millions of people to Britain's shores. Many come to make the UK their home – working, raising families and becoming a permanent part of British society. Yet the political debate on immigration has recently tended to focus on the numbers of new immigrants coming into the country. This has had a distortive effect on the debate. Too little attention has been paid to migrants who are already here, and their pathway to citizenship. The means by which migrants make Britain their permanent home – indeed, become British citizens – is important. Yet for decades, the British citizenship system has lain unreformed.

The result of the European referendum has thrown this neglect into sharp relief. As Britain embarks upon negotiations to leave the European Union, there is no clarity on the future status and security of the 3 million citizens of other EU countries who live here. People who came to Britain legally and legitimately, who have built their lives here and contributed to British prosperity and culture, have no way of knowing whether they will be able to stay and on what terms.

In this report, we discuss the current status of EU citizens in Britain and their prospects as British withdrawal is triggered. Swift and fundamental reform is urgently needed, and we argue that all EU citizens who live here should automatically be granted indefinite leave to remain. We must recognise that European children who have been brought up in Britain, even if they do not have British nationality, will maintain an enduring connection to the country for the rest of their lives. Furthermore, the contribution that EU workers have made to the National Health Service especially must be recognised and safeguarded. The country's social cohesion depends upon a comprehensive system that integrates the migrants who have made their lives here into the national population.

However, broader reforms of the British citizenship system are overdue. Citizenship policy has developed incrementally, in response to changing migration flows and globalisation, since the British Nationality Act was passed in 1981. The system now stands on the brink of the most significant structural change since the end of Empire. Before the EU referendum, the government announced it would undertake a review of citizenship policy. This is an important opportunity to examine how the system is working and the impacts it has in the current reality of a high-migration country in an increasingly globalised economy.

Acquiring British nationality is tougher than it has ever been. As a result of reforms introduced over the past 20 years, prospective citizens have to pass a series of tests. They have to learn the language and culture, observe the law, be of good character, meet the residency requirement and pay a high fee. In many ways this is right: British citizenship should be a hard-earned privilege.

But as a means of fostering the country's economic prosperity and social cohesion, a more sophisticated system is needed. In this report, we argue that two groups of migrants, at opposite ends of the scale, are disproportionately disadvantaged by the current system. First, for migrants with world-class skills, the current system takes too long and is too uncertain.

Access to a British passport would give them the ability to travel for their work and the security to put down roots and invest in the UK. Other countries compete vigorously to attract this talent, and the future success of the British economy depends on our ability to attract and retain them. Our citizenship system risks encouraging them to look elsewhere, and thus poses a real threat to our international competitiveness.

This is far from a negligible issue: while Britain has toughened its citizenship system over the past 20 years, our competitor economies have liberalised theirs. Germany, for example, has significantly liberalised access to citizenship for migrants. As Brexit stokes concern that London's financial services sector may migrate to Paris or

Frankfurt, Britain must improve its offer to the world's most talented – particularly those who are already here. It should not be so difficult for them to become British and access the benefits of citizenship.

Second, low-wage migrants who are here legally and integrate well would benefit from citizenship. These migrants compete hard for jobs and accommodation. Recent reforms have made landlords and employers liable for the immigration status of those they employ or rent homes to. Those with an unusual passport, or whose residency is not straightforward or easily provable, will suffer, as employers and landlords with little knowledge of the immigration system may err on the side of caution. A British passport, which they fully satisfy the requirements for, would be a useful insurance for this group. But the spiralling price of citizenship – now more than £1,200 – has put it beyond their reach. It is far more expensive in the UK than in comparable countries. The low-skilled and low-wage labour supply is likely to decrease if the UK scraps free movement between the UK and European Union countries in light of the referendum result. Those migrants who are already here must be given a pathway to citizenship in the interests of social cohesion.

RECOMMENDATIONS

To safeguard the future of EU citizens living in Britain, and to send a clear message that Britain wants to integrate Europeans who have made their lives here, we recommend that the government takes the following immediate actions.

1. **Grant indefinite leave to remain to all EU citizens resident in Britain.**
2. **Offer automatic British citizenship to all European children who have been educated in Britain.**
3. **Waive the £1,200 fee for British citizenship for all EU citizens who have been living here for more than five years.**
4. **Offer automatic British citizenship to all Europeans working in the National Health Service, to recognise the importance of their contribution and safeguard public health.**

We also recommend a series of reforms to make the citizenship system altogether better suited to the complexities of a 21st century, high-migration country.

1. **Give the right to vote in local elections to all migrants with indefinite leave to remain.** Currently, Commonwealth migrants can vote in local elections, as can EU migrants – although they will likely lose that right when we leave the EU. Illogically, longstanding migrants from other parts of the world have no voting rights at all. In recognition of the fact that long-term residents are part of their communities, the government should give all of them the right to vote in local council elections.
2. **Create a fast-track route to citizenship for those with globally competitive skills.** By paying a higher fee, those with world-class skills in industries that power the British economy should be able to access citizenship, the ability to travel that it brings, and the security to invest and put down roots. This would send a much-needed message that Britain is open and competing hard in the global race for skills despite both our toughening immigration system and Brexit.
3. **Freeze the price of citizenship.** The cost of naturalising has spiralled in recent years, and Britain is now among the most expensive citizenship regimes in the developed world. The full integration that citizenship connotes is being moved out of the reach of most migrants, and should not be allowed to become any more expensive.
4. **Introduce a government-backed citizenship loan.** Migrants who satisfy all the other requirements of citizenship and who are in work but earning below £20,000 per year should be able to take out a citizenship loan, allowing them to pay the cost of their citizenship back over time. This loan would be interest-free and government-backed, in the same vein as student loans and start-up loans. We estimate that within a number of years any revenue loss would be offset by income from the fast-track route.

For the full report, including all references, data sources and notes on methodology, see: <http://www.ippr.org/publications/becoming-one-of-us>

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