

REGIONALISING MIGRATION

The North East as a case study

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60 SECOND SUMMARY

The outcome of the EU referendum makes it likely that the UK could leave the EU free movement zone and substantially reconfigure its broader immigration system. This is an opportunity to think freshly and innovatively about how migration can best serve Britain's communities. Devolution deals to date have not featured greater local control over migration policy, despite growing recognition that different areas have different experiences of migration's benefits and disadvantages. This is largely because EU migrants have had the freedom to move and work across all regions of the UK. Yet the vote for Brexit means we should consider whether a more regionalised approach to immigration is possible and desirable.

This report takes the North East as a case study: a region of England that faces acute demographic challenges, skills gaps and productivity and investment challenges, as well as local concerns around migration. If harnessed properly, and managed in a controlled and effective way, a regionally-specific approach to migration could be part of the solution to the North East's current and future challenges.

Two factors make a regionally tailored approach to migration possible. Firstly, the Brexit vote means the government is considering the most substantial changes to immigration policy in decades, as it evaluates losing free movement within the EU and wider migration reforms. Secondly, a system of tough controls and frontline enforcement offers administrative capacity that was hitherto infeasible.

A tailored approach could ensure that future migration complements the skills of existing workers and gives the North East greater capacity to manage social change sensitively. The region could achieve this through provision of special work visas, compiling a regional shortage occupation list, providing measures to attract high value investors, and targeted action on social integration.

SUMMARY

From the creation of the devolved administrations in 1999 through to the ongoing devolution deals, the 21st century has seen the apparatus of the British state becoming far more regionally diverse. Simultaneously, there has been growing recognition that the advantages and challenges brought by migration vary significantly across different parts of Britain – an idea brought home by the EU referendum. Yet migration policy remains entirely centrally administered, with Westminster making decisions that have blanket effects across the whole UK.

Concerns about immigration fuelled the Brexit debate and the subsequent approach taken by the new government. It seems unlikely that Britain will retain its current arrangements on free movement for EU citizens. The leave vote has made migration policy a matter of significant regional concern, with administrations in London, Belfast, Edinburgh and Cardiff arguing that aspects of migration policy

be specially negotiated or devolved in order to satisfy the particular requirements of the regional economy in each location, and its business and political leadership.

It would be a mistake to think only of the devolved administrations in considering the regional dimension of migration. There are good economic reasons why other parts of the country might also require a regionally tailored approach to the skills it might want to attract – or deter – from overseas, including in parts of the country where a majority voted to leave.

Challenges in the North East

The North East of England is a region in which 58 per cent of the population voted to leave the EU. Immigration may have featured highly among the reasons for this outcome nationally, but the North East is a region where there has been relatively little EU and non-EU migration. The region faces some significant economic

challenges in the years ahead, not least as a result of an ageing population and the skills shortages that this demographic challenge brings. While upskilling the local population must remain the key component of any approach to economic development, a tailored approach to migration could provide a crucial complement to create more and better jobs.

Rather than assuming that the North East's vote to leave was a call to close the borders, this report shows that a more locally tailored migration policy could reassure people that immigration is being approached on their own regional terms to support economic growth and to deliver local benefits. The risk for the North East is that a new migration framework is developed that works better for other, more economically prosperous, parts of the UK. If the vote to leave the EU was a vote for greater control, that would be a poor response. An approach tailored to the North East's unique circumstances is therefore needed.

Tailoring migration policy regionally

There are unprecedented conditions that now make a regionally-tailored approach to migration possible. The Home Office has reformed the administration of Britain's immigration regime with, for example, the introduction of migrant identity cards, and the legal duty on employers, banks and landlords to verify immigration status. Previously, it would have been impossible to enforce a regionalised component of Britain's immigration policy. This is no longer the case.

There are also successful precedents overseas. In Canada, for example, provinces sign special agreements with the federal government so that they can target and nominate migrants according to local economic needs. In Australia, regional visas are part of the points-based immigration system, with variations in thresholds making it slightly easier for migrants to enter certain states and territories which, like the North East, are keen to attract skilled migrants who might otherwise be drawn elsewhere.

Recommendations

This case study sets out how a tailored, regionalised approach to migration could address some of the economic and demographic challenges the North East faces. Under such a system, policymakers would have to address certain issues to ensure future migration complements the skills base of existing workers and that social change is sensitively managed.

We present a series of recommendations on how to develop a **regionalised approach to migration**:

- The creation of a **North East post-study work visa**, to allow international students with critical skills who have graduated from local universities to stay and work locally after their course.
- The introduction of a **North East shortage occupation list**, as a supplement to the national version. The North East should be able to attract key migrants directly to the region, whose presence will improve the quality of the job offer for local people.
- **Devolution of the tier 1 (investor) visa conditions** to the North East Combined Authority, to attract foreign investment and entrepreneurs, boosting output through migrant workers to generate a multiplier effect to create additional jobs.

We also recommend **social and integration actions** that local authorities should undertake to manage the impact of strategic migration, to reassure local communities and managing the social change migration brings:

- Ambitious measures to ensure the existing community is not disadvantaged by the arrival of migrants, through affirmative action for local candidates, extra integration work funded by a levy on employers recruiting high numbers of migrants
- Improve employment prospects and service provision for the entire community
- Setting up Migration Councils to understand and head off the impact of migration on local people.

For the full report, including all references, data sources and notes on methodology, see: <http://www.ippr.org/publications/regionalising-migration-the-north-east-as-a-case-study>

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