

Migration numbers

When I was policy adviser to Margaret Thatcher we sought economic growth per capita as we wanted U.K. people to be better off. We did not welcome the model of inviting in many people to do low paid jobs to boost GDP at the expense of GDP per head. We sought to keep net migration to a maximum of 50,000 per year, itself a high figure requiring extra homes and public services. There were some obligations to take workers under EEC rules, which were greatly expanded into full freedom of movement for all EU citizens introduced by the Treaty of Maastricht of 1992 and the subsequent EU legislation under John Major and Tony Blair.

There does need to be clarification from the government on what it thinks an acceptable level of migration is, as most of it is legal migration requiring visa permits from the U.K. government. They need to clarify their view of what minimum income should apply for someone needing a work visa, and what planning has gone into providing sufficient extra homes, NHS capacity, school places and utilities provision to ensure new arrivals can have a decent income and living standard without causing shortages for people already legally settled here. Treasury accounting which assumes GDP growth from new arrivals assumes they get a job, ignoring dependents, and overlooks the drop in GDP per head if many take low wage employment. Above all they surprisingly ignore the large public expenditure and taxpayer cost of providing subsidised accommodation and free public services for many.

So far the only category of overseas migrant we know the government wishes to cut sharply are the foreign multi millionaires who wish to pay tax on non U.K. wealth and income elsewhere whilst paying full U.K. tax on all they did here. It will mean a net loss of tax revenue and of investment in jobs and companies here, without reducing numbers of people much.

If the government truly wants to grow the economy faster and increase average prosperity it needs to welcome people coming to invest and create jobs whilst cutting back sharply on numbers wanting low paid jobs or state support. The U.K. response to the drivers shortage showed how putting pay up and increasing training could recruit many people from those already settled here. Where business is short of employees there needs to be a mixture of higher pay and measures for higher productivity and training to ease the shortage.