## A radical departure: Migration and mobility between the UK and EU after Brexit

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Discussion of the UK-EU relationship, particularly its economic aspects, tends to focus on trade more than migration. However, the implications of Brexit for the latter may matter just as much, if not more. Over the last two decades, the UK has become somewhat less integrated with the EU in trade terms; trade with EU members now accounts for just under half of total UK trade. By contrast, even after the departure of the UK, Ireland and Cyprus will be the only member states that trade outside the EU more than they do within.<sup>1</sup>

Migration is different. Despite the UK's long-standing reluctance to participate in the EU's Area for Freedom, Security and Justice and its resulting opt-outs across a range of EU policies, from Schengen to Frontex, the movement of people between the UK and the rest of the EU has grown dramatically. Over the same 20 year period, the number of UK residents born in an EU member state more than doubled to over 3.6 million (i.e. just over 5%). About 1 in 5 EU citizens who have migrated within the EU live in the UK.<sup>2</sup>

These statistics reflect a number of factors: the UK's decision to immediately open its labour market to new member states in 2004; its relatively flexible and dynamic labour market (particularly after the eurozone crisis); and, of course, the appeal of London, the status of English as the world language, and the UK's world-class universities. While movement the other way has not expanded as fast, about a million Britons – slightly under 2% of the population – now live in EU member states.<sup>3</sup>

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### The impact of the Brexit vote on migration trends

The Brexit vote changed all of this. In the year prior to the referendum, the net migration of EU citizens to the UK reached 200,000. Before the COVID-19 crisis, it had fallen to perhaps a quarter of that figure. This reflects economic trends, but more importantly legal and psychological factors relating to the uncertainty about the future rights of EU citizens currently residing in the UK, and the general political and social climate, with the UK no longer considered a hospitable destination for EU migrants.

Again in contrast to UK-EU trade – which, prior to the COVID-19 outbreak, remained broadly stable since the referendum –, when it comes to migration, the UK's disengagement from the EU has already begun. The introduction of a new UK immigration system after the end of the transition period in January 2021 (barring a now unlikely extension) is likely to accentuate this trend.

The Withdrawal Agreement mandates that EU citizens currently residing in the UK and UK nationals in the EU will – regardless of whether there is a deal on the future UK-EU relationship, or not – broadly retain their existing rights. However, UK nationals will lose the automatic right to move to another EU country or work across borders. Furthermore, there is still scope for a dispute over exactly how the provisions relating to citizens' rights are interpreted in the UK and the EU member states.

### The new UK immigration system

Nevertheless, the major changes are for new migrants from both EU and non-EU countries (with the exception of Irish citizens, who will retain their existing rights), who will need to qualify under the UK's new 'points-based' immigration system. For most of those migrating to the UK to work, that will mean securing a job that requires skills and pays salaries above certain thresholds. For those migrating for family reasons, they must qualify under the UK's existing rules – which are extremely restrictive compared to most EU member states.

The UK's new system will, therefore, represent a significant tightening of controls on EU migration compared to free movement. All migrants coming to work in lower-skilled and paid occupations will in principle no longer be able to gain entry, while those who do qualify will need to pay considerable fees and have their prospective employers apply on their behalf. Even then, they will have, as is the case for non-EU migrants at present, significantly fewer rights (e.g. access to the welfare system).

For UK citizens seeking to move to the EU, the mirror image applies: their automatic right to reside as EU nationals will end, and they will be treated as third-country nationals, like other non-EU citizens. However, the key difference is that the migration of third-country nationals is largely a competence of individual member states, with some minimum standards set at the EU level under various directives which cover the rights of third-country nationals. That means that it will be, in general, easier for UK citizens to move to Sweden for work purposes than to Italy – although still considerably harder than it is now for UK citizens moving to either country. It also implies that having migrated in the first place, their rights to move between EU countries or work across borders will be severely curtailed.

# Any UK-EU deal will not cover migration

The course of the UK-EU negotiations will not alter this trajectory of policy changes significantly. As noted above, the Withdrawal Agreement resolved issues relating to the rights of those who have already migrated between the UK and EU. However, for future migration, the UK government is firmly committed to maintaining regulatory flexibility after Brexit. Combined with the accelerated timetable for negotiating a trade deal with the EU, this means that there is little prospect for any significant provisions on labour mobility or long-term migration between the UK and EU in any post-Brexit deal.

Putting aside the UK's political constraints, past EU trade deals – such as the Canada-EU free trade agreement – have not included significant provisions relating to immigration, particularly given the complex division of competences between the EU institutions and member states on such issues. Some arrangements will probably be agreed in any UK-EU deal to facilitate short-term business visits. But – as in with other regulatory provisions governing the trade in services between the UK and EU – any such arrangements will still represent a significant increase in regulatory barriers between the two.

One major unanswered question concerns students. UK universities (and graduate employers, particularly in London) benefit significantly from the current arrangements: EU students attend UK universities on the same basis as UK ones, pay much lower tuition fees than non-EU students and, under the UK's system for the repayment of student loans, only on a deferred basis (if at all).

This system is costly for the UK government and hard to justify under the new 'non-discriminatory' system and is therefore unlikely to continue. It is, however, possible that if an UK-EU trade deal is reached, some special arrangements will be made to facilitate UK students' enrolment in universities in The UK's new system will represent a significant tightening of controls on EU migration compared to free movement.

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### **Economic consequences**

These changes will have significant economic and political consequences for the UK. Over the past two decades, migration from the EU has boosted growth, helped address skill and labour shortages, and benefited public finances in the UK. It also led to rapid population growth in some areas of the country.

Against a background of general austerity and cuts to public services – and a hostile media and opportunistic politicians looking for convenient scapegoats –, this generated significant social and political tensions, which provided much of the impetus behind Brexit. The UK economy is already in the process of adapting to a new reality where EU migration is much lower, leading to pressures in areas like the National Health Service (NHS) and agriculture. The UK government has announced that fruit pickers from abroad will be exempt from the COVID-19-related quarantine imposed on travellers. Meanwhile, NHS workers will not have to pay the government's future 'NHS surcharge', a special surtax imposed on new migrants to ostensibly help fund the NHS – although in practice it simply goes into general government funds.

For EU countries that source large numbers of migrants to the UK, there will be both advantages and disadvantages. These member states have benefited from their citizens' access to the UK labour market, acting as a 'safety valve' for high domestic unemployment as well as from remittances. However, in the medium to long term, a decrease in the emigration of relatively young and skilled EU workers to the UK (and perhaps the return of some currently residing in the UK to the EU) may be an economic benefit. This is particularly true of countries facing severe demographic challenges, like Latvia and Lithuania.

Nevertheless, Brexit will not mean the end of migration flows between the UK and EU. Indeed, since the Brexit vote, for a variety of reasons, UK public opinion has become more promigration, opening some political space for a more liberal policy than appeared likely two years ago. The ousting of Theresa May, the most restrictionist Prime Minister in recent UK history, reinforces this, as does the desire of the devolved administrations, particularly Scotland, to maintain migration flows.

Brexit will not mean the end of migration flows between the UK and EU. Indeed, since the Brexit vote, UK public opinion has become more promigration, opening some political space for a more liberal policy than appeared likely two years ago. While COVID-19 will obviously lead to a very sharp fall in migration in the short term, it will not necessarily alter this dynamic in the long term. The UK is exceptionally dependent on international travel and connectivity in a way that the US, for example, is not. This means that UK and EU policymakers must find a way to allow people to move across its borders in huge numbers again, whether it be through screening, testing, post-arrival monitoring, or some combination.

And indeed, the pandemic has highlighted the fact that economic value, as measured

by market wages, is not necessarily a great reflection of wider social value. Care workers, bus drivers and supermarket staff all fulfil essential functions, and it is far from obvious whether or not the UK public will support an immigration system that excludes such workers. This will not mean the continuation nor restoration of free movement, but rather that the new system will be more open – closer perhaps to the Swedish treatment of third-country nationals, which broadly allows workers to come do jobs that cannot be filled by EU workers – than originally envisaged.

### Conclusion: A new chapter

Migration is about people. People have moved back and forth across the Channel and North and Irish Seas since long before the creation of the UK and other European nation-states, let alone the EU. We are, and will remain, part of a broader European family. Most of the 3.6 million EU nationals currently residing in the UK will remain put, and many for the rest of their lives. The family connections made and cultural cross-fertilisation of the last two decades will not be reversed. Over time – deal or no deal – both sides will find it in their interests to construct new frameworks for the mobility of people, especially young people, students and researchers. Brexit will make it harder for us to study, work, retire, or fall in love – but it will not stop us.

<sup>&</sup>lt;sup>1.</sup> *Eurostat*, "International trade in goods – Overview" (accessed 08 June 2020).

<sup>&</sup>lt;sup>2</sup> Office for National Statistics, "Population by country of birth and nationality: 2019" (accessed 08 June 2020).

<sup>&</sup>lt;sup>3.</sup> Eurostat, "EU citizens living in another Member State – statistical overview" (accessed 08 June 2020).