

## EU Referendum

Roundup, week 09

Friday 4 March 2016



Institute  
and Faculty  
of Actuaries

### Past week's events

<b>Mon</b> <b>29 Feb.</b>	<a href="#">Ian Duncan Smith, Minister for Work and Pensions, said that leaving the EU</a> would be a "stride into the light", enabling the UK to trade freely and control migration.
	<a href="#">Jonathan Portes, NIESR, argues in the Guardian that a migration debate must be had</a> , but that it should be based more on facts, and on more facts (which the UK government is reluctant to provide).
<b>Tue</b> <b>1 March</b>	The Cabinet Office produced a document <a href="#">explains the process that would follow a vote to leave the EU</a> , and the prospects for negotiations.
	<a href="#">Lord Hill, EU Commissioner for Financial Stability, Financial Services and Capital Markets Union, said</a> Britain outside the European Union would be a "suppliant" and end up with worse trading terms.
<b>Wed</b> <b>2 March</b>	The Cabinet Office produced a paper that looks <a href="#">at potential models for the UK's relationship with the European Union, if the UK were to vote to leave the EU</a> .
	<a href="#">Foreign Secretary Philip Hammond has launched an all-out attack on the Leave campaign</a> . In a speech at Chatham House on Wednesday, Hammond claimed he was trying to "smoke out" the Leave campaign and force them to admit there are serious flaws with their argument that Britain would be better off outside of the EU.
	<a href="#">A poll by NatCen finds</a> that 60% favoured continuing EU membership, compared with 30% who favoured withdrawal. <ul style="list-style-type: none"><li>• 68% favour reducing the ability of EU migrants to access welfare benefits</li><li>• 60% also favour reducing the extent to which the EU regulates business</li><li>• 59% want to stop people from other EU countries accessing the NHS for free</li><li>• 51% want to end the free movement of people within the EU</li></ul>
<b>Thu</b> <b>3 March</b>	<a href="#">Jim Sillars urges 'blindly loyal' nationalists</a> to back Brexit and aid independence cause
	French President François Hollande and German Finance minister Wolfgang Schäuble have come out with <a href="#">stark warnings</a> for if the UK votes to leave. France would be less willing to stop immigrants at Calais, Germany would shut the UK out of the Single Market.
<b>Fri</b> <b>4 March</b>	The Commons business, innovation and skills select committee has <a href="#">opened an inquiry</a> to test the claims cited by businesses on both sides of the European Union referendum debate.

### Upcoming events

16 April	Budget
5 May	London mayoral elections + London assembly elections
5 May	National Assembly for Wales election
5 May	Scottish Parliament election
23 June	<b>EU Referendum date</b>
23-24 June	EU Summit

## **Migration stats a headache for both Leave and Remain camps**

With the EU referendum now set to take place on June 23, the ONS quarterly migration statistics, released tomorrow, will raise some important challenges for both the Remain and Leave campaigns.

Net migration is likely to still be approximately three times the government's target, and EU immigration is likely to make up around 40 per cent of inflows.

But while the debate focuses on figures, IPPR's research suggests that in many cases the public's priority is to ensure EU migrants contribute before they claim benefits, to reduce pressures on public services, and to place greater controls on the types of people – rather than the total number – who come to the UK.

For Remain, the challenge is to address public concerns about high levels of EU migration. The Prime Minister's recent renegotiation aimed to reduce the 'pull factor' for EU migrants by restricting access to in-work benefits. But the agreed 'emergency brake' mechanism will only work for a limited period and will only limit access to in-work benefits in a graduated way.

There is little evidence to suggest that EU migrants are attracted to the UK to claim benefits. Only around 14 per cent of working age EU migrants report receiving tax credits and they are more likely to claim the longer they are here. Therefore these changes are unlikely to bring down EU migration.

Moreover, flows will probably remain high in the near future if the UK votes to remain in the EU. EU immigration to the UK has consistently stayed far above 100,000 over the past ten years.

For Leave, the challenge is to set out an alternative, credible migration system for the UK outside of the EU. The impact of a Leave vote on EU migration is unclear and will depend on a range of policy decisions. If the UK leaves the EU but then stays in the EEA – like Norway – then it will continue to sign up to free movement. EU migration levels would likely still remain high and the Prime Minister's 'emergency brake' on in-work benefits would no longer become EU law.

On the other hand, if the UK agrees a new deal with the EU that does not involve retaining free movement, then it will gain greater control over migration from other EU countries. Under this scenario, EU migrants would no longer have free movement rights but, like non-EU migrants, may still be able to migrate to the UK as skilled workers, students, family members, or entrepreneurs.

However, such a change alone would not result in a fall in net migration to the government's target of 100,000 per year. Even if net EU migration fell dramatically from 180,000 to approximately 65,000 – as one estimate has suggested – then (other things being equal) net migration would still be around double the government's target, given high levels of net non-EU migration. Moreover, before the UK transitioned to the new arrangements it could see a surge in EU migration under existing free movement rules. After the changes, EU migrants might be more likely to settle permanently – this could reduce emigration and thereby put the net migration target further out of reach. In order to reach the government's target after leaving the EU, the UK would therefore probably have to introduce a range of further restrictions on migration from both EU and non-EU countries.

Marley Morris, Research Fellow at IPPR, said: "It is crucial for this referendum that both sides are honest about EU migration. It is doubtful that the 'emergency brake' will significantly reduce EU migration, which is likely to continue to be high if the UK remains in the EU. Likewise, it is unclear how EU migration policy would work if the UK left the EU: if the UK discarded free movement rules then it would have more control over EU migration but, without drastic action, would most likely not come close to meeting the government's target.

Our research on public attitudes suggests that concerns about EU migration are often not simply about bringing down numbers but also about other things: limiting access to benefits, reducing pressures on services, and making sure the system is fair and under control. Some of these things can be done from within the EU; others can only be done outside it. But rather than obsessing over numbers – which are hard to limit inside or outside of the EU – the campaigns should focus on these issues in the months ahead."