



Submission to:

Migration Advisory Committee - Consultation: [Call for Evidence](#)

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From:

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Background

This document has been prepared in response to the **Migration Advisory Committee (MAC) - Consultation: [Call for Evidence](#)**, dated July 2017.

It is a response prepared by AIRTO on behalf of its member companies, who operate in the innovation sector in the UK and overseas, with links to industry and academia. AIRTO members number more than 60 organisations, employing over 57,000 scientific and technical staff. These organisations work across a wide range of industrial sectors, and are based across the UK with some clustering in London and the South East.

A brief description of AIRTO, together with contact details, is given at the end of this document.

EEA Migration Trends

- ***Please provide evidence on the characteristics (e.g. types of jobs migrants perform; skill levels etc.) of EEA migrants in your particular sector/local area/region. How do these differ from UK workers? And from non-EEA workers?***

AIRTO member companies recruit highly-skilled staff from the EEA. These are researchers and technologists qualified at NQF6 and above (usually graduates, Masters and Doctorates). They do not differ from UK and non-EEA workers in general, but there can be the situation where very specific skills are only available from particular regions of the EEA.

EEA migrants are recruited as newly qualified staff, or staff with research and industry experience.

Newly qualified staff will often stay in the UK for typically five years, with some staying longer and progressing to more senior roles. EEA migrants with work experience will also typically build a longer-term career in the UK.

A “straw poll” of AIRTO members in July 2016 gave a typical level of non-UK employees of 20% of the workforce, with two thirds of these being from the EEA.

Based on these figures and the total number of AIRTO employees, members currently employ approximately 7,500 EEA migrants.

Some AIRTO members involved in European science projects (such as JET) will have much higher numbers of temporary or permanent highly-skilled staff from the EEA.

If only skilled technical roles are considered, the percentage of non-UK employees is higher than the ~20% given above.

Lower numbers of EEA migrants are employed by AIRTO members in operational support roles. Usually these are either already resident in the UK, or move to the UK with a highly-skilled partner.

- ***To what extent are EEA migrants seasonal; part-time; agency-workers; temporary; short-term assignments; inter-company transfers; self-employed? What information do you have on their skill levels? To what extent do these differ from UK workers and non-EEA workers?***

AIRTO members generally employ EEA migrants as full-time permanent workers.

Additionally, EEA migrants may be involved in short-term or medium-term, fixed length assignments:

1. Students on placement.
2. Researchers on fellowships.
3. Researchers involved in EU collaborative projects.

- ***Are there any relevant sources of evidence, beyond the usual range of official statistics that would allow the MAC to get a more detailed view of the current patterns of EEA migration, especially over the last year?***

None for AIRTO members.

However, AIRTO will undertake a structured survey of its members, if the MAC considers that such a survey will provide useful information for its current consultation.

- ***Have the patterns of EEA Migration changed over time? What evidence do you have showing your employment of EEA migrants since 2000? And after the Brexit referendum? Are these trends different for UK workers and non-EEA workers?***

AIRTO members have seen a gradual increase in migrant labour since 2000.

The balance between EEA and non-EEA migrants changed after the more demanding application processes for non-EEA migrants came into force, with an increase in the proportion of EEA migrants.

After the economic crisis of 2008, there was an increase in applications and migrants from southern European countries (Portugal, Spain, Italy and Greece).

After the Brexit referendum, some AIRTO members have reported modest reductions in existing EEA migrants, and applications from potential EEA migrants, whilst others have reported no significant change.

All of these statements apply to highly-skilled migrants.

- ***Have you conducted any analysis on the future trends of EEA migration, in particular in the absence of immigration controls?***

No.

However, with the free movement of labour, it is reasonable to expect that the type of highly-skilled staff employed by AIRTO members will be increasingly mobile in the future. This will result in an increase in the EEA migrants employed by AIRTO members, and an increase in UK nationals working in EEA research organisations. Both of these will benefit the research and innovation community in the UK and the EEA.

- ***Have you made any assessment of the impact of a possible reduction in the availability of EEA migrants (whether occurring naturally or through policy) as part of your workforce? What impact would a reduction in EEA migration have on your sector/local area/region? How will your business/sector/area/region cope? Would the impacts be different if reductions in migration took place amongst non-EEA migrants? Have you made any contingency plans?***

No formal assessment of the impact of a possible reduction in the availability of EEA migrants has been made by AIRTO and its members.

However, there is an expectation that highly-skilled technical roles would be more difficult to fill as experience has shown that skilled candidates, particularly in niche technical areas, can be extremely difficult to source within the UK population. Currently, recruiting for a technical role is typically four months, but some roles can take more than a year to fill. A reduction in the availability of highly-skilled EEA migrants is likely to extend this period.

The effect of this will limit the support that AIRTO members can provide to UK industry, where demand is increasing in order to introduce innovative projects and processes, and to increase productivity.

Recruitment Practices, Training & Skills

- ***Please provide evidence on the methods of recruitment used to employ EEA migrants. Do these methods differ from those used to employ UK and non-EEA workers? What impact does this have on UK workers? Have these methods changed following the Brexit referendum?***

In general, the same recruitment methods are used for UK, EEA and non-EEA workers. These will typically involve advertising in publications and on-line, our members own websites, social media and networking.

Collaboration with EEA partners in European research projects can lead to ad hoc applications from candidates from EEA countries. There is no equivalent non-EEA mechanism to this.

The requirement for specific skills can involve the targeting of individual regions or countries. This is more likely to occur in the UK and EEA than in non-EEA countries.

There is no specific impact on UK workers, and all candidates are assessed without reference to their nationality.

- ***Do recruitment practices differ by skill-type and occupation?***

As discussed above, the targets for recruitment from EEA and non-EEA countries are highly skilled research and technical staff, usually NQF6 and above, using the methods described in the previous paragraph.

A more proactive recruitment practice, using head-hunters or personal contacts, may be used for specialist technical or managerial staff. This will apply in the UK, and to a lesser extent in EEA countries, and rarely in non-EEA countries.

Support staff, who are almost entirely recruited in the UK (whether UK nationals or not), are likely to be the subject of regional or UK focused recruitment practices.

- ***What are the advantages and disadvantages of employing EEA workers? Have these changed following the Brexit referendum result?***

EEA countries provide both numbers of highly-skilled workers and workers with specific skills, in both cases where they are not available in the UK.

Recruitment from the EEA is from a large pool of highly-skilled workers and, with no barriers to migration, can be a relatively quick process. This is important for meeting sudden demands for increasing staff in particular areas of work, and is not possible with non-EEA workers because of the time taken to secure work permits.

There are no major disadvantages in employing EEA workers.

These advantages and lack of disadvantages have not changed following the Brexit referendum.

There are some anecdotal statements from AIRTO members that both numbers of EEA workers employed and applications from EEA workers are decreasing. However, others report no change.

- ***To what extent has the EEA and non-EEA migration affected the skills and training of the UK workers?***

EEA and non-EEA migration does not have a direct effect on the skills and training of UK workers employed by AIRTO members.

However, the specialist skills, contacts and increased diversity of a workforce that combines UK, EEA and non-EEA staff, provides wider interactions, knowledge and innovative activity.

- ***How involved are universities and training providers in ensuring that the UK workforce has the skills needed to fill key roles/roles in high demand in your sector? Do you have plans to increase this involvement in the future?***

AIRTO members are involved in outreach activities to schools, colleges and universities to encourage the development of the skills necessary to work both in their sector and more specifically in their own organisation.

Additionally, some AIRTO members are actively partnering with universities to train students, particularly at post-graduate level. These students may be UK, EEA or non-EEA nationals. AIRTO members reported difficulties in recruiting UK nationals in particular technical disciplines.

However, the benefit of these activities will mainly be long-term, and will be relatively minor compared to the predicted shortage of highly-skilled workers in the UK in reports from organisations such as Engineering UK.

- ***How well aware are you of the current UK migration policies for non-EEA migrants? If new immigration policies restrict the numbers of low-skilled migrants who can come to work in the UK, which forms of migration into low-skilled work should be prioritised? For example, the current shortage occupation list applies to high skilled occupation; do you think this should be expanded to cover lower skill levels?***

AIRTO members are well aware of the current UK migration policies for non-EEA migrants, because of their current multi-national workforces.

As AIRTO members do not systematically directly employ low-skilled migrants, there is no strong view on the prioritisation of current shortage occupations. However, if there are shortages in low-skilled and medium-skilled workers in supporting services such as catering and construction, that affects the efficient operation of their organisations, AIRTO members will support prioritisation in these occupations.

It should be noted that rigidly applied occupation lists could place unnecessary restrictions on needed workers.

Economic, Social and Fiscal Impacts

- ***What are the economic, social and fiscal costs and benefits of EEA migration to the UK economy? What are the impacts of EEA migrants on the labour market, prices, public services, net fiscal impacts (e.g. taxes paid by migrants; benefits they receive), productivity, investment, innovation and general competitiveness of UK industry?***

EEA migration to the UK to work for AIRTO member companies has an overwhelmingly positive benefit to the UK.

The workers are almost entirely highly skilled and hence highly paid, contributing a disproportionately high level of taxation.

Younger staff (newly-qualified graduates, Masters, Doctorates) have no or a lower level of dependants and make little or no demand on the UK benefits system.

Those staying long term contribute even higher levels of taxation.

Their skills add to the ability of AIRTO member companies to support UK industry to increase innovation and productivity.

- ***Do these differ from the impact of non-EEA migrants?***

No.

- ***Do these impacts differ at national, regional or local level?***

There could be minor variations for AIRTO members working in different geographical regions of the UK, but it is expected that these are second order effects when compared to the highly skilled profile of the workers under consideration.

- ***Do these impacts vary by sector and occupation?***

There could be minor variations for AIRTO members working in different industrial sectors, but it is expected that these are second order effects when compared to the highly skilled profile of the workers under consideration.

- ***Do these impacts vary by skill level (high-skilled, medium skilled, and low-skilled workers)?***

Non-UK workers employed by AIRTO members are overwhelmingly highly skilled, and hence no variation in impacts are observed.

Summary

AIRTO member companies rely on EEA and non-EEA staff with specific skills, and to fill the shortfall in the availability of suitably qualified UK workers.

If these non-UK workers are not available to organisations in the innovation sector, their ability to support UK industry and attract overseas investment will be impaired.

EEA workers, in particular, also bring innovative skills, and contacts with European universities, research organisations and industry.

In July 2016, at a meeting of AIRTO member companies' CEOs, a straw poll gave the level of non-UK employees as typically 20% with two-thirds of these being from the EEA. There have been some anecdotal statements of the percentage of EEA workers reducing slightly for some AIRTO members since the Brexit referendum.

These workers are usually qualified at NQF6 and above, and are from a wide range of scientific and technical disciplines.

If just the part of AIRTO members' workforce qualified at NQF6 and above is considered (i.e. the scientific and technical staff), the percentage of EEA and non-EEA workers is higher than the 20% quoted above.

Any new immigration arrangements introduced when the UK leaves the EEA need to be flexible, quick and easy to administer if UK research and technology organisations are to continue to attract highly skilled migrants, who are crucial to their continuing operation. Care must be taken to ensure specific workers are not unreasonably excluded, if inflexible occupation lists are used as a basis for migration and too rigidly applied.

AIRTO is willing to undertake a survey of its members, in order to obtain more quantitative data on EEA migration levels and trends, if the MAC consider that such a survey will be beneficial to its current consultation.

About AIRTO

AIRTO is the Association of Innovation, Research and Technology Organisations. Its membership comprises approximately sixty of the principal organisations operating in the UK's Innovation, Research and Technology (IRT) sector. The IRT sector has a combined turnover of £6.9Bn, employing over 57,000 scientific and technical staff (equivalent to the academic staffing of the Russell Group of universities) and, for comparison, it is significantly larger than the network of Fraunhofer Institutes in Germany both in size and its scope of activities. The sector contributes £34Bn to UK GDP. AIRTO's members work at the interface between academia and industry, for both private and public sector clients.

Members include independent Research and Technology Organisations, Catapult Centres, Public Sector Research Establishments, National Laboratories, some university Technology Transfer Offices and some privately held innovation companies.

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