www.migrationwatchuk.org

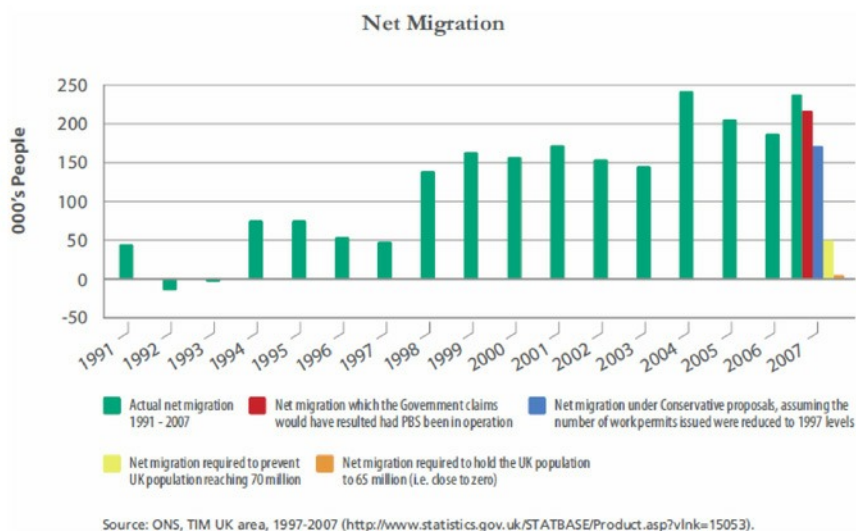# The Points Based System: Dispelling the Myths

- The Points Based System (PBS) is not designed to limit the number of people settling in the UK. Therefore it is completely unlike the Australian system.
- According to Government figures, the PBS would have cut net immigration in 2007 by 8%, when a reduction of 75% is required to stop the UK's population hitting 70 million in 2 028.

1. Introduction
The Home Affairs Committee issued its report on the Points based system for work permits on Friday 31 July. This note sets out the background.

2. The PBS will not prevent the UK's population hitting 70 million
The Government's own calculation is that, if the PBS had been in operation last year, it would h ave reduced immigration by 20,000 or 8 % of net immigration of 237,000 in 2007 (the latest available year) [1]. We need a reduction of 75% to hold the population of the UK below 70 million and a 100% reduction to hold it below 65 million compared to the present 61 million, as illustrated in the following diagram:

Source: ONS, TIM UK area, 1997-2007 (http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=15053).

3. The PBS is completely unlike the Australian system.
The system is quite different from the Australian system as it has no limits and is not intended to have any. This scheme does not limit work-related migration in any way, and is not intended to. The Australian system which it is said to resemble is, in fact, entirely different; it starts with a limit and selects within that total. By contrast, Tier One is entirely open ended. For Tier Two,

employers are supposed to make sure that there is no satisfactory candidate within the European Union but this test is notoriously difficult to police. Nor does it apply if an occupation has been declared a "shortage occupation", nor if the migrant arrives as an intra company transfer.

4. There is no evidence of the economic benefits of large scale immigration.
As unemployment climbs towards three million, the whole justification for a massive system for economic migration comes into question. With a workforce of 30 million, the only long-term answer is to train and retrain British workers. The CBI themselves acknowledged this in their evidence to the House of Lords [2]. Furthermore, the whole concept of skills shortages is dubious, particularly over the medium term. Professor Metcalf, Chair of the government's own Migration Advisory Committee told the House of Lords Economic Committee that "the whole notion of shortages was a bit of a slippery concept" (Q557), since, over time, wage increases should deal with the shortages. This scheme assumes that there is significant economic benefit to the host country from large-scale immigration. However, House of Lords report in April 2007 came to the opposite conclusion [3].

5. It does not help make British workers more competitive.
The main effect of the scheme will be to open the skilled section of our labour market to competition from overseas, thus reducing the incentive for employers to train British staff. For example, Tier One will be open to any foreign student who has a obtained a Bachelor degree in the UK, is under 28, has stayed on under the International Graduates Scheme and is earning £23,000 a year. As the average starting salary for a graduate in the UK is about £21,000, this is not a high hurdle. These international graduates will be in direct competition with British graduates who will have run up substantial debts acquiring their degrees.
It is noteworthy that all the private sector jobs of working age created since 1997 have gone to foreign born workers.

6. It does not fill gaps in the labour force.
This Government claims to this effect have been completely contradicted by the facts. Since 1997 the number of foreign born workers has doubled to nearly four million, yet the number of vacancies hardly changed from 667,000 between mid 2001 to mid 2008. This is because immigrants fill some jobs but also create new demand which means new jobs. (It has since fallen to 465,000 in Jan 2009 as the recession has developed).

7. Scope for abuse.
At the application stage, the incentive to forge the necessary documents will be huge. At stake is a "meal ticket for life" both for the successful fraudster and his family. The Government claim that "intelligence led" detection methods will be effective but with applications approaching 200,000 a year, that must be dubious. Furthermore, after arrival, there is no guarantee that those granted work permits under Tier Two will actually do (or continue to do) the jobs that they were recruited for. Under Tier One there is not even a requirement that they should do skilled work.

8. Absence of embarkation controls.
This scheme is being brought into effect before border checks on individuals are fully in place. The Home Office are, therefore, in no position to know whether someone granted a work permit has left at the end of it.

9. Difficulties of removal.
Quite apart from the extensive legal and practical difficulties of removing people against their will,

the Government has almost no capacity to remove people who are neither foreign prisoners at the end of their sentence nor failed asylum seekers. The Government claim to be removing an immigration offender every 8 minutes is deeply misleading. This number includes those turned away at the border. The number actually being removed after entry is about 1,000 a month or 12,000 a year (excluding foreign national prisoners). Meanwhile, the number of visas issued has risen rapidly in recent years to over 2 million a year. The Government's removal capacity is less than 1% of this number. Therefore, unless over 99% of those granted visas leave when they are supposed to, despite the absence of any checks, the number of illegals in Britain will climb every year.

10. Complexity.

This will be a huge and complex scheme. There are potentially 26,000 job titles and over 5,000 sponsors. Given that students are included in Tier 4, there could well be half a million applications a year. On past form, the Home Office are most unlikely to have the staff and resources necessary to check on the authenticity of the applicants and their sponsors. The pressure from industry and academia will be to reduce waiting times and backlogs. It could well be only a matter of time before they are simply going through the motions for the sake of appearances, as we have seen so often in the past.

31 July, 2009

NOTES

1. UKBA Press Release 5 Jan 2009 text and Notes to Editors. Note 4
2. Written Evidence HL paper 82-II Memorandum by the CBI paragraph 2.
3. House of Lords, Select Committee on Economic Affairs, HL Paper 82-1.