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Immigration caps risk stifling UK economic recovery

The introduction of caps on employment of highly skilled foreign workers and intra-company transfers would stifle the UK's economic recovery and damage its competitive position longer term. That's the message Permits Foundation has given to the Migration Advisory Committee and the UK Border Agency in consultations drawing to a close this month.

"There's a serious risk that an adverse immigration climate will damage the UK's reputation as a global business hub and spill over to other countries where British staff are assigned. This could cause a double rebound for the UK economy, reducing interest in inward investment from overseas companies and reducing prospects for British staff to work abroad." said Gill Gordon, Chair of the Permits Foundation and HR director with Schlumberger.

Instead of targeting business transfers, which make a major contribution to the UK's economic growth and represent only a small proportion of total migration, Permits Foundation takes the view that the government should focus on the estimated half a million illegal immigrants and other categories where there is a risk of misuse of visa conditions. Any unauthorised employment or undercutting UK salaries should be tackled by stricter enforcement and sanctions for non-compliance. A combination of these measures will bring down net migration without harming the economy.

Intra-company transferees are a well educated talent pool that transfers knowledge, skills and technology, refreshes and upgrades the UK employment market, boosts the economy and provides additional tax revenues.

"Employers are in the best position to judge whom they should employ and when to transfer overseas staff. They must have the flexibility to react to changing market conditions and business opportunities" said Caroline Waters, Director People and Policy at BT. *"We know that self-regulation works from the statistics on the UK's points based migration system. Last year, the economic slowdown led to a reduction of 12,000 skilled migrants, without a need for caps."*

Nevertheless, the government introduced temporary caps, which have proven disruptive to graduate and professional recruitment. *"The government announced a 5% cut, but in practice many employers have faced cuts of 15% to 20% below last year's levels, which were already reduced because of the economic downturn."* said Gill Gordon. *"New hires are being refused as the Border Agency is over subscribed and is concentrating on extensions for current employees. These problems show just how unsatisfactory a cap system is."*

Should the government insist on caps, Permits Foundation proposed an exemption for companies that meet agreed standards of investment, fiscal contribution and training of British workers. The foundation also warned against any pullback on the right of family members to accompany and to work in the UK. Permits Foundation research indicates that this would have an adverse impact on the UK's attractiveness as an international business hub.

Notes for the press:

Permits Foundation is a corporate initiative that supports international mobility by promoting open work authorisation for expatriate partners worldwide. This is a concern to international employers which, in view of the increasing number of dual careers, experience work permit restrictions for partners as a hurdle to employee mobility, diversity and equal opportunity. More than 40 major international companies support Permits Foundation, which is independent and not-for-profit. The Foundation has been successful in contributing to change in the USA, France, The Netherlands, Hong Kong and Malaysia. It is currently promoting improvements throughout the European Union and several countries in Asia and is working to raise awareness worldwide.

View Permits Foundation full submissions to the Migration Advisory Committee and the UK Border Agency at: www.permitsfoundation.com

Contact: Kathleen van der Wilk-Carlton tel:+31703191930.