

# Brexit – Free Movement and Immigration Issues

Jacob Funk Kirkegaard  
Senior Fellow

# Agenda



- I. Free Movement and the UK Economy**
  
- II. Why “Simple Mutual Migrant Recognition” Won’t Work**

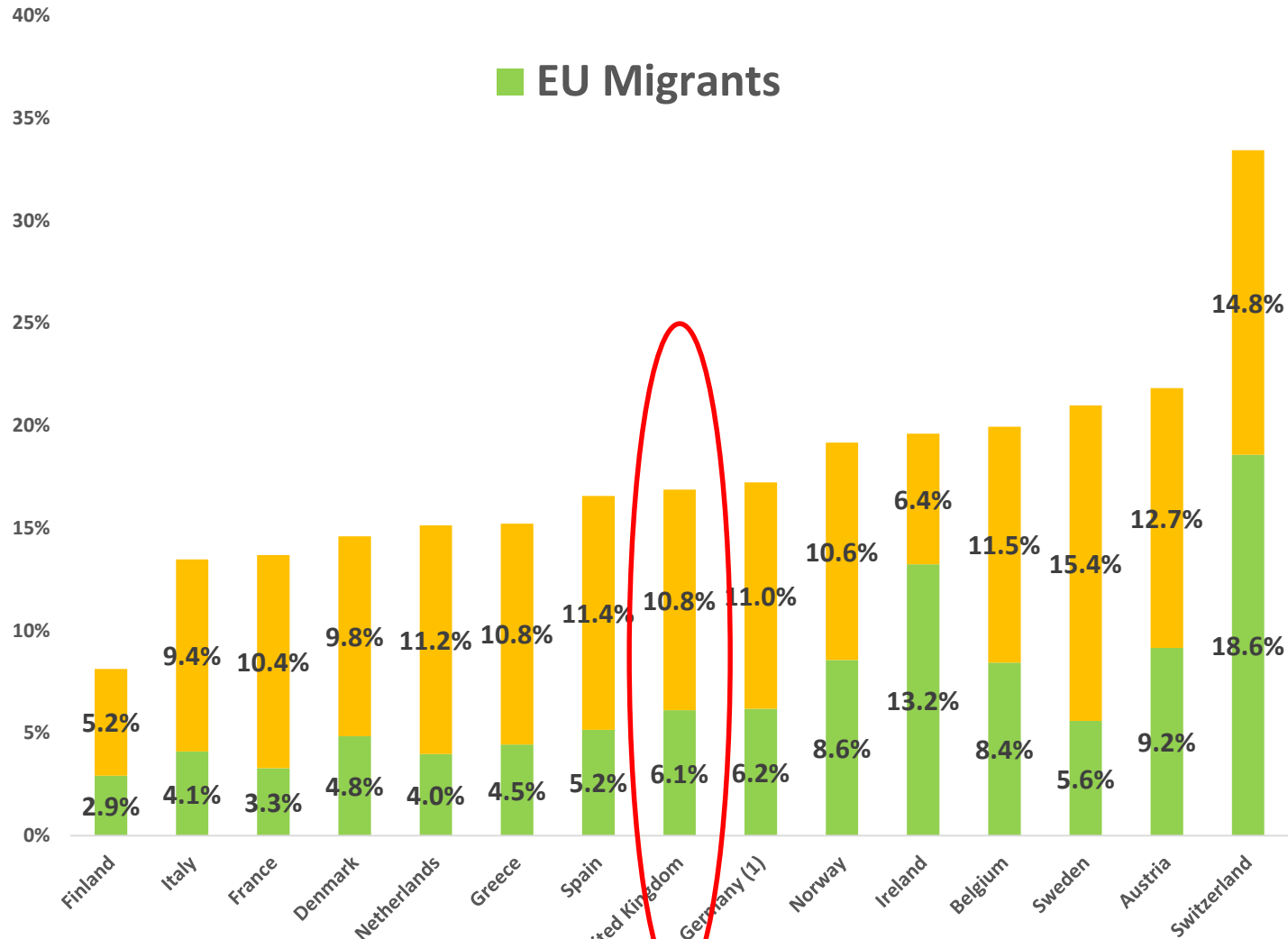
# Free Movement and the UK Econ

## Migrant Share of Working Age Population, 2016

UK has NOT been overrun by migrants from either EU or rest of the world

About in the middle among EU/EEA members

Early “opening up in 2004” no longer a quantitative difference



1) German Data from National German Sources at DeStatis. Source: Eurostat

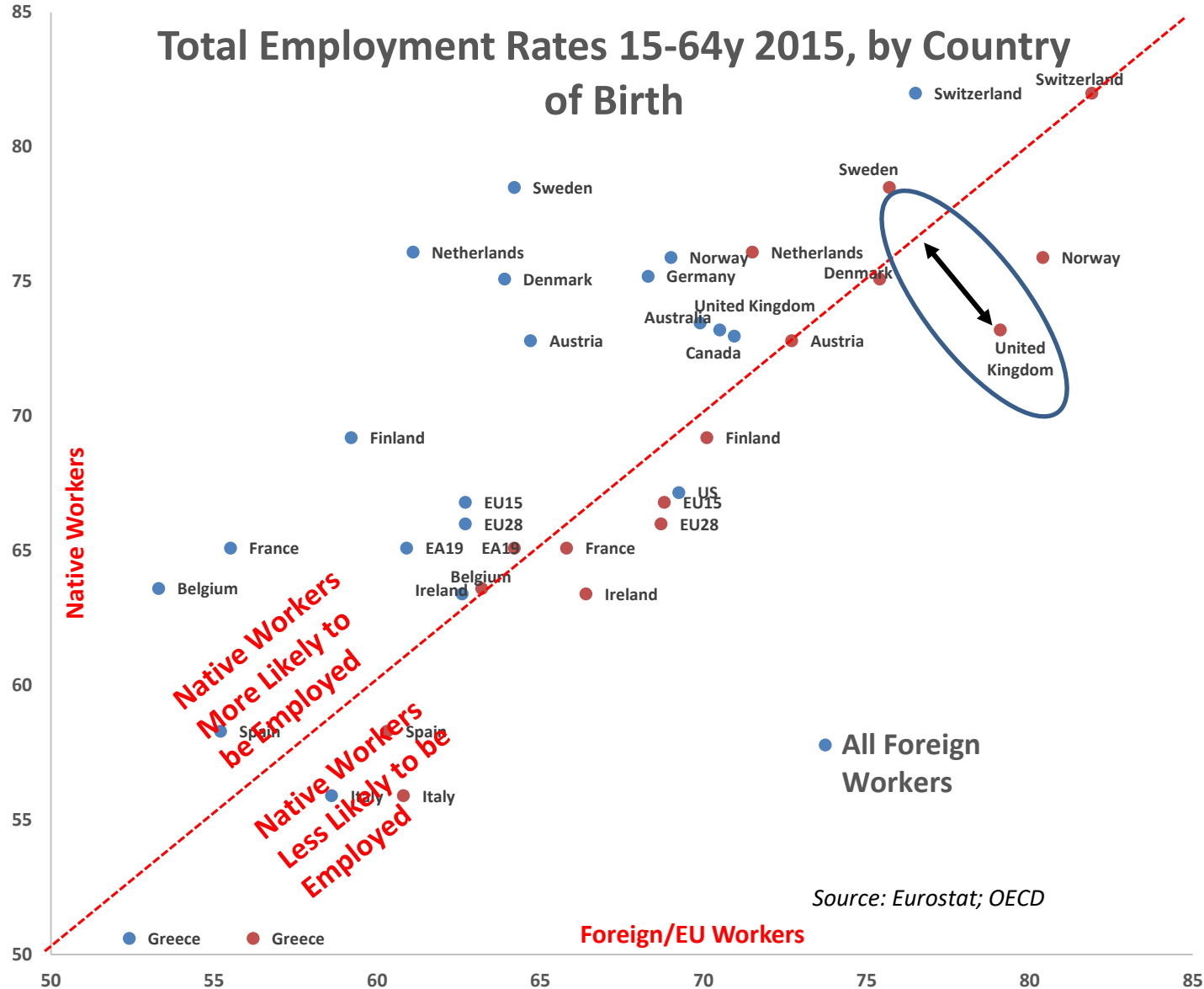
# Free Movement and the UK Econ



UK has the largest employment difference in favor of EU migrants

Suggests “early opening up” meant best workers moved to UK?

Or that UK native workers hold relative less skills?



# Free Movement and the UK Econ

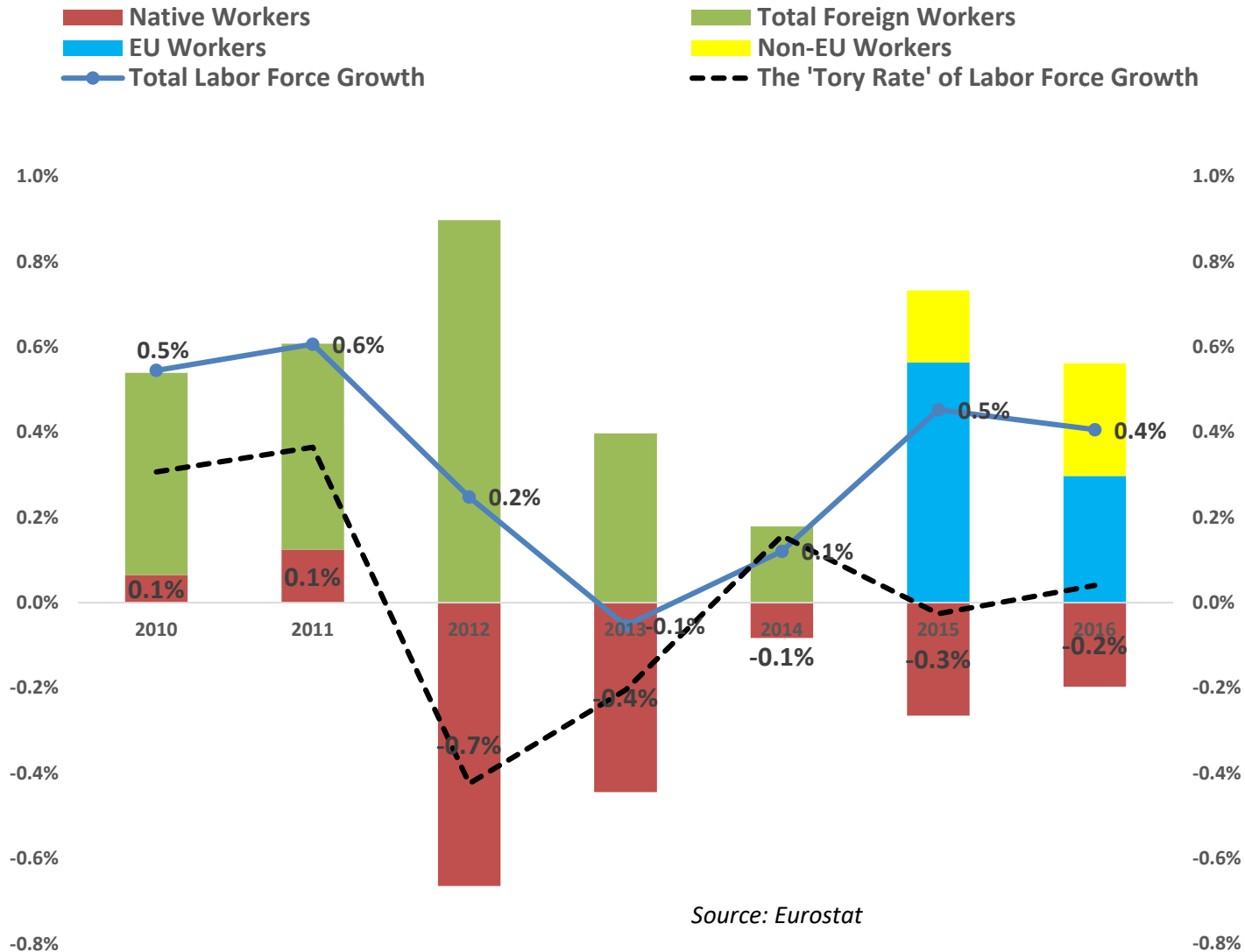


## UK Labor Force 15-64y Growth 2010-2016

Only Foreign/EU workers have kept UK workforce growing

“Tory Rate” of labor force growth = widespread bottlenecks

Theresa May to oversee probably must radical modern era immigration rollback ever in G7-country



# Mutual Recognition Will Not Be Enough

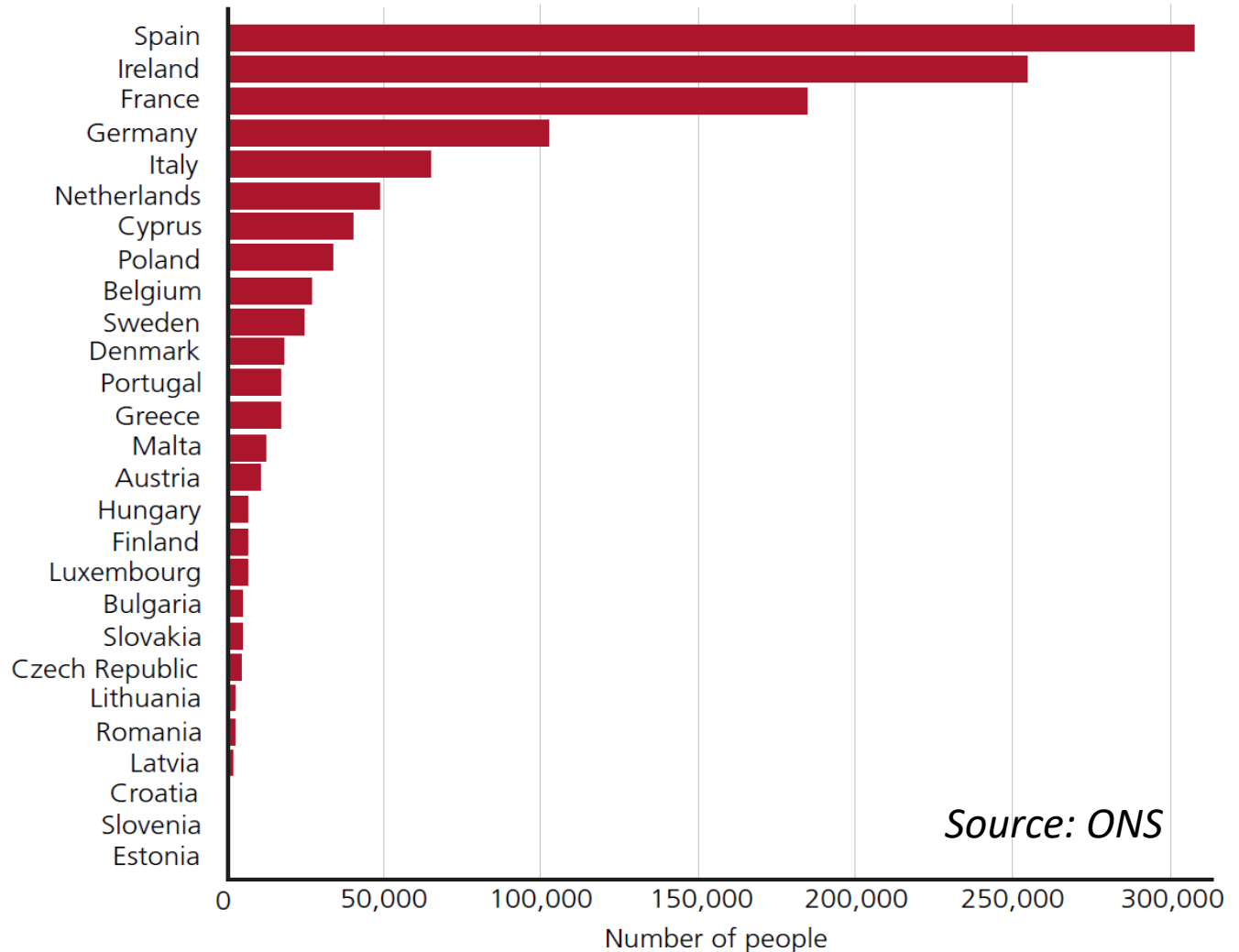


Approximately  
1.2mn British-  
born live in rest  
of EU

Mostly elderly  
retirees in  
Spain/France

Unclear if this  
group can for  
instance retain  
free access to  
healthcare and  
other public  
services in rest  
of EU

**Number British-Born Migrants Living in Other EU Members, 2015**



Source: ONS

# Mutual Recognition Will Not Be Enough



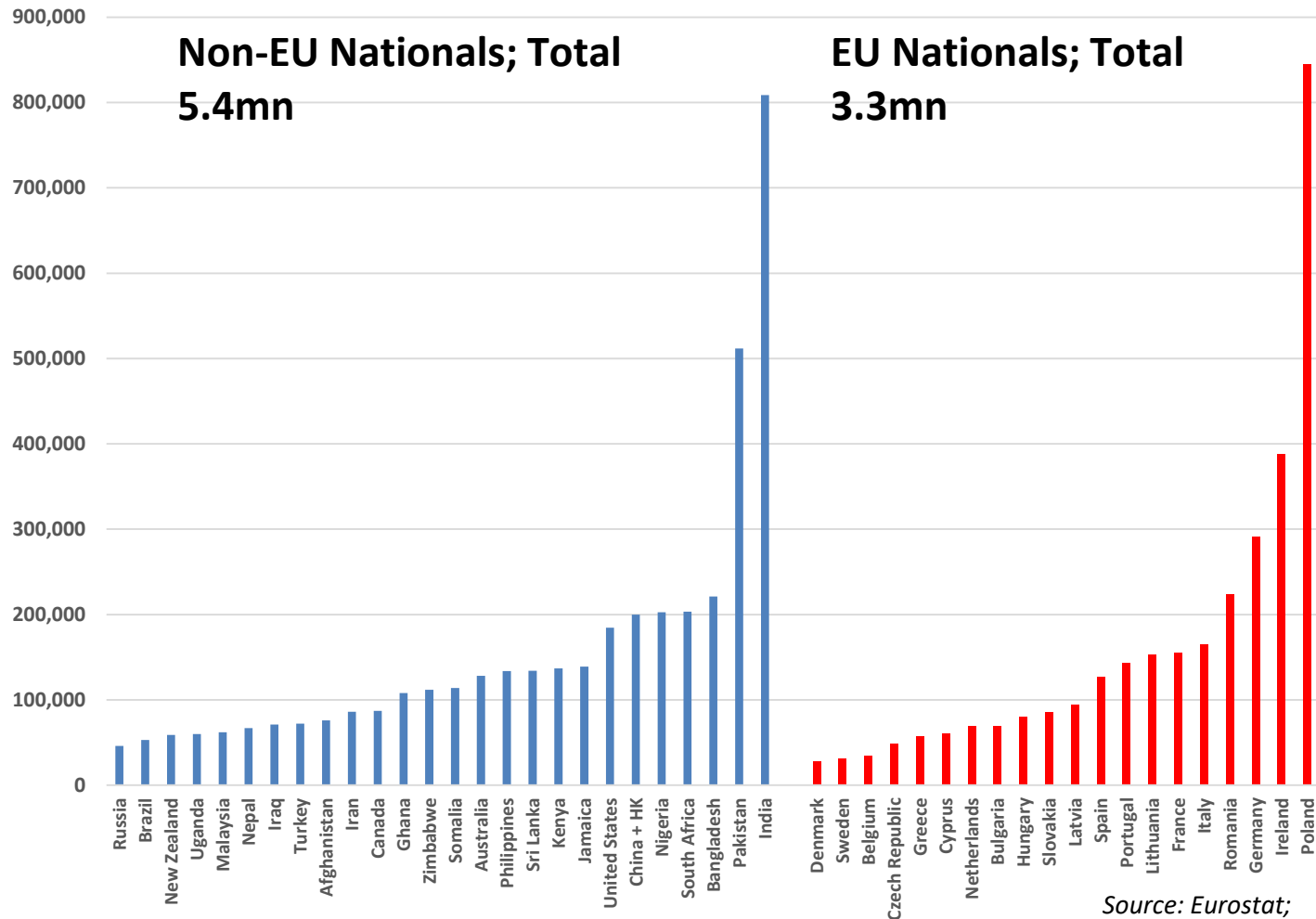
## Migrants Living in UK, By Country of Birth 2015/16

Approximately  
8.7mn foreign-  
born live in  
Britain

Only a minority  
from the EU

Commonwealth  
and other  
Anglo-Saxon  
countries also  
heavily present

Any positive  
discrimination  
in favor of EU  
residents will be  
controversial



# Mutual Recognition Will Not Be Enough



- **Much talk about “mutually guaranteeing rights of residency/work” for existing migrants – BUT:**
  - **UK government has inexplicably chosen not to do this unilaterally as a goodwill gesture BEFORE negotiations started.... Despite certainty it would have been replicated by the EU27**
  - **What cut-off date?**
  - **Since EU migrants came to UK in good faith as “EU citizens”, merely granting them “residency/work permit” will likely NOT satisfy the EU27**
  - **A host of other “citizens’ rights” to be negotiated, incl. healthcare access, pension rights, family reunification rights, other social benefits access etc.**
  - **This will be potentially as contentious as the “money”/Brexit bill**



# Concluding Remarks



- **Brexit in Theresa May’s “Reducing immigration is more important than anything else” version will permanently lower UK potential growth rate**
- **Real risk of skills bottlenecks across the economy**
- **Simply guaranteeing residency/work permits for existing migrants in UK/EU27 will not suffice**
- **Only “mutual recognition” that probably could cut this Gordian Knot is to reciprocally grant national citizenship in other EU27 members and the UK..... From EU to national citizens!**