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Room for manoeuvre?

The options for addressing immigration-policy divergence between Holyrood and Westminster





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Scotland will need to
attract new people here
to support the economy.**

I am delighted to introduce you to the first in a series of EHRC publications which aim to open and expand debates on issues of equality and human rights for everyone in Scotland. In each of our forthcoming publications we invite a noted academic or leader to set out their thinking on key issues for Scotland's future. In this paper, Sarah Kyambi, a theorist on migration policy, sets out her interpretation of the current immigration debate in a Scottish context: later in the series we will look at gendered approaches to criminal justice issues and whether or not Scotland should have greater power to set its own laws on equality.

This paper looks squarely into Scotland's future. We know from demographic projections that Scotland will face real difficulties in the next fifteen to twenty years

with an ageing population and a higher ratio of workers to dependents. There is no doubt that Scotland will need to attract new people here to support the economy. In this paper Sarah looks both at current immigration policy led by Westminster and studies some of the more devolved and regionally nuanced approaches that are being developed in Canada and Australia.

At issue here is not if we will need new migrants to move to Scotland, but who and how? Do we continue with our current "cyclical" approach to immigration where we encourage people to settle in Scotland temporarily to boost the economy, or are we looking to attract people to Scotland who wish to stay and put down roots, thus boosting the population. Both scenarios pose major issues for good relations in Scotland – how do we balance the contribution of new migrants with the employment and social needs of those currently furthest from our economy; disabled people, lone parents and older workers. And if we adopt a more demographic approach to migration how will we fund the development of the new schools, houses and GP clinics that we will need?

All of these issues are now firmly up for debate. We hope that you will find our contribution both stimulating and timely.

Morag Alexander.
Scotland Commissioner.



Background

The UK's immigration system has undergone much change recently. Under the Labour government, policy has shifted from a restricted-migration to a managed-migration approach. Migration has increased, filling labour-market shortages and fuelling economic growth.

This change in approach has been punctuated by numerous legal and policy changes, limiting the asylum system, while fostering labour migration. In particular, migration from Central and Eastern European States joining the EU in 2004 has expanded the migrant workforce in the UK. An overhaul of the labour-migration system is taking place, with the introduction of a tiered, points-based system (PBS). First announced in the Home Office's 2005 Five Year Strategy, this has been phased in since February 2008. Accompanying these changes is reform of the Home Office itself, creating a UK Border Agency with four objectives: strengthening the UK's borders, fast-tracking asylum decisions, ensuring compliance with immigration laws and boosting Britain's economy.¹

¹ Home Office (2006 June) From Improvement to Transformation: An action plan to reform the Home Office; Home Office (2006 July) Fair, Effective, Transparent and Trusted: Rebuilding confidence in our immigration system.

Purposes of migration

Migration has numerous benefits. From the perspective of migrants, it offers the chance to seek better economic prospects, and to develop skills and gain qualifications abroad. For some, it includes the chance to seek protection from persecution. From the perspective of receiving states, migrants can supply labour, fuelling economic growth, and increasing fiscal revenues and demand within the economy. Migrants are also consumers of education, providing funding to higher-education institutes, while migrant employees can bring in valuable skills, providing faster growth in skilled sectors, alleviating bottlenecks and taking up jobs unattractive to local workers. Migrants boost international networks through language skills and contacts abroad. Migrant remittances can play an important role in development and in fostering an international exchange of expertise.

Migration also poses challenges. Local populations can be hostile, where immigrants are perceived to be in competition for jobs and services. A ready supply of migrant workers can lead to wage deflation, disadvantaging workers generally. Increases in migration can cause rapid change on the ground, and be perceived as leading to social fragmentation. The recruitment of highly skilled migrants from developing countries raises questions regarding 'brain drain', and the need to ensure that such flows contribute to an overall 'brain circulation' over time.²

Migration policies must be concerned with balancing the benefits of migration and the challenges, smoothing out the barriers to ensure the effects of migration can be optimised. Integration policies play a role in welcoming migrants and reassuring receiving communities. Potential conflicts need to be addressed before becoming entrenched. This all takes place within a highly politicised sphere, where perceptions are frequently more powerful than facts. In addition, the optimum balance between the benefits and challenges of migration will vary, depending on a variety of factors, including the size and structure of an economy and past experience of migration.

There are differences between the objectives the UK government seeks from migration and those of the Scottish government. The former is seeking to utilise migration primarily as a means for filling labour market shortages; for the Scottish government, there is also a focus on population growth, as part of its economic-growth strategy. With demographic decline more advanced in Scotland than in the rest of the UK, the Scottish government is more concerned for migrants to settle, helping to offset the impacts of demographic decline. Consequently, Scottish policy is underscored

² On impacts of immigration see further House of Lords Select Committee on Economic Affairs (2008) *The Economic Impacts of Immigration*; Home Office & DWP (2007) *The Economic and Fiscal Impact of Immigration*; Blanchflower, D (2007) *The Impact of the recent migration from Eastern Europe on the UK Economy*.

by the need to attract and retain migrants; by contrast, Westminster appears to be moving towards a circular migration system, with migrants below tier 2 disqualified from settlement. Greater concern regarding the spatial pressures attributed to migration is apparent in England, as has been emphasised in the pronouncements of Phil Woolas, the Minister of State for Immigration and Borders, that ‘this [UK] Government is not going to allow the population to go up to 70 million’ (*The Times*, 18 October 2008). With immigration control being a reserved matter, what scope is there for Scotland to achieve its migration and population-growth aims?

Facts and figures

UK net migration became positive in 1994 (more inflows than outflows) and continued to rise, peaking at 244,000 in 2004, before tailing off to 191,000 in 2006. The tailing-off of net migration in the past couple of years is due to an increase in out-migration; in-migration continued to rise, standing at 591,000 in 2006. Scotland, historically a country of emigration, has seen out-migration fall since the 1960s, with net migration fluctuating around zero since the late 1980s. Since 2003-4, net migration is estimated at 20,000 a year, peaking in 2006-7 at 27,000.³ People born

³ The sample sizes for migrants to Scotland are small and therefore less reliable than UK-level estimates

outside the UK made up 7.5 per cent of the UK population, numbering 4.3 million in 2001; the corresponding figure for Scotland is 3.3 per cent, or 168,000. Given its relatively small migrant base, Scotland has seen the fourth fastest rate of growth among UK regions after London, the North East and the South East (a 34 per cent increase from 2.5 per cent in 1991).⁴

A strong contributor to increased immigration has been the accession of Central and Eastern European Countries to the EU in May 2004. The UK was one of few EU countries (along with Sweden and Ireland) to allow these nationals access to its labour market. This led to a sharp increase in migration from those countries: Workers Registration Scheme data records that 766,000 applications were approved by December 2007.⁵ The settlement patterns of these post-enlargement migrants have been different to previous inflows, with jobs, rather than pre-existing co-ethnic communities, determining their destinations within the UK. As a result, Scotland has seen increased migration into a number of rural areas with little recent history of

⁴ See: www.bbc.co.uk/bornabroad

⁵ WRS estimates do not include some migrant workers who are not required to register and may include others who have already left the UK

immigration.⁶ However, over four years on, it seems continued migration from those countries is set to slow, as other EU countries open their labour markets and economic development begins to cancel out the benefits of working in the UK. So far, the migration patterns of these post-enlargement migrants are predominantly circular, which is likely to limit the numbers settling in the UK over the long term.⁷

The points-based system

The points-based system (PBS) replaces a myriad of work-permit entry routes with a five-tier points system for regulating labour and student migration. The rationale was to introduce greater clarity, objectivity and simplicity to the system, making it more efficient and transparent, and therefore inspiring greater public confidence. The PBS applies to those migrants from outside the European Economic Area; data for 2004-2006 shows that between 67 and 74 per cent of non-British citizen entries each year were citizens of countries outside the EU25.

⁶ See further, De Lima, P, et al. *Migrant Workers in the Highlands and Islands*, 2005, and De Lima, P, et al. *A Study of Migrant Workers in Grampian*, Edinburgh: Communities Scotland, 2007

⁷ Pollard, N, et al, *Floodgates or Turnstiles? Post-EU Enlargement Migration Flows to (and from) the United Kingdom*, London: ippr, 2008

The five tiers are:

- Tier 1: Highly skilled individuals to contribute to growth and productivity;
- Tier 2: Skilled workers with a job offer to fill gaps in the UK labour force;
- Tier 3: Low-skilled workers to fill specific temporary labour shortages;
- Tier 4: Students;
- Tier 5: Youth mobility and temporary workers: people coming to the UK to satisfy primarily non-economic objectives.

The rights attaching to each of these tiers are differentiated, with tier 1 having the greatest access to settlement and those in tier 3 not having the right to be accompanied by their dependants.⁸ Requirements for sponsors and bonds have been introduced to assist in enforcing the PBS in relation to immigrants outside tier 1. Sponsors will be those business or educational institutions bringing in migrants to work or study. These institutions will need to be licensed to allow them to issue certificates of sponsorship. They will have to inform the UK Border Agency if migrants they

⁸ For a detailed breakdown, see the timetable for PBS launch at: www.ukba.homeoffice.gov.uk/managingborders/managingmigration/apointsbasedsystem/timetableforPBSlaunch

have sponsored fail to comply with entry conditions, or risk their sponsorship licenses being downgraded or revoked. The PBS also introduces use of bonds to be paid by those migrants judged to present a high risk of breaching the immigration rules.⁹ The initial operation of the PBS will not include tier 3, under the argument that there is currently no need for migration from outside the EEA to fill low-skilled jobs.

To monitor and inform the PBS's operation, two government bodies have been formed:

a) The Migration Impacts Forum (MIF):

Launched in June 2007, the MIF is jointly chaired by the Home Office and the Department for Communities and Local Government. It is tasked with providing a forum for proper, regular and organised dialogue on the wider impacts associated with migration experienced by local areas. The forum provides the government with qualitative evidence on the impacts of migration. The MIF has devised a work plan that focuses on cohesion, health and social care, education, employment and skills, housing, crime and disorder.

⁹ The command paper states: 'financial securities will only be included in the new system where there is objective management information that demonstrates that a particular route or migrants within a route are disproportionately likely to breach their immigration conditions' Home Office, *A Points-Based System: Making Migration Work for Britain*, Crown Copyright, CM 6741, March 2006,p21

b) The Migration Advisory Committee (MAC)

This body has been set up to provide independent, transparent and evidence-based advice to the government on where labour-market shortages exist in skilled occupations that can sensibly be filled by migration. The MAC has set up a stakeholders' panel, consisting of representatives from the Confederation of British Industry (CBI), the Trades Union Congress (TUC), the British Chambers of Commerce and the National Health Service (NHS).

Changes to citizenship

Alongside these changes regulating the entry of migrants, there has been change relating to their settlement. The Five Year Strategy sets out the rationale that 'long-term settlement must be carefully controlled and provide long-term economic benefit. Permanent migrants must be as economically active as possible; put as little burden on the state as possible; and be as socially integrated as possible'.¹⁰

To achieve this, the Home Office proposes to build on the restrictions to citizenship already introduced, extend these to permanent settlement, and limit access to citizenship to skilled labour migrants

¹⁰ Home Office, *Controlling Our Borders: Making Migration Work for Britain. Five Year Strategy for Asylum and Immigration*, Crown Copyright, CM 6472, February 2005, p21

meeting with the requirements for tiers 1 and 2 of the PBS. Grants of leave for recognised refugees are restricted to five years initially, rather than granting indefinite leave. Rights to settlement for family members are also to be restricted to the nuclear family in all but exceptional cases. 'Chain migration' is to be curbed, as those settling on a family basis will need to have five years of status before being eligible to apply for settlement for further family members. These proposals are fleshed out in more detail in the government's 2008 paper 'The Path to Citizenship', and have been formalised as a draft Bill (July 2008).¹¹

The paper proposes a new system for entry to citizenship. The system has three stages: temporary residence, probationary citizenship and British citizenship or permanent settlement. Only tier 1 and 2 migrants (and their dependants) will have access to citizenship. Others will be required to leave the UK at the end of their entry period. Eligible migrants will have to pass a 'knowledge of life the UK' test and demonstrate they are economically active, before progressing to probationary citizenship after five years. Probationary citizenship is a time-limited period, varying from one year to five years before migrants have to apply for British citizenship. Those who cannot adopt British citizenship must apply for permanent

¹¹ Draft (Partial) Immigration and Citizenship Bill, CM 7373; see: www.official-documents.gov.uk/document/cm73/7373/7373.pdf

settlement, but the aim of the system is to encourage the adoption of citizenship.

This marks a shift to a more proactive method of promoting citizenship, and demanding that longer-term migrants (those staying for more than five years) progress along a path to citizenship by passing various tests. This path to citizenship represents a selective system for settlement, mirroring the new selective system of labour migration. Recognised refugees will only have access to settlement if the conditions giving rise to their need for protection persist after five years of leave.

Migration and devolution

Under the 1998 Scotland Act, immigration and nationality policies are reserved to Westminster under Schedule 5. The Concordat between the Scottish Executive and the Home Office in 1999 establishes a framework for co-operation, clarifying in Annex B that '[t]he protection of borders and allied matters – including immigration and nationality, asylum, extradition, the criminal law in relation to drugs and firearms and the regulation of the misuse of drugs' is a reserved matter.¹² There are two immigration related matters subject to executive devolution: '[t]ransfer to

hospital for treatment under the Mental Health (Scotland) Act 1984 of persons held under UK immigration legislation' and '[a]ppointment of medical inspectors under the Immigration Act 1971'. Furthermore, Annex C contains a list of issues where joint working will be needed and working-level agreements would be useful. This includes 'arrangements for the dispersal of asylum seekers and the designation of reception zones' as a reserved matter in which the Scottish Executive has an interest. The Concordat recognises the need for both governments to keep in close touch on matters of common interest, or where the work of one may have impact on the responsibilities of the other.

As immigration concerns the movement of people, it has an effect on devolved competencies across a wide range of policy areas. Migrants resident in Scotland will access a range of services, including education, healthcare, housing and policing. Their presence therefore impacts on policies and service provision on a range of devolved matters.

Aspects of immigration policy also draw on other policy areas. The immigration-enforcement strategy cuts across a range of devolved policy areas in proposing to restrict access to services. This would include restricting access to NHS services in Scotland

¹² See: www.scotland.gov.uk/Publications/1999/12/HomeScottishExecutive/Introduction

to some migrant groups. Currently, the rolling-out of Local Immigration Teams is a priority for the 2008-2009 enforcement strategy¹³ with complete coverage set as the target for 2011. While the strategy notes, ‘we want to work more closely with devolved public bodies in Scotland’, the only partnerships founded at that time were with four police forces in Scotland,¹⁴ compared with immigration-crime partnerships established in 85 per cent of constabularies in England and Wales. It is unclear how the overlap between devolved and reserved policy areas is set to be resolved, when aspects of devolved policy are used to effect a reserved policy aim. There is also an uncomfortable fit between the concept of immigration ‘harm’ developed for the enforcement strategy operating in a Scottish political climate that emphasises welcoming migrants.

Asylum in Scotland

The dispersal of asylum seekers following the 1999 Immigration and Asylum Act led to the arrival of increased numbers of asylum seekers in Scotland, with Glasgow set as the primary dispersal area. Asylum remains within the competence of the UK government,

¹³ UK Border Agency, *Enforcing the Deal: Our Plans for Enforcing Immigration Laws in the United Kingdom's Communities*, Crown Copyright, June 2008

¹⁴ Strathclyde, Grampian, Lothian and Borders, Dumfries and Galloway

but joint working is established regarding the dispersal of asylum seekers, and executive devolution to the Scottish government exists on some aspects. The needs of asylum seekers during dispersal have resulted in policy responses and services from the devolved government. Scottish activities in relation to asylum seekers and refugees have seen some divergence from the rest of the UK. For example, the funding of integration activities in Scotland is enabled from the point of arrival, in contrast with Home Office integration funding, which is only available to those granted refugee status, humanitarian protection or discretionary leave. Similarly, in relation to homelessness provisions, the Scottish government has been more generous, allowing recognised refugees to apply for social housing in Scotland outside their dispersal area. In the rest of the UK, the 2004 Asylum and Immigration Act restricts this to the dispersal area.

Labour migration in Scotland

Similar policy divergence can be seen in relation to labour migration, where the Scottish Executive’s Fresh Talent initiative allowed for a variation in the immigration rules to enable foreign students at Scottish universities and colleges to extend their stay for two years, to live and work in Scotland; after which, they could switch to other legal migration categories. Fresh Talent was set up to meet the Scottish policy

priority of population growth, to sustain economic growth in the face of an ageing and declining population. The Fresh Talent initiative included a number of other initiatives that sought to attract migrants to settle in Scotland. These included a one-stop Relocation Advice Service to assist potential migrants, assisting Scottish employers in navigating the work-permits system, and promoting Scotland as a destination for migrants, expatriate Scots and UK nationals.¹⁵

The objective of growing Scotland's population as a factor in achieving economic growth has been re-stated by the Scottish government's 2007 economic strategy.¹⁶ The impetus behind this is clear when considering demographic trends in Scotland. In 2004, projected trends indicated that Scotland's population was declining, and would decline faster than any other EU country for the next 25 years. Between 1995 and 2001, Scotland's population had declined by one per cent – no other EU country experienced a decline during this period, and the UK's rose by 2.8 per cent.¹⁷ Alongside increasing births and life expectancy, migration is a factor that can help counter population decline.

¹⁵ Scottish Executive, *New Scots: Attracting Fresh Talent to Meet the Challenge of Growth*, Edinburgh: Scottish Executive, 2004

¹⁶ Scottish Government, *The Government Economic Strategy*, Edinburgh: Scottish Government, 2007

¹⁷ ESRC, *Demographic Trends in Scotland: A Shrinking and Ageing Population*, ESRC Seminar Series, 2004

The importance of tackling this decline is brought home when considering the economic effects of a declining population. Wright models the macroeconomic effects of zero net migration, and concludes that the working-age population would shrink by 12.8 per cent, employment by 6.9 per cent, competitiveness by 2.8 per cent and GDP per head by 5.3 per cent by 2031, and real wages would rise by 6.1 per cent.¹⁸ Jack McConnell as First Minister called a falling population 'the single biggest challenge facing Scotland as we move further into the 21st century'.¹⁹ However, the most recent figures show an increase in population of 27,300 from mid-2006 to mid-2007 and an increase of 1.6 per cent since 2001. This is the largest single-year increase since 1946-7. However, as most of the increase has come from rising net migration, this population growth could again decline if migrants leave Scotland.

Immigration policy remains reserved, and the introduction of the PBS has removed much of the comparative advantage Scotland had secured in attracting and retaining international graduates. Instead, the variation in the immigration rules has been mainstreamed and now applies to the UK generally.

¹⁸ Wright, R, *The Economics of New Immigration to Scotland*, Edinburgh: David Hume Institute, 2008

¹⁹ Scottish Executive. *New Scots: Attracting Fresh Talent to Meet the Challenge of Growth*. Edinburgh: Scottish Executive, 2004, p1

International graduates now have one year in which to seek employment across the UK. Scotland retains some additional advantage, as this extension of leave also applies to those studying for Higher National Diplomas in Scotland. Evaluations of the impact Fresh Talent has had on attracting and retaining migrants are hampered by a lack of criteria and targets by which to measure success. However, 3,000 more international students came to study at Scottish institutions in 2006-7 than in the previous year; although whether this increase was due to the comparative advantage secured by Fresh Talent is unclear.²⁰ Reported experiences of living and working in Scotland are generally positive, but it may be that, for graduates, Scotland offers too few career-development opportunities. In terms of encouraging settlement, one study found that, while many temporary migrants wished to stay in Scotland, this was not at the expense of higher salaries and greater opportunities elsewhere.²¹ It is too early to assess longer-term impacts, but concerns remain around retention of this cohort of migrants within the Scottish labour market, and for settlement in Scotland.

²⁰ Cavanagh, L et al, *Fresh Talent: Working in Scotland Scheme and Evidence Review*, Edinburgh: Scottish Government Social Research, 2008, p49

²¹ Pires, C, & MacLeod, P, *The Experience of People who Relocate to Scotland*, Edinburgh: Scottish Government Social Research, 2006

Regional considerations within the points-based system

To what extent is it possible for the current migration system and immigration policy to be sensitive to regional variations? The 2005 consultation on the PBS took care to consult across the whole of the UK. The initial consultation did not pose a specific question on the regional dimension; however, this emerges in the final report on the PBS, which states: 'It is important that the new system is sufficiently flexible to be able to take account of regional variations in labour market shortages and economic performance. It also needs to complement other policy initiatives which may differ across the UK.'²² The case of Scotland is mentioned, specifically noting Scotland's population-growth strategy, and suggesting a Scotland-wide Shortage Occupation List.

The 2006-7 consultation on the Migration Advisory Committee²³ included a specific question on whether regional differences should be considered. Yet has a regional dimension been built into the MAC? As there

²² Home Office, *A Points-Based System: Making Migration Work for Britain*, Crown Copyright, CM 6741, March 2006, p28 Home Office (2006) *A Points based System: Making Migration Work for Britain* CM6741

²³ Home Office. *A Consultation on Establishing a Migration Advisory Committee*, Crown Copyright, November 2006

were no plans to allocate work permits on a regional basis, the MAC has focused on regional shortages only as part of national shortages. However, it left open the possibility of reconsidering this approach in the longer term. In drawing up the UK- and Scotland-specific shortage lists, the MAC used three criteria: 'skilled', 'shortage' and 'sensible'.²⁴ Regional variations were only made for Scotland where Scotland-specific shortages could be identified.

However, the Scottish government's concern is also to combat population decline, as opposed to a singular focus on filling labour-market shortages. This population-growth aspect of a regional variation is not reflected in the MAC's discussions. Its considerations of what it defines as 'sensible' are restricted to ensuring migrant labour is not displacing local labour, and ensuring that alternatives to recruiting overseas are considered. Given that the MAC is open to reconsidering building in regional perspectives in the longer term, there is the possibility of redefining what counts as 'sensible', in light of the Scottish government's population-growth aim.

²⁴ Migration Advisory Committee. *Skilled, Shortage and Sensible: the Recommended Shortage Occupation Lists for the UK and Scotland*, 2008

Decentralised migration systems

What are the options for Scotland to have more control over immigration? In theory, the options can be seen as encompassing a spectrum, running from full immigration control, independent from the UK, to having no control over entry, stay and integration policies. Between these extremes, there are numerous ways in which regional demands could be incorporated: through variations in the immigration rules, such as differentiated points systems, or differences in integration and immigrant-support programmes, aimed at making Scotland more attractive to migrants. The efficacy of any of these approaches remains unclear, and having more control over entry and settlement policies may not of itself allow Scotland to attract or retain more migrants.

As described above, Scotland already has some discretion in implementing policies that could make it more attractive to migrants: for instance, funding integration programmes for refugees from the point of arrival, rather than recognition, the various initiatives of Fresh Talent advertising Scotland as a migrant destination, and improving the links to prospective employers. Other 'soft' levers could be used to help migrants overcome barriers to employment, such as speedier recognition of qualifications, better access to English-language classes, and placements that

facilitate migrant knowledge of Scottish employers and workplaces.

In considering which occupations meet the shortage list, a lower-skills threshold and a different 'sensible' calculation could be made for Scotland, to reflect the greater impact of shortages in a smaller economy, and to lend more weight to Scotland's population-growth target. There could also be a return to more direct variations in immigration rules, such as lowering the points threshold, scoring points differently in line with Scottish-policy objectives, or extending periods of leave available to those migrating to Scotland. A clear variation in the immigration rules that gives Scotland a competitive advantage in attracting migrants would have the benefit of giving a clear signal of Scotland's intention to attract migrants in the application process itself. However, the level of enforcement necessary to ensure easier access to Scotland is not used as a gateway to the rest of the UK would need consideration.

In terms of a separate, independent immigration system, much work would be needed to investigate the advantages and disadvantages of administering it – particularly as a significant part of immigration would be from groups that have EEA mobility rights. Consequently, within an emergent EU immigration-policy framework, variations for Scotland would primarily pertain to the entry and settlement of third-country nationals. In the case of these nationals, there

would be pressure towards harmonisation with EU norms. So Scotland would be looking to implement variations on the margins of EU-wide immigration-control systems. Would the benefits of such variations outweigh the costs of administering a separate system? Larger variations could be possible in terms of opening up access to settlement, but how would the border with England be policed (as it would need to be, if the different nations were to employ different immigration policies)?

Looking elsewhere: international comparisons

Other countries' immigration systems provide insights into ways of decentralising immigration systems, and the efficacy of such measures in attracting and retaining immigrants to specific regions. These programmes are founded on the desire of different regions to attract the benefits of migration and increased economic growth, by counteracting the traditional concentration of migrants in some larger cities. In some regions, policies are motivated by the desire to counteract population decline.

Australia

Since 1996, Australia has been running a range of State-specific Migration Mechanisms (SsMM), allowing state and territory governments to vary existing visa

requirements in line with their own policy objectives. These include attracting specific migrant groups as a way of fostering entrepreneurship, tackling skill shortages, encouraging a more balanced settlement of the skilled migrant intake and countering population decline. The criteria are flexible, changing to suit specific rural or regional demands, and there is a range of different schemes with different conditions attached. Migrants are sponsored on these initiatives by the state, businesses and employers or their families. For instance, under the Skilled-Regional Sponsored (Provisional) Visa, skilled relatives with basic English-language competency, who do not qualify for a permanent visa and wish to live in a designated region, can be sponsored by an Australian relative from that region for a three-year visa to study or work. During this time, they can prepare to meet the permanent-visa requirements.

Canada

Quebec provides one example of a provincial government that varies the operation of the points system to meet its own migration requirements. Through a series of agreements with the Canadian government, Quebec has established a differentiated immigration system. This includes the presence of Quebecois 'orientation officers' at Canadian immigration offices overseas, and a variation in both

the points threshold and the way in which points are scored for immigrants to Quebec. Unlike the rest of Canada's points system, there is more emphasis on French-language skills and less on qualifications, reflecting the aim of Quebecois immigration policy to sustain a francophone population in the province.

How effective have these regionalised programmes been in attracting and retaining immigrants?

An initial overview of the success of regionalised systems reveals mixed results, indicating a complex interaction of factors. To illustrate: analyses of the Australian SsMMs found widely varying results between schemes. A review of the Regional Sponsored Migration Scheme Subclass in Australia found high levels of satisfaction with the scheme. Ninety-one per cent of principal applicants were still living in the region, and 86 per cent intended to continue living there in 12 months' time. However, results for some regions were far more discouraging: over 50 per cent of migrants with sponsors living in Victoria, Queensland, New South Wales and Australian Capital Territory were not living in those regions at the time of the survey.²⁵

In Canada, too, results have been mixed and the efficacy of policies disputed. Akbari summarises the findings of a 2004 conference on migrant attraction and retention. He notes the following key points:

- The ‘pull’ of economic opportunities in an area is the key factor;
- Once migration is established, continued migration usually persists for established migrant groups – the ‘persistence’ effect;
- High concentrations of ethnic and or immigrant groups and language enclaves can create economies of scale in communication, information, consumption and the labour market, and can play an important role in destination choices;
- New destinations for migrants can be developed, as demonstrated by the emergence of new migration centres in Canada.²⁶

²⁵ Department of Immigration and Multicultural and Indigenous Affairs, *Analysis of the Regional Sponsored Migration Scheme Subclass*, Canberra: Commonwealth of Australia, 2005a; Department of Immigration and Multicultural and Indigenous Affairs, *Analysis of the Skilled Designated Area Sponsored Subclass*, Canberra: Commonwealth of Australia, 2005b. See also Joint Standing Committee on Migration, *New Faces, New Places: Review of State-Specific Migration Mechanisms*, Canberra: Commonwealth of Australia, 2001

²⁶ Akbari, AH, ‘The Comings and Goings of Immigrants in Atlantic Canada’, *The Workplace Review* (2005): pp30-37

Focusing on Quebec, DeVoretz and Pivnenko model the likelihood of onward migration, and conclude that expected positive income returns on moving are the main driving force for onward migration. Many integration programmes increase migrants’ human capital and thereby also increase the likelihood of onward migration, as they increase potential income. Using life-cycle models, DeVoretz and Pivnenko find that socio-economic factors, like age and marital status, can reduce the likelihood of secondary migration. This suggests that targeting those groups with a lower likelihood of onward migration could be an effective strategy for improving migrant-retention rates.

Implications for the Scottish context

Evidently, much research needs to be considered when determining how Scotland could best attract and retain migrants. As well as benefiting from the evidence and experience of other countries, we need to consider how this transfers to the Scottish context.

What emerges at this stage is that two factors are key. The first is having the jobs and the economic opportunities to attract migrants, given that the pull of economic opportunity is the key force in causing people to migrate. The second factor is having a pre-existing migrant population, whose networks abroad would draw in new migrants, and whose networks in Scotland could help migrants settle. Scotland will find

it difficult to compete with established migrant centres that can offer higher salaries, more career-development opportunities and more established migrant communities.

This means that efforts to attract migrants to Scotland will need to focus on softer levers. These have less influence on attracting and retaining migrants, but could help optimise the attractions Scotland has to offer, and improve outcomes by better targeting of immigrant-attraction and -retention programmes.

These softer levers are threefold. First are policies relating to facilitating access to the job market. Such strategies include working with employers to remove barriers, improving the recognition of overseas qualifications and training, and providing a range of educational opportunities related to job training and re-training, and English-language acquisition.

Second are policies aimed at improving the quality of life for immigrants, such as being active in welcoming and including migrants, and ensuring they, and the rest of the population, understand that attracting and retaining migrants is an integral part of Scotland's growth strategy. Additionally, the government could actively improve information and access to health, social and community services.

The third strategy for improving Scotland's attraction and retention of migrants is the better targeting of groups. More research is needed to identify where

chances of success would be highest – both in terms of identifying those groups easiest to attract and identifying those with a lower likelihood of onward migration. Factors such as age, marital status and children all impact on the willingness of migrants to embark on onward migration. Such targeting could be built into variations of the immigration rules and the operation of the PBS. Alternatively, it could provide a focus for integration policies (under tiers 1 and 2) looking to induce immigrants to settle.

Taking the longer term view of supplementing population growth with migration, targeting the right groups and linking them into the labour market is likely to be more important for successful outcomes than the level of government at which this occurs. Variations within the immigration rules could give Scotland a competitive advantage over the rest of the UK in attracting migrants, but, unless Scotland then manages to capitalise on that advantage, by offering migrants the economic opportunities and welcoming environment that will induce them to stay, retention will prove difficult. The main policy efforts must go into identifying and targeting those groups most likely to stay, and in ensuring the networks and resources exist to integrate them into the labour market. To secure settlement, the impact of the proposed citizenship restrictions on Scotland's ability to retain migrants will also need to be investigated.

**Equality and
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