Migration Advisory Committee

George Eustice (Camborne and Redruth) (Con)

I beg to move, That this House has considered the composition of the Migration Advisory Committee.

The Migration Advisory Committee has six members. The chairman, Professor Alan Manning, is from the London School of Economics; he is, of course, an economist. Professor Jackline Wahba is from the University of Southampton; she is an economist. Dr Jennifer Smith is from Warwick University; she is an economist. Madeleine Sumption is from the University of Oxford; she is an economist. Dr Brian Bell is from King’s College London; he is an economist. Finally, Professor Jo Swaffield, who is newly appointed, is from the University of York; unsurprisingly, she too is an economist.

I do not doubt that all those individuals are proficient economists. Nor do I doubt that those of them who still lecture are perfectly capable of imparting in the lecture theatre the knowledge that students need to pass their exams. However, an important question must be asked: does it make sense to have an advisory committee on migration that is made up exclusively of economists, and that excludes all other fields of knowledge and experience? If the Minister told me that there was a case for one economist on the panel, I would accept that, because there is undoubtedly an element of economics in migration policy. However, it is not the only issue that we should address, nor are economists’ skills the only skills needed.

The knowledge and experience of the individuals on the committee is inevitably quite limited and narrow, and their perspective is inevitably very theoretical rather than rooted in experience. They live in an academic bubble, which means that they do not always understand the challenges that individual businesses face. Not one of them, I think, has ever run a business; not one has created any wealth on their own through entrepreneurship; not one has created any jobs. They do not know what it is like to worry about putting together a rota to ensure that a restaurant is fully staffed. They do not know what it is like to be a strawberry farmer who has to close a gate on a field of strawberries because they do not have enough staff. Nor do they know what it is like to have to cancel a weekend away with their family because somebody has called in sick and they have to do the work themselves.

My view is that an expert committee on migration should be much broader. It should have entrepreneurs—people who have actually built wealth, created jobs and made and run their own businesses. It should have business leaders from a range of different sectors.

Stephen Kerr (Stirling) (Con)

Does my hon. Friend agree that it is important to have a range that covers not only different sorts of people, but the whole United Kingdom? We should understand the issues that affect all parts of our United Kingdom.

George Eustice

My hon. Friend makes an important point. For instance, some of the Migration Advisory Committee’s advice has been that it does not matter if we shut down certain industries, but some of those industries are prevalent in certain regions and matter to those of us who represent them. I believe that the committee should also have a range of business leaders from a range of sectors of the economy, to represent different briefs and explain why particular sectors employ people in a particular way. Why not have a place for a trade union representative as well?

The Minister or her officials might regard all the people I have just mentioned as dreadful vested interests with an axe to grind, who could not possibly sit on an expert committee. I disagree. Does not the Minister value those people’s opinions? She might find that real entrepreneurs and people in business and trade unions could ground-truth some of the current committee’s economic theories.

Jeremy Lefroy (Stafford) (Con)

Even to economists, for whom I have a high regard, some things should be self-evident. For instance, in Stafford we grow an awful lot of salad, which replaces salad that would otherwise be imported. It is really important for the United Kingdom’s balance of payments; without the workforce to pick it, grow it and process it, we would be more reliant on imports and our balance of payments would be negative.

George Eustice

My hon. Friend is absolutely right: it is important that as a country we make, produce and grow things. Sadly, I am afraid that some economists overlook the importance of that, and some do not think that the balance of payments matters at all. They think that we can just carry on losing money, borrowing it from elsewhere and spending like no tomorrow, but we all know that that is not how the world works.

Even if the Minister felt that some of the people I have mentioned had a vested interest or an axe to grind, it would be quite possible to make allowances to take that into account. It is wrong to ignore those voices and shut them out. Even if the committee were to remain largely academic, where is the space for people who studied international relations? Do not their degrees matter? There will be many people at the Home Office who have chosen to work in immigration, and whose skillsets and qualifications are in international relations, but they are all excluded from this expert committee. What about people who studied human geography, a normal route to looking at issues such as immigration? Where is the space for them on the committee?

The Minister may say that she meets businesses and unions all the time and hears their voices. However, we cannot get away from the fact that this narrow advisory committee almost sees itself as writing policy. Ministers and officials who draft answers to parliamentary questions routinely hide behind the MAC, saying that it is not appropriate for Ministers to say anything about migration matters until the committee has reached a conclusion. They appear to have abdicated responsibility for policy making to the committee.

The level of reverence shown by the Home Office to the Migration Advisory Committee is rather akin to that shown to the Monetary Policy Committee. However, the MPC was established by statute and has statutory powers to set interest rates, whereas the MAC is simply an ad hoc advisory group and should be treated as such.

Gavin Robinson (Belfast East) (DUP)

The hon. Gentleman makes an important point, highlighting deficiencies in the Migration Advisory Committee with respect to the reflection of regions, income strands or industry needs. However, the committee only advises; Ministers decide. This afternoon, the Minister has an opportunity to show how she can hear and ignore, to make sure that we have a system that is bespoke and best suited for the future of our industry and our country.

George Eustice

The hon. Gentleman makes an important point. I hope that the Minister will clarify that the Government have an absolute right to ignore at will any recommendations from the Migration Advisory Committee.

Until recently, I was a Minister in the Department for Environment, Food and Rural Affairs—I was one of those Ministers who used to sign off parliamentary answers that said, “We can’t say anything until we hear from the Migration Advisory Committee.” We saw this as a vital piece of work. As we leave the European Union and take back control—in some cases for the first time in half a century—of policy areas such as agriculture, fisheries and migration, we must assertively own that space. There is no space for sitting on our hands, dithering and delaying; we must wholeheartedly come up with a coherent policy.

Derek Thomas (St Ives) (Con)

My hon. Friend will know that people in fishing, farming, healthcare, social care and our tourism industry are acutely conscious of this challenge. They expect and want whoever is making the decisions, or at least guiding policy, to be well informed and responsive to things as they change.

George Eustice

My hon. Friend makes a very important point. Sadly, many individuals across various sectors report that they do not feel that the Migration Advisory Committee actually listens to them. They feel that the Committee has a rather supercilious stance and is basically not interested in the views of people running real businesses.

David Duguid (Banff and Buchan) (Con)

I congratulate my hon. Friend on securing this very important debate. Economists like to measure and count things. Does he agree that they need to come up with a way of counting shortages of different skills, rather than trying to put a measurement on the value of those skills? It is purely as simple as, “We have a shortage of these skills. We need those skills.”

George Eustice

My hon. Friend makes a crucial point, which I was going to come on to. The Migration Advisory Committee is trying to be too clever by half, rather than just making a straightforward assessment of the industries that have labour shortages, trying to assess what those shortages are as best it can, and setting a figure for the appropriate tier 3 or tier 2 provision, so that we can get the right people into those industries. Instead, the Committee has gone off on a frolic of its own in trying to outline a plan to socially engineer a solution to what economists call the productivity puzzle.

As a Minister, I was deeply disappointed when the Migration Advisory Committee’s final report concluded in autumn 2018. I thought it was very poor and told us nothing new. Frankly, it read a bit like a student’s dissertation. It was a trot round the course of rather standard economic theories of comparative advantage and so on. I suppose that reflected the fact that it was ultimately written by economists and academics, who do not have real-world experience. At the heart of that report was undoubtedly an economist’s obsession with abstract theories of productivity—the so-called productivity puzzle to which we have to keep being subjected, because it is the current obsession of economists.

Put simply, the MAC believes that it can use immigration policy to socially engineer a solution to productivity. It recommends no provision at all for tier 3 migration—no provision for so-called lower-skilled jobs. In essence, its argument is that if we get rid of people on lower incomes and simply destroy the industries they work in, productivity will rise. It is a completely ill-conceived idea and will lead to economic contraction, which will affect particular parts of the country worse than others. Industries will be forced to close, as the Committee’s report highlighted and acknowledged, but was indifferent to. Let us not forget that under Professor Manning’s world-view, the Home Secretary’s father would have been denied entry to our country. Mr Javid came here to work first in the cotton mills, and then on the buses. Had Professor Manning been in place at the time, the Home Secretary’s father would have been sent back and would not have been admitted to this country. That is a terrible indictment of the conclusions of the current MAC report.

The Migration Advisory Committee claims that its recommendations are consistent with our industrial strategy. I think that is wrong, as they violate two important principles in our industrial strategy. First, a principle of the industrial strategy is to make the UK the best place in the world to set up a business. Secondly, the strategy seeks balanced growth around the country, not growth concentrated simply in the home counties. A skills-based immigration system along the lines proposed by the Migration Advisory Committee will be bad for business and will damage and close certain industries. It will be bad for many parts of the country that depend on those industries for their wealth generation, including whole supply chains.

As I said, Brexit changes things fundamentally. We have to own this space assertively. We have to learn to value people who work on lower incomes and might have fewer formal qualifications, but who do vital work—be it in hospitality, agriculture or caring environments, and so on. First, we need to reform the Migration Advisory Committee so that we can give the Home Office better advice.

I conclude with two requests of the Minister. First, since the Migration Advisory Committee is an ad hoc committee and not established in statute, I see no reason why its current membership could not be extended to, say, 10 or 12 individuals. They are paid a day rate for attendance; it is not a salaried position. The Minister has an opportunity right now to extend the Migration Advisory Committee and broaden the skills base within it.

Bill Grant (Ayr, Carrick and Cumnock) (Con)

Immigration is very important to Scotland, and I notice the absence of my colleagues from the Scottish National party. It is a very important area not just for Scotland, but for the whole of the UK. Does my hon. Friend agree that it is a very narrow field to have a team of economists dealing with such an important issue? We surely must have the voice of others—particularly business, the National Farmers Union in Scotland and in England and Wales, and, as he mentioned, trade unions. We need to have some mechanism whereby these people are heard and the real needs of these industries, including hospitality, the NHS, fishing and farming, are truly heard. I doubt whether any of those economists understands the need throughout the UK, particularly in Scotland.

George Eustice

My hon. Friend makes a vital point, which is the thrust of my argument: we cannot have a coherent policy by relying just on the opinions of economists. They will give a particular perspective—cut and pasted out of a textbook—but it will not actually be ground truth; it will not be rooted in the real economy. Up and down the country, real businesses are taking decisions not to invest, not to expand and not to create new jobs, because they cannot get people to fill the vacancies that they have in their business as it stands. The stance against so-called low-skilled immigration is actually damaging our economy already, and we need to recognise that.

I have a second request of the Minister. As I said, I note that she recently took the opportunity simply to reappoint, I think, two members of the Migration Advisory Committee at the end of last year. She has not taken the opportunity to refresh the team. I also understand that Professor Alan Manning has a three-year term, which, if my research is correct, ends in November. Can the Minister confirm that she will not reappoint Professor Alan Manning, that his term will end in November, and that he can then be replaced by someone who understands business?

The Minister for Immigration (Caroline Nokes)

It is always a pleasure to serve under your chairmanship, Mr Hollobone, and I congratulate my hon. Friend on securing this debate. He put his view forward with customary forthrightness, and I would expect nothing less from him. I am grateful to him for giving me the opportunity to shine a bit of light on the work of the Migration Advisory Committee. It plays a very important role in the development of immigration policy and its work is often in the spotlight, but there is far less discussion of the Committee’s membership and composition.

We are lucky to have the MAC. Although there are no members of Her Majesty’s Opposition here to hear me say this, the then Labour Government’s establishment of the MAC back in 2007 was possibly one of the best things they did in the field of immigration. Creating the MAC has enabled successive Governments to have a source of informed, authoritative and impartial advice on some of the most contentious and thorny questions of immigration policy. The readiness with which successive Governments have accepted the MAC’s advice is a testament to the quality of that advice and to the value and wisdom of having such a body. It is noteworthy that a number of other countries have now sought to emulate our approach by appointing their own expert bodies to advise them on immigration policy.

As my hon. Friend said, the MAC is made up of a chair and five members, whom he described as proficient economists. I might go somewhat further and describe them as eminent labour market economists and migration experts working in universities and think-tanks, who bring considerable skills, expertise and experience to their role. Indeed, I venture to suggest that they are some of the finest minds in their discipline in the United Kingdom. The chair and the members are appointed through a process of fair and open competition, in accordance with Cabinet Office rules on public appointments. The MAC is supported by a secretariat made up mainly of Government economists drawn from across the civil service, but it remains independent of the Government.

It has been suggested—indeed, this was the main thrust of my hon. Friend’s comments—that the MAC or a successor body would benefit from having a wider range of members, and that it should include not just academics but, for example, people working in industry. I want to make three points in response.

First, advertisements for MAC members do not stipulate that they have to be academics. As I have said, fair and open competition is used, and there is nothing to prevent a person working in any field from being appointed, provided he or she is the best candidate. My hon. Friend might be interested to know that the advertisement listed experience of working in or with business as one of the desirable criteria that candidates were asked to display.

Secondly, the MAC always seeks to proceed by consensus, and all its reports are unanimously agreed. There is a danger that that approach could be damaged if it were made up people who felt the need to represent and argue for the concerns of particular sectors or vested interests.

Thirdly, I am not sure where we would draw the line in any such approach. My hon. Friend suggested that the MAC, or a body that replaces it, should have business representatives among its members, but there are millions of businesses in the UK and many representative bodies that speak for their interests, including the Confederation of British Industry, the Federation of Small Businesses, Make UK and chambers of commerce up and down the country, to name but a few. I am not sure whether my hon. Friend is suggesting that they should all have a seat. If businesses are to be represented, what about the trade union movement, charities, voluntary organisations, local government and, of course, the NHS, which is a major employer of migrant labour? Pretty soon we might have a body so large and unwieldy that it would struggle to advise the Government sensibly.

The MAC has been very busy indeed over the past few years. My hon. Friend mentioned one of the two important reports it produced last year. The first was on international students, and the second on the impact of European economic area migration. I recognise that not everybody agrees with its conclusions, particularly in the EEA migration report—my hon. Friend is among those who do not share its views—but producing a report that commands universal support would be beyond any committee or organisation, however constituted, given how contentious immigration policy is. Moreover, I do not think anyone can dispute the thoroughness and rigour of the MAC’s approach.

My hon. Friend invited me to tell him that I have travelled the country meeting businesses, trade unions and others. I certainly do that, but so has the MAC, and it will continue to do so. For its report on EEA migration, it took evidence from a wide range of organisations and individuals, and visited every nation of the United Kingdom and every part of England. As its interim report states, it met more than 130 organisations and stakeholders representing every sector of the UK economy, and it received 417 written submissions. It weighed all that evidence very carefully before it came to its conclusions. It is important that people do not let their disappointment with the recommendations translate into an attack on the effectiveness of the independent body that produced them.

My hon. Friend went as far as to say that the MAC’s report was cut and pasted from a textbook. Far from it. It was the result of a great deal of evidence taking, research and work, which took many months. It is incredibly important to recognise that the MAC’s recommendations are exactly that—recommendations. The hon. Member for Belfast East (Gavin Robinson) suggested that I have the ability to hear and ignore. I also have the ability to hear and listen. This year, as part of our White Paper engagement, we are taking the opportunity to listen to a wide range of views from across the country and from a variety of sectors. Immigration policy is a matter for the Government. As my hon. Friend the Member for Camborne and Redruth knows, not least because he was involved in this when he was a Minister at the Department for Environment, Food and Rural Affairs, the Government’s intentions for the UK’s future skills-based immigration system were set out in a White Paper that was published last December, which we have described repeatedly as the start, not the end, of the conversation.

Time does not permit me to cover the White Paper in detail, beyond making it very clear that our engagement has started. So far, more than 60 meetings have been held to discuss the proposals contained within it. To date, I have met representatives of several significant sectors, and I will continue to do so over the course of the next few months. We will not make a final decision on the proposals in the White Paper until that process has been completed. In parallel with that, the MAC is reviewing the composition of the shortage occupation list, and is undertaking an extensive evidence-gathering process to help its deliberations.

We have heard views this afternoon from across the country, including Northern Ireland, Scotland and the south-west. Hon. Members mentioned a variety of sectors, including social care, farming, fishing and hospitality, but there are many others that we often hear less of. I am particularly struck that the road haulage and distribution, veterinary science and retail sectors rely significantly on migrant labour. When we consider the views that are fed into the MAC, it is important that we do not cherry-pick which parts of industry and which sectors we listen to. We must listen to them all, and to every part of the country.

George Eustice

I am very grateful to the Minister for setting out her approach. Does she agree with a point that a number of hon. Members made, which is that a coherent approach to setting numbers for migrants coming here would be to look at a range of different sectors so we can make the best judgment about the number of migrants we want to come into the country for the time being—albeit perhaps on a short-term work permit? The MAC has done something very different. It has set out a plan to socially engineer a change to our economy. Its plan is to force the closure of certain industries by denying them access to the labour they need. That is what is wrong.

Caroline Nokes

My hon. Friend will be aware, from the White Paper and the Government’s proposals, that although we have listened to the MAC, we have not relied exclusively on its opinions. The MAC did not include any suggestion of a temporary workers route for skills that do not fall within the categories that it has designated—I hate to use the term “lower skilled”, and if I have a few minutes at the end, I will try to expand on why. We are very conscious that there are industries and sectors that need people with different skills. The temporary workers route, which we included in the White Paper as a point for engagement and discussion, was not included in the MAC’s report. I am very conscious that, although we have to listen to the views of expert economists, we have to come up with a coherent policy that will work for every sector of industry, every part of the economy and the whole of the United Kingdom.

My hon. Friend makes a big pitch for tier 3, and we can have a long conversation about “lower skilled”. He and I are conscious that there are many occupations that do not fall neatly into the categories of “high skilled” or “medium skilled”. When we talk about lower skill levels, I always try to find different language. There are many people working in health and social care or in farming and fishing who have skills that do not fall neatly within academic qualifications but are absolutely essential if those business are to be able to find staff, and to remain vibrant and profitable. That is part of the jigsaw puzzle that we are putting together over the course of the year.

The White Paper makes it clear—my hon. Friend may disagree with this—that we envisage an expanded role for the MAC in the future. As well as responding to specific commissions from the Government as it does now, it will have a wider role to produce an annual report on all aspects of Government immigration policy. It will have the ability to consider and make proactive recommendations on any aspect of that policy. The White Paper is clear that we want to consider the MAC’s composition, status and remit, potentially including expanding the chair’s post. I have certainly heard my hon. Friend’s pitch about appointments to posts in the MAC. I emphasise again that that is always done through fair and open competition. We want the best people—people with experience and expertise—and it is crucial that we build on our existing model, rather than create something new from scratch.

I am grateful to my hon. Friend for enabling us to debate these important matters. He, like other hon. Members, has strong views about this. I remain convinced that the MAC model has served the UK and successive Governments well, and that we should enhance and strengthen it so that, in an area as important as immigration policy, the Governments can continue to make policy on the basis of the best possible independent and impartial evidence-based advice.