



**European  
Movement  
International**

# Brexit, and now what? Possible Scenarios for Freedom of Movement



The United Kingdom and the European Union are preparing their divorce after 51.9% of the country's electorate voted to leave the Union. Now that Brexit negotiations have started, it is important to know what the options are for the future relationship between the two parties. This paper lays out some of the possible consequences of Brexit for the UK in the area of free movement. The EMI evaluates which scenarios are the most advantageous for the UK by analysing what the country currently has access to as a member state and what it would lose in the case of a soft or hard Brexit.

## EU membership

Having opted out of the Schengen system in the Treaty of Amsterdam, the UK holds the right to maintain its internal border controls. EU citizens with the right to reside in the UK have to be workers, former workers, family members of EU nationals with residence rights, students, self-sufficient people or jobseekers. EU citizens who are unemployed or economically inactive while in Britain can have restrictions on certain social assistance benefits. The UK can also introduce restrictions to free movement if it affects the country's public policy, public health or public security<sup>1</sup>.

Despite the UK not being part of Schengen, immigration was one of the key issues during the UK referendum. Polling data shows that the drivers of the referendum result were mainly issues regarding immigration, the econ-  
1 Morris, M. 2017. Striking the right deal: UK-EU migration and the Brexit negotiations. IPPR. [https://www.ippr.org/files/publications/pdf/striking-the-right-deal\\_April2017.pdf](https://www.ippr.org/files/publications/pdf/striking-the-right-deal_April2017.pdf)

omy and sovereignty<sup>2</sup>. According to an Ipsos Mori survey conducted the same month of the vote, 33% of people argued that the number of immigrants coming into Britain was one of the most important issues that would help them decide which way to vote<sup>3</sup>.



Although immigration has become one of the issues the public worries about the most, data gathered by the OECD shows that EU immigrants have actually boosted GDP growth in the UK. Furthermore, the UK has been able to attract higher skilled workers than other states, as EU immigrants in Britain have a better education than in most other EU countries<sup>4</sup>. Around 44% have some form of higher education compared with 23% of UK nationals<sup>5</sup>. Moreover, according to a study by the Office for National Statistics, EU workers constitute over 20% of the labour force in 18 specialist industries in Britain<sup>6</sup>. Lastly, immigrants coming

2 Black, J., Hall, A., Cox, K., Kepe, M. and Silfversten, E. 2017. Defence and security after Brexit: Understanding the possible implications of the UK's decision to leave the EU. RAND Europe.

3 Ipsos Mori, 2016. Immigration is now the top issue for voters in the EU referendum. <https://www.ipsos.com/ipsos-mori/en-uk/immigration-now-top-issue-voters-eu-referendum>

4 OECD, 2016. The economic consequences of Brexit: a taxing decision. <http://www.oecd.org/economy/The-Economic-consequences-of-Brexit-27-april-2016.pdf>

5 Wadsworth, J., Dhingra, S., Ottaviano, G. and Van Reenen, J. 2016. Brexit and the impact on the UK. Centre for Economic Performance. <http://cep.lse.ac.uk/pubs/download/brexit05.pdf>

6 Doward, J. and Robertson H. 2017 EU migrants make up over 20% of labour force in 18 British industries. The Guardian. <https://www.theguardian.com/politics/2017/jul/29/eu-workers-fifth-labour-force-18-sectors-britain->

from the EU had a higher employment rate than British nationals and almost all other migrant groups in the last quarter of 2015. It is clear that free movement has provided a huge boost to the UK's labour force, both in terms of quality and quantity. Despite the arrival of EU citizens, most literature shows that immigration has not affected the employment prospects of UK citizens<sup>7</sup>.

Another concern for some UK citizens is how much pressure immigrants put on public services. As illustrated in the Centre for Research and Analysis of Migration (CReAM) paper, the question that should be asked is whether immigrants pay for benefits through their taxes. In fact, EU immigrants living in the UK since 2000 have contributed over £20 billion to public finances in the country between 2001 and 2011<sup>8</sup>. They were also 43% less likely than UK nationals to receive tax credits or benefits<sup>9</sup>. European immigrants have also provided human capital that would have cost Britain £6.8 billion in education spending<sup>10</sup>.

## Soft Brexit

Having a soft deal between the UK and the EU regarding migration could mean that free movement is generally maintained with some exceptions.

For instance, the UK and the EU could economy

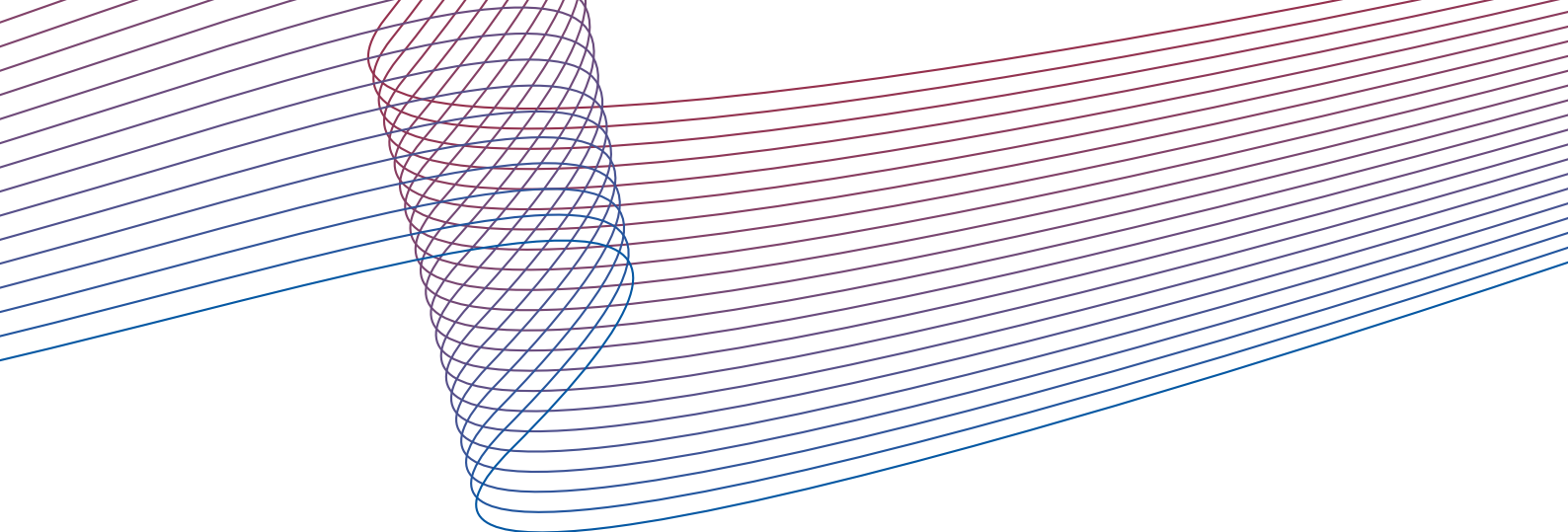
7 Alfano, M., Dustmann C. and Frattini, T. 2016. Immigration and the UK: Reflections After Brexit. CReAM. [http://www.cream-migration.org/publ\\_uploads/CDP\\_23\\_16.pdf](http://www.cream-migration.org/publ_uploads/CDP_23_16.pdf)

8 CReAM, 2014. Positive economic impact of UK immigrants from the European Union: new evidence. [http://www.cream-migration.org/files/Press\\_release\\_FiscalEJ.pdf](http://www.cream-migration.org/files/Press_release_FiscalEJ.pdf)

9 Alfano, M., Dustmann C. and Frattini, T. 2016. Immigration and the UK: Reflections After Brexit. CReAM. [http://www.cream-migration.org/publ\\_uploads/CDP\\_23\\_16.pdf](http://www.cream-migration.org/publ_uploads/CDP_23_16.pdf)

10 CReAM, 2014. Positive economic impact of UK immigrants from the European Union: new evidence. [http://www.cream-migration.org/files/Press\\_release\\_FiscalEJ.pdf](http://www.cream-migration.org/files/Press_release_FiscalEJ.pdf)





agree to preserve free movement while introducing temporary controls for specific sectors or regions where there is high EU inflow. This scenario would need to specify the circumstances in which this measure can be applied<sup>11</sup>. Another option could be for the UK to set controls on EU workers and self-employed people while maintaining free movement for students, family members and self-sufficient citizens. This scenario is unlikely to get the EU's approval given that it restricts lower-and-mid-skilled EU migrants<sup>12</sup>. A points-based system has also been mentioned as a possibility, but it would mean the end of free movement for people that do not meet the criteria. Since it would be a new system with new procedures, the Home Office would need considerable resources to have it in place<sup>13</sup>. This could therefore deter the UK Government from following this path.

Despite these options, the EMI believes that it is highly unlikely for the Union to agree to divert significantly from free movement if the UK wants to have access to the single market.



11 Morris, M. 2017. Striking the right deal: UK-EU migration and the Brexit negotiations. IPPR. [https://www.ippr.org/files/publications/pdf/striking-the-right-deal\\_April2017.pdf](https://www.ippr.org/files/publications/pdf/striking-the-right-deal_April2017.pdf)

12 Idem

13 Idem

The concessions that the EU could make would not be different from what it had already agreed to in the deal with David Cameron before the referendum.

### Hard Brexit

In the worst-case scenario, the UK would apply high restrictions on EU immigrants by, for instance, asking UK companies to prioritise the employment of UK citizens when possible, or reducing the opportunity for EU workers to stay in the UK long-term and bring their dependents. Free movement could end as it currently exists and people wanting to reside in the UK for an extended period could need proof of citizenship. Tougher measures could also apply to family members that are not durable partners or direct family<sup>14</sup>. These scenarios are based on the Home Office document on post-Brexit immigration policies that was leaked in September 2017, but it is unclear whether the UK Government is going to take this line in negotiations.

Taking tough measures to restrict the number of EU migrants entering the country is unlikely to impact UK employment in the long-run, according to the OECD. In fact, lower immigration would reduce labour force growth in the country<sup>15</sup>. Additionally, it would make it harder for the UK to fund public services and to clear its

14 The Guardian, 2017. Post-Brexit immigration: 10 key points from the Home Office document. <https://www.theguardian.com/uk-news/ng-interactive/2017/sep/05/post-brexit-immigration-10-key-points-from-the-home-office-document>

15 OECD, 2016. The economic consequences of Brexit: a taxing decision. <http://www.oecd.org/economy/The-Economic-consequences-of-Brexit-27-april-2016.pdf>

deficit in the future, according to the Office for Budget Responsibility (OBR). Without immigration, national debt would become 175% of the UK's GDP in less than 50 years, says OBR report<sup>16</sup>. Cutting immigration would also mean losing over £25 billion generated by international students who are going to the UK to study. This spending made it possible to support 206,600 jobs in universities across the whole of the UK and provides a significant boost to local and regional businesses, according to a study by University UK<sup>17</sup>. But students will not be the only ones affected; a recent analysis by Russell Group – which represents the University of Cambridge, Oxford University and other leading UK universities – found that 24,860 of their staff members come from EU countries, making up 23% of all academics<sup>18</sup>. UK universities might therefore lose their high positions in world university rankings.

### Conclusion

Remaining a member of the EU is the most advantageous option for the UK. On average, EU immigrants moving to Britain are young, educated, bring new skills to the country and improve public finances. More importantly, immigration has increased UK's GDP growth and created more jobs.

16 Kirkup, J., 2014. Immigration has a positive impact, says Office for Budget Responsibility head. The Telegraph. <http://www.telegraph.co.uk/news/uknews/immigration/10570839/Immigration-has-a-positive-impact-says-Office-for-Budget-Responsibility-head.html>

17 Universities UK, 2017. International students now worth £25 billion to UK economy-new research. <http://www.universitiesuk.ac.uk/news/Pages/International-students-now-worth-25-billion-to-UK-economy---new-research.aspx>

18 Savage, M., 2017. Fear of Brexit brain drain as EU nationals leave British universities. The Guardian. <https://www.theguardian.com/politics/2017/jun/03/brexit-universities-academics-eu-rights>

### The European Movement

seeks to provide a platform to encourage and facilitate the active participation of citizens and stakeholders in the development of European solutions to our common challenges. We offer thought leadership on the issues that affect Europe and we give the opportunity to representatives from European associations, political parties, enterprises, trade unions, NGOs and other stakeholders, through our 39 National Councils and 34 International Associations, to work together, towards improving the way that Europe works.

To see this and other European Movement International policies, please take a look at our website:  
[www.europeanmovement.eu/policies](http://www.europeanmovement.eu/policies)

#### European Movement International

[www.europeanmovement.eu](http://www.europeanmovement.eu)

Rue Marie-Thérèse 21

B-1000 Brussels

T +32 (0)2 508 30-88

[secretariat@europeanmovement.eu](mailto:secretariat@europeanmovement.eu)

[@EMInternational](#)



Co-funded by the  
Europe for Citizens Programme  
of the European Union