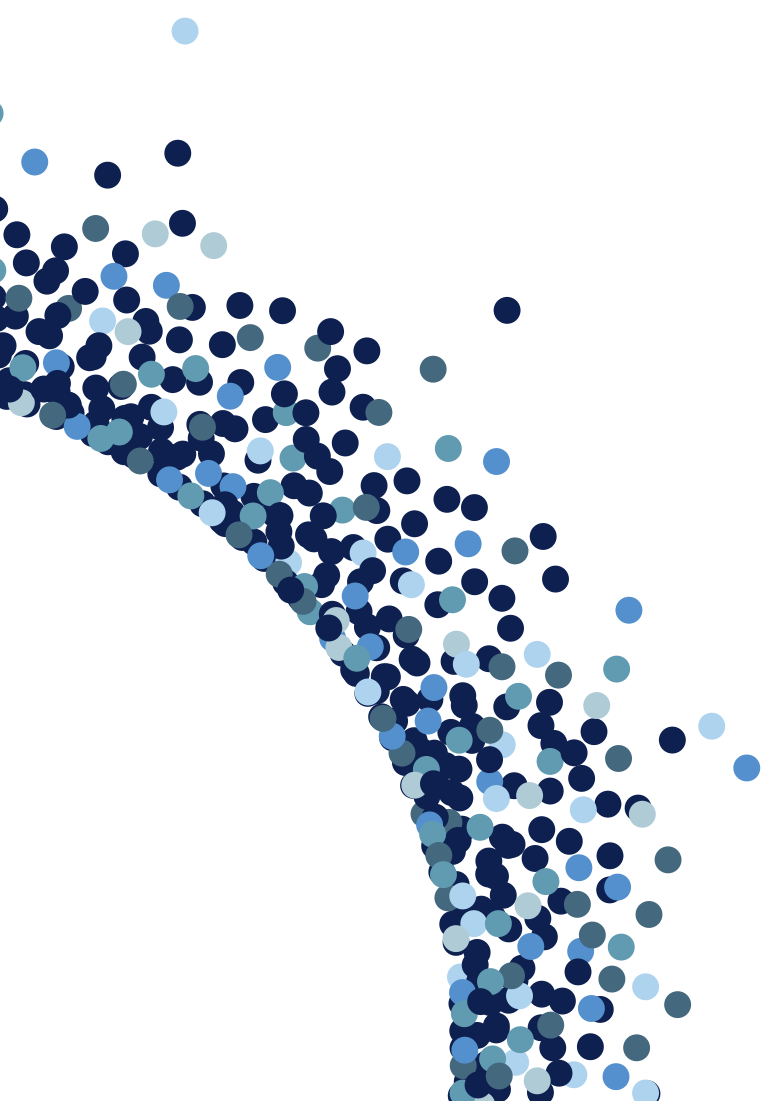




# COMMENTARY

## Article 50: Shades of grey, or black and white?



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With the triggering of Article 50 on March 29<sup>th</sup> the Government will begin the formal process of the UK leaving the European Union. Unless a deal between the UK and the EU is struck to extend the timeline, the UK will cease to be a member of the EU in two years. The high level of EU migration to the UK was an important factor in the vote to leave the EU, and the impacts of Brexit are likely to be particularly significant for both EU nationals in the UK and UK nationals in the EU.

This commentary provides key data about EU migration to and from the UK and the EU migrant population of the UK, synthesises some of the Migration Observatory's analysis on the issue, and provides links to key pieces we have put together on the subject.

## Numbers

Analysis of the UK Labour Force Survey suggests approximately 3.6 million EU nationals resided in the UK during 2016. This total includes some people born in the UK or non-EU countries who are EU nationals. The number of EU born people residing in the UK during 2016 is slightly lower (3.5 million). Some of those born in the EU are UK nationals.

The distinction between "EU-born" and "EU-Nationals" is important here, as EU nationals' rights to live and work in the UK could to be affected by Brexit, while the rights of those born in the EU, but who have British nationality will not.

The Migration Observatory's analysis on EU migration to and from the UK can be found in this briefing on [EU Migration to and from the UK](#), and in this [short video produced ahead of the referendum](#).

Of those EU nationals living in the UK, the largest single group are Polish nationals – who numbered approximately 1 million during 2016. The estimated number of people born in Poland residing in the UK during 2016 was 920,000. These numbers have increased sharply from 2004, when Poland joined the EU (there were close to 40,000 Polish nationals and 73,000 Polish born people in the UK in 2003). Table 1 below presents the largest EU born and EU national groups in the UK during 2016.

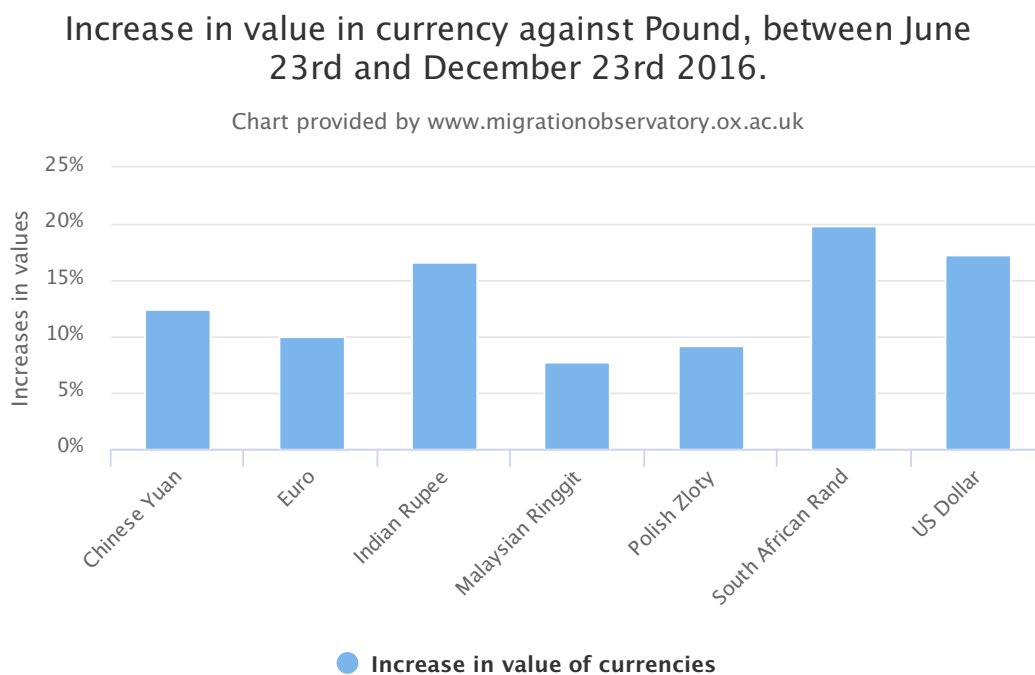
**Table 1 – Main countries of origin of EU born and EU national residents of the UK, 2016.**

EU Born		EU nationals	
Countries	Number	Countries	
Poland	925,000	Poland	1,007,000
Ireland	406,000	Ireland	345,000
Germany	330,000	Romania	311,000
Romania	295,000	Italy	252,000
Italy	233,000	Portugal	223,000

Source: Migration Observatory estimations from the UK Labour Force Survey, Q1-Q4: 2016.

The rights of British nationals to live and work in the EU may also be affected. Approximately 1.2 million UK-born people live and work in other EU countries in 2015 (see Figure 1), with the largest single group in Spain (309,000), followed by Ireland (255,000) France (185,000) Germany (103,000) and Italy (65,000). Recently, the [ONS has also estimated](#) that around 900,000 UK nationals were long-term residents of other EU countries in 2011.

Figure 1



Source: Migration Observatory analysis of data from the Bank of England.

## Brexit and the labour market

The main reason for EU migration to the UK is work ([see EU Migration to and from the UK](#)) – accounting for nearly three quarters of EU immigration. A significant change in the openness of the UK to EU migrants can be expected to have some – possibly considerable – impact on the many sectors and businesses in the UK that have developed a reliance on low cost EU migrant workers over the 13 years since EU expansion.

The focus on restricting EU labour migration during the referendum campaign means that there is a presumption that post Brexit policies will attempt to reduce it significantly. However it should be noted that [ministers have suggested](#) that this is unlikely to happen immediately, and policies have not yet been set-out – therefore it cannot be assumed that EU labour migration will be sharply cut in the short-term.

## *Sectoral and occupational importance of EU migration*

The tables below show the sectors in which EU migrants are most concentrated, and the occupational levels at which they are employed. Certain sectors – such as ‘distribution, hotels and restaurants’, ‘public administration, education and health’, ‘banking and finance’ and ‘manufacturing’ are particularly important for EU migrant workers at this stage. ‘manufacturing’, ‘agriculture, forestry and fishing’, ‘distribution, hotels and restaurants’, ‘construction’ and ‘transport and communications’ are the sectors in which EU workers form the largest shares.

**Table 2 – Sectoral distribution of EU nationals working in the UK, 2016**

	Sector importance for EU workers	EU workers importance for sector
Agriculture, forestry and fishing	1%	9%
Energy and water	1%	6%
Manufacturing	15%	11%
Construction	9%	9%
Distribution, hotels and restaurants	24%	9%
Transport and communications	11%	9%
Banking and finance	18%	8%
Public administration, education and health	17%	4%
Other services	4%	6%

Source: Migration Observatory estimations from the UK Labour Force Survey, Q1-Q4: 2016. Note: This represents working-age people.

EU nationals are also represented across a broad range of occupations within the sectors in which they are working (see Table 3). The largest concentrations are in lower skilled occupations, with EU nationals making up a significant share of workers – 14% and 15% respectively – of the “process, plant and machine operatives” category, and the “elementary occupations”. However EU migrants are by no means limited to the lower skilled positions. More than one in six (17%) EU nationals in the UK works in “professional occupations” – making up 6% of all workers in those positions in the UK – while more than one in 20 (6%) work as “managers, directors or senior officials” – making up 4% of all workers in those roles.

**Table 3 – Occupation distributional of EU nationals working in the UK, 2016**

	Occupation importance for EU workers	EU workers importance for occupation
Managers, Directors and Senior Officials	6%	4%
Professional Occupations	17%	6%
Associate Professional and Technical	10%	5%
Administrative and Secretarial	6%	4%
Skilled Trades	12%	8%
Caring, Leisure and Other Service	7%	6%
Sales and Customer Service	6%	5%
Process, Plant and Machine Operatives	12%	14%
Elementary Occupations	23%	15%

Source: Migration Observatory estimations from the UK Labour Force Survey, Q1-Q4: 2016. Note: This represents working-age people.

## What would happen to EU nationals currently living in the UK?

One of the biggest issues affecting EU nationals living in the UK – and UK nationals living in the EU is what rights they will have to live and work in the UK after Brexit. The simple – if unsatisfactory – answer to this question is that it is still unclear.

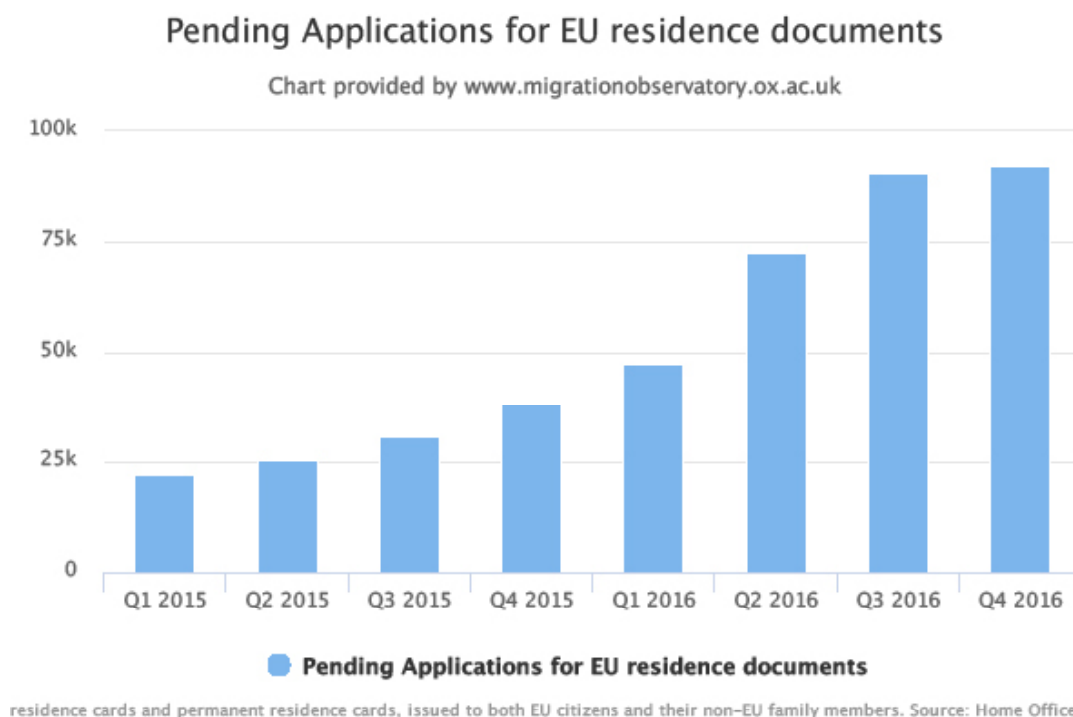
The Government has repeatedly stated that it intends to provide assurances to EU nationals already living in the UK that they can remain in the country with much the same rights of residence and to work they had before Brexit. However, the details of how this will be implemented have not yet been resolved and some of the details could be quite complex, including questions such as who will qualify as “already living in the UK”, what conditions they will have to meet, and what the application process will involve.

Equally, the UK has so far refused to make a unilateral commitment to EU nationals to protect their rights, arguing that this is a key factor in Brexit negotiations with the EU, and that it is dependent on the rights of UK nationals in other EU countries also being protected.

The uncertainty has led many EU nationals and family members to apply to acquire permanent residence documentation. EU migrants’ rights to permanent residence in the UK are based on whether they have correctly exercised their treaty rights, regardless of any documentation they receive. However, the documents do provide some assurance about an individual’s legal status in uncertain times. This uncertainty also highlights the bureaucratic challenge that the Government faces in identifying which EU migrants living in the UK actually have legal rights to remain, and which do not.

The Migration Observatory analyses this question in detail in [Here today, gone tomorrow? The status of EU citizens already living in the UK.](#)

Figure 2



## Short-term effect of Brexit on immigration flows.

While the long term migration effects of the UK's decision to leave the EU remain unclear, the latest ONS migration statistics (discussed in this [recent Observatory press release](#)) provide some clues about the potential short-term consequences.

In particular, the first annual figures which includes a quarter of migration data from the period immediately after the referendum shows a statistically significant increase in emigration from the UK of A8 nationals (those from Poland, Hungary, Latvia, Lithuania, Estonia, the Czech Republic, Slovakia and Slovenia), and a significant increase in immigration to the UK of A2 nationals (Romanians and Bulgarians).

Understanding why this differentiated response has occurred is not straightforward, and establishing the causes of migration decisions is always difficult, however there are certain factors that are worth considering. The falling value of the pound against other currencies in the aftermath of the referendum, for example, reduced the relative wage disparity between the A8 countries and the UK, which may have led to some A8 migrants deciding to leave. A number of [high profile anti-immigrant crimes](#) also took place in the period of heightened emotions following the Brexit vote. However, the British economy has remained relatively stable since the Brexit vote and availability of work in the UK would be likely to continue to attract new migrants from Romania and Bulgaria, who have had access to the UK labour market for a shorter period.

## What kind of migration system will be in place for EU nationals after Brexit?

Any post-Brexit labour migration system is likely to allow migration into the highest skilled jobs, such as high-paid professional positions in finance or engineering. In these jobs, the key policy question is what the application process looks like—for example, whether it requires employers to pay fees or attempt to recruit UK workers before sponsoring a worker from overseas.

The area where Brexit could potentially see the greatest shift from the status quo, however, is low- and middle-skilled work. These jobs, which range from skilled trades occupations in the construction industry to relatively low-paid work in social care, hospitality or fruit picking, employ the majority of EU nationals currently working in the UK.

The types of roles undertaken by EU migrants in the UK are detailed in the Migration Observatory report - [Potential Implications of Admission Criteria for EU Nationals Coming to the UK](#).

The Government will need to decide how much—if any—of this demand it will continue to satisfy through EU migration after Brexit. There are few obvious statistical metrics for prioritising different kinds of immigration in the low- and middle-skilled echelons of the labour market, making it inevitable that political judgment will play a strong role in how the overall system should be designed. The Migration Observatory's recent report [Labour Immigration after Brexit: Trade-offs and Questions about Policy Design](#) provides more detailed analysis of this issue.

## Conclusions

Even as we prepare to trigger Article 50, and begin a political process that leads to the UK leaving the EU, it remains unclear how this will affect EU migration to and from the UK, EU nationals living in the UK and British nationals living in the EU. Migration may fall, or it may not; businesses may struggle to recruit staff or they may not; EU migrants may be forced to leave the UK, or they may not.



## The Migration Observatory

Based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford, the Migration Observatory provides independent, authoritative, evidence-based analysis of data on migration and migrants in the UK, to inform media, public and policy debates, and to generate high quality research on international migration and public policy issues. The Observatory's analysis involves experts from a wide range of disciplines and departments at the University of Oxford.



## COMPAS

The Migration Observatory is based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford. The mission of COMPAS is to conduct high quality research in order to develop theory and knowledge, inform policy-making and public debate, and engage users of research within the field of migration.

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