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Convener, Culture, Tourism, Europe and
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Scottish Parliament
Holyrood
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Dear Joan,

Thank you again for providing the Scottish Government with a copy of the Committee' report, *EU Migration and EU Citizens' Rights*, published on 6 February 2017.

Scotland's demography

We welcome this report and agree with the Committee's finding that migration is key to addressing Scotland's demographic challenges. The Scottish Government fundamentally believes that Scotland's people are key to our future prosperity. Stimulating population growth is a key driver of sustainable economic growth, and in Scotland, most of our population growth is supported by inward migration. We know that 90% of the population increase in Scotland over the next ten years is projected to come from migration (57% from net international migration and 32% from net migration from the rest of the UK). If current trends continue, net inward migration is projected to be the main contributor to Scotland's population growth over the next 25 years. This is markedly different to the projections for the UK as a whole, where 51% of the projected population increase over the next 10 years is due to natural change and 49% is due to international migration.

We also know that people in Scotland are living longer, and a key priority in addressing our ageing population is attracting working age migrants to make Scotland their home. That is why we need an immigration system that meets Scotland's needs - because we depend heavily on new Scots to support our economy and communities.

As an economy, we need the inward flow of people not just to support the growth of our businesses and services, but to provide diversity and vibrancy to our communities. EU nationals play a critical role in propelling this economic growth and Scotland also benefits immeasurably from the social, cultural and intellectual impact of the 181, 000 EU nationals living here¹.

¹ EU National Living and Working in Scotland, 2015 <http://www.gov.scot/Resource/0051/00515360.pdf>

EU nationals in Scotland

As the Committee have highlighted in the report, last November, the National Records of Scotland published new illustrative population projections for Scotland to 2039², based on varying potential levels of EU migration. Over the next 25 years, Scotland's population is projected to grow by 7% between 2014 and 2039. However, in a situation where EU migration to Scotland stops completely, population growth is only projected to grow by 3%. In this scenario, with no EU migration, the number of working age people in Scotland is expected to fall by 3%, at the same time as an anticipated rise of 28% of those in pension age. This indicates a worrying reduction in the size of the future workforce and an associated increase in Scotland's dependency ratios.

These figures highlight the damage a hard Brexit will do to Scotland's future, and we welcome the Committee's calls for the UK Government to move immediately to guarantee the rights of EU citizens resident in the UK. The UK Government's continued failure to offer such assurances has needlessly caused huge anxiety to many families here in Scotland and across the rest of the UK, and that is a situation which UK ministers have the power to resolve immediately. The bottom line is that people should never be used as bargaining chips or cards in intergovernmental negotiations.

The Scottish Government will continue to engage in good faith with the UK Government to seek to ensure that Scotland's interests are represented within the UK's negotiations with the European Union.

Scottish Government evidence on migrants in Scotland

We note the Committee's concerns about the quality of data available on EU and other migrants in Scotland. The Scottish Government is committed to ensuring a sound evidence base on migrants living and working in Scotland, and understanding the important contribution they make to Scotland's economy, culture and society.

A recent report published by the Scottish Government on 'EU nationals living and working in Scotland'³ presents the latest analysis on the sectors that our fellow EU nationals work in and the role they play in Scotland's labour market, sourced from the Annual Population Survey 2015. The Committee will also be aware that the Scottish Government published two reports last October: one on the impacts⁴ and one on the characteristics⁵ of migrants and migration. These reports confirm the long standing view of the Scottish Government that our migrant workforce makes positive contributions to our economy and local communities.

In terms of further work, the Scottish Government is taking forward analysis in a number of priority areas to understand better the contribution migrants make to Scotland. Research has been commissioned to gather detailed, reliable data on the agricultural labour market, recognising the essential role of seasonal workers in agriculture and the importance of ensuring robust data in this area.

²<https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland/2014-based-additional-variants>

³<http://www.gov.scot/Resource/0051/00515360.pdf>

⁴<http://www.gov.scot/Publications/2016/10/5974/0>

⁵<http://www.gov.scot/Publications/2016/10/6840>

Responsibility for Scotland's Census lies with the Registrar General for Scotland and National Records of Scotland (NRS). In their report of the 2021 Census Topic Consultation⁶ (published August 2016), NRS agreed further consideration is required of potential questions around short term migration, reason for migration and citizenship. NRS will be working with users throughout 2017 to research the question set, which will be subsequently proposed to the Scottish Parliament. This process is underway and discussions are being sought with a range of stakeholders. As part of this, NRS intends to engage with the Scottish Parliament and its committees, including the Culture, Tourism, Europe and External Relations Committee.

The need for a more flexible immigration system across the UK

We welcome the Committee's calls for a bespoke or differentiated immigration solution in Scotland to be fully explored.

We are clear that we want Scotland to continue to be a vibrant, diverse country that faces outwards and is a confident and responsible global citizen. The Scottish Government greatly values both the contribution that EU migrants bring to our economy and society, and the benefits of freedom of movement enjoyed by our own citizens, such as the right to free movement to live, study and work in all EU countries and benefit from their healthcare and social security systems. Over the years, many Scottish and UK employees have benefitted from these rights, enjoying the opportunity to work in other EU countries, develop skills and often bring back much needed expertise and ideas.

That is why it is so disappointing that the UK Government has not seriously engaged with our proposals for a differentiated solution, as set out in Scotland's Place in Europe. These proposals would have involved substantial changes to the devolution settlement and would have allowed Scotland to maintain free movement of people.

As the committee has noted, Scotland's needs are different from those in the rest of the UK and the Scottish Government therefore fundamentally disagrees with the UK's target to reduce immigration 'to the tens of thousands'. The UK Government's immigration rules and restrictions should be in themselves sufficient to adequately manage migration without additional, arbitrary targets which take no account of the valuable contribution migrants make to our society and economy. We think that a fair and sensible immigration system should be sufficient to manage numbers of migrants without an arbitrary cap which sends the wrong message to those looking to make Scotland their home.

We understand that the UK Government are planning to consult on the UK points based system, and on future UK immigration arrangements for EU/EEA nationals. As these changes will no doubt be driven by the UK's net migration target, the Scottish Government is extremely concerned about the potential negative impacts for Scotland, and Scottish Ministers will continue to press the UK Government to deliver an immigration system that meets Scotland's needs.

In conclusion, I would like to thank the members for the comprehensive and insightful work the Committee has undertaken since the EU Referendum last year, and I would like to reaffirm the Government's commitment to keeping the Committee and Parliament updated on developments.

⁶http://www.scotlandscensus.gov.uk/documents/census2021/Scotlands_Census_2021_Topic_Consultation_Report_August_2016.pdf



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