

Highlands and Islands

Inward migration – Position Paper

Summary

Scotland and more particularly the Highlands and Islands are differentially dependent on migration to the rest of the UK, not least because of its geographical situation and some of the challenges that this brings. These challenges include distance from markets and key centres of population that can reduce the attractiveness of the area as a place to set up business or to move to for employment. This can also lead to younger people leaving the area for education and / or employment opportunities.

In common with our Convention of Scotland's Local Authorities (COSLA) partners at a national level, the Highlands & Islands Local Authorities preference is for the free movement of people from the EU to continue. However, accepting that this is unlikely to be the UK Government's preferred option, it is critical that any future migration policy following the UK leaving the EU suits the needs of the Highlands & Islands. In particular it must help address these demographic challenges facing the Highlands & Islands and the impact on our workforce and local economies.

The Highlands and Islands – a region that welcomes inward migration

Following over a century of population decline, Highland has, for over a decade now, seen a return to population growth although differences still exist between the more buoyant areas such as the Inverness and Inner Moray Firth area and more peripheral parts of the region. A similar pattern can be seen at a more local level – for example, with island population growth between the 2001 and 2011 censuses. Around half of islands saw population increases but more notably, the population of the four most populated islands (Lewis / Harris, Mainland Shetland, Mainland Orkney and Skye) saw larger increases while the combined population of all islands outwith these four most populated islands decreased by 3%.

In recent years, most of the population increase in the Highlands & Islands has been due to net immigration and indeed natural change (births minus deaths) would have led to a decrease in population in almost all areas of the Highlands & Islands. National Insurance registrations can be used to show the origin of overseas migrants and for 2016 these showed that 86% of those in Highland were from EU countries demonstrating their disproportionate importance to the Highlands and Islands (the equivalent for Scotland as a whole is 74%). If these previous trends were to continue - i.e. there were no Brexit related effects - net migration is projected to remain positive, whereas natural change is projected to be negative. Any changes to migration policy that reduced inward migration in future would therefore be expected to lead to a decline in the population of the Highlands and Islands.

As well as affecting overall population levels inward migration also helps address demographic imbalances seen across the Highlands and Islands. Mid-2017 population estimates for Scotland show all Highlands and Islands local authority areas having a greater proportion of over 65s than the Scottish average. In addition, all Highlands & Islands Local Authority areas are projected to see decreases in their working age populations in the next 20 years. In recent years inward migration has helped address this because inward migrants, particularly those from the EU, tend to be younger but also because these migrants support the natural birth rate. For example, in Highland latest (2016) figures show that of the 2150 births, 211 (9.8%) were to non-UK EU mothers.

These migrants are also an important part of the Highland economy – in Highland a higher proportion of the population are EU nationals than the Scottish average and of these 10% more are in employment (77%) than is the case for Scotland as a whole (67%). In Orkney and Shetland the proportion of EU nationals in employment are even further ahead of the Scottish average at 14% and 17% respectively. Even in the area with the lowest proportion of EU nationals in employment (Na h-Eileanan Siar) figures are still 3% ahead of the Scottish average.

Although on average EU migrants tend to be better qualified than UK nationals and some do work in high skilled jobs including public sector roles such as doctors and nurses, many others fill otherwise difficult to fill lower skilled positions. Particular sectors where this is the case are tourism (the area's most significant industry) and the food and drink sector including fish harvesting and processing and food processing. Not only are these sectors key to the local economy their products are major UK exports that contribute wider economic and financial benefits to the whole of the UK, for example through excise duty.

Migrant workers are also critical to small businesses which make up the majority of Highlands and Islands businesses. A recent survey undertaken by the Federation of Small Businesses also illustrated the disproportionate importance of migrant workers to Highland businesses. Across the UK, 20% of businesses employed 1 or more migrants from the EU; in Scotland the proportion was 25% while in Highland it was 41%.

If the number of EU migrants is restricted and migrants from elsewhere have to fit set criteria there is a concern that Highland may be unable to recruit the workforce it requires. Of particular concern is the fact that earnings thresholds are commonly used as part of the approval criteria for migrants to be allowed to live and work in the UK. This disadvantages areas such as the Highlands and Islands which generally have lower wage rates than other parts of the UK - median earnings in the Highlands & Islands lag behind both Scottish & UK averages.

What does future migration policy need to deliver for the Highlands and Islands?

The Highlands and Islands of Scotland is indeed a special corner of the country, with an abundance of natural resources, a diverse business base, world renowned environment and vibrant, confident communities. For this to continue it does however need to be able to attract people to live and work in the area. An effective and responsive migration policy will enable the region to achieve its potential and make a full contribution towards Highlands and Islands, Scottish and UK economic growth.

In particular future migration policy needs to avoid a "one size fits all" approach but instead should recognise and respond to regional disparity. This in turn would improve regional competitiveness, promote economic growth, address issues such as demographic challenges and help to sustain fragile communities. Recognition of the positive impacts that migration can have on individual communities, particularly those in remote areas is essential in retaining community capacity and resilience as well as ensuring continued provision of services such as health and education.

Characteristics of a future migration Policy

In the H&I's this regionally responsive migration policy needs to:

- encourage people of working age population to come to the Highlands and Islands
- be responsive/flexible to sectoral labour challenges to address our specific regional challenges
- be regionally responsive/flexible both within a UK and Scottish context