



## The impact of an amnesty on London

### Summary

1. The huge illegal workforce in London is a major impediment to young Londoners getting into work. It must be tackled, mainly by firm action against unscrupulous employers and landlords, as a vital part of any strategy to deal with youth unemployment.

### The role of illegal immigration

2. Illegal immigrants come to (or stay on in) London precisely in order to work and, often, to send money home. They mainly do low skilled work which is exactly the kind of job that young Londoners need to get into the labour market. To get work, illegals undercut the wages of British workers while also reducing the opportunities for young Londoners. They also allow unscrupulous employers to compete unfairly with honest ones who provide decent wages and conditions.

3. There are a number of important respects in which it is advantageous to employers to employ illegal workers:

- no unions,
- no contracts so no solicitors
- no overtime
- no redundancy pay
- no holiday pay
- no pensions contributions
- no tax to be paid or collected
- no maternity / paternity leave

Against such competition, it is hardly surprising that young Londoners are struggling to find work.

### The scale of illegal immigration

4. The scale of illegal immigration in London cannot, of course, be precisely measured; it can only be estimated. The most recent estimate, prepared for the Greater London Authority (GLA) by the London School of Economics (LSE) in 2009 gave a central estimate of about 440,000 at the end of 2007. Since then some will have been granted permission to stay in Britain while other migrants have arrived or stayed illegally. An estimate of half a million illegals in London would therefore be a reasonable ball-park figure.

## **The impact of illegal immigration**

5. Illegal immigration on this scale partly explains why wages in London are low despite the high cost of living in the city. Furthermore, unemployment in London, at 9.1%, is second only to the North East (at 9.8%). Among 20 to 24 year olds unemployment is 22%, the highest in the UK, compared to the national average of 20.2% (see Annex A).

### **Could “regularisation” be a solution?**

6. This is simply a euphemism. It amounts to a slow motion amnesty and it would be completely ineffective because those granted an amnesty would be replaced by others who would come to Britain as visitors or students and stay on to work on the black market. The prospect of an amnesty would only encourage more of them to do so.

### **Experience elsewhere**

7. Italy has conducted five amnesties in the last twenty years and Spain has granted six. On almost every occasion the number of applications increased. This suggests that amnesties actually increase illegal immigration (see Annex B).

### **Other arguments against an amnesty**

8. There are other strong arguments against any form of amnesty:

(a) **The rule of law**

Granting an amnesty is wrong in principle. It would reward many years of illegal activity by full access to the welfare state. It would also be an enormous “pull factor” for other migrants from around the world to stay on illegally.

(b) **Administrative problems**

Any such amnesty would require complicated arrangements that would depend on the length of an immigrants stay in Britain. However, these would be administratively impossible for the obvious reason that no reliable documents exist to prove the case. American experience is instructive. The LSE report notes that a US attempt to regularise Mexicans recorded a 75% rate of fraud.

(c) **Cost**

The LSE report admitted that the longer term costs of benefits could be £2 billion per year. Even this did not include post-retirement costs.

(d) **Housing**

There would be a huge impact on social housing. All those granted an amnesty would be eligible for social housing and they would also have the right to bring their families to Britain. Those that had large families would move up the housing queue. The LSE report assumes that only 40% would require social housing but, even on that optimistic assumption, the costs of the public section subsidy would be £6.2 billion.

The LSE report itself acknowledged that “it is highly unlikely that the extra dwellings required would actually be built. The much more probable outcome is that there would be increased competition for the existing stock of social housing. This in turn might adversely affect local relations and social cohesion, as the evidence shows that competition for housing is an important element in increasing tensions at the local level”. (page 75).

### **Public opinion**

9. A YouGov poll for the Sunday Times in January 2012 found that 67% believe that illegal immigrants should be deported immediately with no right of appeal. This is consistent with earlier polling.

## An alternative policy

10. It is clearly impossible to deport half a million people. It is, however, possible to discourage an illegal existence in Britain. Fines against employers for employing illegal workers are now being more extensively imposed but collection needs to be much more vigorously enforced. Action should also be taken against those who provide accommodation for illegal immigrants. These measures, combined with the development of electronic border checking, should progressively reduce the scale of illegal immigration in Britain.

## Conclusion

11. There is no way that work opportunities for young Londoners can be improved without tackling illegal immigration. Failure to do so will simply suck in additional illegal workers, leaving British workers on social security. A situation in which nearly a quarter of young Londoners, and about half of young black Londoners, are unemployed simply cannot be allowed to continue.

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## Annex A

### Unemployment and 'Economic Inactivity' by Government Office Region: July 2011 – June 2012

GOR	Unemployment Rate – All (%)	Unemployment Rate – 18 – 24 (%)	Economic Inactivity Rate – All (%)	Economic Inactivity Rate – 18 – 24 (%)
NE	11.3	23.6	40.3	29.7
NW	8.8	22.0	38.5	29.6
YH	9.9	22.6	38.1	31
EM	8.1	18.3	36.7	29.2
WM	8.9	21.3	39.8	34.2
EE	6.7	15.8	35.3	24.1
<b>London</b>	<b>9.2</b>	<b>22.8</b>	<b>34.2</b>	<b>39.2</b>
SE	6.2	13.5	35.2	27.6
SW	6.4	14.6	37.6	26.2

Source: ONS – Labour Market Statistics

## **Annex B**

In their report to the Home Office on methods of sizing illegal populations, Professor John Salt and others examined the amnesties offered by EU countries over the past 20 years.<sup>1</sup> Belgium and Greece have implemented one amnesty each. France and Portugal have offered two amnesties. Italy has conducted five and Spain six amnesties with the following results:

<b>Italy</b>				
1987/88	1990	1996	1998	2002
119,000	235,000	259,000	308,000	700,000

<b>Spain</b>					
1985/86	1991	1996	2000	2001	2005
44,000	135,000	21,000	127,000	314,000	700,000

It will be apparent from the experience of Italy and Spain that granting amnesties certainly does not reduce the number of illegal immigrants. Indeed, it may very well encourage further illegal immigration. It is noteworthy that the Spanish enclaves in North Africa came under severe pressure shortly after the major Spanish amnesty in February 2004.

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<sup>1</sup> Home Office on-line report 58/04 Table 5.1