

STRATEGIC LABOUR MARKET GROUP

22nd JUNE 2017

BREXIT: IMPACT OF REDUCED MIGRATION (from both EU and non-EU countries)

Discussions within the SLMG are guided by the five Labour Market Strategy outcomes detailed below. Different meetings of the SLMG will look at particular areas in relation to these outcomes. For example, in the context of the discussion on Brexit – focussing on the impact of reduced migration – issues around skills and the need for a sustainable working population seem to be the main focus alongside what impact it may have on the Fair Work agenda. To support an informative discussion and debate within the group, some suggested discussion points are set out below. Please think about them in advance of the meeting.

LABOUR MARKET STRATEGY OUTCOMES

Scotland's Labour Market Strategy identified five outcomes that provide the strategic framework to be used to measure and ensure the progress we wish to see within the labour market:

- a skilled, productive and engaged workforce capable of meeting the needs of employers;
- equality of opportunity to access work and to progress to ensure everyone is able to maximise their potential;
- fulfilling, secure and well-paid jobs, where employees' contributions are encouraged, respected and valued;
- low unemployment and high employment; and
- a sustainable working population that can retain and attract new talent, to meet our wider economic and social ambitions.

SUGGESTED DISCUSSION POINTS

(1) SKILLS: a skilled, productive and engaged workforce capable of meeting the needs of employers.

- Scotland has a high dependency on workers from both EU and non-EU countries, who fill a range of skills gaps within the labour market – both in high and low-skilled occupations – often with a different pattern from other parts of the UK.
- What might a differentiated immigration policy for Scotland look like and how could it ensure that Scotland's immediate short-term skills needs are met?
- Are there any particularly high-risk areas where the dependency on migrant labour could not be quickly addressed, e.g. either due to scale of demand or specialisms, and what policy levers does the Scottish Government currently have which could be used to help mitigate against those risks?
- What can be done to maximise the utilisation of those in the labour market, including migrants who will be allowed to remain post Brexit, who are currently underemployed?

(2) DEMOGRAPHIC CHANGE: a sustainable working population that can retain and attract new talent, to meet our wider economic and social ambitions.

- Scotland, like most other advanced economies, is coming under increasing pressure caused by its ageing population. Scotland has a specific problem in that natural population growth is significantly below that of the rest of the UK, so migration is key for Scotland.
- As our labour force continues to age, younger workers migrating to Scotland will help ease pressures caused by this demographic change, providing a sustainable source of labour supply and contributing towards meeting the increased demand for services associated with an ageing population.
- 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. How could policy be framed around this?

(3) FAIR WORK: fulfilling, secure and well-paid jobs, where employees' contributions are encouraged, respected and valued.

- Although the UK Government has commented positively on this issue, what should our focus be in terms of the potential erosion of workers' rights (including current and future migrant workers); the rights of workers in non-traditional employment, i.e. the gig economy. Which rights should we particularly keep an eye on in any Brexit negotiations?

(4) SKILLS AND ACCESS: equality of opportunity to access work and to progress to ensure everyone is able to maximise their potential.

- Although its overall impacts are expected to be negative, does Brexit create any potential opportunities to support, for example youth employment, supporting disabled people into employment in respect of good quality jobs which support inclusive growth?