

News

Low-skilled sectors 'could face huge talent shortages after Brexit'

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By Annie Makoff

Food manufacturing likely to be worst affected, as CIPD urges flexible immigration system

A cap on post-Brexit EU migration could result in significant labour shortages within certain sectors that are reliant on EU migrants, new research has warned.

The food manufacturing sector, where 27.7 per cent of the workforce are EU migrants, would be hardest hit, according to the Institute for Public Policy Research (IPPR), ahead of domestic personnel (19.5 per cent) and warehousing (15 per cent).

In specific lower-skilled roles, the analysis suggests talent shortages could be particularly severe if migration was restricted after Brexit: 41 per cent of packers, bottlers and canners, 39 per cent of food process operatives and 21 per cent of fork lift truck drivers originate in the EU, for example.

Labour shortages resulting from workforce turnover and tighter immigration control could push up the price of everyday goods and services, the report said.

Marley Morris, senior research fellow at the IPPR, said it was "highly likely" that Britain's immigration policy would change post-Brexit, despite some sectors in the UK economy being highly reliant on EU nationals in lower-skilled jobs. At the same time, he said British workers would be unlikely to fill these roles.

Calling on the government to work with industry to develop a clearer plan towards a "high-pay, high-productivity economy to reduce the reliance on low-skilled EU labour", the IPPR urged an "honest conversation" with the public about the continued need for lower-skilled migration after Brexit.

Earlier this week, Brexit secretary David Davis admitted that immigration would increase "from time to time" depending on economic need and industry demand.

But Dr Carlos Vargas-Silva, acting director of the Migration Observatory at the University of Oxford, accused the government of sending "mixed messages" about restricting EU migration, with some ministers citing net migration targets while others suggested the system might be more fluid.

He said: "What is clear is that some sectors of the UK labour market are fairly dependent on EU migrants at this stage, while unemployment is very low, which means that restricting these labour markets' access to migrant labour could leave them with labour shortages that cannot be filled by UK workers."

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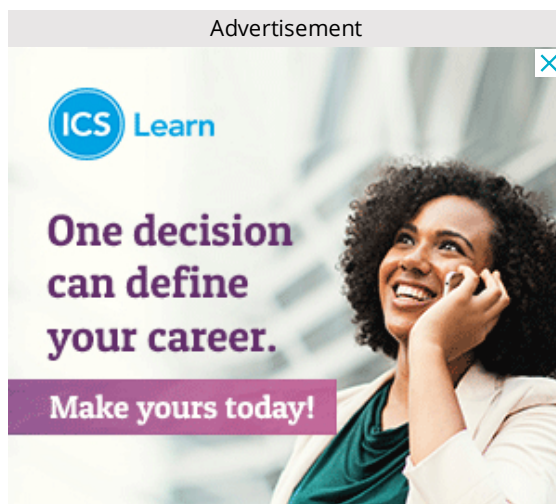
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He added: "We have long argued that the best way to reduce employers' need to recruit people from overseas is to increase the skills of British people. This is the right goal for business and the government but it won't happen overnight. The government needs to work with employers to develop a sensible plan to manage immigration in a way that supports Britain's economy, works for our businesses and addresses public concerns."

The IPPR research came as Article 50 was formally triggered, marking the start of the two-year countdown to Britain's exit from the European Union.

CIPD chief executive Peter Cheese said the process was expected to have "significant implications" for immigration policy and access to EU migrants. He called on the government to design a "flexible immigration system" that meets the need for greater control while enabling UK organisations to access the workers and skills they need.

"While we expect there to be changes to the UK's immigration policy, there will undoubtedly still be a need for organisations to access both skilled and unskilled labour from the EU, and further afield," said Cheese. "This has been particularly recognised in key sectors such as healthcare, hospitality, transportation, agriculture and construction, as well as fields like higher education, where significant levels of EU migrant workers have been attracted and would take many years to replace."





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