

# **Walking the tightrope: private and public interests in Conservative immigration policy**

## **Abstract**

The Conservatives have long been ideologically split on immigration between the business right and identity right of the Party. Appealing to the social right of its voter base, since 2010 immigration policy has been doggedly restrictive. Yet lobbying channelled through bureaucratic politics has led to subtle, but important, concessions to appease business interests. The Conservative administrations have legitimised these concessions by making distinctions between “good” and “bad” migrants. In the 2010s lobbying strategies, while shifting according to the political climate, predominantly consisted of insider lobbying. Yet with significant labour market shortages induced by the new immigration system and heightened by the pandemic, employers are ‘going public’ with their opposition, placing significant pressure on the Conservatives to perform a policy reversal. Meanwhile public opinion on immigration has softened and the saliency dwindled. Politicising immigration may not be an electoral winner anymore; business interests may override the identity wing of the Party.

## **Keywords**

Conservative Party, Immigration, Brexit, lobbying, organised interests

Immigration policy under Conservative rule over the last decade has been underpinned by a seemingly simple mandate to reduce immigration. Yet ideologically the Conservatives have long been split on immigration, caught between its neoliberal

New Right that champions free markets, and its social conservatism, which immigration is said to threaten. This tension is expressed in a balance of interests, with its voter base demanding more restrictive measures in contrast to business support for liberalisation. In the last decade populist politics has trumped any economic demands on immigration, yet beneath the draconian policy subtle but important concessions to business have been made throughout successive administrations. The government have rhetorically legitimised these policy concessions by constructing divisions between “good” and “bad” migrants based on their economic worthiness. This article explores this tension; charting Conservative immigration policy since 2010, the concessions made to business demands, how these concessions transpired and how the lobbying strategies of organised interests have changed as result of shifting politics.

Failing to appeal to the majority faction of the Party in overriding or appeasing the populist strategy on immigration which has won the Party major electoral success, organised interests have instead channelled their lobbying efforts via bureaucratic politics through two key venues: government departments and the Migration Advisory Committee (MAC). The former venue works by businesses channelling their interests through departments with congruent agendas. The latter venue works through capitalising the information advantage that business interests possess by lobbying with evidence through an independent advisory body. Until recently business interests possessing insider status had limited their lobbying efforts to administrative strategies. However, the new post-Brexit immigration system coupled with the impact of the pandemic has left the Conservatives’ delicate balance of interests vulnerable, as the damage to an already under-performing labour market

becomes more striking. As a result, outsider lobbying has been on the rise, placing significant pressure on the Conservatives to perform a policy reversal.

### **Conservatism, Immigration and Organised Interests**

Immigration is an ideologically divisive issue for the centre right because part of its *raison d'être* is to defend the socio-economic and cultural status quo that immigration is said to challenge. In turn, the centre-right owns policy issues such as law and order and national security, which immigration is presumed to threaten, because the bedrock of conservatism is to preserve and conserve. Centre-right parties are rooted in relatively strong notions of national identity that are grounded in tradition and historical legacies. As a result, in terms of electoral strategy, centre-right parties tend to politicise immigration by fixating on questions on national identity and belonging and the apparent threat that immigration poses to this. The paternalistic, nationalist, social conservatism of the centre-right lends itself comfortably to a restrictive immigration policy, one that appeals to the electoral base of the right.

Yet at the same time, the economically libertarian ideological wing of the centre-right which champions *laissez-faire* market, minimal state intervention and free market capitalism, complicates any simple, restrictive immigration policy. When framed as a social or home affairs issue, it makes sense for centre-right parties to pursue restrictive immigration policies. Yet when framed as a labour market issue the logical policy for the neoliberal New Right is an unregulated labour immigration policy, as free trade logically entails free movement of labour. Therefore immigration

fundamentally prompts tensions within the Conservative Party between the identity right and the business right.

Broadly, business interests favour immigration because it allows for a more flexible labour market. This is particularly attractive for employers operating in a liberal market economy, such as the UK, because there is a lack of coordinated wage bargaining arrangements and firms primarily coordinate their activities via competitive market arrangements, therefore there are incentives for employers to delay any costly technological advancements to replace low wage labour. Declining apprenticeships and vocational education in Britain has further fostered a reliance on immigration to plug labour shortages. Coupled with employers' perceptions of migrants as having superior soft skills, this has meant that British employers have, on the whole, embraced labour immigration.

Organised business interests tend to therefore lobby governments for more expansive immigration policies, otherwise known as client politics. Organised interests lobby through a number of collective action strategies including insider and outsider lobbying. While insider lobbying is directed at policymakers or their staffs, interest groups will adopt outsider lobbying when necessary, appealing to the persons outside of the policymaking community with the aim of shaping policy through public pressure. Insider strategies are generally seen as a more effective means of lobbying because it involves direct access to policymakers, it allows private lobbying to be conducted on issues not necessarily in the public good, and outsider lobbying highlights government failures therefore weakening trust between interest groups and government. Insider interest groups in Britain who have access and influence over

government due to their size and economic power, including major employer and trade associations in the UK such as the Confederation of British Industry (CBI), the British Chamber of Commerce (BCC), the Federation of Small Businesses (FSB) and Institute of Directors (IoD), generally prefer to conduct the majority of their lobbying through insider strategies in order to retain their favourable position in influencing policy.

Organised business interests enjoy advantages in influencing policy because their decisions have powerful impacts on economic outputs, thus governments have to appease private interests and balance these against public interests when they are not congruent. Policymakers also often lack the information required to assess policy while interest groups regularly collect data and information important for making policy decisions, and thus lobbyists can use this information to their advantage, in turn using the exchange of technical information as a bargaining tool.

A key administrative lobbying strategy is internal bargaining within the state, otherwise known as bureaucratic politics, where interest groups negotiate with government institutions, such as government departments, particularly when the institution's own remit and interests aligns with an interest groups' objectives. Bureaucratic politics can be a strategy to bypass the government's collective will by channelling interests through departmental remits, especially when parliamentary strategies fail. The information advantage that interest groups maintain can be used as a medium to lobby by using information to persuade policymakers on a course of action, which is done through supplying information and participating in

consultations. Therefore interest groups can use their information advantage to supply data in order to lobby with evidence.

The balance of private and public interests is something all governments must contend with, especially on salient issues such as immigration. To date the Conservative's immigration regime has been defined by a decade of policymaking that prioritises populist demands over private interests, and, ostensibly, privileges the identity and social conservative right over the neoliberal New Right wing of the Party. Yet subtle but important concessions have been made to business interests mobilised through bureaucratic politics, which is reflected in who the government have defined as "good" and "bad" migrants, thus having a major impact on immigration policy albeit in a discreet way.

### **"We can't go on like this": Net migration pledge**

It all started with a seemingly simple pledge – to reduce net migration. With Labour dogged by failures on immigration since the 2004 decision to grant Central and Eastern European citizens access to the UK labour market, the political space for right wing competitors to fuse and 'own' the issues of Europe and immigration was open, a mantle happily picked up by the UK Independence Party's (UKIP). The Conservative Party, worried they would be trumped on an issue they traditionally owned, then ran the 2010 election campaign on a pledge to reduce net migration 'from the hundreds of thousands to the tens of thousands'. While the pledge was popular among voters, the Conservatives did not win an overall majority, and thus the first Coalition government since the post war period was formed, with the Liberal Democrats acting as the junior

partner. Immigration policy under the Coalition government was nonetheless de facto a Conservative policy.

In an attempt to achieve the ambitious – and ultimately unachievable – net migration target, the government adopted a number of draconian measures over the next decade. The first job of the day was to dismantle Labour’s points-based system, introduced in 2008. Tenets of Labour’s system remained, in particular the underlying paradigm of economic worthiness set by Labour’s managed migration regime continued to guide rhetoric and policy under the Coalition, and the utilitarian framing of immigration, filtering between “good” and “bad” migrants, was a legacy from Labour’s Janus-faced regime.<sup>1</sup> Nonetheless, Labour’s expansive economic immigration policy was reversed, and frenzied action to reduce immigration commenced.

In the realm of students, a number of major curtailments were implemented, including restrictions on freedom to work during studies, to work after finishing studying, to bring dependent family members, to extend a stay in the UK, and to ‘switch’ into a work visa category. More stringent language requirements were introduced, and the government got tough on “misuses and abuses” of the student route, including targeting so-called ‘bogus colleges’. Yet these reforms paled in significance to the overarching actions to reduce labour immigration. The Tier 1 highly skilled visa that allowed highly skilled migrants to seek work in the UK without a job offer was closed altogether. Eligibility for a Tier 2 work visa (T2) was restricted to graduate

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<sup>1</sup> E. Consterdine, ‘Parties matter but institutions live on: Labour’s legacy on Conservative immigration policy and the neoliberal consensus’, *The British Journal of Politics and International Relations*, vol. 22, no. 2, 2020, pp. 182-201.

employment only, salary requirements were increased, and eligibility for permanent settlement became much harder. The pinnacle of the reforms was the introduction for the first time in UK history of caps on work visas, including a cap on the main work route (T2 visas).

While immigration policy under the Coalition was undoubtedly restrictive on labour immigration, concessions to business interests were evident, manifested through the contradictory, even conflicting, departmental agendas of the Home Office and the Department for Business and Industry (BIS). This tension in departmental agendas was exacerbated under the Coalition because Liberal Democrat MP Vince Cable held the key ministerial position in the BIS, which at the time owned the remit of business, skills and trade (and higher education). Although the Home Office was determinedly pursuing reforms to reduce immigration as the primary policy objective, the BIS had very different priorities, an institutional conflict always present but more marked because the Minister was from the junior party. Business interests leveraged this tension to their advantage, channelling their voice through the BIS on the need for specific exemptions in the new restrictive immigration regime. This departmental conflict played out publicly when Cable stated that ‘it is no secret that in my department, and me personally, we want to see an open economy, and as liberal an immigration policy as it’s possible to have...we are arguing, within Government, about how we create the most flexible regime we can possibly have’.<sup>2</sup> The departmental rift was further made plain when BIS warned in their strategy for sustainable growth that ‘while it is important that the public has confidence that we

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<sup>2</sup> A. Barker, ‘Five Elephant Traps for Cameron in India’, *Financial Times*, 27 July 2010.



are controlling net migration, it is equally important that the migration system allows business to make the best use of global talent<sup>3</sup>.

From the outset, the government's proposals for an annual limit on T2 visas was met with opposition from employer organisations and companies across almost every sector, but until policy decisions had been finalised outsider lobbying was limited. Publicly, organised interests supported the government on the recognition that 'controlled' immigration was needed in a tacit exchange to then influence policy on specific immigration streams important to business activity through insider lobbying; a bartering strategy that continued to play out during the Coalition's term.

The initial key channel for opposition was through the government's consultation on annual limits to immigration which received 3,2011 responses, one of the largest response rates to a consultation on record.<sup>4</sup> The concessions to business can be seen clearly in the way that consultation responses from key industry figures mirrored the eventual policy reforms, particularly from the finance sector. For example, almost all of PriceWaterHouseCoopers (PWC) – the second-largest professional services network in the world – responses and recommendations were implemented. PWC were effective in persuading the government to listen and adopt their suggestions through the threat that:

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<sup>3</sup> Department for Business, Innovation and Skills, *A Strategy for Sustainable Growth*, London, BIS, 2010, p.10.

<sup>4</sup> UK Border Agency, *Consultation on Limits on Non-EU Economic Migration*, London, Home Office, 2010.

A large proportion of our clients have indicated they would consider moving operations overseas if an inflexible quota on non-EU migrants makes their position here untenable [...] the investment banking sector have indicated that, [...] the UK is an increasingly hostile environment to do business in and a cap on skilled migration affecting their ability to operate effectively on a global scale is likely to be seen as the “final straw”.<sup>5</sup>

The greatest concession clearly made in direct response to business interests (with the support of 49 per cent of consultation respondents) was that Intra-Company Transfers (ICTs) would be exempt from the annual limit on T2 visas. With ICTs making up almost 60 per cent of T2 visas in 2009, this was a major concession. Bureaucratic politics clearly played a role, as the decision was made in response to fierce lobbying from multinational companies and consequently the deal was brokered between Home Secretary Theresa May and Business Secretary Cable. In a sop to the finance sector, migrants earning over £150,000 were also exempt from the annual limits in a concession to the City. Appeasing business interests further, in particular the finance and law sectors, in an extraordinary contradiction to the pledge to reduce immigration, Tier 1 investors and entrepreneurs were not only exempt from the annual limits, but were facilitated and encouraged through liberalising settlement rights.

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<sup>5</sup> PWC, ‘PricewaterhouseCoopers’ response to the UKBA Consultation on how an annual limit on non-EU economic migration to the UK should work in practice’; <https://www.pwc.co.uk/assets/pdf/consultation-responces-sept2010.pdf> (accessed 2 August 2021)

As a result of consultation responses and lobbying through BIS, the sponsorship system of the Points-Based System (PBS) underwent significant changes. These included introducing what the Home Office called ‘Highly Trusted Sponsors’ where the UK Border Agency exercised more discretion for non-compliance than normal sponsors; lighter touch enforcement generally on T2 Sponsors in contrast to T4 sponsors on the grounds that these sponsors posed a greater ‘risk’ – an untested assumption which the Home Affairs Select Committee found ‘unacceptable’<sup>6</sup>– and establishing a premier sponsorship services giving advantages to multinational corporations to obtain visas quickly, an advantage increasingly important in a de facto first come, first served capped visa system.

Rhetorically, the lobbying efforts of business interests softened the Conservatives discourse on immigration, with consistent acknowledgements and reassurances from the government that the changes would not negatively hamper business activity. In his first speech to the CBI, Prime Minister David Cameron leapt to reassure business that, ‘we will not impede you from attracting the best talent from around the world’<sup>7</sup>. Even Theresa May rhetorically capitulated from an initial hard-line on immigration, assuring that ‘we can reduce net migration without damaging the economy’.<sup>8</sup>

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<sup>6</sup> Home Affairs Select Committee, *The work of the UK Border Agency (November 2010-March 2011)*, *Ninth Report*, London, HMSO, 2011, p.9

<sup>7</sup> David Cameron, *PM’s speech on creating a new “economic dynamism”*, 25 October 2010

<sup>8</sup> Theresa May, *Immigration: Home Secretary’s speech*, 5 November 2010

The exemptions and concessions to business interests were legitimised on the basis of the enduring paradigm introduced by Labour and capitalised on by the Conservatives to mediate their ideological split by distinguishing between “good” and “bad” migrants based on their economic worthiness. The lobbying activity of business interests defined *who* the “good” and “bad” migrants were, with “good” migration being those that bought capital and skills to larger corporations, in contrast to low paid “bad” migration deemed as undercutting British workers. While business interests had played a significant albeit tacit role in shaping policy and rhetoric on immigration in the first term of Office, the ratcheting politics of immigration spurred on by both UKIP and the government’s own policy failures in achieving a reduction in net migration was about to change this.

### **Get Brexit done**

Despite the draconian measures, net migration was not decreasing, conversely it was 75,000 higher than when the Conservative Coalition entered office in 2010.<sup>9</sup> The net migration pledge, far from appeasing any public concerns, had served to make the issue even more salient, so that by 2015 concern about immigration was at the highest level ever recorded, and satisfaction with the government’s handling on immigration

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<sup>9</sup> Migration Observatory, Net Migration to the UK;

<https://migrationobservatory.ox.ac.uk/resources/briefings/long-term-international-migration-flows-to-and-from-the-uk/> (accessed 5 May 2021)

was extremely low at just 12 per cent.<sup>10</sup> With the 2015 General Election approaching, the Conservatives, always divided on the issue of participation in the EU, were now worried about the electoral threat of UKIP following their victory in the 2014 European Elections. The Eurosceptic faction of the Conservatives seized on the opportunity to persuade Cameron to pledge a public referendum on EU membership. The Conservatives won an outright majority in the 2015 General Election, and thus the referendum and associated campaigns began. On 26 June 2016 Britain voted to leave the EU, sending shockwaves through the Conservative Party, leading to Cameron stepping down to be replaced by Theresa May. May, affected by her long tenure as Home Secretary with a mandate to reduce immigration, interpreted the Leave result as a public demand to end free movement. The contours of what the Leave vote, and Brexit, meant was set; Brexit was, according to the Prime Minister, a vote to end free movement and therefore there was no alternative to a “hard” Brexit.

The government was now a Conservative majority administration, united and committed to ending free movement. The Eurosceptic, identity right of the Party – spearheaded by the European Research Group – seemingly dominating the direction of Brexit politicking, while the neoliberal, New Right wing that once dominated the Party ideologically and electorally dissipated. Any residual trace of economic liberalism had now given way to populism; politics, not economics, would determine the Brexit deal. Seeing little opportunity for channelling lobbying through sympathetic government departments, employers changed tactics, instead lobbying

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<sup>10</sup> Ipsos Mori, First results from major longitudinal survey on attitudes to immigration; <https://www.ipsos.com/ipsos-mori/en-uk/first-results-major-longitudinal-survey-attitudes-immigration> (accessed on 23 April 2021)

with evidence by using the exchange of technical information for clout in visa policy design. Concessions to business in the eventual post-Brexit immigration system were evident, but only to specific high paid sectors favoured by the Conservatives, legitimised rhetorically, again, through “good” (high paid) and “bad” (low paid) migration. Employers have decried that the current system is expensive, bureaucratic, and hampering labour market supply. As a result, the insider lobbying tactics of interest groups that defined the 2010s are giving way to outsider lobbying; business interests went public with their opposition.

Following the Brexit vote the Conservative government, now in a position to control immigration from the EU, set about designing a new immigration system to replace free movement. With a major policy redesign on the agenda, the government leaned heavily on the Migration Advisory Committee (MAC) – a body of independent economists who advise government on migration policy based on consultation with stakeholders and labour market data – to guide policy design. Established in 2007, the MAC was originally charged with looking at the economic impact of migration but its remit has expanded. While the government can ignore the MAC’s recommendations, it is politically difficult to justify doing so.

The scoping for a new immigration system began in 2017 when the government commissioned the MAC to investigate the current and likely future patterns and impacts of EEA migration.<sup>11</sup> The initial call for evidence on this commission received a MAC record breaking 417 responses, with the biggest response from the

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<sup>11</sup> Migration Advisory Committee, *EEA Workers in the Labour Market: Interim Update*, London, MAC, 2018 pp. 8, 6, 10, 24

professional services industry (64). Employers across all sectors used the opportunity to make the case that restrictions on EU labour would be damaging, especially from low paid sectors. However, the MAC took a sceptical view regarding many of the claims of employers and the very dependency on EU labour, including that ‘claims of necessary skill levels seem exaggerated’, that sectors currently facing recruitment difficulties ‘reflect the realisation of risks for business models that have become heavily reliant on EEA workers’, and that despite employers’ claims that raising wages would not improve recruitment the MAC ‘does not think this is credible’. Low paid sectors were not finding a sympathetic ear from the MAC on the need to retain easy access to EU labour, with the MAC viewing the dependency on EU labour a consequence of the ‘tailwind’ advantage low-skilled employers had acquired post 2004 A8 accession. While the MAC was yet to come back with their recommendations for another year, a Home Office paper marked extremely sensitive setting out proposals for a post-Brexit policy was leaked in 2018. The leaked paper set out the government’s position that dependence on EU labour to fill low skilled positions would end. The shift in the government position that the British political economy needed to change towards higher wages and tighter labour markets, rather than maintaining the UK liberal labour market, was by now palpable. The paper provoked a furious response from British businesses, pegged as ‘catastrophic’ by the British Hospitality Association. In turn, both the Home Secretary and the Chancellor quickly disowned the paper.<sup>12</sup>

After 14 months of stakeholder engagement and research, the MAC released their long awaited recommendations on EEA migration, including no change to the Tier

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<sup>12</sup> J. Blitz, ‘A cold shower for British business’, *Financial Times*, 7 September 2017.

system, no preferential access for EU migrants, no low skilled sector specific schemes (except in agriculture), a less restrictive regime for higher skilled works than lower skilled workers, and despite employer lobbying, no changes to the salary threshold for T2 visas, concluding that ‘There is no way to change the migration system without creating winners and losers’.<sup>13</sup> The report was met with much opposition from the business sector, though the leaking of the earlier Home Office paper may have been deliberate to manage expectations. While the recommendation of dropping the cap, and a liberal regime for high skilled migrants was welcome, the key bone of contention for the business sector was the preservation of the current salary threshold of £30,000. The CBI insisted that this would ‘block many essential workers coming to the UK, and that ‘plans for low-skilled workers are inadequate and risks damaging labour shortages.’<sup>14</sup> A damning response from the BCC similarly commented that ‘the MAC’s report gives with one hand and takes away with the other...if the MAC’s recommendations are to put into practice without radically disadvantaging UK firms versus their global competitors, the Home Office and its agencies will require root-and-branch change.’<sup>15</sup>

The 2018 White Paper soon followed in December, which accepted the majority of the MAC’s recommendations, including maintaining the £30,000 salary threshold.

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<sup>13</sup> MAC, *EEA migration in the UK: final report*, London, MAC, p. 4

<sup>14</sup> CBI, ‘MAC Report on EEA Migration’; <https://www.cbi.org.uk/media/1338/cbi-mac-analysis.pdf> (accessed 8 August 2021)

<sup>15</sup> British Chambers of Commerce, ‘BCC comments on MAC Report’; <https://www.britishchambers.org.uk/news/2018/09/bcc-comments-on-mac-report-recommendations> (accessed 8 August 2021)



Responding to business demands to provide for a low skilled immigration route, the government touted an extension of the temporary Youth Mobility Scheme to plug any low skilled labour market shortages. The proposal – to introduce a 12-month visa without a job offer for EU nationals – was met with opposition from the business sector, decried as inadequate and unworkable, creating unnecessary and costly churns in recruitment, and discouraging integration. The maintenance of the £30,000 salary threshold provoked fierce opposition from organised interests, including the BCC claiming the ‘restrictions on low skilled workers would be disastrous’ and that an ‘arbitrary £30K salary will hurt businesses across the board.’<sup>16</sup>

The Conservative’s intra-party divisions on Brexit during 2019 eventually led to Prime Minister May stepping down to be replaced by Boris Johnson as leader of the Conservative Party. As a key architect in the Leave campaign, Johnson harked back to the pledge made for the Vote Leave campaign to introduce a genuine Australian-style PBS; a strategic move as an ambiguously titled PBS allowed Johnson to appease both public and business concerns by simultaneously suggesting the system would promote both control and a liberal policy. In turn, in September 2019 the MAC were commissioned for a further review into how an Australian-style PBS could be introduced, and the Conservatives’ committed to introducing a PBS in the 2019 Conservative manifesto. In a concession to business demands, the 2019 Conservative manifesto tellingly did not pledge to reduce net migration to the tens of thousands for the first time in a decade, instead signalling a desire to reduce overall numbers and

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<sup>16</sup> BCC, ‘BCC sets out concerns to Prime Minister ahead of publication of immigration white paper’; <https://www.britishchambers.org.uk/news/2018/12/bcc-writes-letter-to-prime-minister-on-immigration> (accessed 8 August 2021]

permit fewer lower skilled migrants.

Following the Conservative's landslide victory in the 2019 General Election, in January 2020 the MAC published their lengthy report on a new PBS. Employers across all sectors had lobbied with evidence for the final bid to shape the new immigration system, culminating in 353 responses, alongside an additional 25 stakeholder engagement meetings. Lobbying efforts concentrated on the salary threshold, proposing that if a threshold were adopted it must be lowered from the current £30,000 with the major employer associations urging that the threshold be between £20,000 and £30,000 to be reflective of medium skilled occupations.

The MAC's final recommendations were congruent with employer responses to the extent that the MAC endorsed the T2 general structure of an employer-sponsored work route, and extended this framework to include medium and high skilled workers. However, business demands through lobbying via consultation did not persuade the MAC on salary thresholds. Despite employers heavy lobbying for four years to eradicate or reduce the salary threshold, the MAC recommended maintaining the £30,000 threshold.

Immediately following the MAC's recommendations, the four major employer associations alongside over 30 leading trade associations joined forces to write an open letter to the Home Secretary suggesting that a minimum salary threshold could only work if adjusted to skill levels.<sup>17</sup> The weight of key business interests was

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<sup>17</sup> Confederation of British Industry, 'Government announces the new immigration system design'; <https://www.cbi.org.uk/articles/government-announces-the-new-immigration-system-design/> (accessed 9 August 2021)

palpable as the government ignored the MAC's recommendation, and lowered the salary threshold to £25,600, with a possibility of accruing a skilled visa earning £20,480. A number of further concessions were evident due to business lobbying, especially from the CBI who claim to have secured these through public interventions and evidence submissions,<sup>18</sup> including the lowering of skills requirement for a skilled visa to medium skilled occupations, the abandonment of the temporary youth mobility expansion (although youth mobility schemes require bilateral agreements and thus the UK government could not propose these unilaterally), agreeing assurances on retaining free movement continuing for six months, establishing a graduate visa, and removing requirements for employers to conduct a resident labour market test. Ultimately the end product of the PBS had strong parallels to the recommendations submitted by the major employer associations – CBI, FSB, BCC – and in particular those representing professional services and finance.

Despite some key capitulations to business demands, low paid sectors decried that the new immigration system causes significant labour market shortages which have been exacerbated by the pandemic, and that the increase in red tape makes hiring foreign nationals costly and painful, particularly for small businesses.<sup>19</sup> As a result, employers are changing tact towards more forceful outsider lobbying and have 'gone public' with their opposition to immigration policy with sectors such as retail and transport pleading the government for temporary migration visas to compensate the shortages which are having a major impact on supply chains. The government's

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<sup>19</sup> Federation of Small Businesses, *A World of Talent: Building an immigration system that works for small businesses*, London, FSB, 2020.

response, symbolic of this administration's stance that employers must move away from the liberal market model Britain has operated on for decades, has staunchly denied such requests, squarely favouring their perception of public demands over private interest: 'The British people repeatedly voted to end free movement and take back control of our immigration system and employers should invest in our domestic workforce instead of relying on labour from abroad.'<sup>20</sup> Yet as shortages impact on supply chains and thus consumer prices and availability of goods, public and private interests may not be so divergent after all.

## **Conclusion**

While immigration policy under the Conservative administrations has been unprecedentedly restrictive and driven by populist appeal to its voter base, important concessions have been made to business demands. Ideologically torn between its business and identity right, the Party has consistently negotiated this tension by distinguishing between "good" and "bad" migrants, yet which migrants are good and bad have been determined by business demands. During the Coalition term organised interests channelled their lobbying through bureaucratic politics to a sympathetic BIS led by a Liberal Democrat. Since the referendum vote, seeing limited political room for concessions, organised interests redoubled efforts into lobbying with evidence to influence policy design through the MAC.

Yet while concessions have been made to business demands, most employers fiercely oppose the new immigration system, especially in low paid sectors where the current

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<sup>20</sup> *BBC*, 'Lorry drivers: act now to avert crisis, government told', 22 August 2021

system offers limited avenues for legal migration. Coupled with the impact of the pandemic on the labour market, organised interest have shifted their lobbying strategies away from insider lobbying to outsider lobbying, increasingly going public with their opposition to government policy, and placing significant pressure on the Conservatives to perform a policy reversal. At the same time, public concerns over immigration are at a historic low, thus the populist strategy may not be an electorally winning one in the future. A change in policy may follow then, and the politics of immigration in the near future may look starkly different.