

Policy Position Paper: Labour Supply Issues

Agreed Position – 3rd November 2022

Brexit and the impact of the loss of free movement of people from the EU has been an issue for the whole of the UK and an area of concern for businesses since the 2016 referendum. In Scotland however, the loss of access to this significant labour resource is felt more acutely due to our lower population levels and our ageing population. As the Capital City Chamber, and given the impact on sectors critical to Edinburgh’s economy specifically, we believe that bold and rapid action is needed, including but not limited to a separate migratory policy for Scotland. We would like to see this considered as part of a range of measures to address this problem - not as part of any wider constitutional consideration, but as a means to address a critical and acute issue facing our member businesses and our city economy. We also need to look at how business can learn from each other to re- and up-skill, to support older workers to remain in the workforce, and to help those further from the labour market to participate more fully.

Context

The question of a devolved migratory policy as one of a package of possible solutions to our labour shortages is one which is fraught with political and constitutional connotations. This means, we believe, that its possible use as a tool to resolve our labour shortage issues is not being explored fully and effectively. We have a decreasing and ageing population in Scotland – we simply do not have enough people to do all of the jobs we require. We must consider an array of bold alternative solutions if we are to find an effective way to address this fundamental problem, alongside an expanded Shortage Occupation List (SOL) and increased Visa and points based routes.

Rationale

- Scotland has an ageing population which impacts on our available home grown labour pool
- Scotland also generally offers lower salary levels than other parts of the UK with which we are competing for talent e.g. London
- Current rules around minimum salary thresholds etc. don’t work for Edinburgh’s critical sectors such as tourism, hospitality and festivals.

Key Policy Maker and Stakeholder Positions

UK Govt. – the UK Govt. has publicly stated that they will not agree to a devolved migratory policy for Scotland. So other levers must be utilised
 Scot Govt. – post Brexit, SG wrote to Home Office requesting devolved migratory policy for Scotland. They have clearly stated this is one of their objectives.
 Migratory Policy Scotland – independent think tank set up to further thinking, dialogue and policy making on the issue. Want to remove politics from the decision

Data: Evidence Gathered

[Migration Policy Scotland - Scotlands Migration Futures Oct21](#)

[UK Immigration Policy - How Leaving the EU Impacts Scotland's Economy 2019](#)

- Pre 2019, the proportion of the population born outside the UK was markedly higher in Scotland’s main cities than in the rest of the country.
- Aberdeen, Edinburgh and Glasgow (in that order) have a substantially higher proportion of their population that were born outside the UK. Both Aberdeen and Edinburgh have a share of non-UK born four times higher than is the case outside – so we are disproportionately reliant on non-UK born individuals.
- Most EU nationals who come to Scotland to work have higher employment rates than UK nationals, and are on average younger than the UK population. EU nationals work in a range of sectors, and comprise a substantial share of Scotland's employment in sectors such as accommodation and food services, manufacturing, and administrative and support services.

Data: Evidence Required

- Consensus from our members/SCC on this position
- Data on the impact of this as a devolved policy and a consideration of any unintended consequences

Chamber ‘Asks’

- We would like to have an open and a-political conversation with all key stakeholders about a range of labour and migratory solutions for Scotland which could be utilised to address the critical and acute labour shortages we face
- Seen as one of a package of measures e.g. SOL, Visa routes, training, supporting older workers to remain in the workforce etc.