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The NFU represents 55,000 farmers and partners in England and In addition we have 40,000 countryside members with an interest in farming and the country.

## Review of the Balance of Competences Internal Market: Free Movement of Persons

*1. What evidence is there that the ability to exercise free movement rights in another member state impacts either positively or negatively on a) UK nationals; and b) the UK as a whole?*

A small number of UK businesses who farm in the UK also have farming operations in other member states. Investment in other member states benefits from the freedom of movement rights which allows UK nationals to work in other member states. This is because farm managers, many of whom are employees (and not owners/entrepreneurs), may work in both the UK and other member states under the freedom of movement of persons. Consequently, UK businesses operating throughout the EU benefit from their workers' ability to work throughout the EU under the freedom of movement of persons.

The NFU cannot quantify this because we only collect data on members' and their business operations in the UK, but it is estimated that the number of NFU members economically active in other member states is very small.

*2. What evidence is there that EU competence in this area makes it easier for UK nationals to work, access benefits and access services in another member state?*

Because the NFU only collects data on our members' UK business activities, we have no evidence that EU competence makes it easier for UK nationals to work, access benefits and access services in another member state.

In our view however, were the freedom of movement of persons not an EU competence but to become a competence of member states, we would expect that obstacles to the exercise of the free movement of persons would soon develop. Our view is based on an assumption that many member states would fail to dismantle present obstacles and/or create new obstacles to the freedom of movement of persons.

*3. What evidence is there of the impact on welfare provision and access to public services in the UK?*

The NFU has no evidence on welfare provision and access to public services in the UK.

*4. What evidence is there that a) more EU action; or b) less EU action would improve the situation of UK nationals exercising free movement rights in other member states? What obstacles, if any, do UK nationals face when exercising their free movement rights in other member states?*

The NFU has no evidence, either for more or for less EU action, to improve the situation of UK nationals exercising free movement rights in other member states. However, we would expect that less EU action would increase the obstacles faced by UK nationals to exercising their free movement rights in other member states. Our view is based on an assumption that many member states would fail to dismantle present obstacles and/or create new obstacles to the freedom of movement of persons.

*5. What evidence do you have of the impact on the UK economy of EU competence on the free movement of persons?*

UK agriculture and horticulture has benefitted greatly from the free movement rights of workers from other member states to participate in the UK labour market. These migrant workers have alleviated shortages of skilled and unskilled agricultural and horticultural labour in the UK since the 1986, 2004 and 2007 accessions and workers from other member states are well regarded by our members. The free movement of persons has consequently contributed to the competitiveness of our agricultural and horticultural sectors.

*6. What is the impact of this area of EU competence on employment sectors, such as "distribution, hotels and restaurants", "banking and finance", agriculture, or other sectors?*

The impact of this area of competence on employment in the agricultural and horticultural sectors has been large and positive. It has alleviated skill shortages and provided a welcome source of energetic and motivated workers eager to undertake work that was not being filled by the resident labour force.

*7. What evidence do you have of the impact on UK nationals and non-UK nationals in the UK in terms of employment opportunities, wages, employment conditions or other factors?*

The NFU supports the widely held view that the recruitment of non-UK nationals has not negatively impacted on UK nationals in terms of employment opportunities. This is because non-UK nationals have been filling jobs that UK nationals do not want to undertake or are unskilled to undertake in the agriculture and horticulture sectors.

*8. How would these sectors and UK nationals benefit from the EU doing a) more or b) less in this area?*

On-going EU efforts to create a common skill recognition system and the Eures network are welcome.

Overall, however, it is difficult to envisage increased EU intervention bringing positive benefits to the sector because the goal of achieving freedom of movement of persons appears to have already been achieved.

*9. What evidence is there of the extent to which the current EU provisions on social security coordination are necessary to facilitate an effective EU labour market?*

The NFU does not have a view on this.

*10. What evidence is there that changes to the current balance of competences are needed to ensure that rules on social security coordination do not have a disproportionate impact on the UK benefits system, or undermine public confidence in that system?*

The NFU does not have a view on this.

*11. What evidence do you have of the impact of EU competence in this area on immigration in the UK?*

Prior to 1 January 2007, the Seasonal Agricultural Worker Scheme recruited non-EU workers to undertake seasonal agricultural work in the UK. However, following the accession of Bulgaria and Romania (A2s) on 1 January 2007, 40% of the quota was granted to EU nationals from the A2s, and since 1 January 2008, 100% of the quota was granted to A2s. It is our understanding that once this quota is granted to EUs, it can no longer be granted to non-EUs due to the EU doctrine of 'Community Preference' and the application of the principle of shared competence. If this is correct it is unfortunate because it prevents the UK operating its own schemes to admit non-EU seasonal workers to undertake agricultural and horticultural work in the UK. This is all the more unfortunate as although the UK is not a member of the Schengen Agreement, it nevertheless suffers substantial restrictions on its jurisdiction to manage non-EU seasonal migration.

*12. What evidence do you have of the impact on local communities and their economies, including rural areas?*

Rural economies have benefitted from the influx of economic migrants, particularly since 1 May 2004. These migrants have expanded the size and skills of the rural labour force available to agriculture and horticulture businesses in the UK, which has in turn benefitted our rural communities by improving the available pool of rural labour available to agricultural and horticultural businesses..

*13. What evidence is there that a change in the balance of competence is needed to minimise abuse of the free movement rights afforded to citizens under EU law?*

The NFU does not have a view on this.

*Future options and challenges*

*14. What future challenges and/or opportunities might we face in relation to EU competence in the area of free movement of persons and what impact might these have on the UK national interest?*

There is an inherent tension due to nationality being in the domain of the member state, and the free movement of persons an EU competence. For example member states have the competence to issue member passports, but the holders of member states passports are then able to exercise freedom of movement of persons to work throughout the EU. It would be disappointing if this tension were to prevent the UK having control over non-EU workers entering the UK, to work in the UK, for periods of up to 9 months, and then return to their country of origin.

*15. What impact would any future enlargement of the EU have on the operation of free movement?*

The comparative standard of living and comparative wages between the UK and other member states is an important driver of economic migration. Where there is a wide divergence in standards of living and wages, further accession treaties will require careful negotiation, and thoughtful transitional provisions, to ameliorate negative impacts on both the UK and the other member states, and particularly on the countries of origin for economic migrants.

*General*

*16. Do you have any evidence of any other impacts resulting from EU action on free movement of persons that should be noted?*

The NFU does not have a view on this.

*17. Are there any general points you wish to make which are not captured above?*

The NFU does not have any further points..

*18. Are there any published sources of information to which you would like to draw to our attention for the purposes of this review?*

We draw your attention to the UKBA Accession Monitoring Reports.