



**CUTTING NET MIGRATION TO THE TENS OF THOUSANDS:  
WHAT EXACTLY DOES THAT MEAN?**

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**MRU Discussion Paper November 2013**

**The assistance of Victoria Bauer in the production of tables and figures is  
gratefully acknowledged**

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## **EXECUTIVE SUMMARY**

The Coalition government stated in 2010 its overriding aim to cut net migration to the UK to below 100,000 by 2015. This attempt to manage international migration to achieve a single numerical target is unique in the history of UK migration policy and is also new in an international context. In essence, it is an experiment in migration control and therefore of wider interest. Our paper looks at progress towards the target over the first three years and the complexities involved.

The dominant argument advanced for cutting net migration is to reduce population growth, with all its implications for housing, transport, public services and the environment. The net inflow of migrants to the UK – that is, the difference between numbers of people entering the country and numbers leaving – was at its highest ever estimated level in 2010 at 252,000, having fluctuated over the previous six years. Reducing net migration means reducing immigration, increasing emigration or both.

The net migration target applies to all immigrants and emigrants, including British citizens and those of other EEA countries, whose movements are for the most part beyond government control. The Coalition has therefore had to focus its policies almost entirely on non-EEA citizens and the drop in net migration to 176,000 in 2012 mainly reflects a fall in non-EEA immigration and also a decline in inflows from Eastern Europe. The latest quarterly data suggest the decline in net migration may have halted.

The Government's approach has been to tackle each of the main routes of entry in sequence, beginning with labour migration, then students and finally family reunion and formation. So far, there have been no major shifts in asylum policy. Continuing with the points-based system of immigration control established by Labour, the Coalition has made big cuts in Tier 1 (the highly-skilled) and in Tier 4 (students) coming from non-EEA countries. These are the so-called 'easy hits' and it is not easy to see where further big reductions will be found.

If Government action and other factors were to cause net migration to fall below 100,000 by 2015, it is not clear what happens next. What policies would be needed to maintain a net inflow of 'the tens of thousands', particularly if economic change increases the overall demand for labour or the higher education sector manages to increase international student numbers? How sensitive can a target be when economic, social and demographic circumstances are changing?

We have doubts that the Coalition's net migration target is either a useful tool or a measure of policy effectiveness and we believe that recent experience provides a number of lessons for future migration policy, both in the UK and in other countries seeking to manage migration through a single numerical target.

Firstly, having publicised a target, a government is under pressure to prioritize its achievement over other considerations which may be in the national interest or the interests of individual citizens and to act hastily to reach it within the promised time-

scale. This paper cites evidence of collateral damage caused by action to cut work-related, student and family migration.

Secondly, net migration is only partly determined by the policies of the UK government. Other countries may compete for skills, attract settlers or introduce schemes to encourage the return of their own citizens. The coming and going of British citizens, the decisions of other EU citizens, civil wars thousands of miles away, the migration policies of other countries and the state of the world economy are all factors (to name but a few) which can affect net migration figures and over which the UK government has little control.

Thirdly, government policy spheres are closely intertwined. It is clear that migration affects social provisions such as housing, education and health and therefore that migration policy impinges on policies in these areas. Less often recognised is that policy developments in other areas of government can increase the scale of immigration and may also affect emigration. At the present time, it would appear that some Coalition policies on the domestic front could have this effect.

Finally, what is required is a policy which does not focus on a single net migration target but one which strikes a balance between minimizing the economic and social costs of migration while maximizing the benefits. If governments wish to set targets for non-EEA immigration, they should be based on estimates for different migration streams – labour, student, family and asylum - each perhaps broken down into component parts, rather than a single overall figure to be met regardless.

## **1. INTRODUCTION**

In 2010, the new Coalition government stated its overriding aim was to cut net migration in the UK from ‘the hundreds of thousands’ to ‘the tens of thousands’ within the lifetime of the parliament. But what exactly does that mean? What is net migration? Who are the hundreds of thousands? Why and how are they being cut? And what are the implications? This paper tries to provide some answers. Our intention is to show the complexities in the management of migration and thus enable more people to participate in informed debate on current migration policy.

The Coalition’s attempt to manage international migration so as to achieve a single numerical target, albeit a blurred one, is unique in the UK’s history of migration policy and is also new in an international context. In essence, it is an experiment in migration control and is, therefore, of wider interest. How has the government set about its task? How is success measured? What are the consequences for different migration streams? How do the UK government’s actions compare with those of other governments?

Only the settlement countries, notably Australia, Canada and New Zealand routinely propose and achieve planned targets but these are for immigration, not net migration. Furthermore, they are just for permanent settlement and do not include all inflows: temporary and some humanitarian flows tend to be outside the plan. While some other countries in Europe and the US impose quotas on selected inflows, none sets an overall figure.

Having looked at the evidence, we conclude that an overall net migration target serves little purpose; that striving to meet it can mean that specific issues relating to different migration streams – labour, students, family, asylum - are not given due weight; and that any government wishing to cut net migration must consider the consequences of policies in other areas which have potential migration effects. We do not argue against the objective of trying to reduce net migration nor against measures, which all governments take, to combat abuse of the system, such as sham marriages and bogus educational institutions.

The paper has four sections, addressing the following questions:

- What is net migration and why does it matter?
- How is the Coalition attempting to cut net immigration?
- What are the pros and cons of the Coalition’s approach to cutting net immigration?
- What are the wider implications of the policy?

It is impossible to include all relevant information in a paper that aims to be concise and accessible. However, more detail can be found in documents cited at the end.

## 2. WHAT IS NET MIGRATION AND WHY DOES IT MATTER?

### 2.1 The definition of net migration

Net migration is the difference between the number of migrants entering the UK and the number leaving it. At first sight, net migration seems like a simple concept but, as we shall see, measuring and managing it is enormously difficult.

In 2010, the year the Coalition took power, an estimated 591,000 migrants entered the UK and 339,000 left, producing a net inflow of 252,000. Reducing net migration to 'the tens of thousands' means reducing the net inflow to below 100,000 each year. In the year ending December 2012, the latest for which data are available, net migration had fallen to 176,000. We consider later how far particular policies may have brought this about and other factors involved.

Newspaper headlines sometimes broadcast the number coming in – the 'immigrants' - without mentioning the number going out – the 'emigrants'. The outflow of population is as important as the inflow to *net* migration figures.

### 2.2 The reasons for trying to reduce it

The dominant argument advanced for cutting net migration concerns population growth. However, there is no consensus on what level the UK might be deemed to be 'full' or what might constitute an 'optimum' population level. If net immigration continues at an average of 200,000 per annum, this will bring about an increase in the national population of a million every five years, plus subsequent births to migrants as well as other natural increase. Such a rate of growth is seen as unsustainable, given its far-reaching implications for housing, public services, transport and the environment. While some parts of the UK which have suffered population loss and economic decline might welcome more migrants if they helped to generate employment and sustain services, much of the pressure of population growth would be in London and the South East.

Other arguments for cutting net migration tend to be about immigration *per se*, about different migrant groups and actual or perceived impacts on life in the UK, as distinct from overall population increase. Difficulties associated with new immigration commonly involve rapid large-scale movement of migrants into particular geographical areas, with stresses and strains aggravated by problems of communication where the newcomers speak little English. However, such difficulties can occur at a local level even when national inflow and net flow statistics are not high. Conversely, significant national inflows, for example of health and IT professionals, can go largely unnoticed.

Assessing the pros and cons of different levels of immigration requires disaggregation of the different migrant inflows and consideration of their local as well as national impacts, wider costs and benefits and ethical issues. The composition of migrant flows to a considerable extent determines their effects. A recent Home Office study (Poppleton *et al*, 2013) reviewed research on the social and public service impacts of international migration at the local level. It concluded that: international

students and skilled workers are likely to have low impacts on public services and social cohesion; low skilled migrant workers present a mixed picture, with greater negative impacts for irregular migrants; while asylum seekers and refugees have the highest impact because of their circumstances and levels of need. However, the nature and impacts of migration will change over time.

### **2.3 Who counts as an immigrant and an emigrant?**

In conventional usage, the word 'immigrant' usually means someone who moves from one country to another and remains there permanently. The UN defines an international migrant as someone moving to another country for a period of at least a year. The statistics to which the Government has tied its policy use this definition.

These statistics derive from the International Passenger Survey (IPS), which is the only source that measures both in and out migration. It counts as a long-term migrant into the UK – that is, an 'immigrant' – anyone who enters the country intending to remain for at least a year, having lived in another country for at least a year. Similarly, an emigrant is someone residing in the UK who leaves the country intending to live abroad for at least a year having lived in the UK for at least a year. The IPS is actually based on intention to stay and not the actual period of movement, so some people may stay for shorter or longer periods than they initially specify. An adjustment is made to the long-term migration figures to account for this, adding a further element of uncertainty.

Given the above definition, the annual immigration statistics include a vast range of people who are coming to the UK for at least twelve months and intending to stay for varying periods of time. Many of them would not generally be thought of as 'immigrants', such as foreign citizens transferred to City jobs by international companies; foreign students coming to UK universities and boarding schools; foreign diplomats; au pairs; and professional footballers. Those who later leave the country will be counted as emigrants.

The immigration statistics also include British citizens who have been living, working or studying abroad for a year or more and are returning to the UK. Most of them will have been counted as emigrants when they originally departed overseas. Others include British citizens born abroad, such as children of armed forces families serving overseas, and those entitled to British citizenship because of a paternal connection<sup>1</sup>. A Home Office report on emigration from the UK (Home Office, 2012a) presents estimates ranging from around 4.5 to 5.5 million UK-born people resident overseas and figures showing that, in comparison with other 'high-income' OECD countries, the UK has the largest numbers of nationals living abroad. As in the case of foreign citizens entering the UK, British emigrants have varying intentions with respect to the time they expect to stay away.

Some British and foreign migrants are serial movers, coming and going at intervals. And there are thousands travelling in both directions who have the expectation or hope of permanent settlement, not least those who are moving for marriage or family

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<sup>1</sup> This is someone born abroad who has a parent or grandparent born in the UK.

reunion. The figures include children and elderly people, though immigrants are predominantly young adults.

The measurement of net migration used by the Government, the IPS, requires careful interpretation. Not originally designed to measure migration, in recent years it has been steadily improved by the Office for National Statistics (ONS) to make it more representative of flows through ports and airports. However, the House of Commons Public Administration Select Committee (PASC) recently labelled the International Passenger Survey as 'not fit for purpose' as a means of estimating migration flows with any accuracy (House of Commons, 2013a). They were particularly critical of the small size of the sample (about 2,500 people surveyed on entry and a similar number leaving) and the consequent statistical standard error which results in a relatively wide confidence interval. In their responses both the Office for National Statistics (ONS) and the Home Office claimed that the statistics were sufficiently robust, showed clear trends and provided satisfactory estimates of net migration.

A confidence interval of +/- 34,000, for the most recent data (year ending December 2012) means that with net migration estimated at 176,000 there is a 95 per cent chance that the real figure is in the range 142,000-210,000, although the greater likelihood is that it is towards the middle of the range. Given this uncertainty, the Government may be unable to determine whether or not it has met its target by the end of the five-year period and consequently the suitability of the IPS estimate as a target may be called into question.

A final point about the immigration figures derived from the IPS is that they can potentially be reduced simply by curtailing some migrants' permitted length of stay to less than a year. Many temporary workers and students already come to the UK for less than a year. Examples include those coming for seasonal work and those on student visitor visas. Hence the published long term immigration statistics measure only part of a more complex picture.

## **2.4 Trends in migration**

Table 1 (below) shows inflows, outflows and net flows of population in the UK between 1997 and 2012.

- Estimated immigrant numbers passed the 500,000 mark in 2002, stepped up to 589,000 in 2004, then fluctuated at a remarkably similar level for the next seven years. They fell back to 497,000 in 2012, the lowest since 2001.
- Estimated emigrant numbers passed the 300,000 mark in 2000. They have remained above that level ever since, with a strikingly high outflow of 427,000 in 2008. The outflow of 321,000 in 2012 was the lowest since 2001.
- Net migration has been over 100,000 since 1998. There was a sharp increase in 2004 and a sharp drop in 2008. Numbers have declined significantly since 2010, to reach 176,000 in the year ending December 2012.

These figures demonstrate that a fall in net migration can result from an increase in emigration (e.g. 2008), a decrease in immigration (e.g. 2012) or a combination of both. They show that the Coalition’s aim of cutting net migration to ‘the tens of thousands’ depends on the outflow as well as the inflow of population. Governments have less influence over outflows, none at all for the emigrant British.

*Table 1 - Total inflow, outflow and net flow of migrants in the UK 1997-2012, (thousands)*

|      | Inflow | Outflow | Net |
|------|--------|---------|-----|
| 1997 | 327    | 279     | 48  |
| 1998 | 391    | 251     | 140 |
| 1999 | 454    | 291     | 163 |
| 2000 | 479    | 321     | 158 |
| 2001 | 481    | 309     | 171 |
| 2002 | 516    | 363     | 153 |
| 2003 | 511    | 363     | 148 |
| 2004 | 589    | 344     | 245 |
| 2005 | 567    | 361     | 206 |
| 2006 | 596    | 398     | 198 |
| 2007 | 574    | 341     | 233 |
| 2008 | 590    | 427     | 163 |
| 2009 | 567    | 368     | 198 |
| 2010 | 591    | 339     | 252 |
| 2011 | 566    | 351     | 215 |
| 2012 | 497    | 321     | 176 |

Source: Office for National Statistics, International Passenger Survey

The statistics in Table 1 indicate a steep downward trend in net migration since 2010. However, quarterly data suggest that successive reductions in total net migration continued until September 2012 then came to a halt in the fourth quarter of 2012, when a slight rise occurred. This was due to a rise in the net inflow from the other EU (27) countries. Net inflows from non-EEA countries continued to fall but more slowly and during the last two quarters of 2012 there was little change in the rolling annual averages. It remains to be seen if this is a temporary or a sustained halt in the downward trend.

## **2.5 Citizenship of immigrants and emigrants**

Table 2 (below) shows the size of migrant inflows and outflows according to citizenship, which is a crucial factor in strategies to limit immigration because the Government cannot restrict the free movement of British and other EU citizens, as well as citizens of the four other countries (Iceland, Liechtenstein, Norway and Switzerland) which make up the European Economic Area (EEA). Flows involving these four countries are low and most published statistical data refer to the EU, not the EEA.

- British citizens are the only group where the numbers leaving the UK have exceeded the number coming in every year. Some depart with the intention of permanent settlement elsewhere, others go abroad for work, study or other

reasons and expect to return. Between 2000 and 2010, Australia, Spain, the USA and France were in the top five destinations for all age groups (Home Office, 2012a).

- Citizens from the 14 countries which, with the UK, comprised the EU pre-2004, had a bigger inflow than outflow every year. From 2008, figures for both inflow and outflow were slightly higher than before. The main source of migrants in this group has traditionally been Ireland with which there is a long-standing free movement agreement.
- Citizens from the eight new East European member states (the so-called A8) which joined the EU in 2004 together with four others (Bulgaria, Romania, Malta and Cyprus) entered the UK in rapidly increasing numbers up to 2007, after which there was a trend of decline. The outflow followed a similar trajectory, peaking in 2008. There are probably several reasons for the diminishing inflow. These include the faltering UK economy and the expiry in May 2011 of transitional controls on their entry to work in other countries such as Germany (ONS,2013a).
- The high numbers of non-EU citizens arriving in the UK and the much lower figures for departures are a striking feature of Table 2. However, the inflow dropped quite sharply in the year ending December 2012, while the outflow remained constant.

The IPS statistics on A8 migration are low compared to some other sources, such as Department of Work and Pensions (DWP) data, but this is partly explained by the fact that European citizens can more easily come and go than migrants from the other side of the world – the IPS only estimates those who stay for a year or more.

*Table 2 - Migrant inflows and outflows by citizenship 2004-2012, (thousands)*

|      | British citizens |     | EU (15) citizens* |     | EU12 (Accession states)** |     | Non-EU citizens |     |
|------|------------------|-----|-------------------|-----|---------------------------|-----|-----------------|-----|
|      | In               | Out | In                | Out | In                        | Out | In              | Out |
| 2004 | 89               | 196 | 77                | 39  | 53                        | 4   | 369             | 104 |
| 2005 | 98               | 186 | 73                | 40  | 79                        | 16  | 316             | 119 |
| 2006 | 83               | 207 | 74                | 44  | 96                        | 22  | 344             | 126 |
| 2007 | 74               | 171 | 77                | 41  | 118                       | 28  | 305             | 100 |
| 2008 | 85               | 173 | 90                | 54  | 108                       | 80  | 307             | 121 |
| 2009 | 96               | 140 | 82                | 53  | 85                        | 56  | 303             | 119 |
| 2010 | 93               | 136 | 76                | 58  | 100                       | 41  | 322             | 104 |
| 2011 | 78               | 149 | 83                | 49  | 91                        | 43  | 315             | 110 |
| 2012 | 81               | 144 | 84                | 40  | 71                        | 34  | 260             | 104 |

Source: Office for National Statistics, International Passenger Survey

\* EU members prior to 2004 but excluding British citizens.

\*\*EU8 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak republic, Slovenia)+ Bulgaria, Romania, Malta and Cyprus

Table 3 below shows the scale of net migration for each of the citizenship groups. The net inflow of non-EU citizens is strikingly higher than that for any other group.

However in percentage terms, the drop in the net inflow 2010-2012 from the EU Accession States (36 per cent) was higher than that for non-EU citizens (28 per cent).

Table 3 - Net migration in the UK by citizenship 2004-2012, (thousands)

|      | British citizens<br>Net outflow | EU(15)*<br>citizens<br>Net inflow | EU12 (Accession<br>states)*<br>Net inflow | Non-EU<br>citizens<br>Net inflow |
|------|---------------------------------|-----------------------------------|---|----------------------------------|
| 2004 | -107                            | 38                                | 49  | 265                              |
| 2005 | -88                             | 33                                | 63  | 197                              |
| 2006 | -124                            | 30                                | 74  | 218                              |
| 2007 | -97                             | 36                                | 91  | 205                              |
| 2008 | -87                             | 37                                | 26  | 186                              |
| 2009 | -44                             | 29                                | 29  | 184                              |
| 2010 | -43                             | 18                                | 59  | 218                              |
| 2011 | -70                             | 34                                | 48  | 205                              |
| 2012 | -63                             | 44                                | 38  | 157                              |

Source: Office for National Statistics, International Passenger Survey

\*See footnotes to Table 2

## 2.6 Why do foreign migrants come to the UK?

The purpose for which a migrant enters the UK is significant for two reasons in respect of cutting net migration. Firstly, the likelihood of an immigrant staying and settling in the UK rather than leaving again and joining the emigration statistics varies according to reason for coming. Secondly, permission for non-EEA citizens to enter the country for different purposes— work, study, family, asylum – are governed by different rules which have to be considered separately if a government wishes to make entry and settlement more difficult.

The Home Office's third Migrant Journey study (Achato *et al*, 2013) estimated the proportions of non-EEA migrants who entered in 2004 and had been granted settlement five years later. Those entering on a family visa were the most likely to settle, 53 per cent; 30 per cent coming on a skilled worker visa settled, as did three per cent of both those coming on a temporary visa and those on a study visa; only one per cent with visitor visas were granted settlement. Others were not granted settlement but were allowed leave to remain, the proportions for the above groups being six, 17, 10, 22 and two per cent respectively. These figures do not suggest a 'mass' long term effect, although it is not known how many stayed on illegally.

The IPS collects data on main reason for migration and that is how the statistics are presented. However, many migrants have more than one reason for moving and the statistics may therefore underestimate the numbers coming for any single reason. The IPS cannot in the nature of things provide a detailed analysis of factors affecting each migrant's decision to move. Thus, a doctor wanting to escape an oppressive regime might seek asylum in the UK or apply for a job in the health service. A citizen of a poor country wanting better economic opportunities might come to the UK as a student but hoping to find employment here, either immediately or in the longer term.

Bearing these ambiguities in mind, some marked trends of change can be discerned in Table 4 (the EU figures include both pre- and post-2004 EU members, excluding British citizens):

- Work-related migration from the EU rose sharply in 2007 and then fluctuated, whereas that from outside the EU declined steadily – the inflow halved over five years, with EU immigration becoming dominant.
- Migration for formal study from both from the EU rose sharply in 2008 and then remained at about the same level, before falling in 2012. Numbers from non-EU countries rose steeply after 2008, then also fell.
- The number of people accompanying other migrants or joining others in the UK was relatively low in the case of EU citizens, though increasing up to 2008; the much larger inflow of non-EU citizens in this category followed a downward trend, probably related to the decline in work-related migration.

Table 4 - Main reason for migration into the UK by citizenship 2005-2012, (thousands)

|      | Work related    |                 | Formal study      |                 |
|------|-----------------|-----------------|-------------------|-----------------|
|      | EU(27) citizens | Non-EU citizens | EU(27) citizens   | Non-EU citizens |
| 2005 | 86              | 93              | 22                | 95              |
| 2006 | 83              | 100             | 23                | 114             |
| 2007 | 125             | 73              | 26                | 104             |
| 2008 | 99              | 66              | 40                | 126             |
| 2009 | 88              | 54              | 42                | 155             |
| 2010 | 91              | 52              | 45                | 181             |
| 2011 | 93              | 47              | 41                | 180             |
| 2012 | 95              | 44              | 28                | 139             |
|      | Accompany/Join  |                 | Other/No response |                 |
|      | EU(27) citizens | Non-EU citizens | EU(27) citizens   | Non-EU citizens |
| 2005 | 5               | 65              | 5                 | 33              |
| 2006 | 9               | 74              | 21                | 27              |
| 2007 | 11              | 65              | 10                | 42              |
| 2008 | 19              | 61              | 21                | 25              |
| 2009 | 9               | 52              | 11                | 19              |
| 2010 | 7               | 56              | 12                | 14              |
| 2011 | 10              | 52              | 14                | 16              |
| 2012 | 12              | 39              | 13                | 13              |

Source: Office for National Statistics, International Passenger Survey

Solely on the basis of these inflow figures, students from outside the EU are obvious candidates for reduction by a government intent on cutting immigration; however, if most return home after their studies, they will not be major contributors to *net* migration. Some will switch into another route to settlement, through marriage or recruitment into skilled work (Achato *et al*, 2013).

There are no comprehensive statistics showing the length of stay in the UK of immigrants in each category, how many remain and how many leave again after a

limited period. Some work has been done to try to illuminate this issue and Section 3 briefly looks at it in the context of controls on non-EEA migration before 2010.

## **2.7 Inflows and outflows of labour migrants**

To understand the impact of policies to cut labour migration, it is necessary to look at the overall pattern of skill movement into and out of the UK and the role foreign workers play. IPS statistics on a migrant's occupation prior to and after moving record whether or not a person was in the labour market at the time they moved. We can use these data to estimate the contribution to overall labour flows of two groups: professional and managerial workers and manual and clerical workers. Small sample size prohibits more detailed occupational breakdowns. The data also allow comparison between the behaviour of British and non-British workers.

Professional and managerial workers have for a long period accounted for the majority of gainfully-employed migrants entering and leaving the UK. Estimated numbers of non-British in this group entering the UK rose from 82,000 in 1999 to fluctuate around 140,000 during most of the 2000s before falling to 110,000 in 2011 (Salt, 2012). In contrast, the numbers of professional and managerial British citizens entering or re-entering the country fell steadily during the early years of this decade, before rising from 2007 to reach 39,000 in 2010, then falling to 33,000 in 2011. However, in view of standard errors it is probable that in the last few years the trend has been fairly flat.

The number of professional and managerial British leaving the UK in 2011 rose to an estimated 67,000 – the highest figure since 2008 – so the recession has stimulated the emigration of highly-skilled British. Non-British highly-skilled emigrant numbers rose after 2007 but fell to 58,000 in 2011. The consequence of these trends was that in 2011 the country lost 35,000 highly-skilled British workers and gained 52,000 non-British. This means that the foreign inflow more than made up for the domestic loss, leading to an aggregate gain to the economy of 17,000. It was, however, the smallest gain in highly-skilled numbers in recent years.

The overall figures hide marked differences according to origin and destination. Traditionally, the richer countries (Europe, Old Commonwealth and Other Developed Regions such as the US) have tended to fulfil the role of 'turnover regions'. Experience in recent years suggests that those professional and managerial workers who come to the UK from richer countries are more likely to leave again, those from elsewhere are more likely to stay. In 2011, richer countries accounted for 65 per cent of the inflow of non-British professional and managerial workers but 85 per cent of the outflow. In consequence, they were responsible for only 42 per cent of the net gain, leaving the less-developed regions (Indian Sub-continent, 'Rest of World'), which are the main object of immigration controls under the Points-Based System (see below), to account for the majority. Hence, it will be seen that the policy of cutting skilled non-EEA migration is aimed at the group mainly responsible for compensating for British skilled emigration.

The situation for manual and clerical workers has been less clear cut. Since 1999 there has been no clear trend in inflow by the British and while outflow has tended to rise, there has not been a net outflow comparable to that of professional and

managerial workers. Estimated inflows of non-British manual and clerical workers have risen steadily while the outflow has fluctuated at a relatively low level. By 2011, 40,000 departing British workers were more than compensated for by 89,000 foreign citizens arriving from abroad. Allowing for emigration rates, this translates into a net loss of 25,000 British manual and clerical workers compensated by a net gain of 27,000 non-British. The fall in the net inflow of manual and clerical non-British workers is consistent with government attempts since 2008 to introduce greater selectivity in foreign labour immigration.

The breakdown of manual and clerical workers by origin and destination reveals a less clear distinction between richer and poorer regions than is the case for professionals and managers. Net gains from Europe, mainly the A8 countries, are the main ones while those from the two poorer origin regions are now very low.

In sum, the UK has seen rising inflows of non-British workers more than compensating for rising outflows of domestic workers. However, there seems to have been a shift in the balance between the two skill levels. In 1999 professional and managerial workers accounted for 82 per cent of the net gain of non-British workers, but by 2010 this proportion had fallen to 66 per cent.

## **2.8 Asylum seekers**

Asylum-seekers dominated the headlines around the turn of the century, with the number of applicants (excluding dependants) for asylum in the UK reaching a peak of over 84,000 in 2002. A general fall followed, to below 20,000 by 2010, as more stringent controls were introduced at entry and during processing within the UK and greater cooperation with neighbouring governments. The total number of successful applications, including those granted exceptional leave to remain, has generally been around 5,000 per annum (Home Office, 2013). However, asylum numbers do fluctuate according to situations in sending countries: in 2012, the number of applications was almost 28,000, with over 7,500 grants of either asylum or humanitarian status.

## **3. HOW IS THE COALITION ATTEMPTING TO CUT NET MIGRATION?**

### **3.1 The focus on non-EEA migration**

The net migration target applies to all immigrants and emigrants, including the British and citizens of other EEA countries whose movements are, for the most part, beyond government control. This means that in order to meet its target the Government has to focus its policies almost entirely on non-EEA citizens and look there for the necessary reductions: either substantial falls in their immigration, increases in their emigration or a combination of the two. Most of the controls introduced have been aimed at the first, although measures have been introduced which limit the right of settlement for those coming in on temporary visas.

Bulgarians, Romanians and Croatians are exceptions to what is said above about EEA citizens. Transitional controls over these groups apply to those coming to look for and take up waged employment. However, they are free to enter the UK to live and/or become self employed. The transitional controls on the first two expire on December 31<sup>st</sup> 2013; those on Croatians, whose country joined the EU in July 2013, will be in place initially for five years. Of some concern to achieving the net migration target is whether Bulgarian and Romanian immigration will increase in 2014. Thus far the government has refrained from publishing any estimates of the size of possible flows.

The entry of some migrant groups may not be foreseen, being the product of singular circumstances – recent examples have been the Ghurkha veterans and the Afghan interpreters. This too could affect progress towards the target.

Finally, if the target is to be achieved, policies aimed at non-EEA citizens must take account of annual fluctuations in numbers of British and EEA citizens coming and going. In any one year, controls on non-EEA citizens must compensate for uncontrolled movement by other groups.

### **3.2 The overall approach to cutting non-EEA migration**

The government's approach has been dominated by the perceived need to cut total numbers and to be highly selective about those allowed to enter the country.. Government ministers have placed heavy emphasis on wanting 'the right type of immigration' (Home Office, 2010a) and 'good immigration' (Cameron, 2011), with frequent references to selecting 'the brightest and the best', words repeated eight times in the Home Secretary's speech in 2010. It has also emphasised its intention to break the link between temporary visas for work or study and permanent settlement. If cutting net migration is the aim, greater restrictions on inflow and greater emphasis on promoting departure/outflow, perhaps by limiting the right to settle, are logical concomitants.

'Good migrants' are usually equated with those who are thought to have most to contribute to the economy and specified as investors, entrepreneurs, the exceptionally talented, intra-company transfers and highly-skilled individuals with jobs awaiting them. In respect of students, there is a similar emphasis on 'the highly-skilled, the talented and the genuinely needed', while 'weeding out those who do not deserve to be allowed in'. (Home Office, 2010a). In both these cases the government wishes to take advantage of the education and training received by migrants in their own countries, aiming to attract people with high-level skills and qualifications produced at minimum cost to the UK. Conversely, when skilled British people emigrate long- term, other countries gain in similar fashion. Hence, a process of exchange between countries goes on as they compete for expertise, with less developed countries likely to be the net losers. As seen below, the UK requires substantial numbers of skilled immigrants in order to compensate for the loss of skilled Britons.

In respect of family migration, new requirements are being introduced which the Government associates with ease of integration and the migrant not becoming 'a burden on the state', involving prescribed minimum income levels for

sponsors. Broadly speaking, new restrictions on all the main routes of entry favour those with capital, high incomes or higher-income partners/parents.

The Government's approach has been to tackle each of the major immigration routes in turn. More details of the policies affecting migrants on these different routes – the economic route, the student route and the family route – are given below. Unless otherwise stated, all relate to citizens of non-EEA countries. During the first three years, the Coalition introduced no new initiatives with respect to managing the asylum route. Asylum claimants are still treated on the merits of their cases, although proposed new legislation, intended to make the appeals procedure quicker, may have the effect of reducing numbers of both applications and positive decisions.

### 3.3 The Points-Based System

#### *The overall picture*

Growing concern with how best to manage the recruitment of foreign workers led the Labour government to develop a new points-based system (PBS) that also included international students, many of whom found their way into the labour force.

*Table 5 - The five tiers in the points-based system*

|  |                             |
|--|-----------------------------|
| Tier 1 Highly-skilled migrants                   | Launched from February 2008 |
| Tier 2 Skilled workers with a job offer          | Launched in November 2008   |
| Tier 3 Low-skilled workers                       | Suspended from the outset   |
| Tier 4 Students                                  | Launched in March 2009      |
| Tier 5 Temporary workers & youth mobility scheme | Launched in November 2008   |

Tier 1 was intended for highly-skilled workers who did not require a job offer before they arrived. It subsumed the old Highly Skilled Migrants Programme and also included the post-study work route (PSWR) for international students graduating at UK higher education institutions (HEIs). Tier 1 applicants, unlike those in the other Tiers, did not need a sponsor prior to coming to the UK. Tier 2 replaced the work permit system, under which each employer wishing to recruit a skilled foreign worker received a permit allowing them to take on a named individual. Tier 2 contained three categories: those taking jobs on the shortage occupation list compiled by the Migration Advisory Committee (MAC) at regular intervals, for skilled occupations that were deemed to be experiencing a labour shortage; those occupations not on the shortage list but where employers had been unable to fill vacancies after carrying out a resident labour market test (RLMT) across the EU; and those coming on intra-company transfers.

The Coalition government inherited the PBS from its Labour predecessors and continued to operate within this framework. A points-based system awards points to potential migrants on various criteria to determine which applicants in each tier should have priority for entry. The Coalition retained the MAC to advise on the operation of the system, having regard to changing labour market conditions.

When the Coalition replaced Labour in May 2010, it straight away sought to reduce immigration. Interim restrictions on skilled migration were implemented almost immediately. After a period of consultation, the Home Secretary then announced long-term measures to be implemented from April 2011. There was to be an annual

limit of 21,700 visas across Tiers 1 and 2, of which only 1,000, excluding entrepreneurs and investors, were Tier 1.

The Coalition Government's first actions were therefore aimed at cutting the inflow of skilled workers to the UK. This was a surprising choice, given that skilled migration was already restricted under the PBS and that, despite the recession, other OECD states were competing for skills to alleviate shortages, promote innovation and contribute to economic growth (OECD, annual). Such an approach only made sense as a means of trying to cut overall net migration. As the previous government had already put a stop to the recruitment of low-skilled workers from non-EU countries, reducing labour migration meant cutting numbers with skills and qualifications.

#### *Tier 1 migrants.*

A reason given by the Coalition for cutting Tier 1 migration has been that those admitted to the UK without pre-arranged employment have not always obtained jobs commensurate with their qualifications. This is supported by an operational assessment in October 2010, based on a sample (1,184 records) of visa holders who had been admitted under Tier 1 of the new PBS arrangements and who had applied to have dependants join them, in the process of which their current employment was recorded. Only 25 per cent were in skilled jobs, 29 per cent were in unskilled jobs, while the rest (46 per cent) were unclear, though most of this group had been in the UK for less than six months. The same study found that less than 10 per cent of post-study visa holders were in "skilled" employment, 60 per cent were in "unskilled" work such as supermarket cashiers and shop assistants. The employment status of the remaining holders was not clear (Home Office, 2010b).

However, these figures are at odds with a survey of 1,286 Tier 1 visa applicants by the United Kingdom Border Agency (UKBA) in 2009 which found that 70 per cent of respondents reported being in skilled work, 20 per cent in unskilled work and 10 per cent were not working. The largest group of Tier 1 in-country visa applicants were former students in the post-study work route (Home Office, 2009). A further change was made to Tier 1 in July 2011, when the government launched a new route for exceptionally talented migrants ("internationally recognised as world leaders in their field") - in science, humanities, engineering and the arts who wish to work in the UK. Such migrants would not require sponsorship by an employer but would need the endorsement of an appropriate designated competent body for their particular field, such as a Chartered Institute or the Royal Society.

#### *Tier 2 migrants.*

In April 2011 and again in April 2012, the Government announced further developments to Tier 2 labour immigration policy, designed to restrict entry even more to only those deemed 'the brightest and best'. Prospective workers would need to have a graduate level job, speak an intermediate level of English and meet specific salary requirements – unless they happened to earn over £150k p.a. The Tier 2 visa limit was set at 20,700 for two years until April 2014. However, the skill level was increased so that a number of middle level management jobs such as IT technicians and security managers would no longer be open to migrant workers. The rules for businesses with respect to advertising highly-paid and PhD jobs were relaxed, allowing companies not to have to advertise jobs through Jobcentre Plus when they were unlikely to get applicants from that source, though they would still

have to advertise more widely. Companies were also able to select the best candidate for PhD level jobs even if they required Tier 2 sponsorship. At the time of writing, the total number of employees in occupations deemed to be ones of shortage is now well under one per cent of the total workforce.

Intra-company transfers – that is, people being transferred from overseas by their employers – are not included in the Tier 2 limit despite being the largest group. They are subject to three new regulations. Firstly, the job has to be in an occupation on the graduate occupation list. Secondly, only those paid £40,000 or more would be able to stay for more than a year; visas would be granted for three years initially with the possibility of extending for a further two. Thirdly, those paid between £24,000 and £40,000 would be allowed to come to the UK for no longer than 12 months, at which point they must leave and would not be able to re-apply for 12 months. The new regulations are designed to deter firms (especially in the IT sector) from bringing in relatively junior staff to work with clients, in the process undercutting the pay of indigenous staff while providing career development opportunities for the assignees (Salt, 2009). However, as we shall see in the next section, a number of companies and organisations with global internal labour markets have commented that these changes have deterred investment in the UK and diverted it elsewhere (Migration Advisory Committee, 2012)

An additional hurdle for labour immigrants is that maintenance requirements, that is, money to cover individual or family living costs, for those entering under all tiers (except 3) have been increased, generally in line with inflation. Other changes introduced in 2012 were: reducing the time period allowed before a migrant has to start work or study, or after ceasing; a new visitor route for small groups of professionals, artists, entertainers or sportspeople coming to undertake short-term remunerated activities (up to a month) without formal sponsorship; extension of exceptional leave to remain for Tier 2 migrants who can now extend their stay for up to a maximum of six years.

The above policy developments have been spelled out in detail because they indicate the complexity of change with which employers have had to grapple over the last two years and also the increasingly restrictive nature of controls on recruitment of skilled and qualified people from overseas and foreign post-graduates from UK HE institutions. Employers have argued that the rapid pace of change in policy and regulations has created instability, making it more difficult for them to plan ahead.

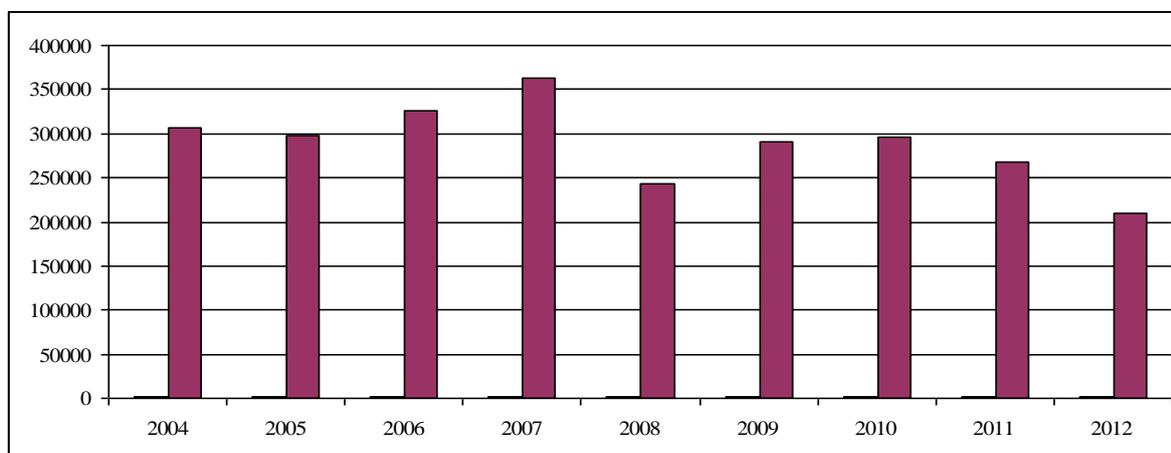
The changes and clamp-downs have also been confusing to potential skilled migrants and students from major source countries like India. An Indian entrepreneur with an established business in the UK commented: "It's like [the prime minister] has closed the door to immigration, now he's shouting from behind the door, 'You're very welcome, please come in'." (Warrell, 2013).

### **3.4 Policies to cut student migration from non-EEA countries**

The rise in numbers of non-EU students coming to the UK reflected a growing demand for higher and other education in OECD countries and active recruitment overseas by UK institutions seeking to augment their revenue in a changing financial

climate. The number of students and dependants fluctuated after 2004, peaking at 363,000 in 2007 then falling to 210,000 in 2012 (Figure 1).

Figure 1 - Students and dependants (excluding student visitors), 2004 – 2012



Source: Home Office

Growing evidence indicated that the student route was being used by some migrants coming with the intention of working rather than studying and 'bogus' institutions were found to be facilitating this. In order to identify and close them, under the PBS institutions were required to register on a list of sponsors. Those failing to apply or make a convincing case were prevented from recruiting international students. The policy has been tightened further by the Coalition.

Under Tier 4 (Students), each student has to be sponsored by an educational institution licensed by the Home Office (formerly UKBA) and cannot change college without applying to the Agency. Sponsors are responsible for judging students' intentions to study. A report by the National Audit Office (2012a), based on a retrospective review of the applications of those granted entry, estimated that in the first year of Tier 4, 40-50,000 'students' might have entered to work rather than study. The estimate was based on college enrolment rates and changes in patterns of application rates and refusals.

Those entering for study purposes include several different groups: entering higher education and further education; attending language schools; and a growing component of children and young people coming to UK independent schools. There are currently nearly 26,000 non-British pupils in Independent Schools Council schools whose parents live overseas (Independent Schools Council, 2013).

The contribution of students to net migration is hard to quantify because of the lack of evidence. A major problem is that an unknown number enter the UK as students but leave intending to work or for other reasons and so are recorded differently on entry and exit. There is some evidence that limited numbers stay on long term. The first Migrant Journey study (Achato, 2010) found that only 3 per cent of those who came as students in 2004 had been granted settlement after five years. Some others had extended their studies or been granted a visa to work but nearly 80 per cent no longer had valid leave to remain, most of whom it is assumed had left the

country within five years. However, it is impossible to know how many might have remained illegally, since individual departures are not recorded. Substantial numbers of independent school pupils stay on to go to UK universities and may be legally resident in the country for a decade, more if they then enter the UK labour market.

Policies to cut international student migration have focused on two streams: those international students entering the UK labour market through the post-study work route (Tier 1) and those coming to the UK to study.

The hitherto largest group of Tier 1 in-country visa applicants were former international students in the post-study work route (Table 7). This was wound down by the Coalition government so that from April 2012, international graduates in search of a job in the UK would henceforth have to go through the Tier 2 route. An employer wishing to recruit an international graduate now needs to obtain a certificate of sponsorship (CoS), although these are excluded from the overall quota for the tier. However, the Home Office does not keep separate statistics on numbers of international graduates for whom CoS are taken out so there is no record of how many there have been. It is therefore impossible to compare directly these numbers with those coming by the former post-study route. However, they will be smaller because a certificate is only issued if there is a job available and for which a graduate has appropriate qualifications.

The main government effort has been directed towards creating a more selective system for admitting non-EEA citizens to study in the UK and eliminating abuse through changes to Tier 4. These have included: reducing numbers coming to study below degree level; introducing more demanding English language requirements; ensuring that students wishing to extend their studies could show evidence of academic progression; limiting their entitlement to work and their ability to bring in dependants; and changing the accreditation process for education providers alongside more rigorous inspections.

Changes coming into operation in July 2011 restricted work entitlements and rights to bring in dependants, required institutions to provide courses with academic progression and created a streamlined application process for 'low risk' nationals sponsored by highly-trusted sponsors. Subsequent changes to the educational oversight arrangements for Tier 4 have meant that all student sponsors must obtain highly-trusted sponsor status and receive a satisfactory review or inspection by one of the publicly-recognised inspection bodies approved for Tier 4. By November 2011 over 450 independent institutions had been banned from recruiting abroad under the new regulations, with hundreds failing to sign up for the new inspection system (Home Office, 2011a). In 2012, new and more stringent controls on sponsors were introduced which particularly affected non-HE institutions.

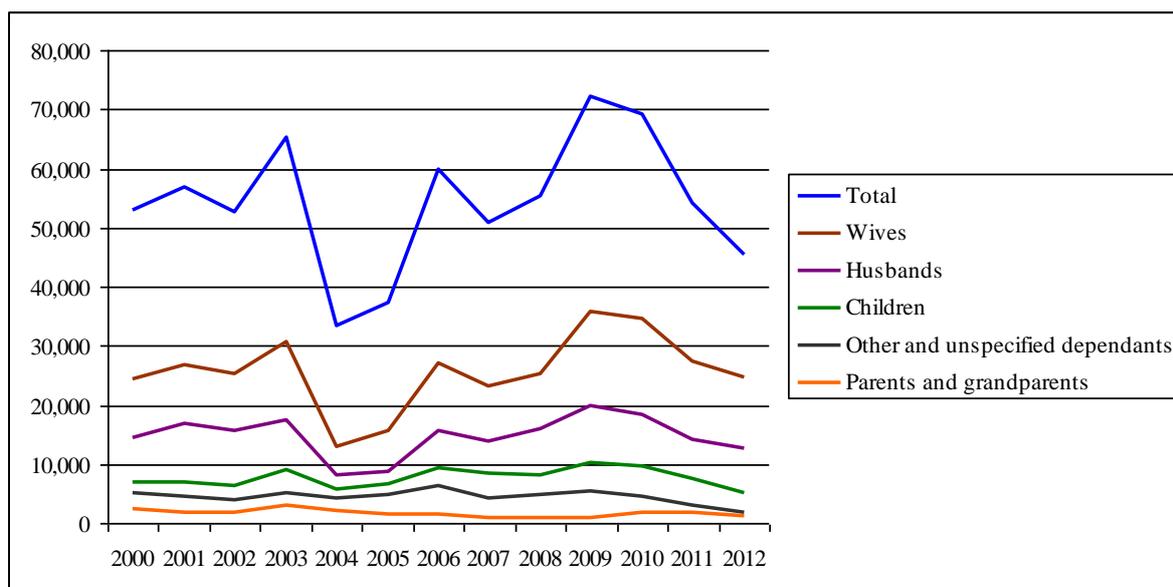
Since April 2012, all work placements have been restricted to one-third of the course, unless the course is at degree level and the sponsor is a higher education institution or the student is on a study abroad programme; the time students can spend at degree level is limited to 5 years, with certain exemptions for longer courses and doctorates at higher education institutions.

### 3.5 Policies to cut family migration from non-EEA countries

The term ‘family migration’ covers a wide range of circumstances (Home Office, 2011a). Migrants wishing to live in the UK for family reasons fall into two broad categories: spouses and other dependants accompanying or joining non-British citizens who come to work or study in the UK; and others who wish to enter or remain in the UK because of their relationship to a British citizen or other person settled in this country. This includes fiancé(e)s, proposed civil partners, spouses, civil partners, unmarried partners or same sex partners, as well as children and other dependants. There are also families seeking asylum and refugee family reunion.

Some family migrants come for a limited period while their partner or parent is working or studying. Those who wish to stay permanently apply for settlement or indefinite leave to remain – that is, permission to remain in the UK without any time restriction on length of stay. Over the last decade or so the number of family members granted settlement has fluctuated, in part for administrative reasons, for example owing to changes in qualifying rules for spouses or special arrangements for asylum seekers and their families (Salt, 2005, 2006).

Figure 2 - Grants of settlement to family members, 2000-2012



Source: Home Office

Migrants who entered the country before 2010 because of family relationships were, predictably, the category of visa-holders most likely to stay and not become part of the emigration statistics. The first Migrant Journey (Achato, 2010) study found that of those granted visas on the family route in 2004, over half had achieved settlement after five years and nearly two thirds were still in the UK.

A study of marriage-related migration to the UK, including fiancées and civil partnerships, traced general trends in spousal settlement from the 1990s to 2008 (Charsley *et al*, 2012). The authors commented on the patchy and limited nature of research on family migration and the urgent need not to see the phenomenon as

solely South Asian, with Chinese, Filipino, American and African groups emerging as numerically significant and many other nationals also involved. With British citizens extensively engaged in work, study, travel and holidays abroad and having ample opportunity to meet foreign citizens working, studying and visiting in the UK, never mind internet contacts, it might be expected that international partnerships would be increasingly diverse, leading to both immigration and emigration.

The Coalition's first action on family migration was to introduce in November 2010a new language requirement for migrants who wanted to enter or remain in the UK as the partner of a British citizen or a person settled here. In most cases, the partner had to be able to demonstrate a basic ability to speak and understand English. The aim was described as to promote integration, remove cultural barriers, protect public services and ensure that those who benefit from being in Britain contribute to UK society (Pendry, 2010).

Changes in the immigration rules, mostly applying to new applicants came into effect in July 2012. A new minimum income threshold of £18,600, on which there was intended to be no discretion or flexibility and an annual review, was set to sponsor the settlement in the UK of a non-EEA partner. There was a higher threshold to sponsor a child under the age of 18 of £22,400 for one child in addition to the partner and an additional £2,400 for each further child. The relevant income threshold was to apply at every application stage: entry clearance/leave to remain; further leave to remain and indefinite leave to remain (settlement). No account was to be taken of past, current or prospective earnings of the migrant at the entry clearance stage – if they had an appropriate (and by implication, well-paid) job offer, they could apply under Tier 2. The income threshold for sponsoring spouses/partners and dependants was recommended by the MAC in 2011 (Migration Advisory Committee, 2011), which made it clear that its recommendations were based on economic considerations alone and not with reference to wider legal, social or moral issues. Its calculations were based on the gross income figure at the point at which the family would not be entitled to receive any income-related benefits.

The rules on settlement were made more demanding. The minimum probationary period for a non-EEA spouse/partner was extended from two to five years to test the genuineness of the relationship. The process through which settlement was to be obtained was complex and protracted for some, requiring successive applications over time "on the correct form and paying the relevant application fee". (Home Office, 2012b). An information sheet for the partners of British citizens, people settled in the UK and refugees/those with humanitarian protection, explained:

'If you applied on or after 9 July 2012 to come to the UK or for permission to stay here for the 10-year family route, or for permission to stay here on the 10-year private life route and that permission was granted, you will need to be in the UK for 10 years before you can apply for settlement. You will initially be given leave to enter for two and a half years and then you can apply for three more periods of two and a half years.' (Home Office, 2012c)

This convoluted process seems to require both a high degree of organisation on the part of the migrant and a strong, efficient administration to ensure compliance.

More restrictive rules were applied to the settlement of elderly relatives, in effect banning them from coming to the UK to settle. Other changes introduced in 2012 related to the detection of sham and forced marriages.

From October 2013, all applicants for settlement are required to demonstrate a knowledge of language and life in the UK by passing the Life in the UK test and by presenting a speaking and listening qualification at intermediate (B1) level or above.

Since the rules were introduced there has been a judicial review of the minimum income threshold, following a claim by a refugee and two British citizens that the rules were unlawful on several grounds (High Court, 2013). The High Court judgement was not simple: it appeared to say that the £18,600 does not necessarily per se constitute a breach of Article 8 of the European Convention on Human Rights (ECHR) but that a combination of factors may do so – for example, not considering the spouse's earning capacity or third party support. The decision seems likely to widen the gate but not sufficiently to let in the spouses of the low-paid who cannot meet other criteria.

After this judgement, it was announced on 5 July 2013: "The Home Office has paused decision-making on some spouse/partner and child settlement and leave to remain visa applications to enable us to consider the implications of the judgement" (Home Office, 2013b). Although this is likely to be a temporary hiatus, it is clear that the family policy is designed to reduce considerably the numbers who use the route to settle in the UK and that the principal target is poorer people.

### **3.6 Policies on asylum seekers and refugees**

From the point of view of net migration, important factors over a long period have been delays in determining asylum applications, leading ultimately to applicants being given leave to remain in some cases through amnesties, and the continued residence in the UK of an unknown proportion of failed applicants.

The Coalition government has not proposed to abandon or modify obligations to refugees and those seeking humanitarian protection or members of their nuclear family at time of fleeing their country. Sponsorship of a partner with whom a relationship has been formed after flight or an adult dependant relative will continue to be subject to the same rules as others on the family route. Therefore they will be subject to the new requirements, including the income threshold.

## **4. WHAT ARE THE PROS AND CONS OF THE COALITION'S APPROACH TO CUTTING NET MIGRATION?**

### **4.1 Implications of policies to cut non-EEA labour migration**

The numerical result of these policies on Tier 1 visas is summarised in Table 6. The overall impact is blurred by applications already in the system before the changes were implemented, as well by the rush to 'beat the ban' so characteristic of British immigration policy during the last half century. The available data present a mixed

picture. Particularly important is the distinction between in-country and out-country visa issues.

Visa issue statistics relate to individual migrants. For non-EEA migrants living outside the UK (out-country issues), the data record visas issued to individuals approved under Tier 1 and 2. However, this does not necessarily mean that the person used the visa and came to the UK. The assumption is that they did. Decisions to issue visas are made abroad. Those non-EEA citizens applying while already in the UK (in country issues) include a wide range of people allowed to switch between immigration statuses, or who wish to extend their stay. including post-study graduates, other students, work permit holders, people who originally came under the Highly Skilled Migrant Programme (HSMP) and who transferred to Tier 1, self-employed lawyers, writers and other artists. The data distinguish between prime applicants and dependants.

Table 6 - Tier 1. In-Country and Out-Country visa issues, 2009-2013

| In-Country           | 2009  | 2010  | 2011  | 2012  | Jan 2013 - Jun 2013 |
|----------------------|-------|-------|-------|-------|---------------------|
| Principal applicants |       |       |       |       |                     |
| General              | 26711 | 18117 | 20494 | 20960 | 16977               |
| Post Study           | 30726 | 36121 | 44956 | 35240 | 374                 |
| Others               | 3425  | 528   | 846   | 1139  | 2171                |
| Dependants           | 25799 | 17467 | 21962 | 24529 | 16992               |

| Out-Country          | 2009  | 2010  | 2011  | 2012 | Jan 2013 - Jun 2013 |
|----------------------|-------|-------|-------|------|---------------------|
| Principal applicants |       |       |       |      |                     |
| General              | 13935 | 10129 | 1895  | 25   | 5                   |
| Post Study           | 4244  | 5360  | 5925  | 4931 | 4                   |
| Others               | 271   | 401   | 764   | 1316 | 897                 |
| Dependants           |       |       |       |      |                     |
| General              | 6113  | 7727  | 10024 | 5922 | 2424                |
| Post Study           | 2480  | 3245  | 3050  | 3899 | 1656                |
| Others               | 467   | 621   | 1021  | 1917 | 1347                |

Source: UK Visas, UKBA

In-country numbers have held up well with data for the first half of 2013 suggesting an increase, although the steep drop in post-study visas reflects the effective abolition of the scheme. Most in-country visas are extensions. The continuing fall in numbers of general principal applicants outside the UK reflects the government's policy to reduce and eventually phase out Tier 1 apart from a small number of very highly qualified people. The number of in-country visas can be expected to drop sharply as the new quotas and route closures come into play. In the first half of 2012 almost three quarters of principal applicants were post-study students. Entrepreneurs and investors totaled just over a thousand, with only 25 in the exceptional talent category.

Table 7 – Tier 2 Visa issues and certificates of sponsorship, 2009-2013

a) In-Country and Out-Country visa issues

| In-Country           | 2009  | 2010  | 2011  | 2012  | Jan 2013 - Jun2013 |
|----------------------|-------|-------|-------|-------|--------------------|
| Principal applicants |       |       |       |       |                    |
| General              | 13739 | 13504 | 11954 | 20210 | 13260              |
| ICT                  | 7038  | 6218  | 6568  | 8647  | 4714               |
| Other                | 687   | 673   | 545   | 684   | 371                |
| Dependants           | 16536 | 14786 | 13560 | 20675 | 13162              |
|                      |       |       |       |       |                    |
| Out-Country          | 2009  | 2010  | 2011  | 2012  | 2013               |
| Principal applicants |       |       |       |       |                    |
| General              | 8557  | 9916  | 7784  | 9421  | 5315               |
| ICT                  | 22031 | 29174 | 29686 | 29255 | 16329              |
| Other                | 637   | 594   | 574   | 496   | 294                |
| Dependants           | 15505 | 24609 | 26799 | 28936 | 16867              |

b) Certificates of sponsorship

|          | 2009  | 2010  | 2011  | 2012  | Jan 2013 - Jun 2013 |
|----------|-------|-------|-------|-------|---------------------|
| RLMT     | 18842 | 17987 | 16514 | 26954 | 17172               |
| Shortage | 5833  | 8389  | 4089  | 3614  | 2039                |
| ICT      | 29277 | 36023 | 36203 | 37546 | 20898               |

Source: UK Visas, UKBA

Numbers entering via Tier 2 have actually increased, mainly due to more ICTs (Table 7). The most recent data show a substantial increase in Tier 2 general visas issued in-country. It is likely that a major reason for the rise is because visas issued after 2008 were for three years instead of the five years previously, many are now being extended. In other words, the increase is because of staying on rather than new entries. Out-country issues in the general category have fluctuated while ICTs have steadily increased. Data for 2013 suggest rises in both these main categories.

The recent rises in visa numbers, especially those issued in-country, are also reflected in certificates of sponsorship data for 2012 and the first half of 2013. During 2009-11 employers took up fewer certificates of sponsorship than were available (Table 7). Reasons for this are unclear and may include: the more stringent language and skills conditions; the downward revision in the shortage occupation list; better training of the existing workforce; a combination of global recession and a sluggish UK economy; and more recruitment from within the EU (Migration Advisory Committee, 2012). The most recent data therefore indicate that the situation is changing with UK employers beginning to increase their intake of non-EEA workers. Furthermore, increased numbers of extensions suggests fewer workers leaving.

The current constraints on highly-skilled migrants entering or remaining in the UK, especially through Tier 1, may be regarded as beneficial to UK citizens seeking employment, provided the requisite experience and expertise exists within the domestic labour market. However, the country's ability to attract such migrants in the future when economic conditions are improving might be damaged. There is strong global competition between countries to attract 'the brightest and the best' and the UK will not benefit from having a net outflow of such people. Erecting

bureaucratic hurdles to global recruitment or transfer of skills to the UK could encourage international companies to locate elsewhere.

It is not only the private sector which benefits from the international movement of the highly-skilled. Recruitment by the public health and education services of overseas-trained staff is in part a response to losses of doctors and nurses to other countries, permanently or for limited periods and of British-trained teachers: it is estimated that 80,000 British teachers are currently working in schools overseas (Vaughan, 2012). Even with good workforce planning, it is difficult to avoid shortages at times, particularly where long training periods are required. The PBS and the shortage occupation list should in theory take care of this issue but continuation of a rigid net migration target could be at odds with other public policy objectives.

The new emphasis on breaking the link between temporary migration and settlement in effect treats those at all skill levels as 'guestworkers', filling a gap but expected to go home. This appears to mean that highly-qualified doctors, teachers, engineers or architects who have become after five years an integral part of a senior team will then be required to leave, together with any family members. It is unlikely that an internationally acclaimed researcher attracted by a top UK university, perhaps with his/her research team, would come if the consequence was upheaval and emigration after five years. If this is what occurs, there could be damaging consequences for their sphere of work and the prospect could deter their arrival in the first place, with other countries offering better long-term prospects – good for net migration statistics but possibly not for the economy and society. In Germany, for example, a different view now prevails: "We don't want to promote a 'guest worker' mentality. We want people to live in Germany long-term. Not send them back after six months when they are no longer needed." (Official from Munich chamber of commerce, quoted in Wilson, 2013)

In general, employers' concerns are more strategic and long term (Migration Advisory Committee, 2012). 'Fine tuning' by the MAC, through changing criteria relating to thresholds (such as salary levels) can cause problems for employers. They value stability and frequent fine tuning hinders long-term planning. They need to hire the best recruits globally who will "make the critical difference between long term sustainability and short term failure" (*Ibid.* p129). Among employer concerns expressed to the MAC were the harm done to the perception of the UK as a place to do business, hindering long term planning and investment and increasing administrative burdens. Employers have been critical of the cooling off period where a Tier 2 visa holder whose period of stay has elapsed must spend at least 12 months outside the UK before he/she can be granted another Tier 2 stay unless they are earning more than £150k: "the cooling off period is a challenge...especially when it comes to managing projects" (HR manager of large supermarket chain quoted in Chartered Institute of Personnel and Development, 2013a)

Although there may be an element of "they would say that wouldn't they?", there is no doubt that some employers are concerned that the tighter regulations introduced in the PBS will cause constraints on growth when the economy eventually picks up and competition for skills with other countries becomes tighter. Hence, the long term sustainability of current policies is called into question.

If the aim of government is to limit the inflow of foreign labour, particularly when British-born workers and settled migrants are unemployed, it is necessary to explore the reasons for the employment of foreign citizens. In respect of higher skilled work, a common complaint of companies is that domestic skill shortages drive them to recruit foreign workers. One recent global survey found that UK business leaders were more concerned about availability of skills than any of their West European counterparts (PwC survey reported in Eccleston, 2013a). A NIESR study (George *et al*, 2012) of the aerospace, manufacturing and financial services sectors indicated that “the recruitment of skilled migrants does not preclude substantial investments in the recruitment and training of resident workers” (quoted in Migration Advisory Committee, 2012, p130).

Quite why domestic skill shortages exist is not clear. They are to be found at entry level in a range of sectors, including energy, health, IT, education and finance regulation (Hays, 2013). Some firms report that they are unable to recruit locals with appropriate skills, but PBS rules mean they cannot bring in foreign workers. A particular example is that of offshoring leading to entry level jobs in IT being taken by offshore workers who work for less money so that UK graduates are unable to get appropriate entry level experience on their CVs (Flinders, 2012). Emigration of skilled Britons is also an issue, with employers reluctant to provide expensive training only to lose workers to companies overseas (Randstad, 2013), although ‘talent’ shortage is not just a UK phenomenon (Eccleston, 2013b).

Exploration of employer preferences has to focus on lower-skilled as well as highly skilled work. Although unskilled labour from outside the EEA has not been admitted through the PBS since Labour created the system, many migrants from other EU countries, notably from Eastern Europe, have taken up lower-skilled occupations during the last decade, as well as those using artisan skills, for example in the building trades.

Recent studies for the MAC by Frontier Economics (2013) and the Institute of Employment Research (IER) at the University of Warwick (Green *et al*, 2013) provide insights into the drivers of demand for migrant labour in low-skilled sectors and factors affecting labour supply, indicating that the picture is more complex than sometimes suggested and employers have diverse views and practices. The Frontier Economics study found that migrants were more likely to be in temporary jobs – one in twenty native workers described their job as not permanent in some way whereas for migrants the number was one in eleven. However, the IER case studies revealed an increased tendency for British workers/job seekers to take on temporary work even if they would have preferred full-time permanent employment.

A key finding of the IER study was that “although generally employers viewed the migrants they employed very positively as ‘good’ workers there was little evidence that they were choosing to employ migrants in preference to British workers solely on the assumption that they would have positive characteristics. But *a priori* assumptions about attitude problems of young British people towards lower-skilled work did appear to impact negatively on prospects for this group”. (*Ibid*, v)

One factor that may be relevant here is that recent migrants taking up low-skilled work were on average more highly-educated than native workers and more mature

than school leavers. The IER study noted that the recession seemed to have led some British people with higher skills and experience to seek lower-skilled roles and that this meant some employers were more willing to employ British workers than had formerly been the case.

In recent years surveys have repeatedly reported that UK employers appreciate the positive work ethic of Eastern European workers (see, for example, Chartered Institute of Personnel and Development, 2013b). The study by Wills *et al* (2008) on London's changing migrant division of labour provides another perspective on this. Echoing studies of guestworkers in the 1960s and 1970s across Western Europe, they report that East Europeans share the same 'dual frame of reference' as other migrants in low-paid work, comparing rates of remuneration in the UK favourably with those in country of origin. One Polish respondent was quoted as saying:

"they are prepared to put up with it [low wages] because they're still better off than if they were in Poland, because they prefer to put up with bad housing, bad food, even quite often living in a squat, just to save money.' (*Ibid*, p.29)

The above suggests that the more 'flexible' the labour market becomes in terms of pay and security of employment, the more likely it is that jobs requiring few qualifications will be filled by migrants from low-wage countries.

The studies by Wadensjo (2012) and Ruhs (2012) on the vastly greater relative scale of A8 migration to the UK compared to Sweden led to the conclusion that the UK's reliance on foreign workers, especially in low-skilled occupations, was likely to continue without structural changes such as more labour market regulation in some sectors, more investment in education and training, better wages and conditions in some low-waged public sector jobs, improved job status and career tracks, more regulation of employment agencies and a decline in low-waged agency work.

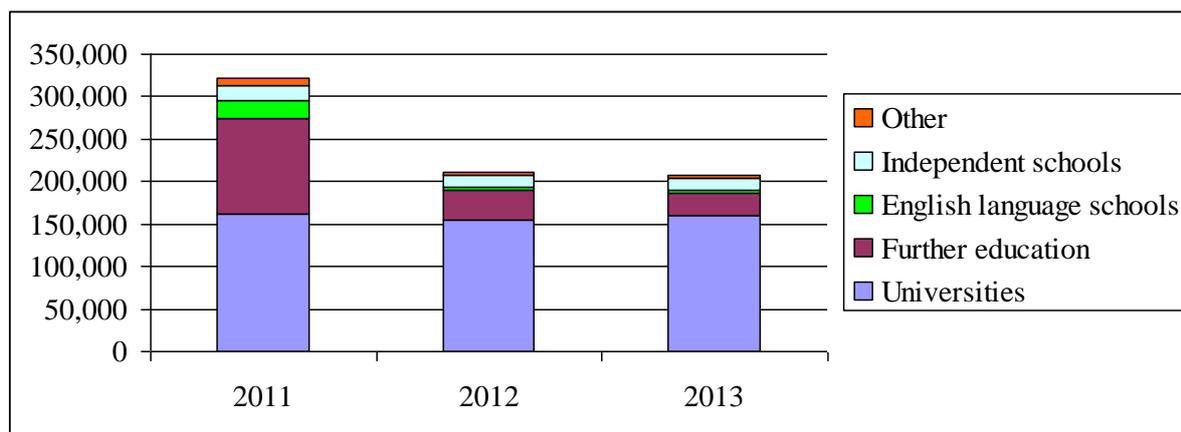
A common thread running through most recent policies restricting non-EEA migration is the assumption that those with capital, high incomes or higher-income parents/partners are 'the brightest and the best' and those most deserving of being allowed into the country. If cutting migration remains the priority in future, a further matter for reconsideration will be how 'the brightest and the best' are identified among those seeking employment in the UK. These qualities are currently being associated mainly with possession of capital or high earnings. Yet those who have most to contribute in the way of innovation and entrepreneurship may be young graduates, or for that matter non-graduates, who are not high earners at the time they apply to work in the UK. Some very successful migrants on both sides of the Atlantic arrived with very little.

We would argue that those with the most to contribute to the economy and society are not necessarily high earners at the outset (or ever), that overseas students with the greatest potential are not necessarily those with the wealthiest parents and that many workers with below the minimum income threshold to sponsor settlement of a partner are doing essential jobs which underpin the economy and meet society's needs. Income criteria have the advantage of being easily measurable and can be presented as being in the interests of tax-paying citizens but reality is more complex and social justice matters too.

## 4.2 Implications of policies to cut non-EEA student migration

What has been the effect of policy on student numbers? Figure 1 showed the fall in student visa numbers in recent years. The change has been uneven across education sectors. In the year ending June 2013, there were 207,000 sponsored visa applications, 160,000 in the HE sector, a decrease of one per cent over 2011. However, those going to the FE sector and to English language schools fell by 77 per cent to 26,500 and 83 per cent to 3,400 respectively over the period (Figure 3).

Figure 3 – Visa applications by education sectors, year ending June 2011 – June 2013



Source: Home Office

Cutting student migration has already had a substantial impact on the net migration statistics. The identification of 'bogus' educational institutions and students whose intention is not to study has been necessary to combat abuse of the system. However, striving to find such students and cut student numbers as quickly as possible has resulted in major concerns about the negative impacts on bona fide students and damage done to the UK's reputation as a good place to study. The education sector is a major economic success story for the UK. The international reputation of its HEIs is well known; the potential of the FE sector less so. While the detection of abuse of the education system by 'bogus' students is laudable, the manner in which action has been taken, affecting the work of bona fide students and attracting concern overseas, suggests the need for a more sensitive and balanced approach

A particular policy objective of the Coalition government has been to reduce the number of international graduates staying on to look for and take up work in the UK. However, prior to 2010 there was a trend in the UK and still is elsewhere towards encouraging international graduates to stay on and look for work. They are regarded as well qualified, international in outlook and possessing an ability to live and work in different cultures and environments. There is some evidence that the UK policy towards post-study international graduates is at odds with policies in other countries. An OECD report (OECD, 2013, 51-2) reviewed recent policy developments on post-study international graduates in member states during 2011-12. The aim in seven was to encourage them to stay and enter the work force, with only the UK moving in

the opposite direction. This suggests that the desire to cut immigration in the UK regardless has overridden the advantages of recruiting such workers. Whether this enhances the competitiveness of the UK economy compared with those of other countries remains to be seen. A CIPD report (Chartered Institute of Personnel and Development, 2013a) recommends re-opening of the post-study work route for science, technology, engineering and maths graduates.

While institutions are increasingly establishing campuses overseas, there is still a demand for study in the UK. Not all of this demand comes from young people seeking places in the most prestigious universities. Other institutions and sub-degree courses seem likely also to be in continuous demand. An assessment is needed of whether it is in the national interest, in terms of economic benefit and the more intangible benefits of international connections, to cut back this type of provision because it is not perceived to cater only for 'the brightest and the best.' Those foreign students whose families cannot afford the fees of the most expensive establishments may nevertheless be possessed of exceptional talent.

The implementation of the policy towards students has been and continues to be labour intensive for all concerned. The additional administrative and monitoring procedures which institutions have had to put in place have considerable implications in terms of time, cost and stress for staff and students, while UKBA has acquired expanding responsibilities. Ironically, the most difficult thing to police is departure: neither universities nor colleges are able to ensure that international students leave. The fear of overstaying is largely responsible for increased constraints on entry.

These changes have most affected non-HEIs which have seen their numbers fall dramatically (Figure 3). Clearly the scope for using this route towards illegal stay has been considerably reduced. However, there may be negative consequences, both for bona fide institutions which provide language and other courses and for the wider economy. There is a fear that lucrative opportunities may be lost by too much deterrence. For example, a recent Australian report on its FE sector (Kundu, 2013) points out the opportunities that might be missed if restrictions on recruitment are too severe and it advocates the greater provision of high quality training courses, especially to attract Indian students.

Thus far, there has been no similar study for the UK but a report for the Department for Business Innovation and Skills (2013) reviewed the effects of Tier 4 changes on the Further Education sector. It found that the increased restrictions had reduced numbers of international students applying for courses, substantially reducing college incomes. In turn, there was a knock-on effect through less spending in the local economy. In some colleges, courses were either closed or put at risk, reducing choice for domestic students. Concern was also expressed that future business opportunities might be lost when potential future entrepreneurs studied and developed relationships with other countries. It is also clear that Tier 4 restrictions are at odds with BIS policy to encourage educational institutions to diversify and increase their income base by recruiting from overseas.

It is unlikely that there are more 'easy hits' on total numbers from further reductions in student immigration. There is also growing evidence that those that have already occurred, along with more stringent entry conditions, may be impacting adversely on the education sector and on the economy more generally.

### **4.3 Implications of policies to cut non-EEA family migration**

The UK is not alone in making family migration policies more restrictive (OECD, 2013). In the last few years there has been a trend in OECD member states for policies to restrict family migration or to discourage persons who wish to migrate with their families, by raising the income criteria for family reunification and by introducing language and other tests for family members. Most European countries which have introduced such policies during the last couple of years have targeted false relationships, for example Finland, France, Ireland, the Netherlands and Sweden. Denmark, like the UK, has adopted a more stringent approach, introducing age, language, self sufficiency, housing and financial security requirements.

New policies to cut family migration have been in place for a relatively short time and there is therefore limited evidence of their consequences. However, the report of the inquiry into the new family migration rules by the All-Party Parliamentary Group on Migration (2013) provides some first indications, drawing on written and oral evidence including submissions from over 175 families affected by the rules. Its key findings were:

- Some British citizens and permanent residents in the UK, including people in full-time employment have been separated from a non-EEA partner and in some cases their children as a result.
- Some British citizens and permanent residents have been prevented from returning to the UK with their non-EEA partner and any children as a result of the income requirement.
- Some children, including British children, have been indefinitely separated from a non-EEA parent as a result of the income requirement.
- The current permitted sources in order to meet the income requirement may not fully reflect the resources available to some families.
- The adult dependent relative visa category appears in effect to have been closed.

Cutting family migration manifestly has implications which go beyond reducing immigrant numbers. The prolonged separation of partners, parents and children can have damaging effects on relationships and family life. The new policies seem at variance with the Government's emphasis on the importance of marriage and family. In addition, because the restrictions do not apply to the partners of other EEA citizens, they are likely to be perceived as unfairly discriminating between families in otherwise identical situations. The lengthy process for obtaining settlement which some will have to endure could make migrants feel insecure for years and not full members of the community, generating resentment and alienation. Furthermore, the new policy sits uneasily with the Human Rights Act, particularly Article 8

Delays to the reunification of families which result in children entering the UK school system after the normal starting age may do long-term damage to their achievement and integration, with negative social and economic consequences. It will make their education more costly if they need additional support through starting late: a young person joining a school at age fourteen, needing to learn English and get to grips with the secondary curriculum, is in a very different situation from another starting at five.

There are fundamental issues of social justice that confront any government in this area of immigration control. Present policies mean that a low-paid worker who pays tax and contributes to the prosperity of a tax-paying employer, or makes a valuable contribution in service of the public, may be denied the same rights as others to live with a spouse or partner on the grounds that they would be 'a burden on the state'. Most of the policies being implemented in relation to family migrants are favourable to the better off, who can afford application fees and legal advice, are more likely to be well-educated and able to pass tests and have the requisite income.

#### **4.4 Migration management and resources**

The scale and complexity of international population movements make heavy demands on those seeking to manage it and root out abuses. Scrutiny of individual visa and sponsorship applications overseas and within the UK, operating border control desks, assessing asylum cases, chasing up, finding and deporting those in irregular situations require large numbers of caseworkers and others. Planned exit controls will require additional checks at air and seaports. Governments have to decide where to concentrate inevitably limited resources. Some of the policies introduced in the last two and a half years to cut inward migration and limit authorised stays require a substantial increase in bureaucracy to administer them. A future government might consider simplifying some requirements and reviewing where available resources should be focussed.

The policy comes at a time of reduced resources. By March 2015 the UKBA/Border Force is planned to have 5,000 fewer staff than in 2010-11; by 2011-12 the reduction was already 1,000 more than what was planned. Inevitably these reductions have impacted on working practices that were already stretched, so that the agency suffered from "a loss of focus, poor governance structures and optimism bias in planning" (National Audit Office, 2012, 8). Inability to cope with the sustained but often unpredictable flow of cases has led to backlogs being built up. A review of Tier 1 cases by the Chief Inspector (Vine, 2013, 2. 5) found that he was "unable to assess the reasonableness of decisions made in 42% of cases" and that "poor Home Office forecasting – resulting in under resourcing –... led to a backlog of over 9,000 cases".

One consequence of the sidelining of asylum was the build-up within the UKBA of a backlog of 147,000 unresolved 'legacy' cases. (Vine, 2012). This backlog is only part of a larger one which includes all outstanding immigration cases and may total 500,000 (Home Affairs Select Committee, 2013). Dealing with backlogs, in addition to greater scrutiny of individual cases, inevitably puts more pressure on an overstretched system. Traditionally amnesties, en masse or individual, have been administratively easy to operate but are always politically difficult policies. To a government committed to closer border and settlement management, at the same time as cost reduction, the challenges are greater.

In respect of asylum, more efficient management of the system could have a population effect in reducing the numbers who wait for years to have their cases determined, as well as the numbers who stay on after their cases have been rejected. However, there will always be many unable to return home who settle in the UK in

the long-term and a compassionate society will welcome them. Some have high level qualifications which, given opportunities to adapt to UK requirements and acquire English language fluency, may enable them to contribute in jobs where their skills are relevant.

It is an illustration of the changing significance of different migration streams that we have said so little about asylum-seeking, which was the principal headline issue around the year 2000. Numbers have been relatively low in recent years and the Government has not therefore seen the subject as a priority. In a few years time, the picture could have changed again.

## 5. WHAT ARE THE WIDER IMPLICATIONS OF THE POLICY?

Target-setting has become a popular method of focussing effort and resources on particular desired policy outcomes. The achievement of a target is presented to the public as evidence that a government is taking effective action. Having examined the evidence, we have doubts that the Coalition's net migration target of 'the tens of thousands' is either a useful tool or a measure of policy effectiveness. Measurement of policy success is dependent on accurate data. In this case, the measurement used is an estimate based on a sample survey and is too imprecise to demonstrate whether the target has actually been met.

It might nevertheless be asserted that policies introduced to achieve the target have 'worked', given the substantial fall of 76,000 in estimated net migration since 2010. However, the data suggest that main contributors to this fall have been big cuts in inflows of non-EEA highly-skilled workers and students and also a decline in inflow from the Accession States. The total outflow of population has fluctuated but was relatively low in 2012. In other words, the big fall in net migration is largely explained by reductions in *immigration*, which did not depend on the existence of a *net* migration target.

We noted in Section 2 that the latest quarterly data indicate that the steep decline in net migration might be tailing off. With big cuts already made in Tier 1 (highly-skilled) and Tier 4 (students), the so-called 'easy hits', it is not easy to see where further reductions in immigration will come from. In the event of the targeted level being reached by the end of this Parliament in 2015, it begs the question: what then? What policies would be needed to maintain a net inflow of 'the tens of thousands', particularly if economic change increases the overall demand for labour or the higher education sector manages to increase international student numbers. How sensitive can a target be when economic, social and demographic circumstances are changing?

While we reject the Government's overall target figure as unhelpful, we do not reject the idea of trying to limit net migration. As stated at the beginning, the dominant argument for doing so is the scale of population growth that will occur if recent levels of net migration continue indefinitely and all that this implies. If there were to be an optimum population figure for the UK on which all were agreed, it would be possible to link migration control policies to it. In reality, such a figure seems a chimera. It would depend on the value judgements of those who produced it, for example in respect of housing densities, urban living and rural environments, and a whole

variety of assumptions about regional development and the future of the ever-changing economy. Without such a figure, efforts to reduce net migration cannot be tied to an ideal population outcome. It follows that there cannot be one single 'correct' net migration level.

The UK experience provides a number of lessons for future migration policies, both in the UK and in other countries seeking to manage migration through a single numerical target.

Firstly, having publicised a target, a government is under pressure to prioritize its achievement over other considerations which may be in the national interest or the interests of individual citizens and to act hastily to reach it within the promised time-scale. This paper cites evidence of collateral damage caused by action to cut work-related, student and family migration. Some of this evidence is statistical, some qualitative from surveys, much anecdotal, inevitably so given the short time that new rules have been in operation, but together it is cumulative. Particular issues have arisen from the severe curtailment of Tier 1, especially the post-study work route, and the more stringent approach to student immigration which has hit non-higher education institutions. There is growing concern that the financial cap on family migration is splitting families and relationships without taking account of other considerations. Meanwhile, employers complain that the fine tuning of Tier 2 makes their long-term manpower planning more difficult. Furthermore, no-one can say with confidence that migration patterns will not change again if the economy revives or a new wave of asylum-seeking in Europe results from current conflagrations further afield.

Secondly, net migration is only partly determined by the policies of the UK government. This is true of targets in most spheres but not to the extent that it applies to population flows. For example, other countries may compete for skills, attract settlers or introduce schemes to encourage the return of their own citizens. As we have seen, the migratory behaviour of British citizens affects both net migration per se and also creates skill shortages in the UK when they move abroad. Foreign migration therefore acts as a counter-balance to the fluctuating movement of the domestic work force. The coming and going of British citizens, the decisions of other EU citizens, civil wars thousands of miles away, the migration policies of other countries and the state of the world economy are all factors (to name but a few) which can affect net migration figures and over which the UK government has little control.

A practical problem with trying to achieve a net migration target through immigration control is that a government does not have foresight about the migration streams it *cannot* control and therefore does not know in advance what measures it must take to influence the flows it *can* affect, in order to try to produce the desired net migration figure in any given year. This problem is illustrated at time of writing by speculation about numbers likely to come from Romania and Bulgaria in 2014 when employment restrictions are lifted.

Thirdly, government policy spheres are closely intertwined. It is clear that migration affects social provisions such as housing, education and health and therefore that migration policy impinges upon policies in these areas. It is also the case that

migration is affected by policy developments in other areas of government and that tensions may arise between the aims of different government departments. In some cases these will lead to contradictory policies.

Housing and benefits policy provides a case in point. Current government policy appears likely to have the effect of driving up housing prices through help to buy equity loans and mortgage guarantees, with only small increases in housing stock. Private sector rents have been rising while the social housing stock has diminished through right-to-buy and thousands of former Council flats are now let by private landlords. In London particularly, where the economy relies on a mass of low-paid workers in cleaning, catering, retail, hotels, entertainment and other services, in addition to health and social care, housing costs are high and rising. The key point is that if rents become unaffordable to more and more households with one or two earners, migrant workers able and willing to share accommodation and divide the rent between five or six people may replace them. Once low-wage migrants (from within or outside the UK) find partners and wish to start family life, they will not be able to continue to live in London, nor will they be able to afford to commute. Capping benefits for those in work can also have the effect of driving them to live and work in cheaper housing areas, again creating shortages in service jobs that can potentially be filled by migrants, however temporarily. This raises the prospect of continuing immigration feeding a perpetually unstable labour force.

Education policy, too, may be seen to contradict migration policy. Cuts to university funding have encouraged those institutions to take more international students and they have, to the detriment of meeting a net migration target. But at the same time, the demise of the post-study work route has made the task of recruiting them more difficult. Furthermore, a ready supply of highly-educated labour is denied to an economy which wants 'the brightest and best', setting the UK at odds in this regard with its international competitors.

The interaction between policies is manifest with those of health and migration. Expansion and improvement of the NHS from the late 1990s was only possible with the recruitment of doctors and nurses from other countries. At the same time, policies were implemented to increase medical and nursing training places, so that the need for foreign recruitment was sharply diminished as the new domestic supply came on stream. It is not clear what the effect of the current restructuring of the health service will be on staffing requirements, but if the end-result is in an increased demand for certain health professionals, past evidence suggests that overseas recruitment might be necessary while training places are expanded. For example, current health policy includes schemes that shift care out of hospitals and into the community. However, this can only be done if there are more care workers available, a sector which currently employs many immigrants. At time of writing, there are newspaper headlines saying: "Hunt for foreign doctors to help A&Es stay open". (Evening Standard, 2013).

Finally, a monolithic target figure can convey an image of 'immigrants' as an amorphous and undesirable mass, with a reduction in net immigration being a cause for celebration, however achieved. As this paper has sought to demonstrate, inflows and outflows of population to and from the UK are exceedingly diverse and so are the costs and benefits of different types of movement. What is required is a

policy which does not focus on a particular numerical target but one which strikes a balance between minimising the economic and social costs of migration while maximising the benefits.

Such an approach must focus on the different migration streams and on migrants as individual people. If there is to be target-setting for non-EEA immigration, it should be based on estimates for different routes of entry - labour, family, student and asylum, each perhaps broken down into component parts - rather than on a single overall figure to be met regardless. Too much of the debate about international migration in the UK is about "immigrants" as an undifferentiated group, without getting to grips with who "they" are, why they come, the jobs they do, the contribution they make and the length of time they stay. And there is almost no reference to the fact that international migration is a two-way street, involving British as well as non-British citizens, which is what net migration is all about.

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