



BRIEFING

# Migration Review: 2010/2011

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This short briefing reviews the most significant migration trends and policy changes in 2010 and looks forward in order to explore what developments 2011 might bring.

### Net migration

In 2007–08, net migration to the UK fell sharply as a significant proportion of the surge of EU migrants who had arrived after 2004 left, the effects of the new Points-Based System (PBS) for managing migration were felt, and the impacts of the recession reduced the UK’s attractiveness to economic migrants. However, the latest statistics<sup>1</sup> suggest that net migration began to rise steadily again over the second half of 2009 and into 2010.

**Figure 1:**  
Total long-term international migration estimates, UK, 2000–10

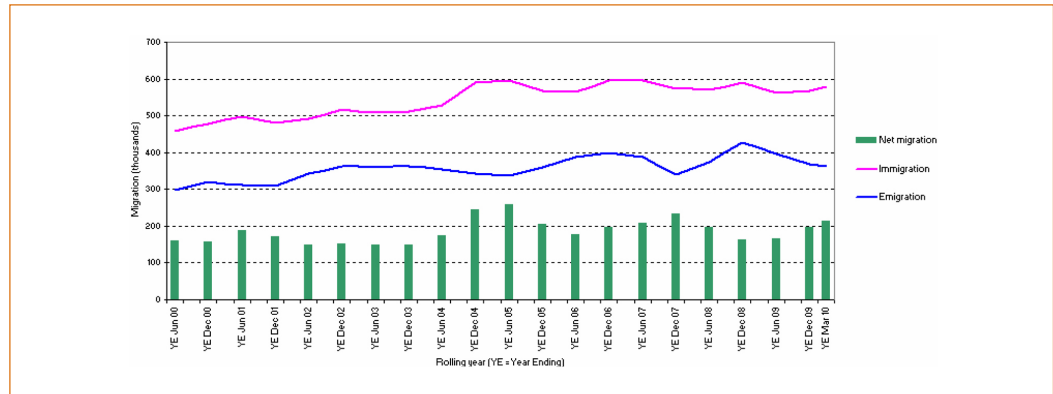


Chart taken from ONS Migration Statistics Quarterly Report, November 2010: 6

### British emigration

One of the most significant elements in increasing net migration in recent months, as shown in Figure 2 below, has been a substantial reduction in emigration by British citizens (including immigrants who have gained British citizenship).

Provisional data from the International Passenger Survey<sup>2</sup> suggest that net emigration by British citizens was just over 30,000 in the year to March 2010, compared with 80,000 in the year to March 2009, and over 130,000 in the year to March 2007.

As well as British nationals returning to the UK, many fewer British people are emigrating to other countries. This seems likely to be due to the global recession. Some key destination countries for British emigration (for example Spain and the United Arab Emirates) have been badly hit by the economic crisis, which has reduced employment opportunities. A weaker pound has also made it more expensive for British retirees on fixed incomes to move abroad, and for British students to study overseas. ippr has looked at British emigration in more detail in Global Brit: Making the most of the British diaspora, published in June 2010.

**Figure 2:**  
Long-term international migration estimates of British citizens, UK, International Passenger Survey, 2000–10

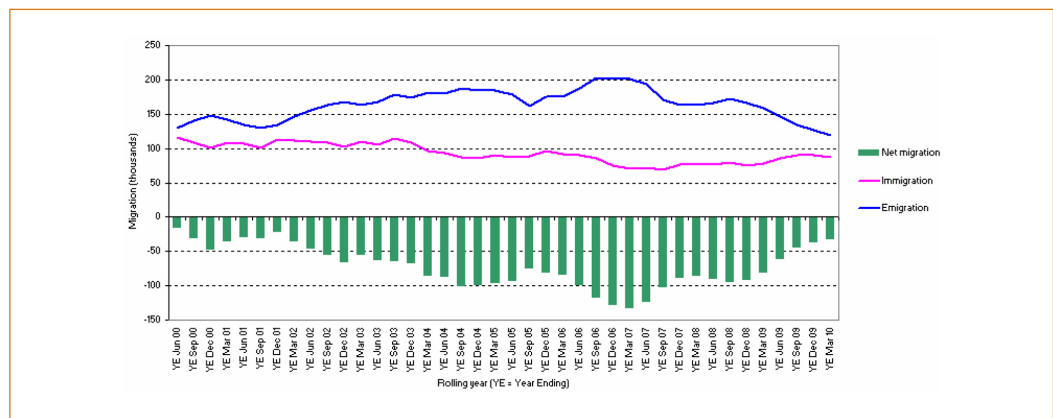


Chart taken from ONS Migration Statistics Quarterly Report, November 2010: 7

1 <http://www.statistics.gov.uk/pdfdir/mig1110.pdf>  
2 [http://www.statistics.gov.uk/downloads/theme\\_population/ips-estimates-longterm-international-migration.xls](http://www.statistics.gov.uk/downloads/theme_population/ips-estimates-longterm-international-migration.xls)

### Migration from Eastern Europe

Net immigration by citizens of the countries that joined the EU in 2004 (the 'A8') fell dramatically after 2007, as the initial surge in demand to migrate passed, and many of the first wave of migrants returned home or moved elsewhere. The UK actually experienced net emigration by this group in the year to September 2009.

Because it was a delayed consequence of the initial surge of post-accession immigration, this net emigration was always likely to be a temporary phenomenon, and data released in 2010 seem to suggest that net immigration from new EU countries is settling at a more sustainable level of less than 20,000 a year. (Net immigration by A8 nationals was estimated at 12,000 for the year to March 2010.) This is in line with the UK's experience of immigration from the rest of the EU.

It is worth noting that this period of very rapid migration has resulted in a new and substantial A8-born population in the UK – estimates from the Annual Population Survey<sup>3</sup> suggest that the UK now has around 750,000 residents born in A8 countries (of whom over 500,000 were born in Poland).

**Figure 3:** Long-term international migration estimates of A8 citizens, UK, International Passenger Survey, 2004–10

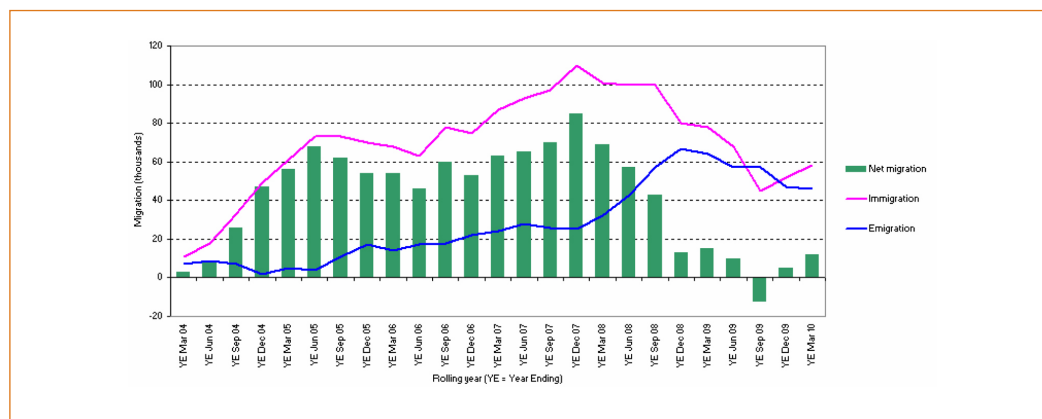


Chart taken from ONS Migration Statistics Quarterly Report, November 2010: 9

### Non-EU migration

Immigration from outside the EU has remained relatively stable over the last five years, with gross immigration averaging just under 300,000 a year, and net immigration averaging just under 200,000 a year.

However, there has been a marked change in the reasons that migrants come to the UK. Home Office statistics<sup>4</sup> show that the number of employment-related visas issued to non-EU nationals has remained relatively low. Long-term migration estimates showed that non-EEA work-related inflow more than quadrupled in the decade from 1994 to 2004 to reach 114,000, but had fallen to 55,000 in 2009. Visa data (which is not directly comparable with International Passenger Survey data) showed that 50,000 out-of-country Tier 1 and 2 skilled visas were issued to main applicants in 2009, including 22,000 for intra-company transfers. Some 42,000 visas were also issued to dependants of Tier 1 and 2 migrants.<sup>5</sup>

In contrast, the number of foreign students coming to the UK has continued to rise. Between 2001 and 2008, annual numbers rose from 87,000 to 175,000 per year. By the end of 2009 this had risen to 273,000. When dependants are included in this number, for the year ending September 2010, the figure rises to more than 300,000.<sup>6</sup> The number of study-related visas issued in 2010 looks likely to match that seen in 2009.

These changes are clearly related to shifting economic conditions. There is less work available in the UK, and the weakened pound has made the UK less attractive to migrants wanting to work here and send money home. On the other hand, the weakened pound has made the UK an attractive destination for foreign students. Dramatic increases in student immigration to the UK have been driven partly by this and partly by active efforts by British further and higher education institutions to attract more overseas students, particularly in the face of uncertain public funding for UK students.

3 <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15147>

4 <http://rds.homeoffice.gov.uk/rds/pdfs10/immiq310tabs.xls>

5 <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/mac-limits-t1-t2/>

6 <http://rds.homeoffice.gov.uk/rds/pdfs10/immiq310tabs.xls>

## Migration policy

The formation of the new Coalition government in May 2010 has led to a radical change in the objectives of UK migration policy. While the Labour government's broad objective was to maximise the benefits and minimise the costs of migration (for example, by selecting the most skilled and highly-paid migrants through the PBS), the new government has based its policy around the Conservatives' election pledge to reduce net immigration 'from the hundreds of thousands to the tens of thousands'.

Given that net migration is currently running at something over 200,000 a year, this is an ambitious objective for the government to set itself. Even the most conservative interpretation would require net migration to the UK to be more than halved. But prominent anti-migration voices (such as Migration Watch and the Cross-Party Group on Balanced Migration) would like to see it brought down even further – to around 40,000 – and the Conservative Party have in the past intimated their support for reductions to this kind of level.

### Restricting immigration for work

Reducing net migration by more than half would be a challenging task for any government, at any time, but it is made harder in the UK by the fact that government has no (or limited) control over some major immigration flows. The government can do nothing about the migration in and out of British nationals – as set out above, changes in British migration have had a major impact on total migration numbers in 2010. Nor can it do anything about the migration of EU nationals, who accounted for around a fifth of total net migration in the year to March 2010. The government also faces legal limits on its ability to reduce asylum flows to the UK, or to restrict the ability of British people or settled migrants to bring their families to the UK. This means that the government will have to reduce immigration numbers by significantly more than half in those categories over which it does have control – broadly, immigration from outside the EEA for the purposes of work or study – in order to meet its overall target.

The government started the process of reducing immigration numbers by introducing a temporary cap that limited the number of immigrants to just over 24,000 through to April 2011, a cut of five per cent on the previous year. In December, ministers announced details of a permanent cap on migration for work from outside the EEA through Tiers 1 and 2 of the PBS, due to come into effect in April 2011.

This cap includes:<sup>7</sup>

- An annual limit of 21,700 for those coming into the UK via Tiers 1 and 2 of the PBS
- Raising to £40,000 the minimum salary for those coming through the intra-company transfer route for more than 12 months
- Restricting the highly skilled tier of the PBS to all but entrepreneurs, investors and the exceptionally talented
- Requiring occupations in Tier 2 to be at graduate level.

These proposals have been criticised by employers in both the private and public sectors – the workers who come to the UK through these routes are the most economically valuable migrants and often fill serious skills shortages faced by particular sectors and employers. In addition, the effect of the cap on overall immigration is limited (see below). The November report from the Migration Advisory Committee<sup>8</sup> showed that the government will have to go much further than the cap figures announced for 2011/12 if it is to meet its overall target, perhaps cutting skilled immigration by as much as 80 per cent by 2015.

### Restricting immigration for study

The government is now consulting on proposals to significantly reduce student immigration. Although there is undoubtedly some scope to reduce abuse of the student visa system, significant reductions in numbers will only come at the expense of fee income for the UK's higher and further education sectors. And – as with the cap on Tiers 1 and 2 of the PBS – the government need to deliver drastic reductions in numbers in order to make any real progress towards its overall

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7 <http://www.homeoffice.gov.uk/media-centre/news/non-european>

8 <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/mac-limits-t1-t2/>

objective. Cuts in the number of foreign students will only have a limited impact on net migration levels over the long term because so few stay permanently. Home Office research published in September<sup>9</sup> showed that of the 186,500 students granted visas in 2004, 80 per cent had left the UK by 2009 while only 3 per cent had gained settlement rights. This means that the impact of cuts to student numbers on total net migration will be highly unpredictable – a sharp decrease in student visas issued would reduce immigration (and thus net immigration) in the short term but would also reduce emigration in the medium term, which would push net immigration up again.

### The politics of the cap

As set out above, the government faces serious policy obstacles in attempting to meet its objectives on migration, but it may also find that its promises do not deliver the easy political win that it might expect.

ippr research<sup>10</sup> has looked in detail at the views of those who are worried about immigration. This research found that, when they are given the space to discuss the issues in detail, self-declared sceptics often express more nuanced and moderate views. They are concerned about the scale of recent immigration, but they can also see the benefits for the UK – they respect the hard work of migrants, and the contribution they make. In particular, the public can see the value of high-skilled migration – by capping these immigration flows, the government is limiting a particular flow that isn't publically perceived to be a problem.

People want government to be in control of immigration and to be honest with them about the numbers. Neither of these will be achieved by a cap that is held up as an important part of the 'solution' to mass immigration but which then fails to deliver. The risk is that a key policy is then either perceived as a failure, or as spin – neither would go down well with the public.

There is also a risk that the government is targeting an outcome which means very little to the public. Net migration is an esoteric measure – nobody ever meets a net migrant! In the end, the government could succeed in reducing net migration to zero only to find the public is still very concerned by high levels of gross immigration (as would happen if a million people arrived while a million others left in a given year).

### Migration in 2011: What will the year ahead hold for the UK?

Despite the government's efforts, net immigration to the UK looks unlikely to fall significantly in 2011. If the UK economy continues to recover, we might even expect to see increases in some forms of immigration for work, despite the cap. Other forms of immigration – such as refugee flows, family migration and the return of British nationals to the UK – also look set to continue at roughly their current levels.

There are a number of specific reasons why net immigration is likely to remain high in 2011:

- The UK economy may perform more strongly relative to eurozone countries, such as Spain, Portugal and Greece (and some of the newer member states), increasing the likelihood of people from those countries coming here for work. EU citizens are exempt from the annual cap being introduced in April.
- While Polish immigration to the UK has stabilised in recent years, there has been a substantial increase in the inflow from Lithuania and Latvia.<sup>11</sup>
- Irish emigration into the UK could well increase.<sup>12</sup> The respected Economic and Social Research Institute for example, has predicted that 120,000 Irish nationals could leave the republic in 2010 and 2011, with the UK among their favoured destinations.<sup>13</sup>

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9 <http://rds.homeoffice.gov.uk/rds/pdfs10/horr43c.pdf>

10 'Communicating Migration', <http://www.ippr.org/research/teams/project.asp?id=3700>

11 Applicant numbers from Latvia increased to 19,000 in the year to September 2010, compared with 12,000 in the previous 12 months, while the figures for Lithuania were 21,000 up from 13,000. See <http://www.statistics.gov.uk/pdfdir/mig1110.pdf>

12 Citizens of the Republic of Ireland are usually excluded from migration data but they do show up in population surveys. Between 2004 and 2008, Irish citizens as a proportion of the foreign-born population declined relative to the A8 citizens (particularly Poles) and the Rest of the World (particularly Indians and Pakistanis) but this was before the Irish economic crash. See [http://www.statistics.gov.uk/downloads/theme\\_population/Migration-Statistics-2008-Annual-Report.pdf](http://www.statistics.gov.uk/downloads/theme_population/Migration-Statistics-2008-Annual-Report.pdf)

13 <http://www.rte.ie/news/2010/0721/esrireport.pdf>

- The annual cap on non-EU migrants will have only a limited effect on overall immigration levels. The annual cap from April 2011 is set at 21,700 compared with a temporary cap level until April 2011 of 24,000. The 13 per cent cut in Tier 1 and 2 numbers will reduce total numbers by only two or three per cent.
- A recent High Court ruling that the temporary cap on non-EU economic immigration is illegal opened up the possibility that there could be a rush of applications to 'beat the cap' before April 2011. The government says it has now reintroduced the restrictions because 'technicalities' have been overcome.<sup>14</sup> It remains to be seen if further legal challenges are made against the temporary cap.
- As noted above, emigration by UK citizens has dropped substantially. There is no obvious reason why this trend should change substantially in 2011.
- The recent growth in foreign student numbers will be curbed in the medium term by government-announced reductions. However, the consultation on curbing foreign student numbers is still continuing, and even if the government moves quickly to bring in new measures, any restrictions are not likely to take full effect in 2011.

Taking all these factors together, net immigration of around 200,000 in 2011 seems likely, leaving the government a long way from its overall objective of reducing net immigration 'from the hundreds of thousands to the tens of thousands'.

The likely continuation of net immigration at relatively high levels will put further pressure on an already-challenging government policy agenda. The early part of 2011 is likely to be dominated by debates about foreign students – in a very challenging education funding environment, these debates have the potential to be extremely difficult for the government. The need to reset the cap on skilled migration for work in the second half of 2011 (and to impose further substantial cuts, if the overall target is to be met) will again put the government in conflict with employers, and the second round of cuts to skilled migration numbers promises to be even more controversial than the first. Finally, efforts to curb family migration and settlement will likely raise legal challenges on human rights grounds.

Politically, the government can expect to come under fire both from anti-migration groups (if immigration numbers continue to rise) and from the employers, universities and communities who will be directly affected by policy changes. There is also a real risk that the public will become disillusioned with the government's promises to reduce net migration levels if numbers don't fall. As Labour found, once a reputation for competence on migration is lost, it is very hard to regain – 2011 may see the Coalition government learn this lesson the hard way.

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<sup>14</sup> <http://uk.reuters.com/article/idUKTRE6BJ4EW20101220>