

BRIEFING

# MIGRATION REVIEW 2011/2012

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IDEAS to  
CHANGE OPINIONS

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This briefing reviews the migration trends and policy changes in 2011 and looks forward to possible developments in 2012. Next year will be a crucial one for the government, as it moves towards the halfway point of a parliament during which it has pledged to reduce net immigration to the ‘tens of thousands’.

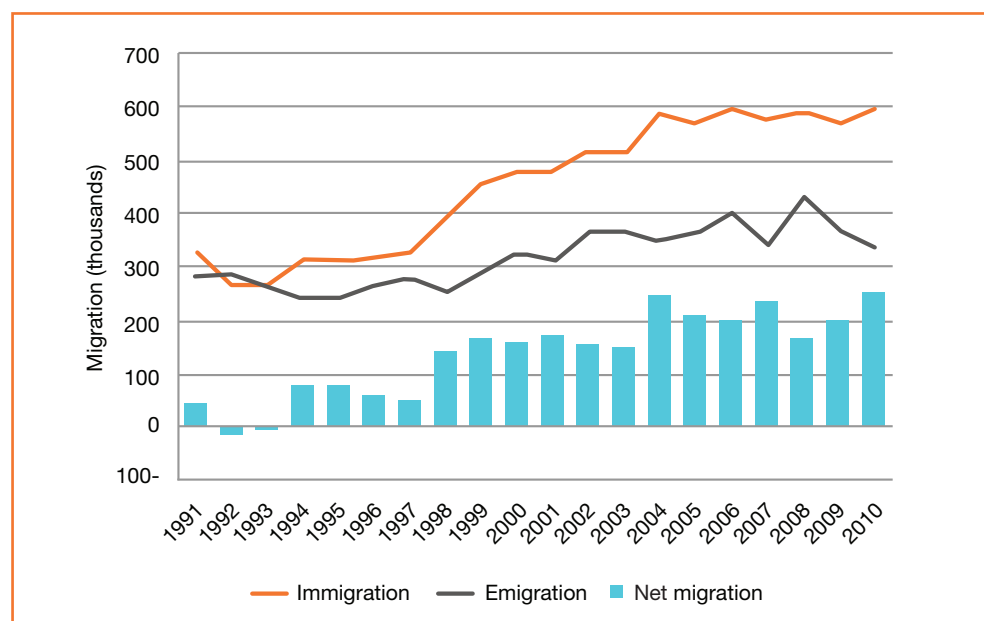
Reducing immigration is a legitimate policy goal – but the choice of target brings two risks. The first is that by promising what it cannot deliver, the government, far from achieving its stated aim of taking the heat out of this emotive issue, will instead feed the public’s sense of disillusionment. The second risk is that the target will distort policy choices. This is happening across the board, for example with the proposal to introduce a high salary threshold for those wishing to marry someone from abroad. But the most troubling area, at a time when returning to growth should be the UK’s top priority, are the wide-ranging changes to economic migration.

Recent surveys show that the public strongly support the Coalition’s overall aim of reducing immigration, but equally strongly doubt they will deliver it, and do not support their detailed policies.<sup>1</sup> A number of policy announcements are scheduled for early 2012, and another focal point of interest will be the parliamentary debate on population, prompted by an e-petition by the anti-immigration pressure group MigrationWatch, which is likely to take place in late January or early February.

### Net migration

The final ONS figures on long-term migration for 2010 (published in November 2011<sup>2</sup>) showed net immigration of 252,000 – the highest on record for any calendar year.

**Figure 1**  
UK migration trends,  
1991–2010



Source: ONS, Annual Long Term International Migration Estimates

1 On the first and third points, see Migration Observatory survey: <http://migrationobservatory.ox.ac.uk/understanding-uk-public-opinion/appendix-a>. On the second point, see YouGov/Sun survey: [http://cdn.yougov.com/today\\_uk\\_import/yg-archives-pol-sun-labourcameron-300911.pdf](http://cdn.yougov.com/today_uk_import/yg-archives-pol-sun-labourcameron-300911.pdf)

2 Office of National Statistics (2011) *Migration Statistics Quarterly Report, November 2011*. [http://www.ons.gov.uk/ons/dcp171778\\_242548.pdf](http://www.ons.gov.uk/ons/dcp171778_242548.pdf)

More recent provisional data showed net migration was 245,000 for the year ending March 2011. As the ONS makes clear, this reflects a continuation of the trends since 2004, with immigration broadly stable, while 'net immigration has fluctuated around 200,000 with rises and falls in emigration'.

For non-EU nationals – the category the government can control – the picture is similar: long-term non-EU immigration in 2010 was 307,000 (stable), but emigration was 93,000 (down 15 per cent), resulting in a small rise in net immigration.

### Work migration

During 2011, the government made a number of changes to the rules controlling migration for work from outside the EU:

- abolishing the Tier 1 general route (for skilled migrants without a job offer), which had admitted just under 20,000 migrants in 2009
- implementing a 'cap' of 20,700 on Tier 2 (for skilled migrants with a job offer) but excluding intra-company transfers, which made up the majority of Tier 2 migrants and have since risen to 30,000
- removing some of the larger, less highly skilled occupations from the designated shortage occupation list for Tier 2, in particular chefs and care workers, accelerating a planned move announced by the last government.

These measures taken together should bear down further on non-EU work migration, which has long been declining as a proportion of overall immigration. (The number of work visas granted each year fell from 250,000 in 2005–06 to 150,000 in 2009). The cap wasn't filled in 2011 due to depressed economic conditions, but IPPR remains concerned that it could be a drag on economic performance in the longer term.

### Student migration

Foreign student numbers have been growing dramatically, more than doubling in the last 10 years, to around 240,000 in 2010. The government plans to curb these numbers substantially, and has estimated that the changes it made to student visa rules during 2011 – including new English language requirements and tougher sponsorship requirements for colleges – have already reduced the number of overseas students by 11,000. Here, as in other areas of immigration policy, it is the overall target for reducing net migration that is driving the changes.

Cutting down on abuse of the student visa system is a legitimate objective, but it is fundamentally different from cutting down on numbers. Better targeted action against visa scams and bogus colleges would restore public faith that the great majority of those coming on student visas are genuinely here to study. This would then enable the government to remove students from the 'numbers game' generated by the net migration target and to move back to a policy that supports rather than penalises one of our most important industries and sources of future growth and global influence.

Tellingly, our competitors in the international market for higher and further education are going in the opposite direction: Australia, for example, is reversing many of the recent restrictions it has placed on student visas and reintroducing the option for foreign students to stay on and work after graduation, an option which the UK government recently removed. Higher and further education is worth £28 billion in exports for the UK each year, according to a 2007 estimate by the British Council, and offers one of the few prospects for immediate growth, with some estimates measuring its potential at 4 per cent per year over the next four years.

## Family migration

Far from being out of control, family immigration is already declining. But ministers need it to fall faster if they are to hit their target.

In November, the Migration Advisory Committee (MAC) published a study<sup>3</sup> assessing the feasibility of a radically increased income requirement for existing citizens and permanent residents wishing to sponsor a family migrant (typically, a spouse or partner) from overseas. The MAC recommended an income requirement of between £18,500 and £25,700 per year, and the government is likely to opt for a figure somewhere in this range.

The current income requirement is set at £5,500 in excess of housing costs – the level of income support for a couple. This is arguably too low. But a new requirement of around £20,000, effectively barring a large proportion of the population from bringing in a spouse or partner from abroad, would be another example of wider immigration policy being distorted by the net immigration target.

## Emigration

Emigration reached its lowest calendar-year figure since 2001, at 336,000 in the year to March 2011. Fewer people are emigrating from the UK for work-related reasons: just 174,000, the lowest for five years and down from 203,000 in the year to March 2010. British emigration has been declining since it reached a peak of 207,000 in 2006: the number of British nationals leaving the UK in 2010 (136,000) was the lowest for over a decade, though the very latest estimates suggest this trend may be levelling off. Economic uncertainty and tighter immigration rules are almost certainly behind the drop-off in emigration. Despite economic difficulties in the UK, immigrants are ‘clinging on’ in the UK for fear that if they leave they might never be able come back. Would-be British emigrants are put off by the cost of moving, the lack of job prospects in other economies, and factors such as declining house prices and concerns over pensions.

## Settlement

As well as changing the rules on who is allowed to come in, the government is also proposing to change the rules on who is allowed to stay permanently.

In November 2011, the MAC published advice<sup>4</sup> on who should be allowed to stay, and recommended an income threshold of between £31,000 and £49,000. The government wants to turn the majority of economic migrants into temporary workers: they are welcome to come and fill jobs where we lack the skills or people willing to do the work, but after five years the majority will be asked to leave, regardless of the contribution they have made.

IPPR has argued<sup>5</sup> that while there is nothing wrong in principle with trying to shift the balance of migration towards the temporary, the proposed approach is the wrong way to go about it. In its report, the MAC admits that its recommendations may still ‘have a

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3 Migration Advisory Committee (2011) *Review of the minimum income requirement for sponsorship under the family migration route*. <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/family-migration-route/family-migration-route.pdf?view=Binary>.

4 Migration Advisory Committee (2011) *Settlement rights of migrants in Tier 1 and Tier 2 – Analysis of the Points Based System*. <http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/mac-settlement-report>

5 Cavanagh M (2011) *Guest workers: Settlement, temporary economic migration and a critique of the government's plans*, London: IPPR. <http://www.ippr.org/publications/55/8109/guest-workers-settlement-temporary-economic-migration-and-a-critique-of-the-governments-plans>.

negative impact on GDP and, to a lesser extent, on GDP per head', and also accepts the less-easily quantifiable risk that its recommendations will deprive Britain of some of our best migrants, or even discourage them from coming here in the first place. The majority of economic migrants don't stay permanently anyway, but they value the option – and if Britain no longer offers it, the 'brightest and best' may choose to go elsewhere.

In our report, we also investigated how similar policies have fared in other countries – starting with the infamous *Gastarbeiter* programme, launched 50 years ago, in which Turks were invited to come to Germany as temporary workers, and considering also a wide range of similar programmes, including some more recent examples which apply to skilled workers. In practice, all these programmes evolved in the same way: as the moment approaches when the 'temporary' workers are supposed to go home, the enforcement of this policy is first postponed and then quietly abandoned.

At the very least, any such policy requires a serious analysis of the issues around compliance, incentives, and enforcement – issues which are entirely absent from the government's proposals so far.

## Asylum

Asylum claims remain at low levels in historical terms – under 20,000 a year, compared to the peak of 80,000 in 2002 – but there is a gradual upward trend, with the last three successive quarters showing an increase of around 10 per cent on the same period in the previous year. Increased numbers of claims from Libya and Syria have started to appear in the most recent quarterly figures,<sup>6</sup> indicating that we may be seeing the start of a delayed reaction to the revolutions of the 'Arab Spring'.

At the same time, the number of people being removed or departing voluntarily who had claimed asylum fell by 11 per cent in 2010 compared to 2009, and the last two successive quarters show further falls. These trends may attract some increased media focus on the issue, and pressure on the government to act, but there is unlikely to be a major shift of approach unless we see a far more significant increase in asylum claims from the Middle East or elsewhere.

## 'Illegal' or irregular migration

For the public, this is one of the most important aspects of immigration. The Migration Observatory's survey<sup>7</sup> found that of the 69 per cent who say immigration should be reduced, a majority say the reduction should come 'only' or 'mostly' from illegal immigration – or, more correctly, 'irregular' migration. In opposition, the Conservatives were extremely critical of their Labour predecessors on this issue, implying the problem was one of simple competence. But since taking office, the Coalition has failed to make any headway. Numbers of irregular migrants recorded as being 'removed' appear to be increasing, but a closer examination of the figures shows that this is not the result of enforcement activity but of an exercise in 'data matching', including the e-Borders system, to improve estimates of how many people are leaving voluntarily. Beyond this, the government's new policies amount to little more than a somewhat gimmicky, and arguably rather unpleasant, 'shop-an-illegal' helpline.

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6 See <http://www.homeoffice.gov.uk/publications/science-research-statistics/research-statistics/immigration-asylum-research/immigration-brief-q3-2011/asylum>

7 See note 1 above

In *No easy options*, a report on irregular migration published by IPPR in April,<sup>8</sup> we argued for broadening the focus of irregular migration policy beyond simply trying to control the point at which migrants cross borders, which tends to obscure other issues both ‘upstream’, such as how best to cooperate with source and transit countries to discourage or prevent irregular travel, and ‘downstream’, like how to make the UK (and the EU as a whole) a more unattractive environment for working illegally. What is required is an integrated approach along the whole migrant journey.

### Migration in 2012: Looking at the year ahead

In this section, we turn to anticipated developments in migration in 2012 and their possible impact on the government’s main goal of reducing net migration.

- When the official figures are released, they are likely to show that immigration started to fall in the second half of 2011, through a combination of policy changes (in particular on non-EU students) and worsening economic conditions. These trends are likely to continue in 2012, with further policy changes (see below) and continued economic stagnation leading to **a fall in non-EU immigration of around 10 per cent.**
- Trends in EU migration are harder to predict, but if the performance and prospects of the UK economy decline relative to those EU countries which are crucial in a migration context, such as Poland (now the largest immigrant group by nationality and the second-largest by birth after India), **EU immigration could reduce and EU emigration increase**, thereby reducing overall net immigration. In 2010, the eastern European contribution to net immigration was 49,000.
- Early in 2012, the MAC will publish its recommendations on revising Tier 2, including the cap for the next financial year. The MAC will probably focus on intra-company transfers (ICTs), which were excluded from the cap in 2011 and which have risen from around 22,000 per year to 30,000 per year. The committee is likely to recommend either increasing the salary threshold (currently at £24,000 for six-month ICTs and £40,000 for longer-term ICTs) or disqualifying the use of ICTs by third-party contractors, or both. **Further curbs on skilled migrant entry, including via ICTs, are unlikely to reduce overall numbers by much more than 10,000.** IPPR’s concern is the impact of the restrictions on the economy as employers start hiring again.
- IPPR expects that **the government will continue to try to reduce numbers of non-EU students during 2012**, largely in order to meet its overall targets.
- In early 2012, the government is likely to announce the way forward on its proposals to restrict family migration. An income threshold of around £20,000 would disqualify around half of the roughly 50,000 who currently come to the UK via the ‘family route’. This would help towards the lower net migration target but it is very likely that **the changes to family migration will be challenged in the courts.**
- If current trends continue, emigration could continue to decline, or at least remain stable. Fewer people seem to want to leave the UK for work-related reasons during a time of global economic downturn. Retirement and ‘lifestyle’ emigration by British nationals – which are highly dependent on UK house prices and pensions – are also likely to continue their decline while people feel less confident about the economic outlook. Overall, **it is unlikely that emigration levels will help to reduce net migration in 2012.**

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8 Finch T and Cherti M (2011) *No Easy Options: Irregular immigration in the UK*, London: IPPR. <http://www.ippr.org/publications/55/1837/no-easy-options-irregular-immigration-in-the-uk>



- The government will decide early in 2012 on the settlement rules to determine who is allowed to stay. We expect the government to choose **an income threshold of £35,000 for those seeking to settle**. Although historical precedents suggest many immigrants who come as temporary workers end up staying, new rules are likely to have a limited deterrent effect on would-be migrants to the UK, though not enough to make a significant contribution to reducing in-flows in 2012.
- Asylum claims have been growing slightly in recent quarters, and returns of refused asylum-seekers dropping. But so far there is no sign of a significant spike in the number of new asylum claims, and our central prediction remains that **asylum numbers will stay around the 20,000 per annum mark of recent years**.
- A particular problem for the government may be the trends in removals of foreign-national prisoners. After several years of annual increases, the figure for 2010 showed a slight fall from 2009 – when figures for 2011 are announced early in the new year, **we predict a further fall in the number of foreign-national prisoners who have been returned**. The government may come under significant media pressure to turn this around during 2012, alongside moves to reverse the generally disappointing performance on removing irregular migrants and refused asylum-seekers. This will be challenging at a time when the UK Border Agency is experiencing its share of public sector spending cuts, including **significant planned cuts to border staff**.
- Overall, IPPR does expect **a drop in immigrant numbers in 2012**. Our provisional estimates, based on an analysis of trends and on the impact of immigration curbs, is that net migration – which was just over 250,000 in 2010 – will have fallen to around 220,000 in 2011 (official figures will not be available until later in 2012) and then **to around 180,000 in 2012**.

This drop in numbers – which is a long way from meeting the Conservatives' election pledge – will partly result from increased restrictions and controls. But it will also reflect the continuing poor performance of the UK economy, which is reducing demand for labour and lowering the job prospects for EU migrants. So far, the policies implemented or trailed to restrict immigration have not been a significant drag on economic performance – with the possible exception of the reduction in the number of overseas students.

The government has itself pointed to the fact that the 'cap' or quota on skilled migrants from outside the EU, which came into force in April 2011, cannot have restricted employers, since the quota is far from being fully taken up. It is slightly odd to see a government making a virtue of their flagship policy not actually having had any effect, but the more serious conclusion is that the experience of the cap so far should not be seen as a vindication of the policy for the future. The main reason the quota hasn't been taken up is the state of the economy: employers just haven't been hiring. As and when they start hiring in large numbers, the cap may indeed act as a drag on growth. It is vital to get this policy right – balancing the need to reassure the public that immigration is under control with the flexibility that employers need – before we get to that point, in 2013 if not in 2012.<sup>9</sup>

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<sup>9</sup> Methodology: Migration predictions are not an exact science – IPPR's predictions are based on an analysis of the latest ONS statistics, more recent Home Office figures (provisional immigration figures and management information on visa grants), other related statistics (including on the labour market), predictions of further policy developments, expectations of economic trends, and IPPR's own analysis.