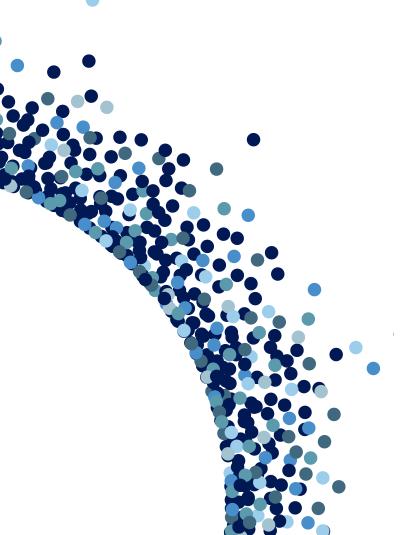


COMMENTARY

Off Target: Government Policies Are Not on Track to Reducing Net Migration to the Tens of Thousands by 2015



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Government policies are not on track to reducing net-migration to the tens of thousands by 2015

The release of the Migration Observatory's latest commentary "<u>Family Fortunes</u>", which looks at potential changes to the family migration route and the impacts that may deliver, completes a suite of analysis pieces considering the government's changes to immigration policy.

These pieces have all been undertaken in the light of Conservative Party election promises – subsequently reiterated by the Prime Minister, Home Secretary and Immigration Minister – to reduce net migration from the hundreds of thousands to the tens of thousands by the end of this parliament.

The government's efforts to reduce net migration are built around the restriction of three migration inflow routes for non-EU nationals --work, study and family--and one primary effort to boost outflows of non-EU nationals--changes to settlement policy designed to "break the link" between short-term migration and settlement. (One other effort to boost outflows has also been introduced in the form of changes to the post study work route, though this is considerably smaller than the changes to settlement policy).

Of the inflows, students account for the largest proportion – around 60 per cent of non-EU immigration in 2009 with the work route and family route contributing approximately 20 per cent each. The Migration Advisory Committee (MAC) has recommended that for the government to reach its target of reducing net migration to less than 100,000 each of these routes of non-EU inflows should deliver a proportionate cut in numbers – therefore 20 per cent of the required cuts to non EU net migration should come from each of the work and family routes, and 60 per cent should come from the student route.

Working on the basis of the latest ONS migration estimates, which estimate UK net migration to be 242,000 in the year up to September 2010, this would require the government to reduce net migration by a total of 142,000 to achieve the target of net migration reaching the "tens of thousands". The inability of the government to control the movement of EU (including British) citizens means that the 142,000 reduction in net-migration must be achieved by reductions to non-EU net migration. If each of the work, study and family inflow routes for non-EU nationals takes a proportionate share in this required cut, the respective reductions in net migration would have to be as follows:

- Students: 85,200
- Work: 28,400
- Family: 28,400

If we assume that, without any policy changes, net-migration would continue to grow over the next few years, the required overall reduction in non-EU net-migration would need to be greater than 142,000 in order to achieve the tens of thousands objective by 2015. This means that the required cuts for each of the three routes would need to be greater than the figures given above.

It is too early to assess with certainty how precisely the recent and forthcoming policy changes will affect netmigration over the years. The available evidence at this point, which includes the impact assessments provided by government, suggests the following:

1. <u>Work</u>: The key changes to the work route include the cap, an increase in the minimum salary requirement for intra-company transfers wishing to stay for longer than a year, and the raising of the minimum skills requirement for migrants to be eligible to enter the UK under Tier 2 of the Points-Based System. Tiers 1 and 2 have been capped at 21,700, but intra-company transfers have been exempted from the cap after pressure from

businesses. The government's impact assessment of the changes to Tiers 1 and 2 (published in March 2011) concluded that they will result in a reduction in net migration of 11,000 in 2015 compared to what netmigration would be without the policy changes. This estimated reduction includes a reduction of dependents of Tier 1 and Tier 2 migrants.

<u>Students</u>: Changes to the student route are primarily focussed on tackling abuse of the student visa system

 specifically, "students" who are really labour migrants in disguise. Because of opposition from universities, university students have effectively escaped the announced reductions in student visas. The government's recent Impact Assessment of the changes to the student route – released last Monday (15th June 2011) – suggests that the changes will reduce net-migration by 56,000 in 2015, again compared to what net-migration would be without the policy changes. This figure includes reductions of dependents of students.

The detailed calculation of this figure has not been published in the government's impact assessment, so it is difficult to assess this estimate. There are, however, a number of reasons why the estimate is likely to be on the high end. For example, the impact assessment does not take account of the possibility that universities will significantly increase the number of non-EU students because of funding cuts in the sector.

- 3. <u>Settlement</u>: The government is proposing changes to settlement policy that effectively take away the rights of long-term migrants those here for more than five years to settle in the UK. This change may have considerable effects on net-migration in the long run but it cannot help to deliver the target of reducing net migration to the tens of thousands by the end of this parliament. This is because the government plans to introduce changes from April 1, 2011. Therefore the changes will apply only to migrants who arrived in UK after that date, meaning that it will not deliver the increase in outflows that it is designed to stimulate, until 2016 at the earliest long after the end of this parliament.
- 4. <u>Family</u>: International human rights legislation restricts the government's ability to prevent family unification, so there are limits on the impact that changes to policy can have. Family migration has been a target for successive UK governments, to the extent that it is now largely limited to the nuclear family. The majority of family migrants are spouses. The government could attempt to increase the level of financial support that needs to be proved for a family member to be brought to the UK or demand higher levels of proof that the family member will integrate, but these policies could run into legal challenges. Equally, the government could prevent fiancées from being included as family members, but even this would only deliver limited change.

As the consultation on family migration is yet to start, we do not yet know any details about how the government will change the family migration route. We can say, however, that reductions from the family route will be limited. In 2009, an estimated 51,000 long-term non-EU family migrants arrived in the UK (using IPS figures), but (judging from data on visas) about half of these will have been dependents of labour or student migrants, and thus affected by previously-announced policy changes rather than forthcoming ones directed toward the family route. So any future changes to family unification policies could only affect an inflow of about 25,000 migrants (in the IPS data). Consequently, even drastic cuts of 50% – a highly unlikely scenario – would reduce inflows by only about 12,500 and net-migration by even less. And of course the government is very constrained in what it can do to regulate family unification migration within British and international law.

In summary, based on the government's own impact assessments, the changes to the work and student routes are expected to reduce net-migration by 67,000 by 2015 (56,000 students with their dependents and 11,000 work migrants including their dependents).

If we assume that net-migration of family unification will be reduced by about 8,000 (a generous assumption) the total achieved reductions in net-migration of non-EU nationals by 2015 would be around 75,000 relative to what

would happen to net-migration without any policy change. Assuming modest increases in net-migration without policy change (an assumption also made in the government's impact assessments), this constitutes roughly about half of the reduction in non-EU net migration required by 2015. This estimate is based on a number of generous assumptions, so it is more likely to be an over-estimate rather than an under-estimate. The actual achieved reduction in Non-EU net-migration may well be less than 75,000.

Furthermore, what happens to overall net-migration depends not only on changes to policies affecting non-EU nationals but also on how net-migration flows of British and other EU nationals develop in the future. Since the immigration and emigration of British and other EU nationals is outside the government's control, there will always be a fundamental uncertainty about whether the target of the tens of thousands will be met. It is possible that net-migration of EU nationals will increase in response to greater restrictions on immigration from outside the EU (e.g. if employers replace non-EU workers with migrant workers from within the EU).

In conclusion: There is significant uncertainty about any assessments of the impacts of policy changes on future net-migration. Based on generous assessments of the effects of the changes that have already been announced, and the potential outcomes from those changes that are currently being consulted on, current policies can be expected to deliver about half the reduction in non-EU net migration required to achieve the tens of thousands target by 2015. This is a rough ballpark estimate with considerable uncertainty. It is based on government assessments that appear more likely to overestimate impact than underestimate it, so the achieved reduction in net-migration may well be less in practice.

This leaves the government with four choices:

- 1. Introduce even more restrictive policies toward non-EU nationals.
- 2. Reconsider the target, or the time period in which it can be met.
- 3. Continue and hope that net-migration of British and other EU nationals will turn negative and reduce netmigration sufficiently to hit the tens of thousands.
- 4. Continue and hope that all the currently available impact assessments, including this one, are way off the mark.

The last two options would involve relying on what are, in our assessment, unlikely scenarios.



The Migration Observatory

Based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford, the Migration Observatory provides independent, authoritative, evidence-based analysis of data on migration and migrants in the UK, to inform media, public and policy debates, and to generate high quality research on international migration and public policy issues. The Observatory's analysis involves experts from a wide range of disciplines and departments at the University of Oxford.



COMPAS

The Migration Observatory is based at the ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford. The mission of COMPAS is to conduct high quality research in order to develop theory and knowledge, inform policy-making and public debate, and engage users of research within the field of migration. www.compas.ox.ac.uk

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