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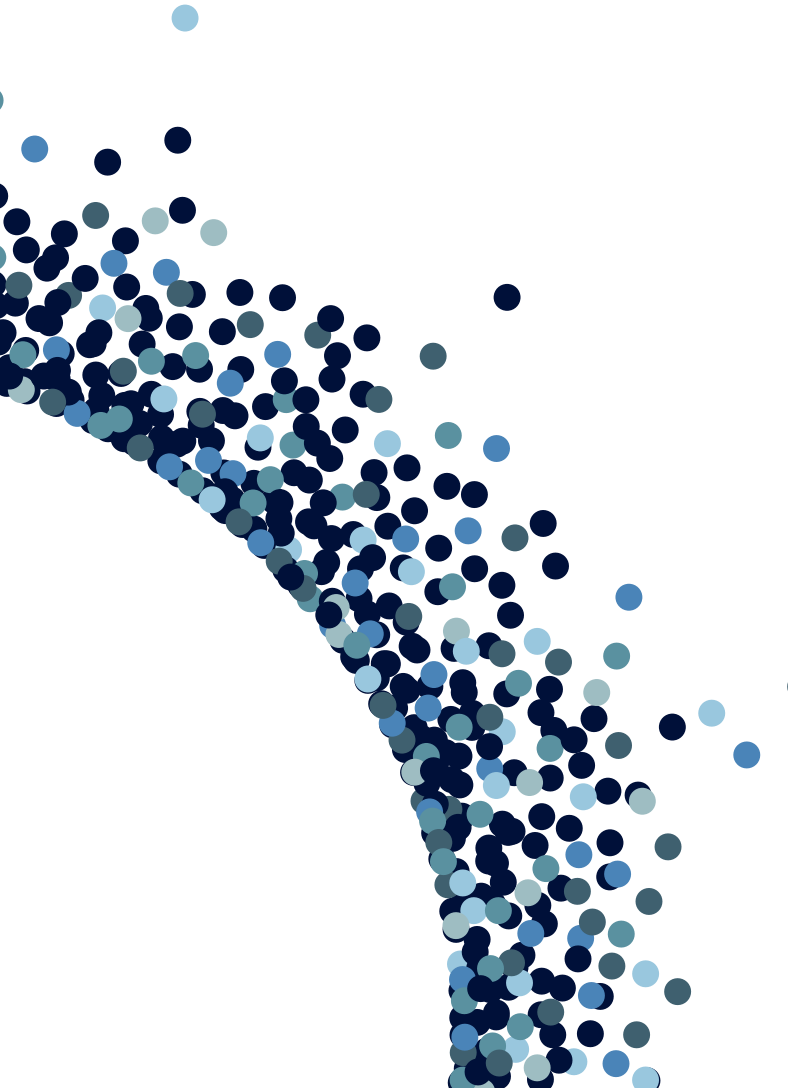
BRIEFING

Determinants of Migration to the UK



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This briefing reviews the available evidence on the main determinants of migration to the UK since the early 1990s. It discusses the role of migration policies in shaping migration flows.

Key Points

Economic and labour market factors have played a major role in explaining trends and fluctuations in UK immigration over the past two decades.

Colonial links and networks remain crucial to understanding the composition of immigration flows and the mechanism of migration systems.

UK immigration policy has had a significant impact on overall migration inflows since the early 1990s.

However, immigration flows are not only affected by migration policies, but to a considerable, often even larger extent, also by other public polices such macro-economic, labour market, social welfare, education and/or trade policies.

Understanding the evidence

Since the early 1990s, annual migration to the UK has more than doubled (see Migration Observatory briefings on 'Long-Term International Migration Flows to and from the UK' and 'Migrants in the UK: An Overview').

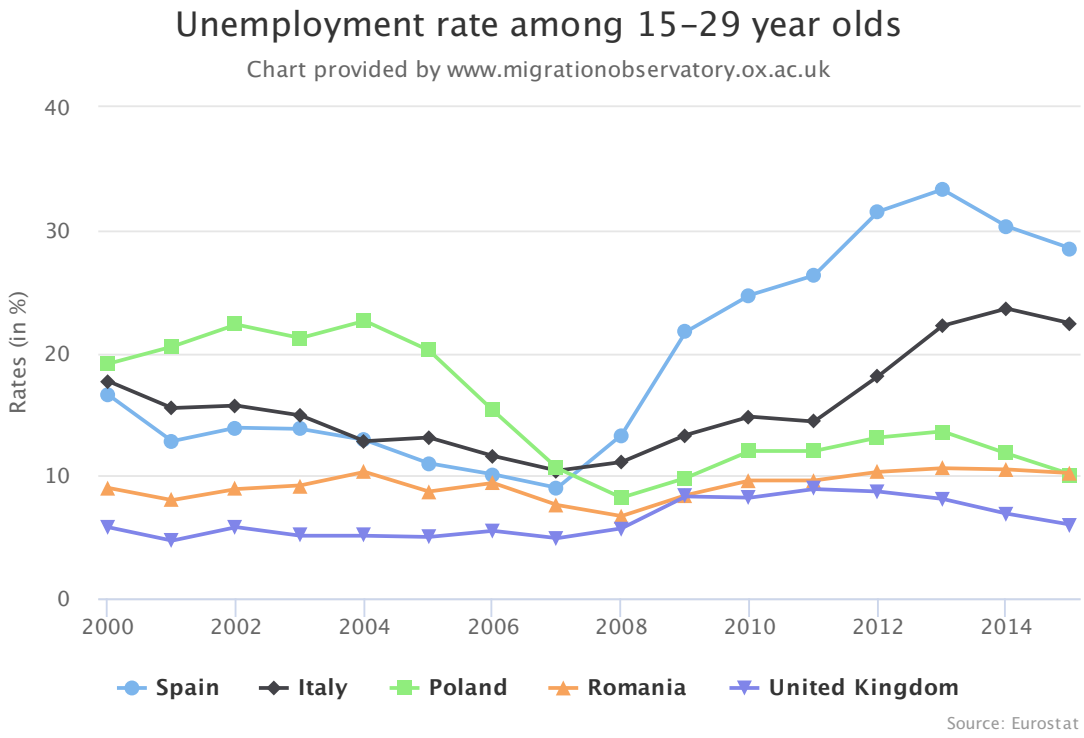
Although the focus of this briefing is the experience of the UK, the analysis will also use evidence on the determinants of migration to other OECD countries. The main source for the figures on immigration flows is the UK Office for National Statistics (ONS), whereas the data on labour market and the economy used in this briefing are from the OECD and Eurostat.

The drivers of immigration

People migrate from their country of origin for several reasons, but economic conditions at home are thought to be the most important single reason. In a recent study, for example, it is suggested that economic "push" factors have been behind the differences we observe in migration flows between EU countries in recent years (Thielemann and Schade, 2016). These include factors such as labour market conditions in Eastern Europe countries between the end of World War II and the early 1990s and, more recently, high levels of unemployment in Southern Europe countries in the wake of the global financial crisis.

Unemployment, for example, is one measure of how a country's economy is doing (though there are also other important measures, such as incomes). Figure 1 compares unemployment rates among 15 to 29 year olds in the UK to those in four of the top 20 origin countries of immigrants in the UK as of 2015 - Poland (1st), Romania (6th), Italy (12th) and Spain (20th). We see that unemployment rates among 15-29 year olds has been higher in these countries in comparison to the UK, especially from 2008 onwards. This, it has been argued, increased the incentive for nationals of Southern European countries to emigrate, and low-income levels continue to be a strong push factor in Eastern European countries (Thielemann and Schade 2016).

Figure 1



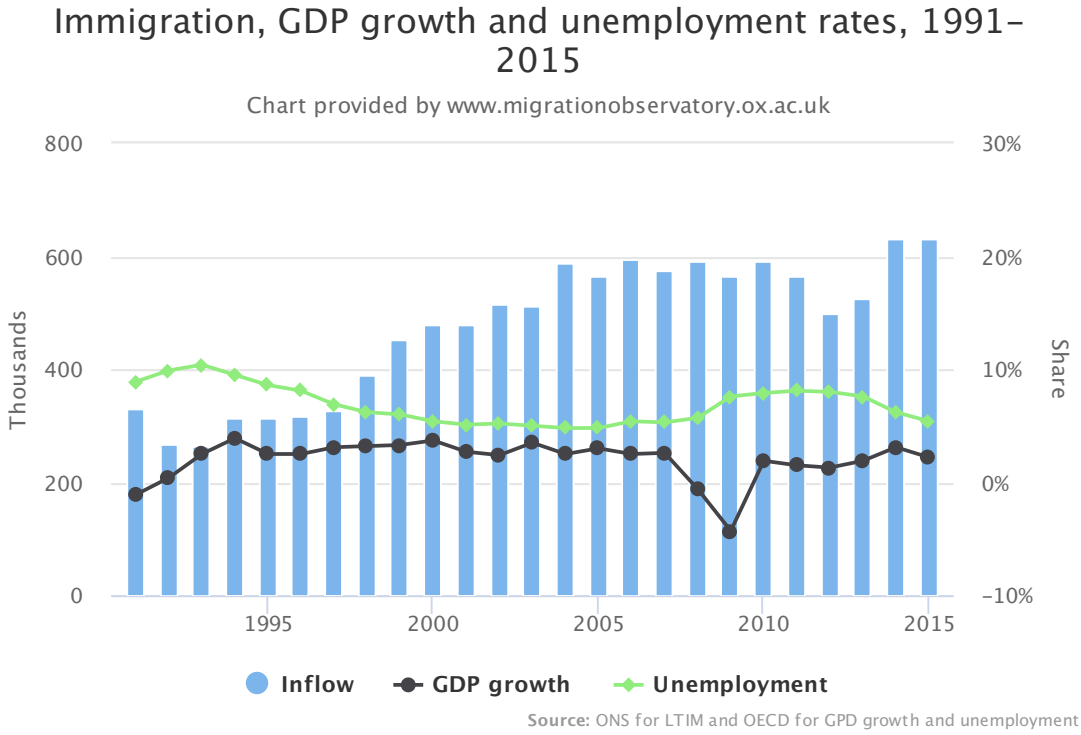
Economic and labour market factors are major "pull" factors of migration to the UK

For people living in poorer countries, migration can also be an effective strategy to increase their income and to protect their families from poverty. As such, international migration can be an effective strategy to diversify income risks, which may explain why migration still occurs even in the absence of large economic disparities (Czaika and de Haas 2012). However, for most international migration, wage and income differentials between the origin and the destination countries are the main drivers of migration, and migration to the UK is no exception to this rule.(Hatton 2005)

Economic growth and a structural demand for migrant labour in high- and low-skilled sectors of the British economy are also significant drivers of immigration (Mitchell and Pain 2003). As illustrated in Figure 2, unemployment stabilized at a relatively low level from 1997 and the economy grew by an annual rate of 2 to 4% for almost ten years. This decade of stable economic progress was also characterized by a continuous increase in the inflow of migrants. The economic downturn between 2007 and 2010 caused a sharp rise in unemployment which slowed immigration flows in the years immediately after the crisis. But since 2014, gross immigration exceeds pre-crisis levels.

Figure 2

Socio-economic characteristics, such as income inequalities, in the destination country play a key role in who



chooses to migrate there. Migrants differ from non-migrants with respect to their personal characteristics, skills, and their labour market performance (Borjas 1987, Chiswick 1999, Chiquiar and Hanson 2005), something economists refer to as "self-selection processes". Such differences can be explained by migrants' skills, education and socio-economic background, which affect their ability to bear migration costs and to meet criteria set by immigration authorities (Beine et al. 2010). Increasing income inequality in the UK over the past decades appears to have played a role in attracting high-skilled immigrants (Hatton 2005). This is because inequality signals high returns to human capital, skills and education, which makes the UK an attractive destination for skilled migrants compared to countries with greater income equality, even if the mean national incomes are similar.

Colonial links and networks remain important determinants of the origins and composition of migration to the UK

Migration involves financial, social and psychological costs. These costs can be reduced if a potential migrant has family or friends (i.e. network) in the UK or has knowledge of and an affinity with the English language and British culture. Migration networks facilitate access to information such as where and how to find jobs, help with housing and child care; they can reduce vulnerability to exploitation and crime. The presence of immigrant communities can also help migrants to cope with personal and cultural stress associated with migration (Massey 1990). Economists believe that network, colonial links and cultural similarities may at times be much stronger pull factors in comparison to wages or selective immigration policies (Hatton and Wheatley Price 1999, Belot and Hatton 2012).

While income and wage levels as well as business cycles partly explain trends and fluctuations in overall immigration levels, the majority of migrants to the UK up to the 1990s tended to come from a limited number of origin countries: either former British colonies or countries located in geographical proximity to the UK, which particularly applies to Ireland (Hatton 2005). Due to long-established social, cultural and economic ties, citizens of Commonwealth countries have well established networks that facilitate further inflows by lowering costs and risks of migration (Massey et al. 1998). Networks also help ensure the economic integration of new immigrants at the destination country (Hatton and Leigh 2011). This is one reason why UK immigration was for a long time dominated by migrants coming from Commonwealth countries such as Pakistan, India, Jamaica and other Caribbean states (Hatton and Wheatley Price 1999).

There has, however, been a significant change in the origin composition of immigrants to the UK in the last few decades. This started with a shift of migrants coming from the "old" Commonwealth (Australia, Canada, New Zealand, South Africa) and from some countries of the EU15, progressively moving towards migration from the "new" Commonwealth countries (primarily India), and since 2004 from the new EU accession countries such as Poland and Lithuania (also see the Migration Observatory briefing 'Long-Term International Migration Flows to and from the UK') (Blanchflower et al 2007).

Networks alone cannot explain the strong upsurge in net inflows from Eastern Europe after the 2004 'A8' enlargement, and subsequently after the 'A2' enlargement. The drastic increase in immigration from Eastern Europe was partly the consequence of a political decision. Together with Ireland and Sweden, the UK was in a minority of EU member states that did not impose temporary restrictions on the employment of A8 nationals (in addition to their freedom of movement rights) from May 1st, 2004. Other major political shifts in immigration regulations include the Commonwealth Immigrants Act (1962, amended in 1968), the Immigration Act 1971, and the accession of the European Economic Community (EEC) and its free movement area in 1973, which made immigration into the UK more restrictive for migrants from Commonwealth and non-EC countries, but less so for EEC migrants (Spencer 2011).

The contested effectiveness of immigration policy

Beside economic demand factors and colonial and network ties, migration policies also shape immigration flows. Work and study are the main reasons of migration to the UK (see Migration Observatory briefings "Why do International Migrants come to the UK." and "Long-Term International Migration Flows to and from the UK"). The significant increase in legal immigration for work and study in the UK can partly be explained by the introduction of a relatively open work permit system for migrant workers from outside the EU in the early 2000s, by the Government's decision to open the UK labour market to East European workers in May 2004, and by policies to increase the number of foreign students coming to study in the UK.

While there is evidence that the enactment of more restrictive or expansive immigration policies have some effect in reducing or increasing a particular immigrant category (Thielemann 2004, Mayda 2010, Ortega and Peri 2013) some studies suggest the effect of policy changes seems to be relatively small compared to other economic, social and political determinants of migration(Czaika and De Haas 2013, Castles 2004). Others have suggested that policy may mainly alter the country of origin composition of immigrants instead (Borjas 1993).

How the immigration policy of a country influences immigration to the country is a complex matter. A recent study suggests that having free movement between the UK and a source country is associated with significant migration inflows to the UK (Portes and Forte, 2017). The change in immigration policy in 2004 led to a large increase in flows from the A8 countries. However, Hatton (2005)found there were no major increases in net migration to the UK for the 1986 round of EU enlargement (Spain and Portugal) although there was a substantial increase in 1995 (Austria, Finland, and Sweden).

In addition to the country's own policies, migration may depend on policies in other countries (Bertoli and Moraga, 2013; Artuç and Özden), as well as 'non-migration policies' such as macro-economic, labour market, social welfare and education (Pedersen et al., 2008; Hatton 2009).

For example, while asylum policies have become more restrictive during the last two decades all over Europe, including the UK (Hatton 2009), these restrictions were estimated to account for only about a third of the fall in the number UK asylum applications in the UK in the 2000s (Hatton 2009). Other reasons for the decline in applications included decreased level of conflicts in origin societies at that time. The increase in flows of asylum seekers and refugees from - and through - Syria and Libya to neighbouring countries, EU member states and other countries after the 2011 Arab Spring, highlights the role of both international political instability and the relative openness of states to asylum seekers as important factors determining these movements.

The importance of 'non migration policies' is also exemplified by the apparent role played by Britain's overall economic and foreign policy, particularly in relation to its increasing social and economic integration with the EU and the significant effect that the overall process of EU expansion has had on structurally increasing the general level and changing the composition of immigration flows (Blanchflower et al. 2007). The 2016 decision of the UK to leave the EU appears to be having implications for immigration to the UK, with declines in net migration from EU countries even before the UK has left the EU and thus before any resulting migration policy changes have taken effect.

In some cases, the impact of immigration policy changes on migration flows may be reduced if migrants can opt for 'diversion strategies' (de Haas 2011). For example, in response to more restrictive immigration policies for low-skilled labour migrants, some migrants may have instead chosen to move to the UK through illegal channels or through other legal routes such as the family migration or student route. Findings from the DEMIG (Determinants of International Migration) project, conducted at the International Migration Institute (IMI) of the University of Oxford, shows that restrictions not only affect inflows, but can also affect return flows, and may thereby decrease circularity and encourage long-term settlement.

Finally, any evaluation of immigration policy effectiveness leaves considerable room for ambiguity. We cannot say that a policy is effective or has failed without taking into account the relative magnitude of policy effects compared to other migration determinants in both the UK and the sending countries. Additionally, the time-scale is another source of ambiguity: while some policies may have an immediate effect, these effects are not necessarily sustained over a longer time period, as other structural factors might change or migrants might simply adjust their migration strategies and entry categories (Czaika and de Haas 2013).

Evidence gaps and limitations

The contested role of immigration policies indicates a limited understanding of the drivers of international migration. This is related to a lack of empirical studies that apply a comprehensive framework including migration determinants in the receiving and origin countries. The role and relative weight of immigration policies in influencing migration flows across the different categories (work, asylum, student, family) is still under-researched.

Overall immigration into the UK is not only determined by UK migration and non-migration policies but also by the immigration policies of other destination countries in Europe and beyond. To some extent, more restrictive immigration regulations in one particular country may divert migration towards countries with less restrictive immigration policies. However, to what extent this happens and quantifying it has only recently started to be explored. The examination of the interaction of migration policies and economics factors in shaping migration flows also needs exploring further.

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Related Material

- Migration Observatory briefing - Long–Term International Migration Flows to and from the UK www.migrationobservatory.ox.ac.uk/briefings/long-term-international-migration-flows-and-uk
- Migration Observatory briefing - Migrants in the UK: An Overview www.migrationobservatory.ox.ac.uk/briefings/migrants-uk-overview
- Migration Observatory briefing - Labour Market Effects of Immigration www.migrationobservatory.ox.ac.uk/briefings/labour-market-effects-immigration
- Migration Observatory briefing - Migration Flows of A8 and other EU Migrants to and from the UK www.migrationobservatory.ox.ac.uk/briefings/migration-flows-a8-and-other-eu-migrants-and-uk
- Migration Observatory commentary - Romania and Bulgaria: The Accession Guessing Game www.migrationobservatory.ox.ac.uk/commentary/romania-and-bulgaria-accession-guessing-game

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.
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