

Taking Back Control

Why Britain needs a better
approach to immigration

By Robert Jenrick MP,
Neil O'Brien MP & Karl Williams

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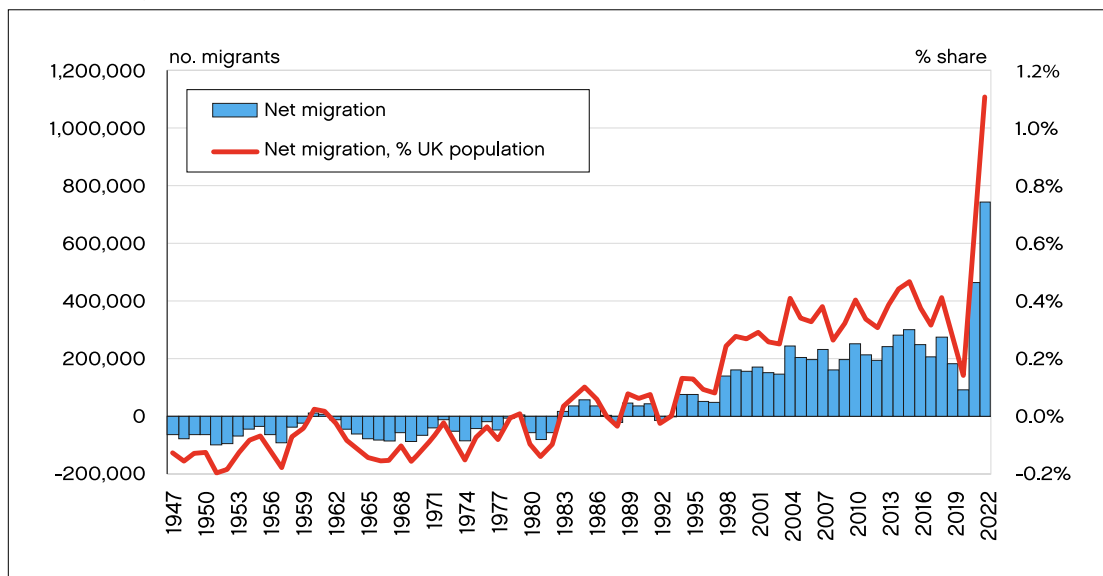
Executive Summary

Until recently, Britain was a country of net emigration. But after 1997, the number of people arriving started to accelerate dramatically. And since the new immigration system came into effect in 2021, numbers have accelerated even further, to unprecedented levels.

Since 2010, 10 million people have moved to the UK, and 6.3 million have left, meaning net migration has added 3.7 million to the population. That is the equivalent of the populations of Edinburgh, Leeds, Sheffield, Nottingham, Stoke, Bristol and Cardiff put together, or more than the entire population of Wales. And data from the last census points to even greater churn, with just under seven million people in England and Wales saying they had arrived in the UK between 2001 and 2021, nearly a thousand extra people a day.

Almost everyone agrees that we should control irregular or illegal migration – the subject of a recent CPS paper.¹ But legal inflows – the subject of this paper – are over 25 times the level of illegal inflows: 1.2 million versus 46,000 in 2022.

UK net migration, 1947-2022



Sources: ONS, Bank of England, CPS analysis

You do not need to be particularly sceptical about the benefits of migration to think that the rates seen in recent years have been far too fast. And although migration is forecast to slow a little, it is projected to remain at historically unprecedented levels.

This paper sets out a new and different design for migration policy, and makes the economic case for it. There are three elements:

¹ N. Timothy & K. Williams, 'Stopping the Crossings' (December 2022). [Link](#)

1. **An overall cap:** We argue that we need to return to having an overall cap on the amount of migration. Only by doing this can we force proper decision-making and a conversation about the trade-offs between different types of migration. It is the only way to re-anchor the system and provide confidence to the public that there is overall control.
2. **A new, transparent process for making decisions:** We argue that Parliament should set a migration 'budget' for each year, with individual caps on each of the main types of migration. This should be accompanied by far greater transparency, and a drive to improve the currently inadequate data on migration and its impacts. For example, government should generate the kind of lifecycle analysis of the fiscal costs and benefits of different types of migration which other European countries already produce.
3. **A clear philosophy:** The UK should aim to be the grammar school of the Western world, reducing migration by making it more selective, so that a greater share of immigration to the UK consists of more highly skilled people on higher wages. And we should be consistent and determined in cracking down on the many ways the current system is being abused.

We propose that our overall cap on immigration should be set at a level consistent with returning net migration to the **tens of thousands**, the level it was at for most of the 1990s.

‘The UK should aim to be the
grammar school of the Western
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making it more selective’

When this promise was initially made by David Cameron, Britain was unable to fully control its borders, due to EU freedom of movement. But since Brexit, there is no such obstacle.

Some people will claim this goal is impossibly tight. We disagree. Over the last five years, net migration from the EU has been almost flat: under 10,000 people a year. This partly reflects the fact that Eastern Europe is much richer than 20 years ago. During the 1990s, net migration from non-EU countries ran at just over 90,000 a year. Over the five years from 2012 to 2017 it averaged 84,000 a year. At the same time, over the last decade, over 60,000 British people have left every year. So even without any emigration of British people at all, we could get to the tens of thousands with today's levels of EU migration and historically recent levels of migration from the rest of the world. This would hardly be a closed economy, but it would reduce migration to the point where public services, infrastructure and housing were more able to cope.

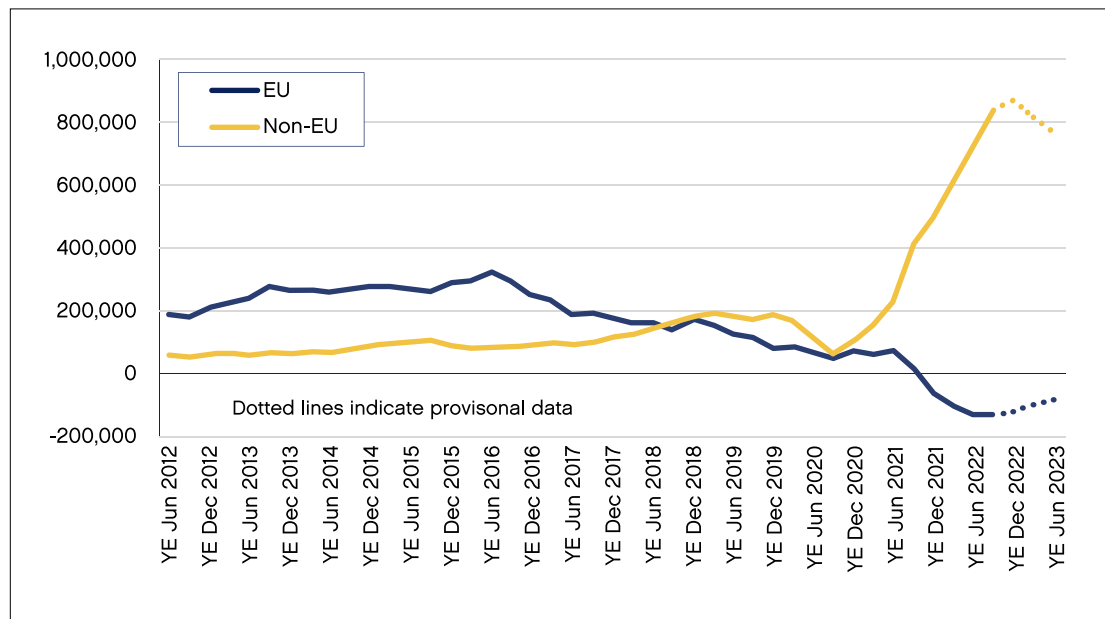
The challenge

Recent levels of migration have been unprecedented, and the effects have been unevenly felt.

- Migration dramatically accelerated after 1997. In the 25 years up to Tony Blair's election (1973-1997), cumulative net migration was 68,000. In the subsequent 25 years (1998-2022), it was at least 5.89 million – almost 100 times the previous 25 years.
- Excluding flows of British citizens, net migration from 1964 to 1997 averaged 55,000 a year, whereas since 1997, it has averaged 316,000 per year – well over five times the average rate in the previous period.

- The new system which came fully into effect in January 2021 introduced controls for those coming from the EU, but significantly loosened controls for those coming from the rest of the world, causing immigration to dramatically increase overall. In the previous decade, about twice as many people came from the EU as the rest of the world. But in 2021 and 2022, under the new system, 290,000 people came from the EU and 1.64 million from the rest of the world.
- Between 2001 and 2021, the share of people in England and Wales born outside the UK increased from 9% to 17%. This is higher than the USA (14%), despite the perception of America as a ‘melting pot’. In 2022 the Office for National Statistics (ONS) predicted the UK population would hit 70 million in 2036. It now predicts this will happen a decade earlier, in 2026.
- Even if net migration settles at the long-run rate of 315,000 projected by the ONS, that is still like adding another large city to the UK every year.
- While in many shire and coastal constituencies, less than 5% of the population have arrived over the last 20 years, the figure in many London constituencies is more than 30%, and the same is true for places like Birmingham, Leicester and Manchester.

Annual net migration from EU and non-EU countries, rolling 12-month period

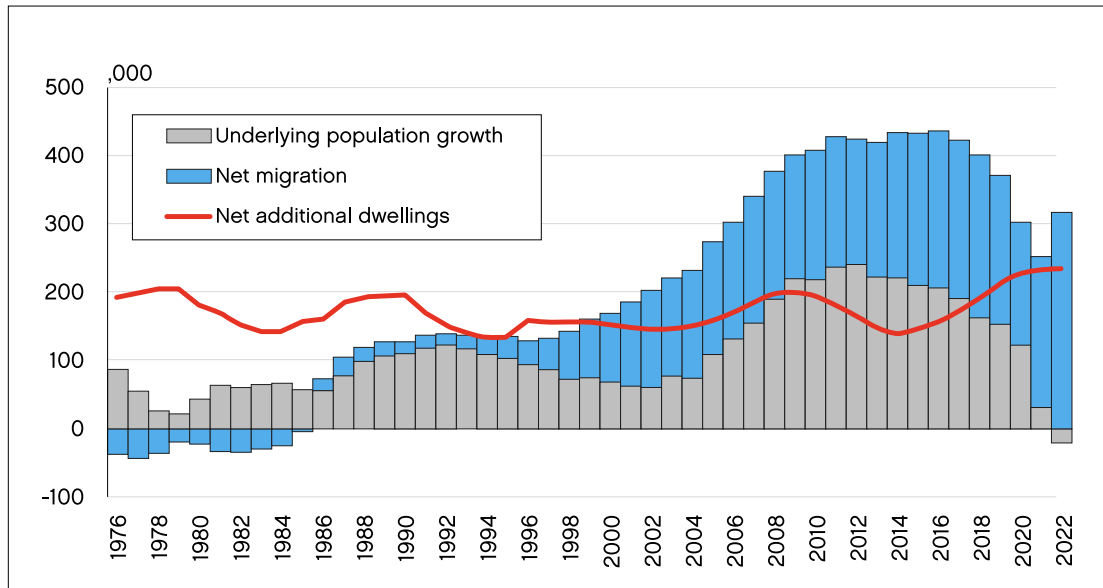


Source: ONS

Recent levels of migration have placed pressure on housing, public services and infrastructure

- The share of the population arriving over the last 20 years has grown the population faster than the growth of transport infrastructure, GP surgeries and secondary schools. For England as a whole the growth of the housing stock was only just greater than the growth of the population accounted for by migration, putting upward pressure on housing costs.
- In London the growth of the population accounted for by migration was actually greater than the growth of the housing stock, making that upward pressure even sharper. Today, 67% of private rented households in the capital are headed by someone born overseas.

Change in population and number of dwellings in England, five-year moving average

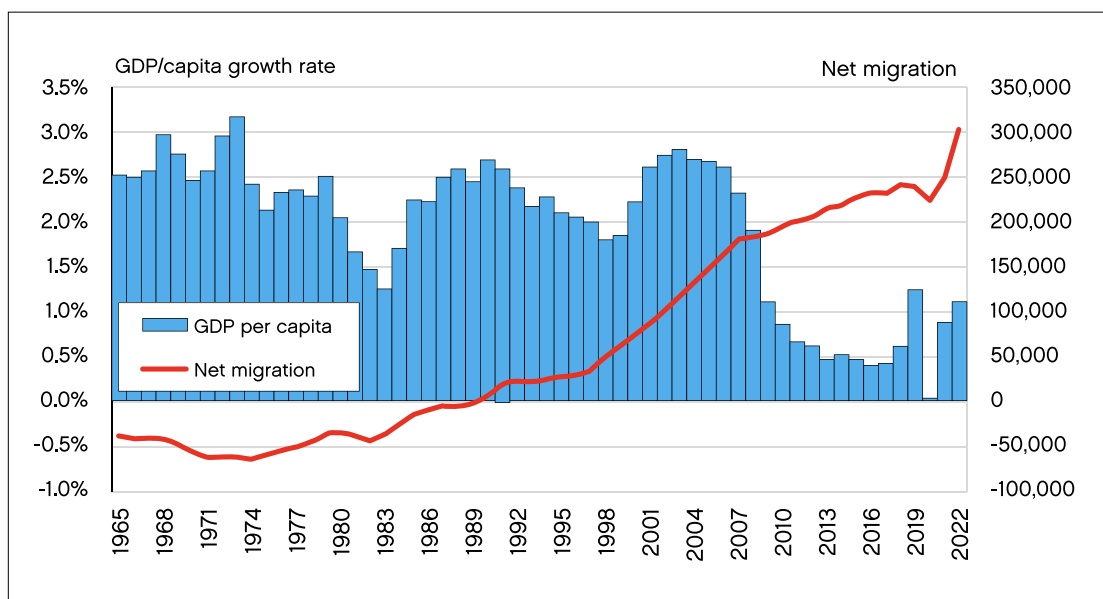


Source: ONS, DLUHC

Recent high levels of migration have not led to productivity growth, and may be substituting for productivity-enhancing capital investment

- The very high levels of migration seen over recent years have coincided with a dramatic slowdown in growth in GDP per head. As the Migration Advisory Committee (MAC) has noted, migration 'may have historically dampened incentives to adopt machinery'.
- For example, in the UK the number of automated car washes more than halved from 9,000 in 2000 to 4,200 by 2015, bucking a global trend towards automation. Meanwhile, the number of dedicated handwashing sites expanded to at least 20,000. This obviously adds to upward pressure on rents.

GDP per capita and net migration, 10-year moving averages



Source: ONS

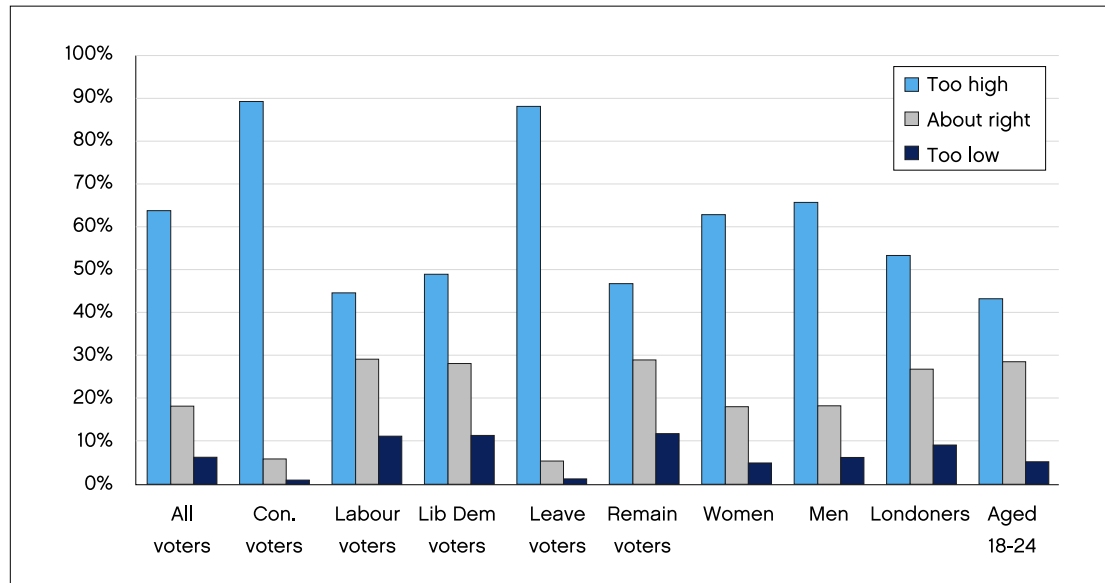
Given the pressures migration creates, we should select for migrants who can pay substantially more in tax than they receive in public services

- Despite the rhetoric of a highly selective system, the post-2021 system continues to allow large numbers of people to come who are either not working or working in very low-wage jobs. Out of net migration of 2 million non-EU nationals over the last five years, only 15% came principally to work. Even ignoring those on the asylum and humanitarian routes, many others also came without facing salary requirements because they came as students, or adult dependents of students or workers, or for family reasons.
- There is massive variation between migrant groups. For example, Indian migrants typically earn around 70% more than migrants from Pakistan or Bangladesh, but roughly 15% less than migrants from France or America. Working-age migrants from the Middle East, North Africa and Turkey are twice as likely to be economically inactive as someone born in the UK.
- Recent innovations in the new system – like the social care and graduate visas – have allowed people to come and work in the gig economy and on very low wages. There has been widespread abuse of both the care and student routes.

There is a widespread consensus that migration is too high

- The proportion of voters saying immigration is too high has been gradually rising over the last two years. Today, 64% of voters think that immigration has been ‘too high in the last 10 years’ – more than 10 times as many as say it has been too low (6%).² More than half of Londoners (53%) think it has been too high, as do around 49% of Lib Dems and 47% of Remain voters. Among 18- to 24-year-olds, 44% think it has been too high, versus 5% who say it has been too low.

Do Britons think that immigration has been too high or low in the last 10 years?



Source: YouGov

² YouGov, ‘Tracker: Do Brits think that immigration has been too high or low in the last 10 years?’ [accessed 12 April 2024]. [Link](#). Data is the average of four polls on the same question across January-April 2024.

- Britain is far from alone in worrying about the impacts of migration, in a world where 900 million adults would migrate from their country permanently if they could.³ Across the West, governments of the centre-right and centre-left are moving to control and reduce immigration.⁴ In Canada, Justin Trudeau has said that immigration has ‘grown at a rate far beyond what Canada has been able to absorb’.⁵ In New Zealand, visa rules are being tightened after net migration hit ‘unsustainable’ levels.⁶ And in Australia, the ruling Labour Party plans to halve the migrant intake over the next two years.⁷

Our approach

Rather than a debate on whether migration is ‘good’ or ‘bad’, we should maximise the benefits through a more selective approach

- Employment rates, earnings and the fiscal impact of different migrant groups vary massively. Our goal should be to make migration more beneficial by making it more selective. Keeping high-wage, high-skill migration but reducing migration that leads to people not working or working on low wages.
- This report sets out immediate steps we could take on each of the main migration routes, along with big picture reforms to the immigration system and migration policymaking. The majority of our three dozen recommendations can be implemented without the need for primary legislation, in the remainder of this parliament.

‘Our goal should be to make migration more beneficial by making it more selective. Keeping high-wage, high-skill migration but reducing migration that leads to people not working or working on low wages’

We need to improve the policymaking process

- Forecasting has been poor and there has been little accountability for this. When the health & care visa route was designed, the Department of Health and Social Care (DHSC) estimated that around 6,000 people a year would make use of it. Last year, the number was 24 times higher – over 146,000, plus another 203,000 dependants.⁸
- Unlike other European countries, we lack sophisticated analysis of the lifetime fiscal impact of different groups of migrants, making sensible decision-making hard. Government has much of the data it needs but has yet to join it up and carry out a proper analysis.

3 A. Pugliese & J. Ray, ‘Nearly 900 Million Worldwide Wanted to Migrate in 2021’, Gallup (24 January 2023). [Link](#)

4 See for example: ‘French immigration bill signed into law by Macron’, *Le Monde* (27 January 2024). [Link](#)

5 M. Taube, ‘Why Justin Trudeau is turning against immigration’, *The Spectator* (8 April 2024). [Link](#)

6 E. Corlett, ‘New Zealand tightens visa rules after migration hits ‘unsustainable’ levels’, *The Guardian* (8 April 2024). [Link](#)

7 T. Turnball, ‘Australia to halve immigration intake, toughen English test for students’, *BBC News* (11 December 2023). [Link](#)

8 A range of estimates were produced. DHSC – the department calling for the route – estimated that around 6,000 workers would use it a year. It has subsequently emerged that the Home Office estimated ‘annual volumes of up to’ 10,000 workers and their dependents, while UK Visas and immigration (UKVI) estimated between 6,000-40,000. All forecasts were caveated, given the uncertainties involved. See: D. Neal, ‘An inspection of the immigration system as it relates to the social care sector (August 2023 to November 2023)’, Independent Chief Inspector of Borders and Immigration (26 March 2024), p.14. [Link](#)

- We should beef up the powers of the Migration Advisory Committee, asking it to monitor migration against the budget set by Parliament and making recommendations for reform.
- To address longstanding structural problems, we should separate the Home Office into two, with a new Department of Border Security and Immigration Control represented in Cabinet.
- We should index the salary thresholds on each visa route to inflation, so that entry requirements are not automatically eroded over time.

We need to address the problems with specific visa routes

- The skilled worker visa system is too open to abuse. We should accept the MAC's recommendation to retire the Shortage Occupation List (SOL) altogether, rather than just creating a new, opaque Immigration Salary List (ISL).
- Student visas should be for those who want to study, rather than those seeking a back door into the UK employment market, and in particular the gig economy. We should phase out the Graduate visa, as we did with its predecessor during the Coalition government. There should be an overall cap on student numbers. And foreign students who want to stay in the UK should have to find graduate-level jobs that meet the salary threshold within a six-month period at the end of their studies.

↳ The published estimate was that around 6,000 people a year would use the health & care visa route. Last year the number was more than 146,000, plus 203,000 dependants ↴

- When the health & care visa route was designed, DHSC estimated that around 6,000 people a year would make use of it. Last year the number was more than 146,000, plus 203,000 adult and child dependants. It is also being abused on an industrial scale, via fake companies, a troubling increase in modern slavery and large numbers of people getting care visas but not working in care. We should instead seek to train more UK workers, offering higher wages as necessary.
- Britain should be open to high-skilled, high-earning medical staff. But our increasing dependence on medical migration sets us apart from our peers: half of junior doctors and 28% of nurses are now non-UK nationals, a massive increase over the last decade. There is no reason a country like the UK cannot train the vast majority of its own medical personnel. We must accelerate the reforms planned under the 2023 NHS Long Term Workforce Plan, and end the tight capping of places at medical schools.
- For family migration, we should end the loophole that allows people to bypass the salary threshold by pooling savings across families and communities. We should also require firm evidence that couples have cohabited for at least a year as a prerequisite for a partner visa, and reintroduce interviews and routine enforcement checks to prevent abuse.

1. The Big Picture

Migration and its social and economic effects are unevenly spread. The world of Westminster in particular can take a long time to catch up with the facts on the ground. So we need to start by setting out the core truths about the British migration system, as it currently stands.

Immigration can obviously be enriching, in both a cultural and an economic sense. Immigrants and their children can be extraordinarily entrepreneurial, dynamic and innovative.⁹ Many of our foremost politicians are the children and grandchildren of migrants. The Conservative Party boasts the most ethnically diverse government front bench in Europe, if not the world. The most senior politicians in England, Wales and until very recently Scotland are all from migrant backgrounds.

‘Before we start arguing about the implications of migration, we need to grasp the scale of the transformation that it has wrought’

But overall numbers matter. Too much immigration in too short a space of time, especially when poorly controlled and filtered, can have negative effects which outweigh the positives. As David Goodhart notes, adaptation is possible but ‘scale and speed matter if it is to happen without conflict and resentment’.¹⁰

To question the economic utility of the marginal migrant – migrant 10,001 or 100,001 or even 1,000,001 – is to say nothing about their value as human beings. We labour the obvious here because sadly, there are those who seek to construe any scepticism about any level or any type of immigration as evidence of prejudice.

So before we start arguing about the implications of migration, we need to grasp the scale of the transformation that it has wrought. Because the situation we find ourselves in is utterly without parallel in British history.

Definitions and data sources

The migration debate often gets heated because people disagree on language and end up talking past each other. We therefore need to be clear about the different terms and categories we use.

Migrant/immigrant: Shorthand for ‘long-term international migrant’, the standard UN definition which underpins migration data produced by the Office for National Statistics (ONS):

⁹ TEN, ‘Job Creators: The immigrant founders of Britain’s fastest growing businesses’ [accessed 23 February 2024]. [Link](#). Although for a critique of the methodology used to derive such business stats, see: A. Manning, ‘The discussion on immigration needs to improve’, LSE (31 January 2024). [Link](#)

¹⁰ D. Goodhart, ‘No wonder Britain is so divided — we’re too diverse’, *The Sunday Times* (10 March 2024). [Link](#)

‘A person who moves to a country other than that of his or her usual residence for a period of at least a year (12 months), so that the country of destination effectively becomes his or her new country of usual residence.’¹¹

Anyone coming to a country on a visitor visa (to see family or for tourism, for example) is excluded from migration statistics by default, as is anyone on a temporary work visa, such as for Britain’s seasonal agricultural workers scheme (where visas are for six months).

However, how a migrant is defined varies between different databases within the British state, as the Migration Observatory at the University of Oxford has pointed out.¹² Unless otherwise stated, we are using the term ‘migrant’ in the UN sense.

Indefinite leave to remain (ILR): Also called ‘settlement’, this is the main route to British citizenship. It gives migrants the right to live, work and study here for as long as they like, and to apply for benefits.¹³ Typically, a migrant needs to have lived and worked in Britain for five years before applying for ILR, though this varies by visa route. Some visas, such as study visas, do not count towards the ILR time requirements.

Citizenship: If you are a British citizen you can live and work in the UK free of any immigration controls. Many (though not all) people born in Britain will automatically be British citizens.¹⁴ Migrants can apply to become British citizens (‘naturalisation’) through a variety of routes. For those without a prior connection to Britain (for example through a parent), having ILR is usually a precondition of applying for British citizenship.¹⁵

Net migration data: Net migration is the number of immigrants (the inflow) minus the number of emigrants (the outflow), including citizens and non-citizens.

Inflows, outflows and net migration numbers for the UK are compiled by the Office for National Statistics (ONS) and published twice a year, in May and November, covering the period to the previous December or June respectively. Numbers are ‘provisional’ when first published, as firm outflow figures lag inflow figures by 12 months, and so projections are used for emigration in the interim. At present, published ONS statistics only break down migration data into EU, non-EU and British categories, but not specific nationalities.¹⁶

Visa data: Home Office visa statistics, which flow into the ONS, give us much more detail on where people come from and for what purpose. They are published in February, May, August and November each year, for the period up until the end of the preceding quarter. They can be used to give us a more timely insight into inflow numbers (and visa extensions) than the ONS data.

11 See: UN, ‘Recommendations on Statistics of International Migration: Revision 1’ (1998), p.10. [Link](#)

12 Reiterated most recently in: B. Andersen & S. Blinder, ‘Who Counts as a Migrant? Definitions and their Consequences’, Migration Observatory (24 February 2024). [Link](#)

13 Gov.uk, ‘Check if you can get indefinite leave to remain’ [accessed 19 April 2024]. [Link](#)

14 Gov.uk, ‘Check if you’re a British citizen’ [accessed 19 April 2024]. [Link](#)

15 Gov.uk, ‘Check if you can become a British citizen’ [accessed 19 April 2024]. [Link](#)

16 For more on the ongoing work of the ONS to improve the accuracy, granularity and timeliness of migration data, see below, pp.37-38.

Ethnicity: Respondents to the 2021 census were asked which of five high level ethnic groups they identified with, and which of 19 sub-groups they identified with.¹⁷

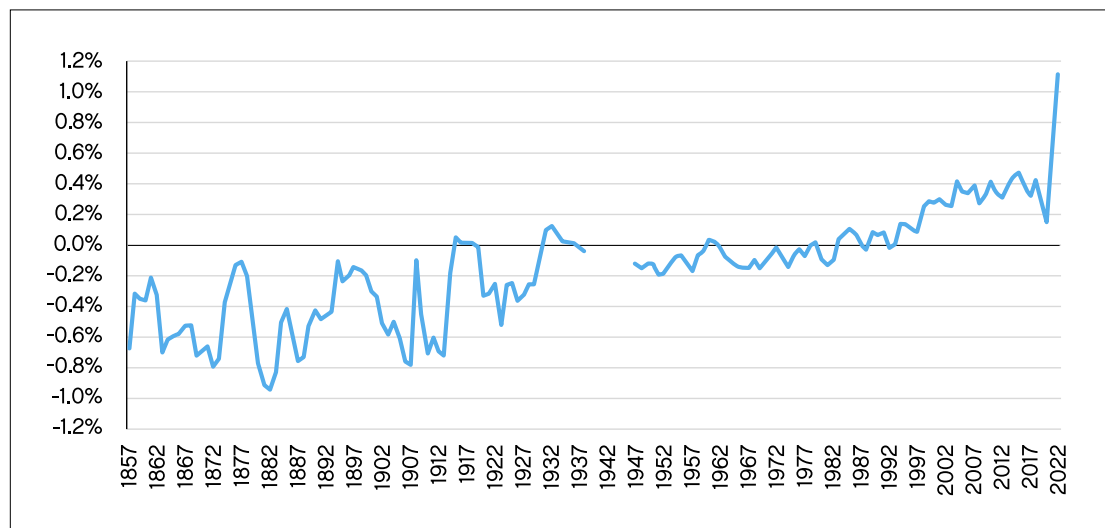
Ethnicity data in itself does not tell us much about migration directly – many people of any given ethnicity will be British people who were born in Britain, and not migrants (though their parents or grandparents might have been). But it can be broadly indicative of rates of demographic change, so with the above caveat noted, we have occasionally made use of the census figures on ethnicity.

Historically, Britain has been a country of net emigration

In some quarters, there has been a deliberate attempt to normalise unprecedented levels of immigration. Not only is immigration characterised as inevitable, but we are increasingly told that Britain has always been a diverse country of migrants anyway. London in particular is said to have been ‘built by migrants’.¹⁸ While these migrants will undoubtedly have contributed to the UK, to suggest that they were the defining contributors to our economic, cultural and political life is pseudo-history.

Historically, migrant communities were relatively small and transient, located in London and other major port cities. Irish migrants represent a partial exception to this trend – but for over a century before 1922, Ireland was legally and constitutionally part of the UK. Other waves of migrants who did settle in the UK – such as the Huguenots, or the Jewish refugees from Eastern Europe who arrived around the turn of the 20th century – were small compared to the existing population.¹⁹

Net migration as a share of the UK population, 1857-2022



Sources: Bank of England (BoE), Office for National Statistics (ONS)

17 ONS, ‘Ethnic group, England and Wales: Census 2021’, Census 2021 (29 November 2022). [Link](#)

18 S. Khan, ‘This city was built by migrants. By refugees.’, X (21 June 2023). [Link](#)

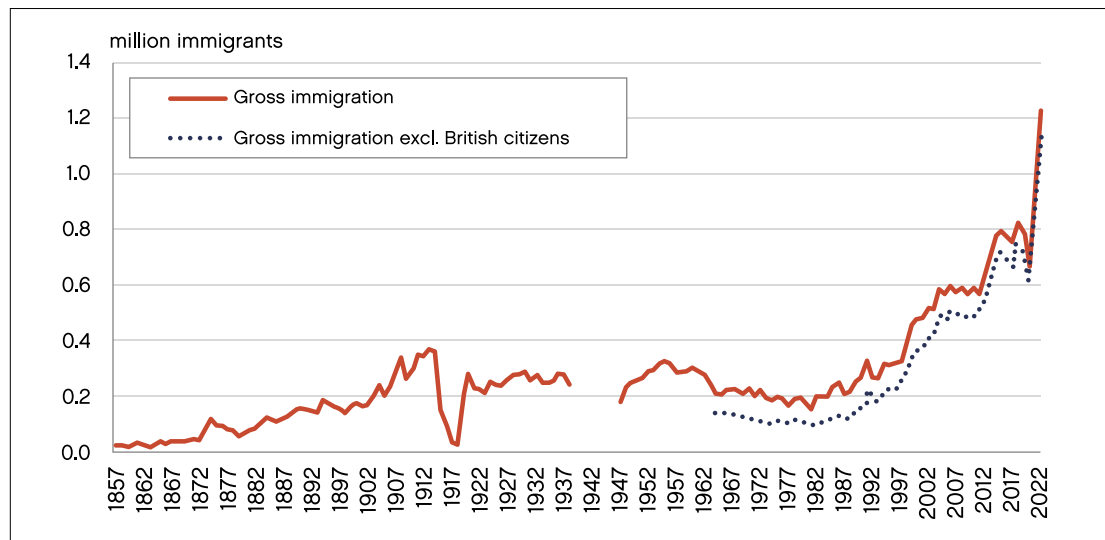
19 For example, historians estimate that the influx of Huguenot refugees to England around the time of the Revocation of the Edict of Nantes (1685) amounted to roughly 50,000 over 30-40 years. This was equivalent to annual population growth averaging 0.03%, i.e. just a tenth of the rate in the 2000s. Similarly, immigration of Jews from Eastern Europe from 1870-1914 equated to population growth of around 0.01% per annum – a thirtieth of recent rates. See: R. Gwynn, ‘The number of Huguenot immigrants in England in the late seventeenth century’, *Journal of Historical Geography* 9 (October 1983). [Link](#). For historical population data, see: Bank of England, ‘A18. Population in the UK and Ireland, 000s, 1086-2016’, *A millennium of macroeconomic data for the UK* (30 April 2017). [Link](#)

In short, despite its historic openness to trade, and indeed its construction of a global Empire, the UK has absolutely not been a nation of immigrants. Indeed, it has historically been a country of net emigration.

In recent times, however, this has changed – to an extraordinary extent. In the 25 years up to Tony Blair's election (1973-1997), cumulative net migration was 68,000. In the subsequent 25 years (1998-2022), it was at least 5.89 million – almost 100 times the previous 25 years.²⁰

If we look at just gross immigration figures, the scale of change becomes even more apparent. Immigration surged in 1998-2005, levelled off for a few years, surged again in 2012-18, levelled off for a few years (not least due to the pandemic) and then surged again.²¹

Gross immigration, 1857-2022



Sources: BoE, ONS

Immigration to the UK has reached new and unprecedented highs

The latest surge in immigration began in 2021, when our new 'Future Border and Immigration System' (FBIS) came fully into effect. Since then, we have seen two years of record net migration in a row: 467,000 in 2021, and 745,000 in 2022.²²

In other words, migration added a city the size of Birmingham – 1.2 million people – to the UK in just two years. That equates to population growth of 1.8%.²³ The sheer, unprecedented scale of this latest migration surge is reflected in the graph below.²⁴

²⁰ Although see below, p.28, for how this might well be an underestimate.

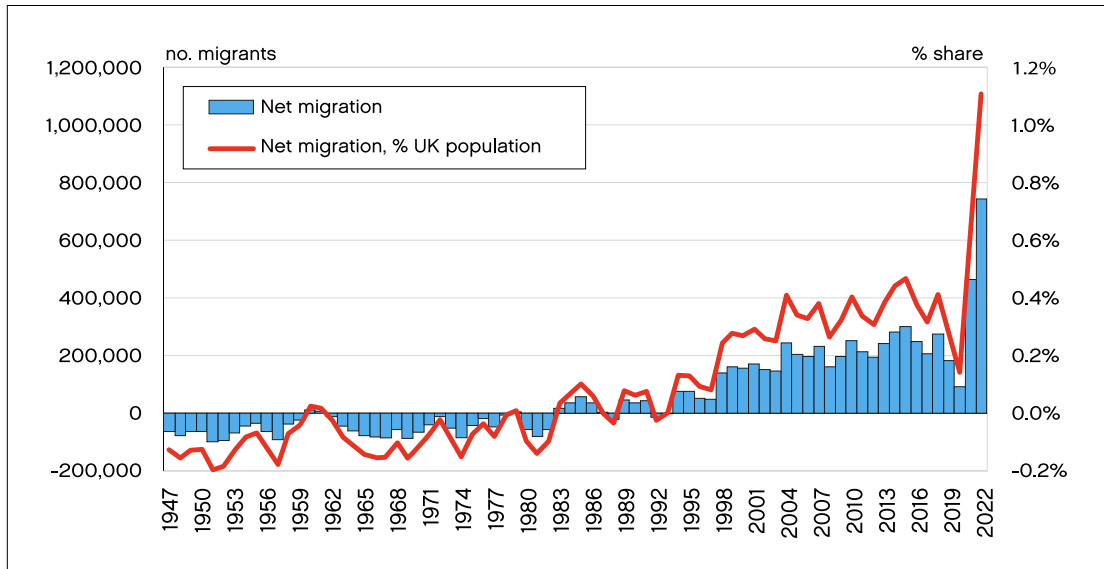
²¹ Throughout this 25-year period, the number of British citizens returning to the UK has remained pretty consistent, averaging 87,000 and only exceeded 100,000 in 2021 because of Covid (it was 52,000 in 2020). So all of the recent upsurges have been driven entirely by immigration of non-British citizens.

²² ONS, 'Dataset: Long-term international immigration, emigration and net migration flows, provisional' (23 November 2023). [Link](#)

²³ Calculation basis ONS, 'UK resident population: mid-year estimates (Qtly data interpolated)' (15 February 2024). [Link](#)

²⁴ Pre-1964 migration data and pre-1971 population data is drawn from: BoE, 'UK Migration flows since 1850' and 'A18. Population in the UK and Ireland, 000s, 1086-2016', *A millennium of macroeconomic data for the UK* (August 2018). [Link](#). Migration data for 1964-2011 is from: ONS, 'Long-term international migration 2.00, citizenship, UK (Discontinued after 2019)' (26 December 2020). [Link](#). Migration data from 2012 onwards is from: ONS, 'Long-term international immigration, emigration and net migration flows, provisional' (23 November 2023). [Link](#)

UK net migration, 1947-2022

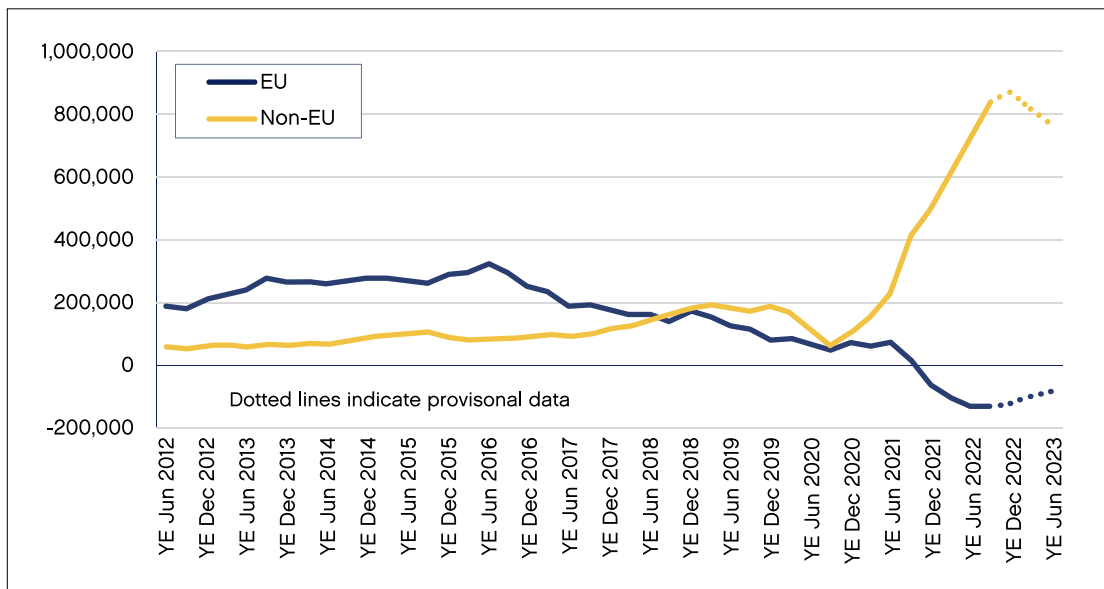


Sources: ONS, BoE, CPS analysis

This is a consequence of creating an immigration system which Jonathan Portes of King’s College London has characterised as ‘possibly the most ‘liberal’ of any advanced economy, with fully half of all jobs in the UK labour market open in principle to anyone from anywhere in the world’.²⁵ Similarly, Brian Bell (Chair of the MAC) noted that ‘about 60% of all UK jobs are eligible to use the skilled worker route’.²⁶

Furthermore, in contrast to the 2000s and 2010s, the post-2020 surge in immigration is almost entirely being driven by non-EU migration. Across 2021 and 2022, there was a net outflow of 185,000 EU citizens but a net inflow of 1.37 million non-EU citizens.²⁷

Annual net migration from EU and non-EU countries, rolling 12-month period



Source: ONS. Dotted lines indicate provisional data

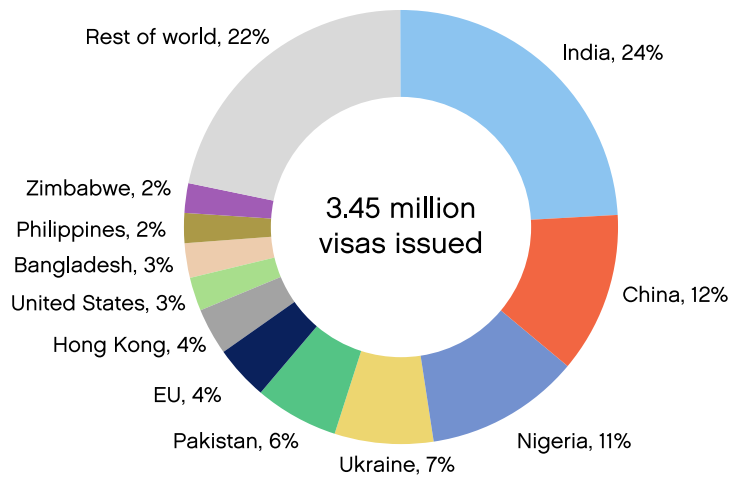
25 J. Portes, ‘Tweet: I think this is unfair’, X (24 July 2022). [Link](#)

26 B. Bell, as quoted in: Westminster Legal Policy Forum, ‘Next Steps For The UK Immigration Sector’ (June 2023).

27 As well as a small inflow of 28,000 British citizens.

Since the new immigration system came fully into effect, visas issued to migrants from the EU have made up just 4% of the total.²⁸ In other words, both the overall numbers and composition of the current wave of immigration are very different from the 2000s and 2010s.

Visas issued by nationality, January 2021 to December 2023



Source: Home Office

Immigration is forecast to fall back – but to levels that are still extremely high

We are assured by some commentators that net migration numbers will soon fall to ‘only’ around 300,000-400,000.²⁹ The recent record highs were, so the argument goes, mostly a function of the disruption caused by Covid, combined with one-offs such as the Ukrainian visa schemes.

Yet if Home Office visa data is any guide, such complacency is deeply misguided.³⁰ As the table below shows, the total number of (non-visitor, non-temporary) visas issued in 2023 was roughly the same as in 2022 at 1.32 million.³¹ Notably, a 77% decline in Ukraine and Hong Kong humanitarian visas was offset by an 18% increase across the other main visa categories.³²

28 Home Office, ‘Vis_D02’, *Entry clearance visa applications and outcomes detailed datasets, year ending December 2023* (29 February 2024). [Link](#)

29 See for example S. Katwala, ‘Workable plan to cut numbers by 200k below net 500k-700k number could be ‘UK probably won’t admit another 200k Ukrainians again in 2023 and 2024’’, X (21 May 2023). [Link](#)

30 Home Office, ‘Vis_D02’, *Entry clearance visa applications and outcomes detailed datasets, year ending December 2023* (29 February 2024). [Link](#)

31 Travellers on visitor visas or temporary visas (including temporary work or study visas) do not meet the UN definition of a long-term international migrant, and are therefore excluded from ONS net migration data.

32 However, many Ukrainians who were issued a visa did not in fact travel to the UK, or left relatively soon after arriving. If we assume that migrants on work, study or family visas are more likely to make use of their visas and actually come to the UK and remain for at least 12 months, then the inflow in 2023 may have been even higher than the headline visa number implies.

Visas issued, excluding visitor and temporary visas

	2020 ³³	2021	2022	2023
Work	91,219	185,274	349,129	539,227
Study	228,966	430,485	618,711	601,268
Family	44,429	51,103	52,126	85,640
Other	36,656	64,309	36,073	22,856
Total excl. Ukraine + HK	401,270	731,171	1,056,039	1,248,991
% change, y-o-y	N/A	+82%	+44%	+18%
Ukraine + Hong Kong	0	75,579	263,400	70,070
% change, y-o-y	N/A	N/A	+249%	-77%
% share Ukraine + HK	N/A	9%	20%	5%
Total	401,270	806,750	1,319,439	1,319,061
% change, y-o-y		+101%	+64%	-0%

Source: Home Office

At the same time, visa extensions among migrants already in the UK soared by 22%, to a record high of 686,000.³⁴ This suggests that the 2023 outflow was lower than anticipated. In particular, early evidence suggests that non-EU student migrants are less likely to return home once they have completed their studies.³⁵

‘ Since the new immigration system came fully into effect, visas issued to migrants from the EU have made up just 4% of the total ’

Net migration is likely to come down in 2024, as changes to the Immigration Rules take effect. These measures, drawn up by one of the co-authors of this paper, should cut net migration by around 300,000 per annum compared to a counterfactual scenario of no policy change.³⁶ And provisional data on visa applications for Q1 2024 does indeed suggest that visa numbers are beginning to recede from the extremely high levels of 2022 and 2023.³⁷

These measures are the basis for the March 2024 forecast by the Office for Budget Responsibility (OBR) in which net migration falls to 336,000 in 2024/25.³⁸ While not fully reflecting these policy changes, Office for National Statistics (ONS) projections published in January show net migration exceeding half a million per annum for the next couple of years, before settling at a long-run rate of 315,000 from 2027/28.³⁹

33 Note that during the Brexit transition period, freedom of movement rules still applied for EU citizens.

34 Home Office, ‘Exe_D02’, *Extensions detailed datasets, year ending December 2023* (29 February 2024). [Link](#)

35 Although we won’t have relatively firm confirmation one way or the other until the ONS May 2025 migration dataset comes out.

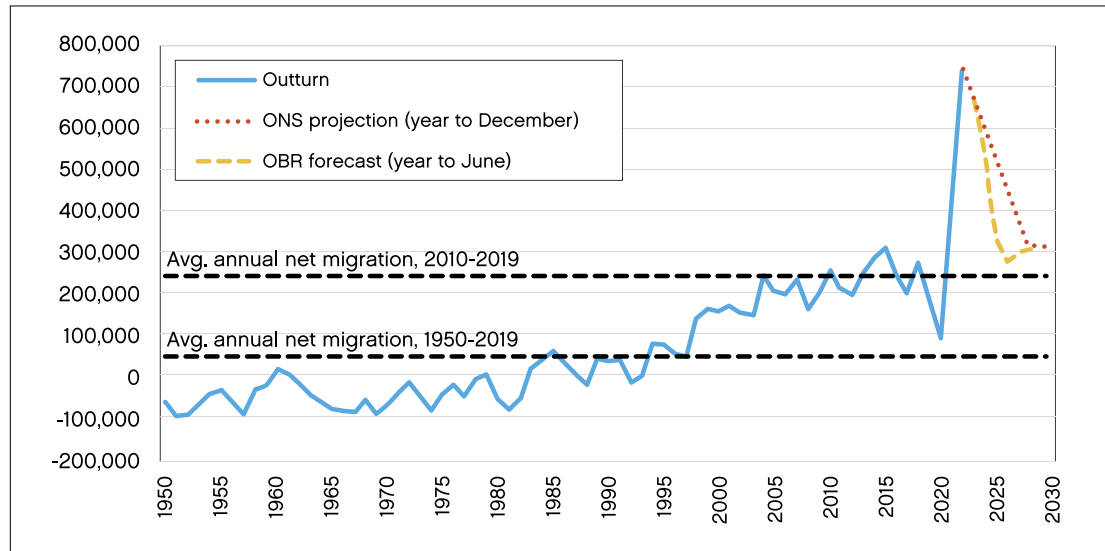
36 Home Office, ‘Reducing Net Migration Factsheet – February 2024’ (1 February 2024). [Link](#)

37 Home Office, ‘Monthly monitoring of entry clearance visa applications’ (30 April 2024). [Link](#)

38 OBR, ‘Chart 2.D: Net migration forecast and scenarios’, *March 2024 Economic and fiscal outlook – charts and tables: Chapter 2* (6 March 2024). [Link](#)

39 ONS, ‘National population projections: 2021-based interim’ (30 January 2024). [Link](#)

ONS and OBR net migration projections in historical context



Sources: Office for Budget Responsibility (OBR), ONS

Yet even this represents a fundamental paradigm shift, with immigration set to remain at historically unprecedented levels. Net migration in the decade from 2010 to 2019 averaged 241,000 per annum – not even a third of 2022 levels and barely three quarters of the long-run average of 315,000 now projected by the ONS. In fact, before 2021 net migration had never exceeded 315,000 in any calendar year, and had risen above 300,000 only once, in 2015.⁴⁰

We should not assume migration will actually fall in line with the new forecasts

Although changes to the Immigration Rules will probably lead to lower – though still extremely high – levels of migration in the near term, we should not take it for granted that the decrease will be sustained over the longer term.

For one thing, it is almost impossible to make precise predictions because virtually all of our visa routes are uncapped. If people meet the visa requirements, the British state will automatically grant them a visa. In other words, we do not currently exercise control over the overall supply of visas.

But we do know with reasonable certainty that demand to migrate to Britain is high and rising. This is part of a global trend identified by economist Michael Clemens, in which as developing countries get richer, more of their citizens have the resources, knowledge and incentives to contemplate migration. This is not an endless process: Clemens found that 'emigration from a country tends to rise until it reaches a level of income equivalent to about \$10,000 per person at purchasing-power parity, before declining'.⁴¹ Yet according to World Bank data, more than six billion people live in countries where the average income is below this threshold.⁴²

Thanks to the work of former World Bank economist Paul Collier, we also know that immigration begets immigration.⁴³ The European Commission refers to this

40 Although we now know that net migration reached a pre-2021 high mark of 321,000 in the 12-month period to June 2016 – just before the EU referendum.

41 As quoted in: *The Economist*, 'Britain has entered a third phase of post-war immigration', *The Economist* (7 April 2022). [Link](#). See also: M. Clemens, 'Does Development Reduce Migration?', Centre for Global Development Working Paper 359 (March 2014). [Link](#)

42 World Bank, 'GDP per capita, PPP (current international \$)' [accessed 20 April 2024]. [Link](#)

43 P. Collier, *Exodus: Immigration and Multiculturalism in the 21st Century* (2013).

phenomenon as ‘chain migration’, in which ‘individual members of a community migrate and then encourage or assist further movements of migration’, often through family connections, as when a spouse will migrate ahead of their partner and children.⁴⁴ As new, non-EU diaspora communities become established in the UK, new patterns of migration are likely to become self-reinforcing.

In addition, as we shall see in more detail in Chapter 2, the ONS and other parts of government have a long history of substantially underestimating net migration figures.⁴⁵ Even estimates of who is already here have been poor.

‘ If people meet the visa requirements, the British state will automatically grant them a visa. In other words, we do not currently exercise control over the overall supply of visas ’

There were of course the notorious forecasts under Tony Blair that opening the doors to Eastern Europe after EU expansion would result in a mere 5,000 to 13,000 net new arrivals per year.⁴⁶ In fact, net migration from the ‘EU8’ averaged 47,000 per annum over the 10 years after 2003 – and these figures may well have been underestimates.

Similarly, the Home Office’s impact assessment for the EU settlement scheme post-Brexit estimated that between 3.5 and 4.1 million EU nationals were in the UK, and would be eligible.⁴⁷ But a much larger number – 5.7 million people – have now received a grant of settlement.⁴⁸ So our understanding of how many had come to the country was about 50% out.

More recently, when the health & care visa route was designed, it was expected that between 6,000 and 40,000 people a year (with estimates clustered towards the low end) would make use of it, whereas last year the number was 24 times larger than the DHSC estimate of 6,000 – over 146,000. And that is without including their 203,000 dependants.⁴⁹

Indeed, recent history shows us that without capping the overall number of visas issued, it is very hard to get a grip on immigration.

When David Cameron pledged to get net migration down to the tens of thousands,⁵⁰ he was setting what could have been a realistic target. After all, net migration first exceeded 100,000 only in 1998. However, immigration was driven upwards in spite of Cameron’s best efforts mainly by migrants operating under EU freedom of movement rules.⁵¹ This uncapped migration route made it much more difficult to get numbers down.⁵²

44 European Commission, ‘Chain migration’, *Migration and Home Affairs Glossary* [accessed 20 April 2024]. [Link](#)

45 See below, p.40. The OBR has acknowledged this uncertainty with the provision a ‘higher net migration scenario’ in which net migration is 498,000 in 2024/25. A ‘lower net migration scenario’ has net migration at 173,000 in 2024/25.

46 C. Dustmann et al, ‘The impact of EU enlargement on migration flows’, Home Office (2003), p.8. [Link](#)

47 Home Office, ‘Impact Assessment for EU Settlement Scheme – Updated analysis’ (March 2019), p.5. [Link](#)

48 Home Office, ‘EU Settlement Scheme quarterly statistics, September 2023’ (23 November 2023). [Link](#)

49 Home Office, ‘Vis__D02’, *Entry clearance visa applications and outcomes detailed datasets, year ending December 2023* (29 February 2024). [Link](#)

50 D. Cameron, as quoted in: R. Prince, ‘David Cameron: net immigration will be capped at tens of thousands’, *The Telegraph* (10 January 2010). [Link](#)

51 The Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia and Slovenia joined the EU in 2004. Romania and Bulgaria also acceded to the EU in 2007, and their transitional restrictions on freedom of movement to the UK were lifted in 2013. Notably, overall net migration was squeezed downwards in 2011 and 2012, dropping back under 200,000, before rising again thanks to surging immigration from EU countries.

52 Although even with EU freedom of movement, it would have been technically possible to reduce net migration to under 100,000 per annum by cutting non-EU gross immigration from around 250,000 per annum to 28,000 per annum. But as we shall see, this would have meant barring some of the most economically productive migrants from developed non-EU countries from migrating to the UK.

Based on precedent, and wider migration trends, and the holes in our immigration system, we should therefore be wary of taking the new ONS and OBR forecasts at face value.

The new forecasts still entail more rapid demographic churn than ever before

Even if they are not underestimates, the implications of the new forecasts are massive.

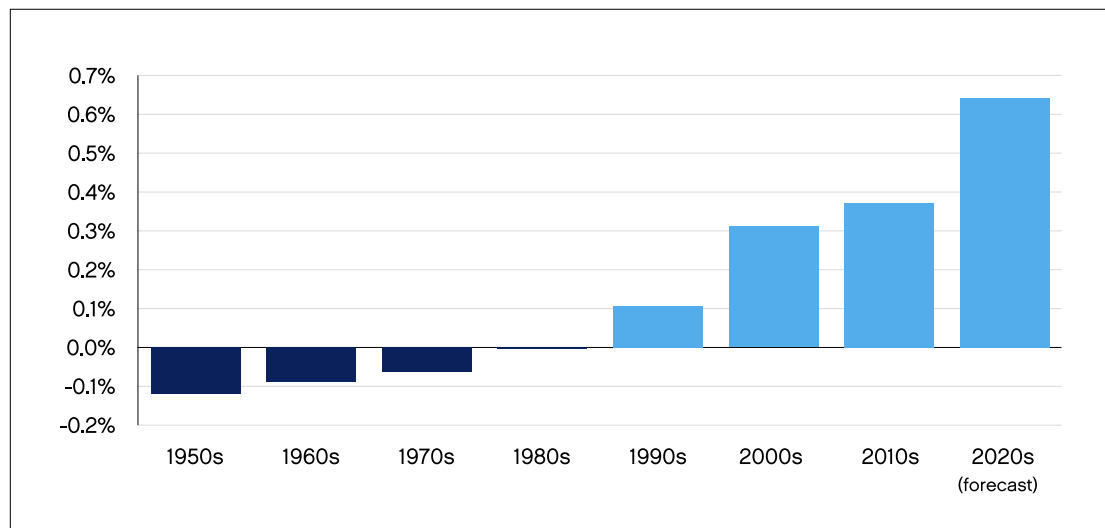
In the years before Cameron made his ‘tens of thousands’ pledge, commentators and politicians of many stripes were growing deeply concerned about the potential impact of migration.

Writing in the *Financial Times* in 2005, Martin Wolf noted that we were on course for a ‘demographic, social, economic and political transformation’, and called for a more thoughtful policy response, arguing that ‘the case for immigration at such levels cannot be founded on the economic benefits to the existing population’.⁵³

At around the same time, Peter Lilley was raising similar concerns in a pamphlet for the Centre for Policy Studies (CPS), focusing on the effects of high levels of immigration on housing, infrastructure, wages, living standards and the public purse.⁵⁴

Wolf and Lilley were worried about the consequences of net migration running at 150,000 per annum. Yet many people today would reflexively argue that net migration of 150,000 is impossibly low. That shows how much perspectives have shifted, and how much of a high-migration country we have become.

Average annual net migration as a share of the UK population



Sources: BoE, ONS

53 M. Wolf, ‘In search of an immigration policy’, *Financial Times* (29 January 2005). [Link](#)

54 P. Lilley, ‘Too much of a good thing? Towards a balanced approach to migration’, CPS (March 2005). [Link](#)

Indeed, Wolf and Lilley were writing in a decade during which annual net migration would, on average, equate to 0.3% population growth – less than a third of the 2022 figure (1.1%). Even if net migration now trends down to 315,000 as per ONS projections, net migration will still amount to annual population growth of over 0.6% on average this decade.

So we must not slide into thinking that net migration of around 300,000 – a new Birmingham every four years instead of every two years – is a return to normality. On such a trajectory, the impact of immigration over the last 25 years is going to be dwarfed by what is yet to come.

The future is already here – it's just not evenly distributed

So far, we have discussed migration purely in terms of raw totals. But one of the striking things about migration is that the effect is hugely variable between different places, and that different people's perceptions of it are wildly different.

‘ We must not slide into thinking that net migration of around 300,000 – a new Birmingham every four years instead of every two years – is a return to normality ’

For some people, the recent surge in immigration hasn't really changed their world – their Britain has been multicultural for as long as they can remember. For others, it has absolutely transformed it in a very short time.

There are three main ways we can look at this uneven distribution: by place, age and income.

Let's start with the census for England and Wales, which has been collecting data on whether people were born in the UK for decades. The latest figures show that the share of people in England and Wales born overseas (just under 17%) has now overtaken the USA (14%).⁵⁵ But they also show how this trend is accelerating.

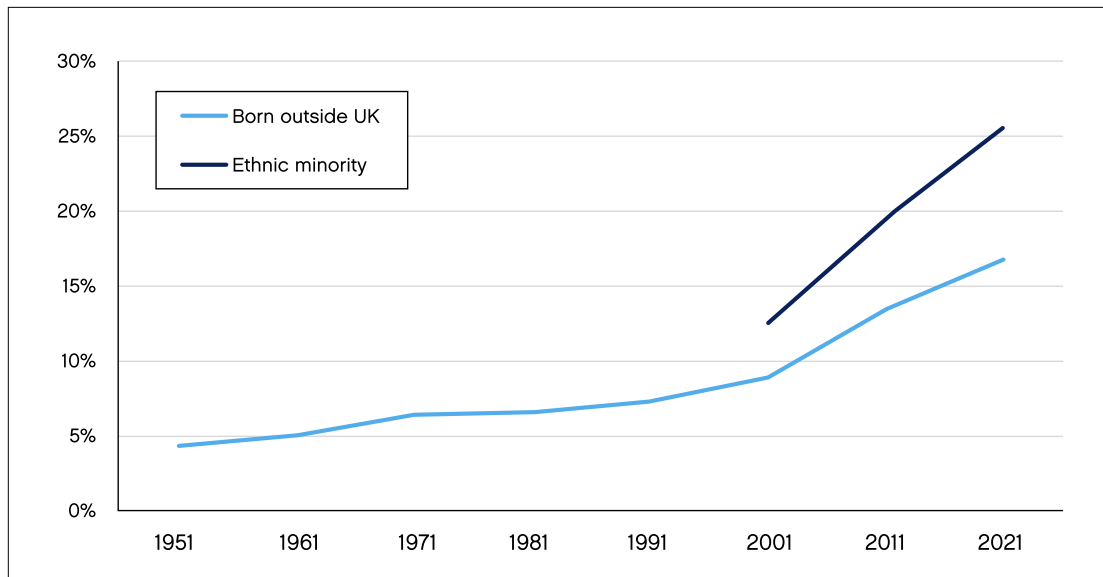
Between 1981 and 2001, the share of the population of England and Wales born outside the UK increased by 2.3pp, from 6.6% to 8.9%. But between 2001 and 2021, the share born outside the UK increased by 7.9pp, to 16.8%.

Ethnicity data, which the ONS has been collecting on a consistent basis since 2001, tells a similar story: between 2001 and 2021, the proportion of the population who do not identify as White British more than doubled, from 12.5% to 25.6%.⁵⁶ While many people from ethnic minorities were obviously born here, and are 100% British, this does point to the multi-generational effect of migration on the pace of demographic change.

55 J. Batalova, 'Frequently Requested Statistics on Immigrants and Immigration in the United States', Migration Policy Institute (13 March 2024). [Link](#)

56 Gov.uk, 'Population of England and Wales', *Ethnicity facts and figures* (22 December 2022). [Link](#)

Population of England and Wales



Source: ONS. Ethnic minority = sum of those not describing themselves as White British

However, it's only when you drill down into the detail that you see how varied the experience of individuals and communities has been.

For example, we've taken the census data for each local authority district, and used it to construct an inverted variant of a Herfindahl-Hirschman Index (HHI) – a measure of concentration (or in this case diversity) used in demography, biology, ecology, economics and sociology.⁵⁷

In our index, the closer to 0 a value is, the more homogenous the population; the closer to 1, the more diverse. So in an area where the population is divided equally between the 19 high-level ethnic groupings in the 2021 census, our index would give a score of 0.947. For an area where the population was 100% 'White British' or 100% 'Asian, Asian British or Asian Welsh: Pakistani', our index would give a score of 0.

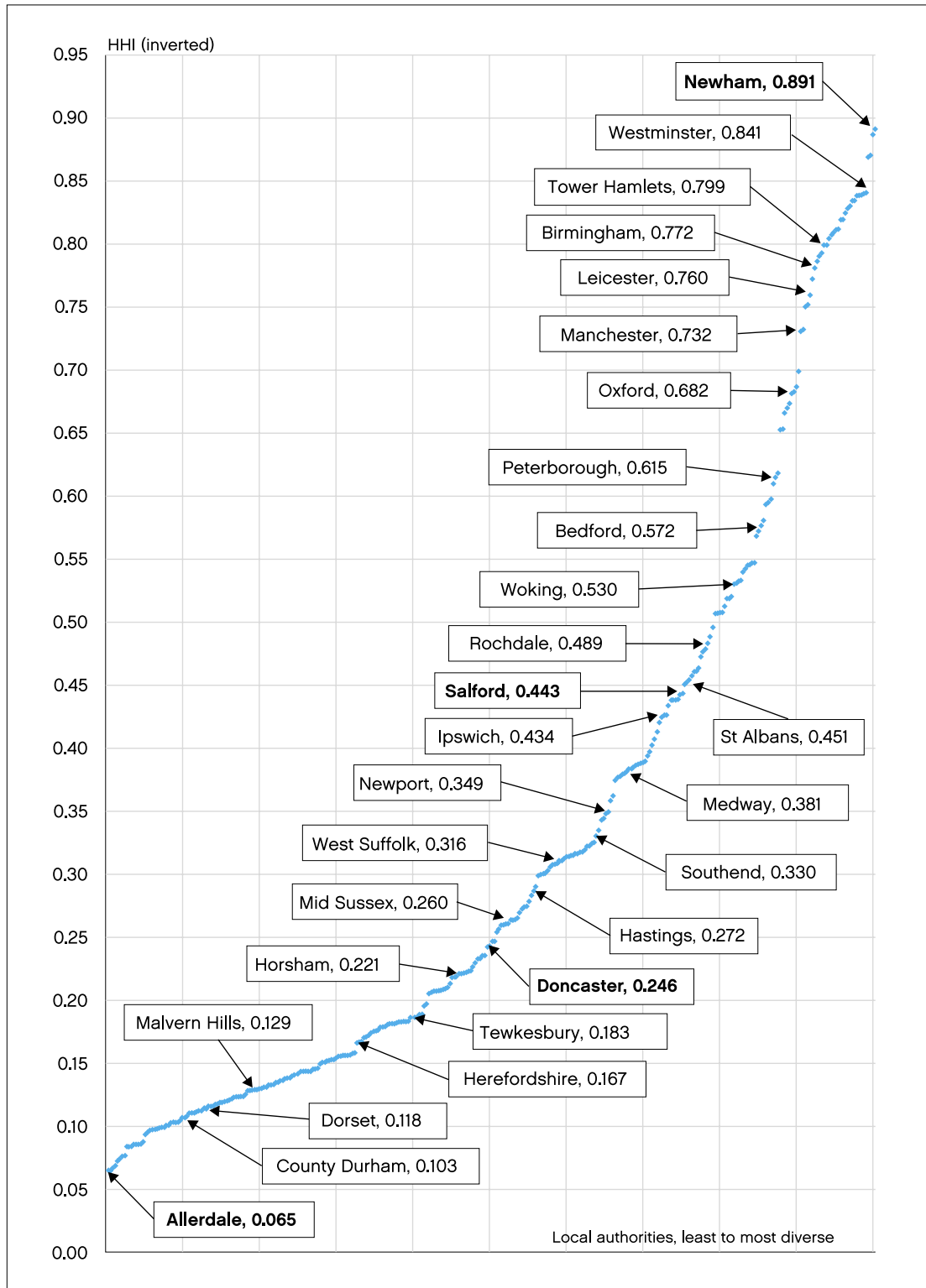
It is important to point out here that the 2021 census was conducted in the teeth of the pandemic, so the data may not be as robust as in previous years. But it is still the best data we have. And it paints a fascinating picture.

As our charts indicate, your day-to-day perceptions of the demographic outcomes of migration are likely to be considerably different if you live in the hyper-diverse London borough of Newham (HHI = 0.891), where the largest ethnic group is 'Asian, Asian British or Asian Welsh: Bangladeshi' (15.9%), compared to someone living in Allerdale in Cumbria (HHI = 0.065), where the largest ethnic group is 'White: English, Welsh, Scottish, Northern Irish or British' (96.7%).

In slightly over half of council areas in England and Wales, our diversity measure comes in at below 0.25. In fact, the median value of 0.243 is to be found in Doncaster, where 88.6% of the population are White British, with the next largest groups 'White Other' (5.6%) and 'Asian, Asian British or Asian Welsh: Pakistani' (1.0%).

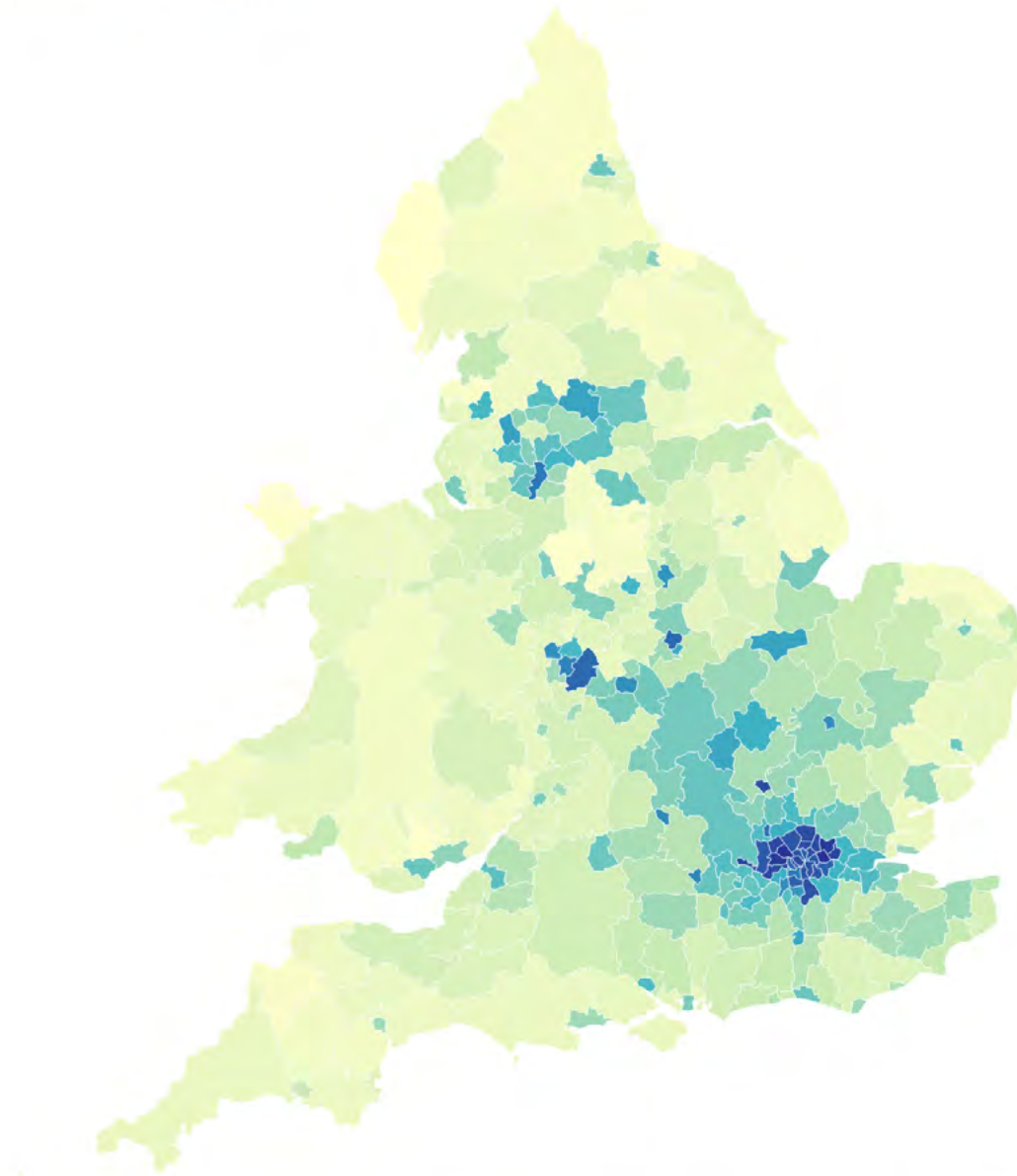
⁵⁷ See for example: Pew Research Centre, 'Methodology', *Global Religious Diversity* (4 April 2014). [Link](#)

Ethnic diversity by local authority, England and Wales



Ethnic diversity, England and Wales 2021

Diversity, low to high



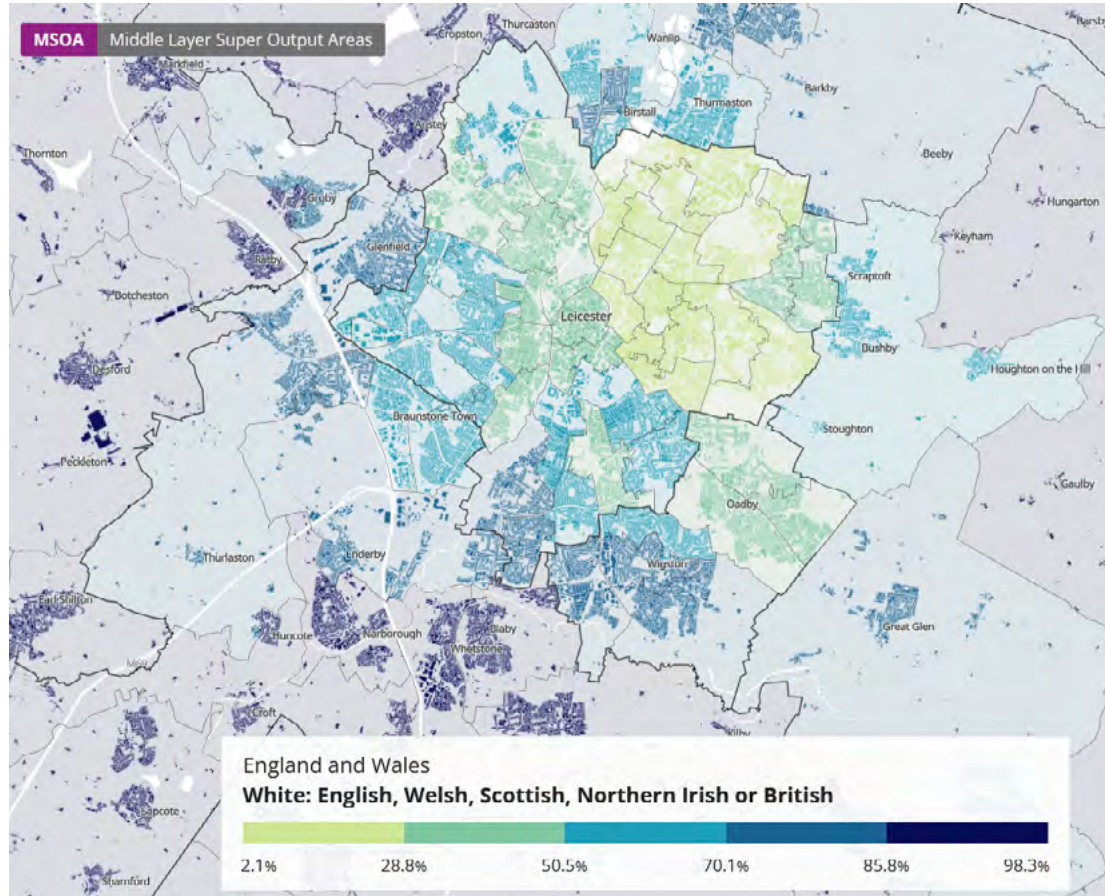
Map: CPS • Source: ONS, Census 2021 • Map data: © Crown copyright and database right 2021 • Created with Datawrapper

Source: ONS

However, even this does not tell us everything. It would be possible for a given council area to score incredibly highly on our scale, but for each of those diverse ethnic groups to be keeping to itself rather than mixing and mingling. Indeed, the degree of variation within even the most diverse towns and cities is massive. In the North and Midlands in particular, there are some neighbourhoods that are entirely white, and others that are almost entirely composed of particular ethnic minority groups.

This is one reason people's perceptions of migration and change can be so different, even within a single, notionally very diverse conurbation.

For example, Leicester is, according to its local council, 'one of the most diverse cities in England', with a population that is 43% Asian and 41% white.⁵⁸ Our index agrees, giving Leicester an HHI of 0.760. But within the city itself, as the map below shows, there are massive variations. In the suburbs, 90% of people are White British: in east Leicester, less than a fifth.⁵⁹ We see similar patterns of clustering in London, where Clapham and Balham are 70-80% White British but the figure for nearby Brixton is less than 30%.



Source: ONS

Of course, there are strong and rational reasons why people of the same background might want to flock together – language, culture, a sense of familiarity, support networks and so on. This is after all what drives a lot of chain migration. British politicians have never supported hard-edged policies to prevent segregation. Nor are we suggesting that they should – though recent events have shown that a more robust integration policy is required.

However, this exercise does drive home the fact that migration is a concentrated rather than a generalised phenomenon. Something that becomes even more evident when you consider not just the scale of migration, but the speed of it – which, again, is the subject of huge variation.

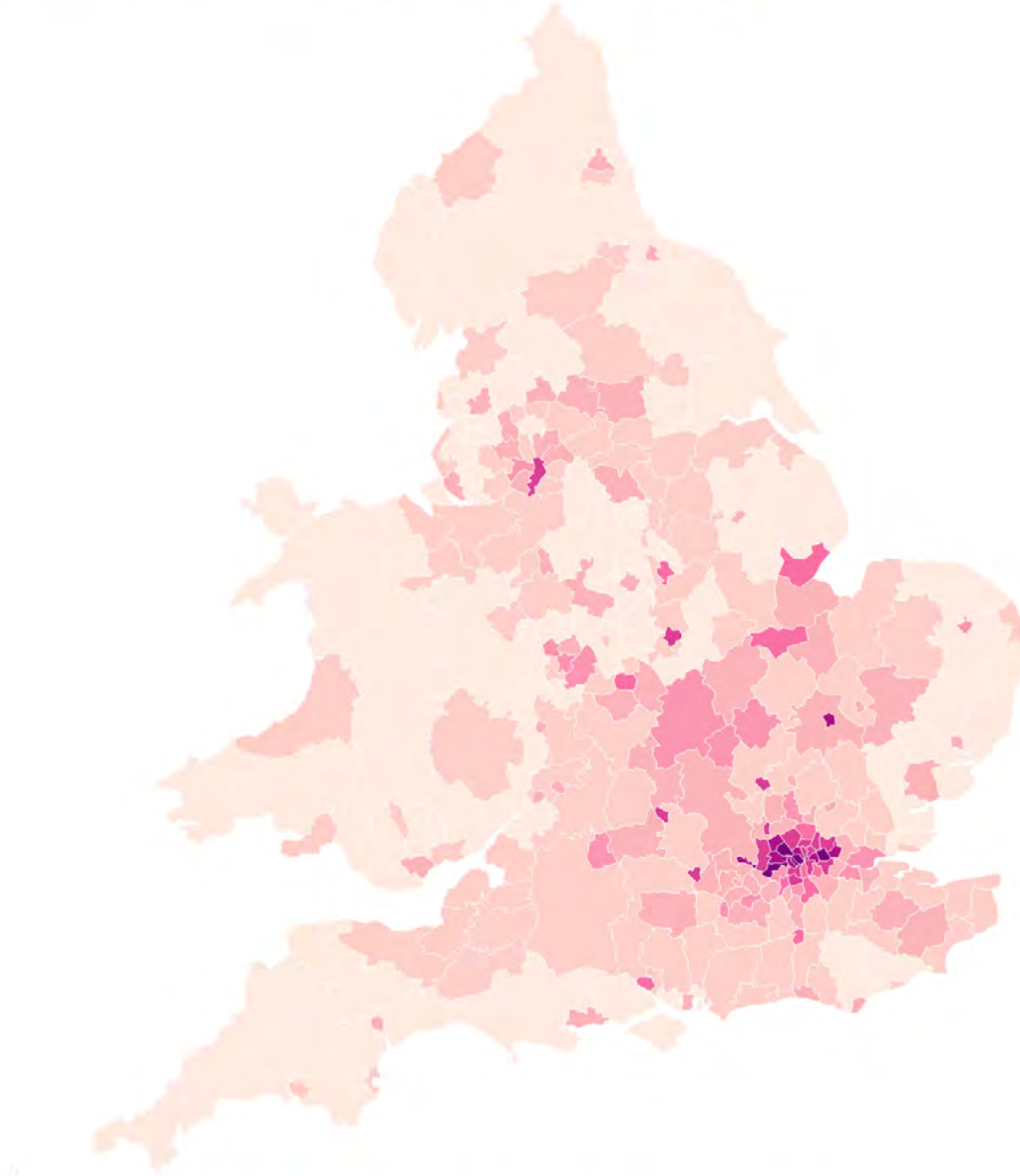
In the 2021 census, just under 12% of people in England and Wales said they had arrived between 2001 and 2021. But these new arrivals were very unevenly distributed.

58 Leicester City Council, 'Leicester: Local Authority Profile 2023'. [Link](#)

59 Readers can explore the data shown by the ONS interactive census mapping tool for themselves at: ONS, 'Census maps', Census 2021. [Link](#)

Share of usual residents who arrived in the UK between 2001 and 2021, by local authority district

< 5 5-10 10-15 15-20 20-25 25-30 30-35 ≥ 35



Map: CPS • Source: ONS • Map data: © Crown copyright and database right 2021 • Created with Datawrapper

Source: ONS

On average, each local authority had 9.8% of its resident population arrive from overseas between the 2001 and 2021 censuses. But while 114 shires and coastal districts had less than 5% of the population arrive since 2001, 29 districts – mostly London boroughs and a few other cities – had more than 25%. In Westminster it was 38%, and in Newham 39%. The median district was Broxtowe, where 7.0% of the population had arrived between 2001 and 2021.

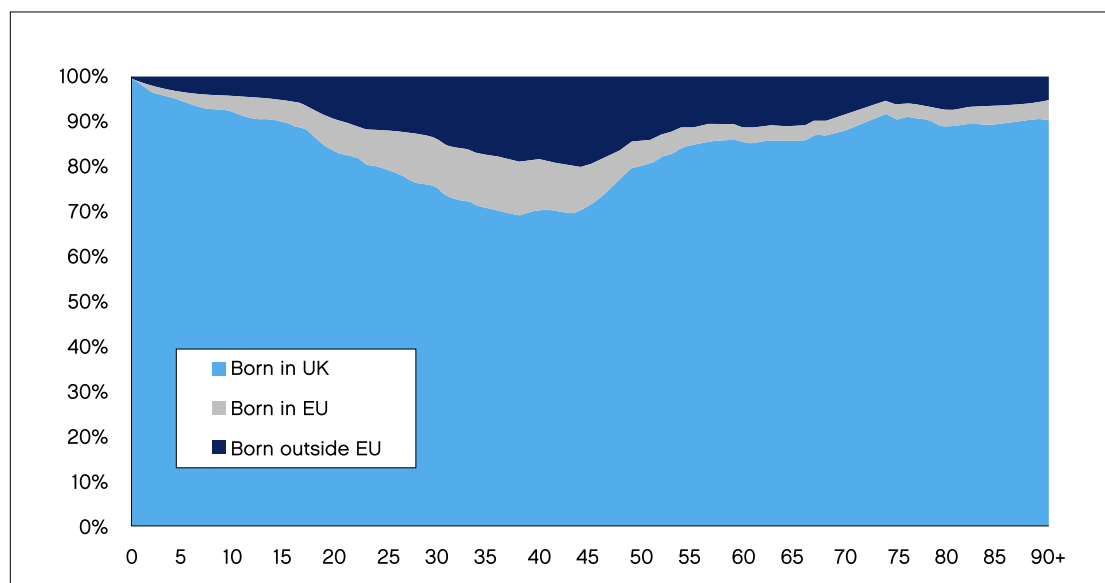
Outside of the main conurbations, perhaps the most striking district on the map above is Boston in Lincolnshire, where 22% of the resident population arrived between 2001 and 2021, putting it on par with the likes of Croydon, Coventry and Enfield. It may not be a coincidence that the town of Boston was the most Eurosceptic in the country in 2016, with 75% of voters ticking the box to leave the EU.

As we might expect given the surge in migration in recent decades, there is also a high degree of correlation ($R^2 = 0.88$) between our diversity index and the share of residents who have arrived in the last 20 years. This too points to just how uneven the pace of demographic change has been over the last two decades.

In short, place really matters in terms of migration and perceptions of migration through ethnicity.

But it isn't the only factor. Most people migrate in their working years. Most people migrate in their working years (although the post-2021 immigration mix has been much more skewed towards dependants than previously). Among people aged 25-45 in England and Wales, about 28% were born outside the UK. But for children and older people it is much lower – about 7% of those aged 10-17, and about 10% for those aged 65+.⁶⁰

Share of population born in UK by age, England and Wales 2021



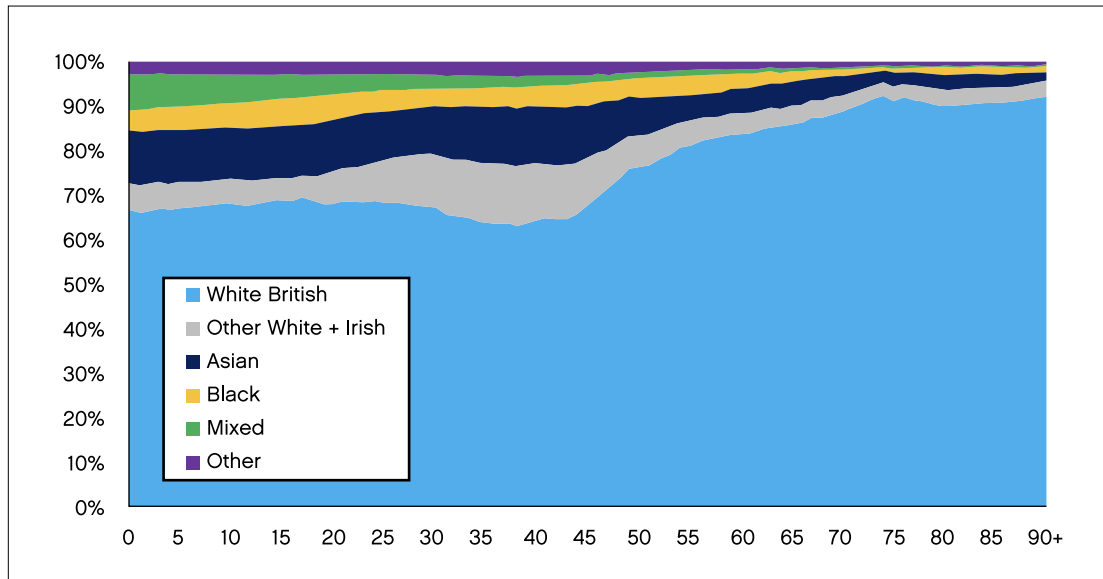
Source: ONS, *Census 2021*

The same pattern is evident when we look at ethnicity. As our chart shows, 90% of those in England and Wales aged 65 or over describe themselves as White British, compared to two thirds of those aged 45 or younger.⁶¹ (Although of course many of those people will be British themselves.)

60 ONS, 'Age and country of birth', *Census 2021* (28 March 2023). [Link](#)

61 ONS, 'Age and ethnic group', *Census 2021* (28 March 2023). [Link](#)

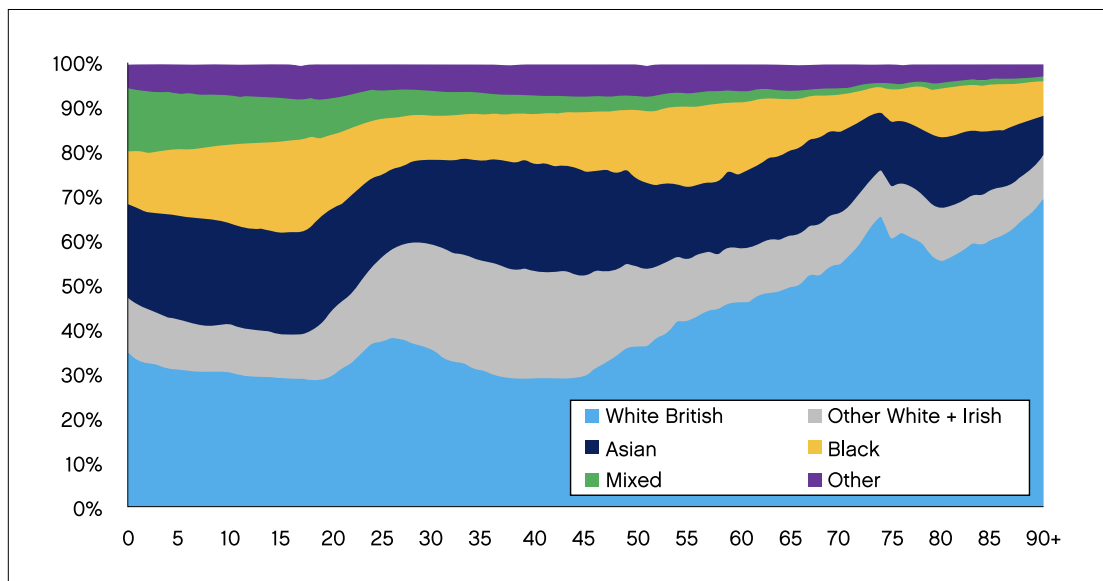
Ethnicity by age, England and Wales 2021



Source: ONS, Census 2021

When you combine age and place, the variation becomes even greater. A 45-year-old Londoner picked at random has a roughly 3 in 10 chance of identifying as White British. For a 65-year-old in the North East, the odds would be 49 out of 50.

Ethnicity by age, London 2021



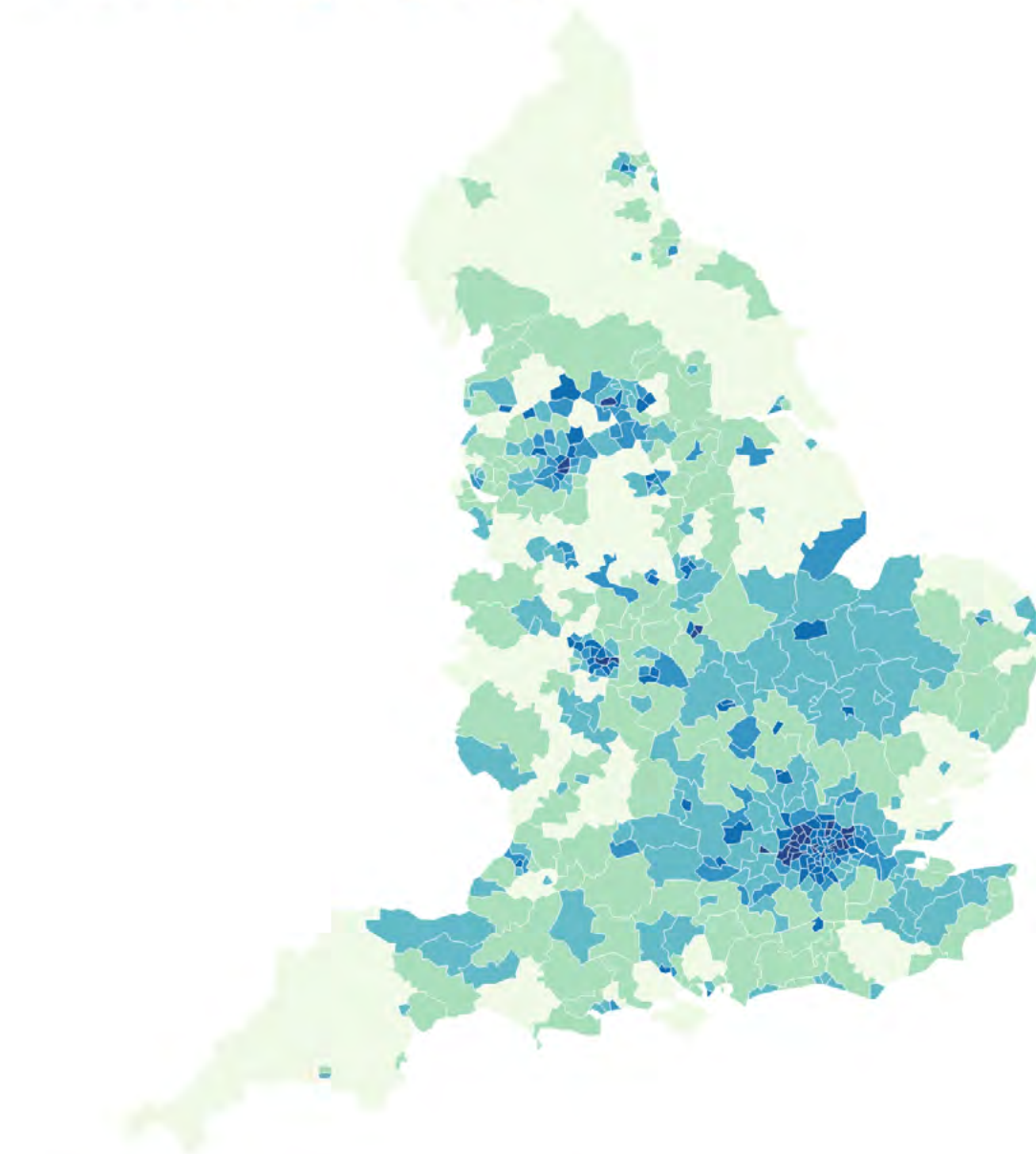
Source: ONS, Census 2021

The demographics of our schools indicate that further rapid change is already baked in – but again, this varies hugely by area.

The map below shows – for each Westminster constituency – the percentage of schoolchildren whose first language is known or thought to be other than English. At one end of the scale is East Ham, where the first language of 73% of pupils (21,055) is not English; at the other is Workington, with 2% (257). The median constituency is South Basildon and East Thurrock, with 13% of pupils (2,260) whose first language is not English.

Share of school pupils whose first language is other than English, by constituency, 2022/23

< 5 5-10 10-20 20-30 30-50 ≥ 50



Map: CPS • Source: DfE, Schools, pupils and their characteristics • Map data: © Crown copyright and database right 2018
• Created with Datawrapper

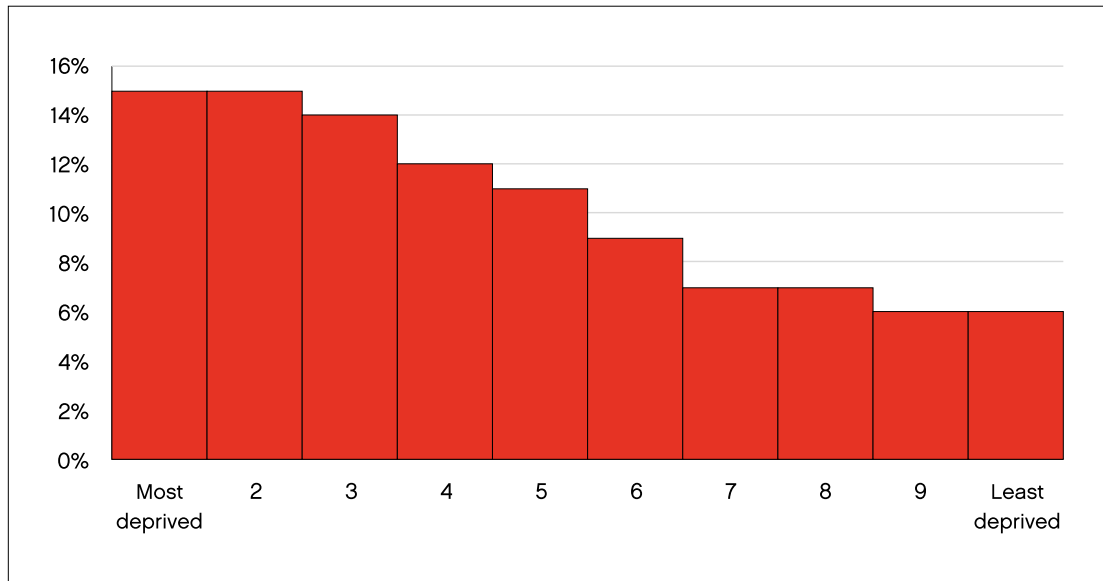
Source: Department for Education (DfE)

Before we leave this topic, there is one final aspect of the uneven distribution of migration to consider: affluence.

Different migrant groups have different experiences and outcomes – some arrive with higher incomes or more wealth, or become more affluent. But generally speaking, the areas people migrate to are poorer than average – in particular, to deprived urban neighbourhoods.

Our final graph shows the share of migrants by neighbourhood (LSOAs, in the jargon) ranked by share of all households experiencing at least three dimensions of deprivation.⁶² About two thirds of all post-2001 migrants live in the more deprived half of neighbourhoods.

Share of 2001-21 migrants living in different deciles of deprivation



Source: ONS, Census 2021

This is one reason the effects of migration can be less visible to more affluent people, or to those otherwise insulated from the evidence of migration on the axes set out above. Older, wealthier homeowners are much more likely to own their own homes in affluent neighbourhoods than graduate professionals in their twenties and thirties, who are more likely to be renting in decrepit HMOs in the shabbier parts of town.

This helps explain why, when it comes to migration, the risk of disconnect between Westminster and the rest of the country is particularly acute: politicians, journalists and leaders in government and business are more likely to live in affluent villages or unrepresentative affluent urban exclaves. Their experience of migration is very different from that of a majority of voters.

As David Goodhart has noted, 'because the most challenging aspects of the change are happening mainly in localities where the political class does not live, its enormity does not consistently register in the public conversation', even if it 'erupts from time to time as it did over Brexit'.⁶³

Failure on immigration policy is corroding trust in politics

This chapter has set out the evidence that immigration in Britain is proceeding at truly historic rates, and that some areas, and communities, are feeling the impacts far more than others.

This disparity of impact also helps to explain the immense gap in worldviews between Westminster on the one hand, and the voters on the other.

62 ONS, 'Dataset: Households by deprivation dimensions', *Census 2021* (15 January 2024). [Link](#)

63 D. Goodhart, 'No wonder Britain is so divided — we're too diverse', *The Sunday Times* (10 March 2024). [Link](#)

Politicians have of course paid lip service to the idea of controlling and reducing immigration. In every general election since 1992, the winning party has promised tight control and in every election since 2010 to actively reduce overall migration. The democratic problem arises from the fact that having made such promises, politicians have then gone on to break them – over and over again, for 30 years.⁶⁴

Promises on immigration

1992

Conservative manifesto:

‘We are determined to maintain our present system of immigration controls unless we have evidence that other arrangements would be equally satisfactory and cost-effective.’⁶⁵

‘We will provide a fair and expeditious system for examining claims for refugee status. This will include a workable appeal system for applicants under which those with manifestly unfounded claims will be returned quickly to their own country or to the country they came from.’⁶⁶

1997

Labour manifesto:

‘Every country must have firm control over immigration and Britain is no exception.’⁶⁷

‘We will ensure swift and fair decisions on whether someone can stay or go, control unscrupulous immigration advisors and crack down on the fraudulent use of birth certificates.’

2001

Labour did not mention migration in its manifesto but in the run-up to the election Tony Blair promised that there would be tougher measures on asylum seekers. As *The Guardian* reported, ‘Mr Blair signalled that, if re-elected, Labour would press for a tighter regime for processing people seeking to settle in Britain but insisted that he remained committed to helping those genuinely fleeing persecution. He also noted that some economic immigration in skills shortage areas was necessary.’⁶⁸

2005

Labour manifesto:

‘We need controls that work and a crackdown on abuse to ensure that we have a robust and fair immigration system fit for the 21st century that is in the interests of Britain.’⁶⁹

64 See: A. Bowles, ‘Immigration and consent’, *The Critic* (24 August 2022). [Link](#)

65 Conservative Party, ‘The Best Future for Britain. 1992 Conservative Party General Election Manifesto’ (1992). [Link](#)

66 Ibid.

67 Labour Party, ‘New Labour, New Life for Britain’ (1996). [Link](#)

68 As reported in: ‘Blair promises tighter immigration controls’, *The Guardian* (4 May 2001). [Link](#)

69 Labour Party, ‘Labour Manifesto 2005 – Britain Forward Not Back’ (2005), p.51. [Link](#)

2010

Conservative manifesto:

‘But immigration today is too high and needs to be reduced. We do not need to attract people to do jobs that could be carried out by British citizens, given the right training and support. So we will take steps to take net migration back to the levels of the 1990s – tens of thousands a year, not hundreds of thousands.’⁷⁰

2015

Conservative manifesto:

‘We will keep our ambition of delivering annual net migration in the tens of thousands, not the hundreds of thousands.’⁷¹

‘We have already capped the level of skilled economic migration from outside the EU. We will maintain our cap at 20,700 during the next Parliament. This will ensure that we only grant visas to those who have the skills we really need in our economy.’⁷²

2017

Conservative manifesto:

‘Theresa May’s Conservatives will deliver controlled, sustainable migration, with net migration down to the tens of thousands.’⁷³

‘It is our objective to reduce immigration to sustainable levels, by which we mean annual net migration in the tens of thousands, rather than the hundreds of thousands we have seen over the last two decades.’⁷⁴

2019

Conservative manifesto:

‘There will be fewer lower-skilled migrants and overall numbers will come down. And we will ensure that the British people are always in control.’⁷⁵

70 Conservative Party, ‘An Invitation to Join the Government of Britain: The Conservative Party Manifesto 2010’ (2010), p.21. [Link](#)

71 Conservative Party, ‘Strong Leadership. A Clear Economic Plan. A Brighter, More Secure Future. The Conservative Party Manifesto 2015’ (2015), p.29. [Link](#)

72 Ibid, p.30.

73 Conservative Party, ‘Forward, Together: Our Plan for a Stronger Britain and a Prosperous Future. The Conservative and Unionist Party Manifesto 2017’ (2017), p.48.

74 Ibid, p.54.

75 Conservative Party, ‘Get Brexit Done: Unleash Britain’s Potential: The Conservative and Unionist Party Manifesto 2019’ (2019), p.20. [Link](#)

In some cases, there was a conscious decision to defy voters. Andrew Neather, a former Labour advisor and speechwriter for Tony Blair, said that the ‘deliberate policy of ministers from late 2000’ was to ‘open up the UK to mass migration’, partly because of a tight labour market, but also ‘to rub the Right’s nose in diversity’.⁷⁶

Mostly, though politicians have failed to keep their promises on migration because they simply don’t accord it as much importance as most ordinary Britons do. Many see the upsides of immigration in their daily lives – successful ethnic minority professionals; au pairs, cleaners and baristas; NHS staff and care workers; Deliveroo drivers – but few are exposed to its downsides on a consistent basis.

Within government, there is a perception across multiple departments (except the Home Office) that immigration is an unqualified economic good, at least in terms of meeting the objectives of that particular department.⁷⁷ That is because they oversee sectors that reap the benefits of cheap migration, while externalising the costs to elsewhere in government. And they find it all too easy to pull the migration lever as a quick fix, rather than solve underlying problems like poor technical education.

‘ There is a perception across multiple departments that immigration is an unqualified economic good, at least in terms of meeting the objectives of that particular department ’

For example, until the Long Term Workforce Plan in 2023, the NHS had no clear workforce strategy and places in medical schools had been capped at low levels. This suited the British Medical Association (BMA), and led to short-term savings for the Treasury. But it also created problems which the Treasury then relied on immigration to fix. In the process, we ended up recruiting many doctors and nurses from ‘red list’ countries that we were simultaneously supplying with aid.

Hence in part the record of the Conservative Party over the last 14 years. In the 2010 manifesto, it pledged ‘steps to take net migration back to the levels of the 1990s – tens of thousands a year, not hundreds of thousands’.⁷⁸ In fact, from 2011 to 2015, net migration averaged 248,000 per annum. The pledge was then reiterated in both the 2015 and 2017 manifestos – though achieving it remained just as elusive.⁷⁹

The 2019 manifesto dropped the tens of thousands pledge but famously promised ‘fewer lower skilled migrants’ and that ‘overall numbers will come down’.⁸⁰ In reality, the policies brought in had the opposite effect. When the 2019 pledge was written, the most recent period for which there was an official estimate was the year to June 2019, with net migration thought to have been 212,000.⁸¹ The most recent ONS data now puts net migration in that period at 224,000, and 183,000 for the full 2019 calendar year.

So depending on which benchmark you use, net migration of 745,000 in 2022 needs to be cut by either 70%, 71% or 75% to meet the manifesto promise. Even then, net

76 A. Neather, ‘Don’t listen to the whingers – London needs immigrants’, *The Standard* (13 April 2012). [Link](#)
Compare also Gus O’Donnell (Permanent Secretary for the Treasury 2002-05 and Cabinet Secretary 2005-11): ‘When I was at the Treasury I argued for the most open door possible to immigration... I think it’s my job to maximise global welfare, not national welfare’. As quoted in D. Goodhart, *The Road to Somewhere* (2017), p.15.

77 For more on this, see pp.78-100.

78 Conservative Party, ‘The Conservative Party Manifesto 2010’ (2010), p.21. [Link](#)

79 Conservative Party, ‘The Conservative Party Manifesto 2015’ (2015), p.29. [Link](#). Conservative Party, ‘The Conservative and Unionist Party Manifesto 2017’ (2017), p.48. [Link](#)

80 Conservative Party, ‘The Conservative and Unionist Party Manifesto 2019’ (2019), p.20. [Link](#)

81 ONS, ‘Migration Statistics Quarterly Report: November 2019’ (28 November 2019). [Link](#)

migration would remain above numbers that were causing great consternation 20 years ago, and well above 'tens of thousands'.

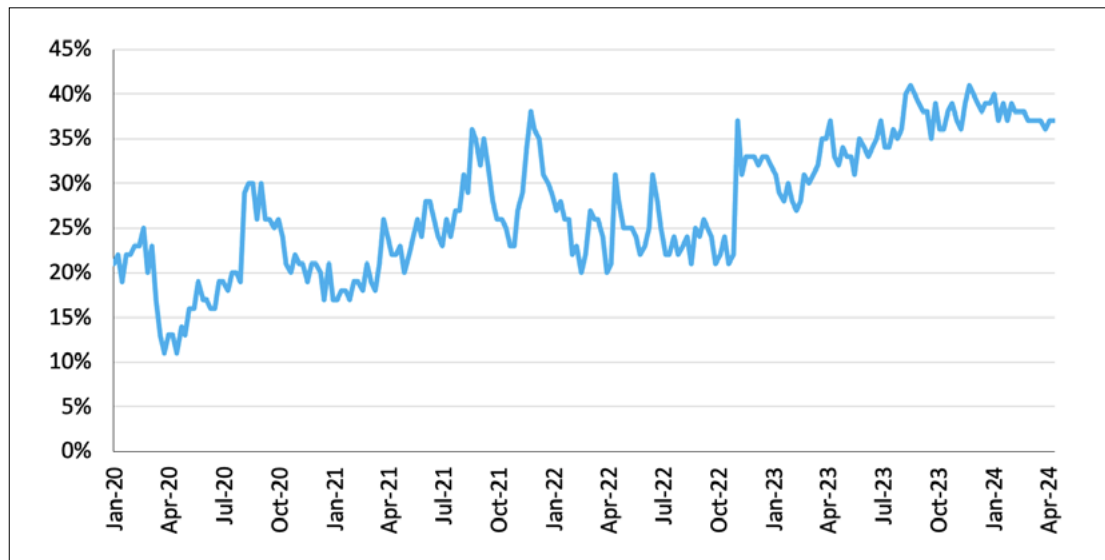
Unsurprisingly, public trust in the Conservatives to handle migration has plummeted. In early 2020, when asked 'Which political party would be the best at handling asylum and immigration?', one third of voters answered Conservative. That number has now halved. But other parties haven't really benefited. Instead, 20% of voters now answer 'none' – three times as many as in early 2020.⁸²

This should be a cause of concern to anyone who believes in democracy as a political system and is worried about the diminishing regard in which it is now held. Failure to uphold promises on migration has been utterly corrosive to people's confidence that their vote has some say in the running of the country.

Unless we can somehow regain people's trust, there now seems to be fertile soil for a populist party of the sort we now see in France, Germany, Sweden, the Netherlands, Italy and other EU countries.⁸³

One of the favourite tactics of the pro-immigration camp is to claim that since the Brexit vote, public opinion has changed. Before the referendum, well over 50% of voters saw immigration as one of the three most important issues facing Britain (and generally it was the top concern, above the economy and health).⁸⁴ By January 2020, 22% of voters saw immigration as a top three issue. This change is cited as evidence of voters becoming more relaxed about immigration. Similarly, many commentators argue that voters might care about illegal migration – particularly in the midst of a small boats crisis – but are intensely relaxed about the legal kind.

Proportion naming immigration and asylum as one of the most important issues facing the country



Source: YouGov

82 YouGov, 'Tracker: Which political party would be the best at handling asylum and immigration?' [accessed 8 March 2024]. [Link](#)

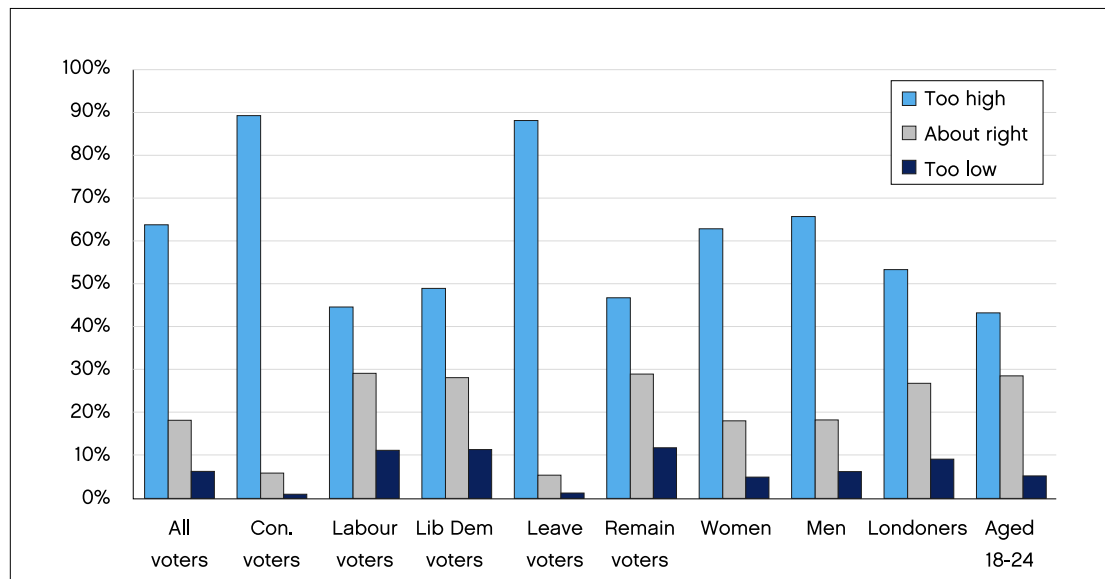
83 J. Frayne, 'Voters want a real revolutionary to stop the boats – and it's not Nigel Farage', *The Telegraph* (6 January 2024). [Link](#)

84 YouGov, 'Tracker: The most important issues facing the country' [accessed 12 April 2024]. [Link](#)

However, immigration only fell down the list of priorities because people thought Brexit had or would ‘take back control’ of our borders. As it has become more and more apparent that we instead adopted a very open immigration system, with migration accelerating accordingly, its salience has risen once more – even with issues such as the pandemic, Ukraine and the cost of living crisis clamouring for attention. For the past year, around 38% of the public have named immigration as one of the three most important issues facing the country. Were it not for the length of NHS waiting lists and acute cost of living pressures, it is likely that it would poll even higher.

No doubt this concern is partly about small boats. But we cannot ignore the wider context. More than 60% of voters now think that immigration has been ‘too high in the last ten years’ – more than 10 times the number who think it has been too low (6%).⁸⁵ This rises to 89% and 88% among Conservative and Leave voters respectively. But pretty much however you slice the data, there is at least a plurality for ‘too high’, and often a majority. For example, more than half of Londoners (53%) think it has been too high, as do almost half of Lib Dems (49%). Among 18- to 24-year-olds, supposedly a pro-immigration cohort, 43% think it has been too high (versus 5% too low). But for every other age group, ‘too high’ is the majority view.

Do Britons think that immigration has been too high or low in the last 10 years?



Source: YouGov

Against this, another tactic of pro-immigration campaigners is to complain that voters only care about immigration when they are whipped into a frenzy by right-wing media and the anti-immigration rhetoric of leading politicians – or that it is only Tory voters who care about the issue.⁸⁶

In reality, people worry about levels of immigration because they see the rapid pace of change and find this disorienting; and because they live with the economic and social consequences of immigration, bad as well as good.⁸⁷

⁸⁵ YouGov, ‘Tracker: Do Brits think that immigration has been too high or low in the last 10 years?’ [accessed 12 April 2024]. [Link](#). These figures and the graph are based on the average of the four times the question has been polled so far in 2024.

⁸⁶ See for example: F. O’Grady, ‘Whipping up anti-migrant hostility pits working people against each other’, *The New Statesman* (15 May 2019). [Link](#)

⁸⁷ On other tactics used by immigration enthusiasts to spin the results of polling, see: J. Johnson, ‘Immigration enthusiasts and problematic polling’, *The Critic* (29 March 2024). [Link](#)

Rather than assuming that a majority of voters are wrong on migration because their perceptions are at variance with the official narrative, might it not be that the official narrative is at variance with reality? Might it not be the view from the Palace of Westminster that is wrong? And might the conventional economic case for migration not be all that it is cracked up to be?

As we will see in the next chapter, the paucity of official data on migration – the fact that it is impossible to find out some very basic things about who is in the country, and what they are doing – makes this question harder than it should be to answer. But in the chapters that follow, we will show that our current immigration model is definitely not benefiting Britain to the extent that it could be, and should be.

2. Navigating the Data Desert

How many people are in the UK right now, and which countries did they come from? How many from each country are in work? What do they do, and how much do they earn? What does it look like if you break it down by age, or qualification, or the visa route by which they came here?

These are the sorts of basic questions we need to be able to answer to make sensible policy decisions on immigration. But even the most elementary data on migration is flawed, or in some cases simply not collected.

This is not a new problem. Back in 2008, a House of Commons Library briefing on the impacts of immigration echoed a Treasury Select Committee report in noting: 'The recognised inadequacies of statistics for measuring both immigration and its impacts make it harder to address those impacts and public concerns about the issue. The Office for National Statistics is working to improve migration statistics.'⁸⁸ Unfortunately, not much has actually improved since then.

**‘ Even the most elementary data
on migration is flawed, or in some
cases simply not collected ’**

This is not for want of trying. There isn't the space here to go through each and every official migration data methodology document over the last 20 years.⁸⁹ The picture that emerges, however, is of a state struggling to adapt to an age of mass migration, with officials repeatedly attempting to reconcile faulty, partial and inadequate data from multiple inconsistent sources.

One longstanding issue is that how a migrant is defined varies between different government databases.⁹⁰ Another is that the International Passenger Survey (IPS) was designed to monitor tourism, not migration – indeed, it literally involves stationing people in airports with clipboards, trying to get travellers to speak to them. Yet until 2020, it remained the bedrock of our official immigration and emigration statistics.

Admittedly, repeated efforts have been made to shift to tracking migration using administrative data (such as tax, welfare, NHS and education records), starting with an 'Inter-Departmental Task Force on Migration Statistics' set up by the ONS in 2006. But significant progress has only begun to be made in recent years, thanks

88 HoC Library, 'Impacts of immigration' (25 July 2008). [Link](#). See also: HoC, 'Treasury - Eleventh Report', *Treasury Committee Publications, Session 2007-08* (14 May 2008). [Link](#)

89 Some highlights include: ONS, 'Methodology for Revised International Migration Estimates 1992-2001' (2003). [Link](#). ONS, 'Report of the Inter-departmental Task Force on Migration Statistics' (December 2006). [Link](#). UKSA, 'Migration Statistics: The Way Ahead?' (July 2009). [Link](#). ONS, 'Migration Statistics Improvement Programme Final Report' (2012). [Link](#). ONS, 'Sources of migration statistics' (March 2016). [Link](#). ONS, 'Note on the differences between Long-Term International Migration flows derived from the International Passenger Survey and estimates of the population obtained from the Annual Population Survey' (December 2016). [Link](#). ONS, 'Migration statistics transformation update' (May 2018). [Link](#)

90 Reiterated most recently in: B. Andersen & S. Blinder, 'Who Counts as a Migrant? Definitions and their Consequences', *Migration Observatory* (24 February 2024). [Link](#)

to the end of EU freedom of movement (which meant that we both could and had to do more to monitor new arrivals) and the additional clarity provided by the Digital Economy Act 2017, which gave data officers within Whitehall the legal certainty and confidence to share data with the ONS.

The ONS is now joining up data from administrative databases at the Home Office, DWP and elsewhere in order to generate the long-term international migration (LTIM) statistics. This should at long last give us a proper understanding of who is actually entering and exiting the country – indeed, the ONS has also begun to backfill the data, resulting in a series of major revisions to the net migration statistics since 2012.⁹¹ The authors of this paper are absolutely supportive of this very important work, which is taking place under the auspices of the ONS's Future Population and Migration Statistics (FPMS) project.⁹²

Yet challenges remain. Collecting accurate emigration data, particularly for British nationals, is still a problem. We also have much better information about people arriving than departing, thanks to the Blair government's deliberate decision to abolish exit checks in 1998.

‘To make sensible policy decisions, we need granular, accurate and timely numbers for emigration, immigration and net migration. And we are still far from that point’

Even when we do have emigration data, it is far slower to arrive. This explains why the net migration estimate for 2022 was revised upwards by 23%, from 606,000 to 745,000 people, between May and November 2023. There are likely to be further revisions in May 2024, just as provisional estimates for full-year 2023 are released, and the cycle of corrections begins again.⁹³

But these are not the only problems with the official data. Far from it.

Since the pandemic, the ONS has ceased publishing granular data on migration by nationality,⁹⁴ with the categories limited to ‘British’, ‘EU’ and ‘non-EU’. That said, it has indicated that it intends to continue improving its methodology so as to provide ‘our users with more detailed information of those who migrate, such as breakdowns by age, sex, and nationality, identifying which local authority an individual migrates to and from’.⁹⁵

But to make sensible policy decisions, we need granular, accurate and timely numbers for emigration, immigration and net migration. And we are still far from that point.

This is all the truer when we look at the stock of migrants, rather than the flows. The abolition of exit checks in 1998 was a disaster in terms of keeping tabs of who had actually left the country. According to estimates published by the Migration Observatory in September 2020, there are perhaps somewhere between 800,000 and 1.2 million migrants living here without permission.⁹⁶ Some of these will be people

91 ONS, ‘Estimating UK international migration: 2012 to 2021’ (23 November 2023). [Link](#)

92 ONS, ‘The future of population and migration statistics in England and Wales’ [accessed 5 February 2024]. [Link](#). See also: ONS, ‘Overview of population and migration statistics transformation’ (27 November 2023). [Link](#)

93 ONS, ‘Improving international migration statistics using administrative data’ (23 November 2023). [Link](#). ONS, ‘International migration research, progress update: November 2023’ (23 November 2023). [Link](#)

94 J. Glen, ‘Answer: UIN 6672, tabled on 12 December 2023’ (18 December 2024). [Link](#)

95 ONS, ‘Improving international migration statistics using administrative data’ (23 November 2023). [Link](#)

96 P.W. Walsh & M. Sumption, ‘Recent estimates of the UK’s irregular migrant population’, Migration Observatory (11 September 2020). [Link](#)

who entered Britain illegally in the first place, but many more will be people who overstayed their visas (including visitor and temporary worker visas).⁹⁷

After exit checks were reinstated for a time, two years of data showed that of the 10 million people whose right to remain in the UK had expired, there was no evidence of departure for over 600,000 of them.⁹⁸ If that rate has been consistent over the decades, then that is potentially thousands or even millions of extra people we don't know about.

This would be a depressing indictment of the competence of the British state – but it would not be much of a surprise. Because we have been wrong about how many people are here before.

As mentioned above, the Home Office's impact assessment for the EU settlement scheme post-Brexit estimated that between 3.5 and 4.1 million EU nationals were in the UK, and would be eligible.⁹⁹ But a much larger number – 5.7 million people – have now received a grant of settlement.¹⁰⁰ So our understanding of how many had come to the country was about 50% out.

‘ The Home Office estimated that between 3.5 million and 4.1 million EU nationals were in the UK. But 5.7 million people have now received a grant of settlement ’

Indeed, for years before Brexit, people had been pointing to discrepancies between the official migration statistics and other indicators, such as National Insurance registrations. And there are other hints that official numbers might be on the low side.

According to the NHS, there are 5.8 million more people registered at GP surgeries in England than there are actually people.¹⁰¹ A lot of this will be because people move area and don't tell their old GP, or because people die and the records take time to catch up, or because GPs have a financial incentive to keep patients on their books. But even if these explanations account for 95% of cases, that would still mean there are 290,000 more people here than we think.

At the end of the day, it's just very hard to have confidence in the numbers we do have on our migrant population, given all the holes that have shown up in the data over recent years.

And getting the numbers right is not just an intellectual exercise. Migration and population projections are used in planning and modelling assumptions right across Government, not least for housing targets and in Treasury and OBR forecasts. If the inputs are flawed, then the outputs will be too – garbage in, garbage out, as the saying goes.

And as our next chart shows, the net migration projections fed into the OBR's modelling process by the ONS have been consistently and significantly wrong.¹⁰²

97 For two striking example of this, see the account in S. Ashworth-Hayes, 'I spent a day in Britain's asylum courts – and found out why the system is fundamentally broken', *The Telegraph* (13 April 2024). [Link](#)

98 D. Bolt, 'An inspection of exit checks, August – December 2017', Independent Chief Inspector of Borders and Immigration (March 2018). [Link](#)

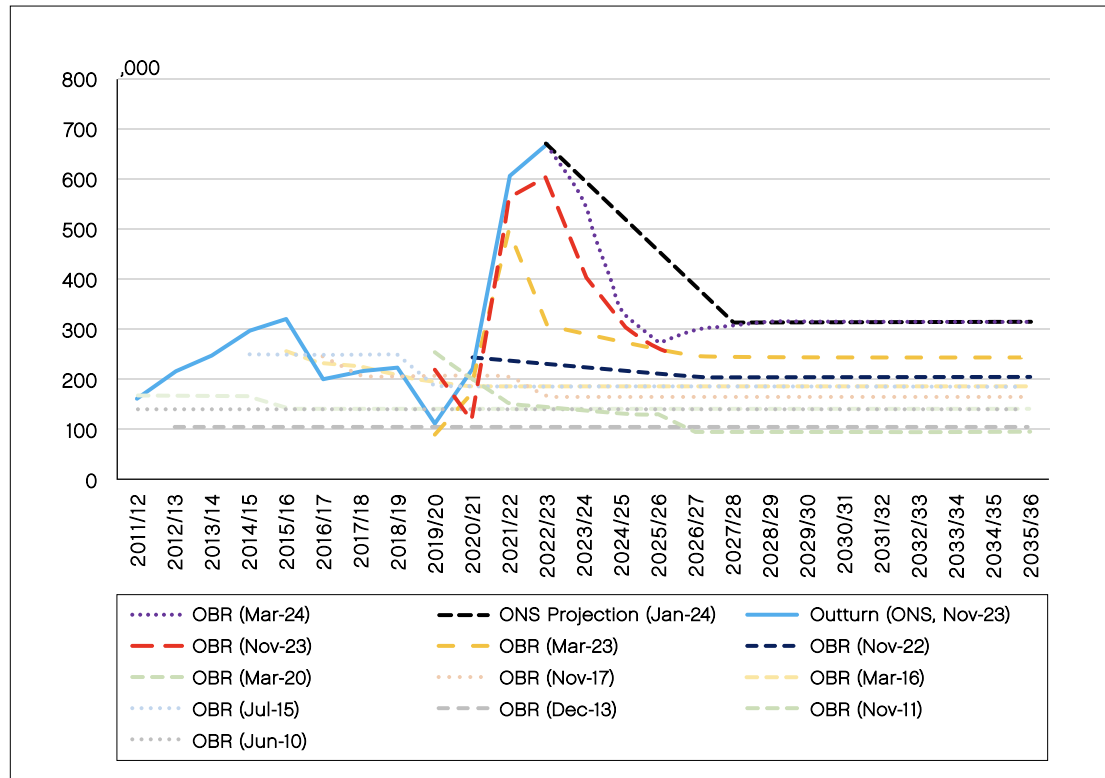
99 Home Office, 'Impact Assessment for EU Settlement Scheme – Updated analysis' (March 2019), p.5. [Link](#)

100 Home Office, 'EU Settlement Scheme quarterly statistics, September 2023' (23 November 2023). [Link](#)

101 M. Searles, 'GP surgeries could be earning almost £1 billion from 'ghost patients'', *The Telegraph* (2 January 2024). [Link](#)

102 Based on analysis of 27 EFOs published since 2010, up to and including 22 November 2023.

Net migration projections used in government forecasting, 2010-2024



Source: OBR, ONS

Excluding Covid, the annual outturn has exceeded projected migration 93% of the time – and not by small amounts. On average, projected numbers fell 28% short of the eventual outturn in the first year, and 51% by the fifth year.

In other words, the ONS migration projections used by the OBR have turned out to be too low by hundreds of thousands of migrants per annum, and by millions across the forecast period.

And it's not just a case of garbage in, garbage out. Lots of relevant data seems to exist across various government departments. It's just not being used.

As part of the research for this report, one of our authors tabled more than two dozen parliamentary questions about publishing various datasets.¹⁰³ While useful information was forthcoming in several instances, in particular from the UK Statistics Authority (UKSA), a host of issues were revealed.

For example, when inquiring after the number of foreign national offenders (FNOs) and data linking nationality or migration status to criminality, the ministerial response was that: 'Establishing which individuals are known not to be UK nationals from this data and identifying their criminal histories would have required bespoke investigation, coding and linkage to wider data',¹⁰⁴ and similarly, 'The information requested could only be obtained at disproportionate cost. This is because it would require data linking between prison data and the Ministry of Justice extract of the police national computer.'¹⁰⁵

103 These can be accessed via: UK, Parliament, 'Written questions', Neil O'Brien. [Link](#)

104 E. Argar, 'Answer: UIN 13813, tabled on 8 February 2024' (19 February 2024). [Link](#)

105 E. Argar, 'Answer: UIN 14768, tabled on 19 February 2024' (22 February 2024). [Link](#)

So the data existed and was technically available within the department, but would have taken too much effort to supply.¹⁰⁶

In fact, the ‘disproportionate cost’ explanation was given in response to four questions, one to the MoJ, one to the DWP and two to the Cabinet Office. For example: ‘Statistics on the Nationality at point of National Insurance number registration of DWP working age benefit recipients are only available to November 2020. Publication of these statistics has been discontinued and to provide more recent data would incur disproportionate cost.’¹⁰⁷

‘It seems to be virtually impossible to track migrants’ interactions with the British state consistently over time’

Sometimes, data quality and processing issues were cited. For example, on refugee integration loans: ‘The specific data requested cannot be provided as it comes from live operational databases that have not been quality assured.’¹⁰⁸ Fair enough. But does that mean there is no intent to quality-assure these databases so the figures can be made public? Or that civil servants are using unassured data? Or just not looking at this data at all?

In some instances, information was evidently held in an accessible manner, but departments were reluctant to publish it. For example: ‘The Home Office does not publish the information on the salary of work routes, however a Regulatory Impact Assessment will be developed in due course.’¹⁰⁹ (A Regulatory Impact Assessment ‘in due course’ was offered as a substitute for actual data on several other occasions.) In other instances, the response was even more unhelpful, for example: ‘The Home Office does not publish data on the immigration status of foreign nationals held in prisons’,¹¹⁰ or simply: ‘The information requested is not held by the Department.’¹¹¹

It also seems to be virtually impossible to track migrants’ interactions with the British state consistently over time. Asked in a separate question why the DWP had discontinued publishing statistics on the nationality of working age benefit recipients, the department told us it was because ‘information contained in the release reflected the nationality status of the benefit claimants at the point of National Insurance number (NINo) registration, which does not necessarily reflect the nationality at the point of claiming’.¹¹²

This is true, but the data by original nationality is crucial to understanding the fiscal impact of migration. And the DWP doesn’t publish data by current nationality either.

In summary, sometimes the data exists, but it would be too costly – or take too much effort – to analyse it, or connect it to other government datasets. Sometimes the data doesn’t exist. Sometimes, it once existed, but has been discontinued. Some of these sources, such as the annual Labour Force Survey (LFS), are in the process of being rebooted post-Covid.¹¹³ Others are not.

¹⁰⁶ The amendment on publishing migrant-related crime data put forward to the Government’s Criminal Justice Bill by report co-author Robert Jenrick arose in part from this process.

¹⁰⁷ J. Churchill, ‘Answer: UIN 7648, tabled on 19 December 2023’ (9 January 2024). [Link](#)

¹⁰⁸ T. Pursglove, ‘Answer: UIN 18800, tabled on 14 March 2024’ (20 March 2024). [Link](#)

¹⁰⁹ T. Pursglove, ‘Answer: UIN 5591, tabled on 6 December 2023’ (11 December 2023). [Link](#)

¹¹⁰ T. Pursglove, ‘Answer: UIN 7646, tabled on 19 December 2023’ (10 January 2024). [Link](#)

¹¹¹ J. Churchill, ‘Answer: UIN 5985, tabled on 8 December 2023’ (13 December 2023). [Link](#)

¹¹² J. Churchill, ‘Answer: UIN 8840, tabled on 9 January 2024’ (17 January 2024). [Link](#)

¹¹³ ONS, ‘Update on the Labour Force Survey’ (5 December 2023). [Link](#)

Overall then, the British state already has a lot (though not all) of the data needed to properly track the economic effects of legal immigration. But much of that data is fragmented and held in different departmental silos, complicating meaningful analysis and coordination.¹¹⁴

As things stand, we can't easily conduct life-cycle fiscal analyses of different groups of migrants of the sort produced in Denmark and the Netherlands, and discussed in Chapter 4, nor comprehensively track migrants' interactions with the state.¹¹⁵ Nor are we able to cross-tabulate data fields such as migration status and nationality neatly, especially over time.

‘Better data will make for better, evidence-based policy. It should be a priority for people on all sides of the migration debate’

It's not just Denmark and the Netherlands either. Lots of countries such as Estonia and New Zealand do a much better job at digital government than Britain. We are miles behind. And it seems unlikely that government departments are going to prioritise improving the collection, management and analysis of migration-related data of their own accord.¹¹⁶

As a matter of policy, then, we should support the ONS in its very important ongoing efforts to improve digital government. For example, ministers should set common cross-departmental standards for matched identifiers to enable data from different government sources to be sliced in an internally consistent manner without chunks of the data falling between the cracks.

Looking at the actions (and inactions) of the British state, CPS Director Robert Colvile has posited that ‘that the most important part of modern government, and its most important limitation, is database management’.¹¹⁷ Colvile's dictum seems particularly applicable to migration policy.

In our view, this ‘data desert’ is probably part of the explanation for how we've ended up with such high levels of immigration. But one thing we can say with absolute confidence is that we need to massively improve the data.

Better data will make for better, evidence-based policy. It should be a priority for people on all sides of the migration debate. But it is also true that the evidence we do have casts significant doubt on the elite consensus that high migration is overwhelmingly beneficial for our country, and our economy. It is to exploring that evidence that we now turn our attention.

114 Freedom of Information (Fol) requests on migration topics submitted by ourselves, colleagues and other researchers known to the authors have often run into similar barriers.

115 See below, pp.65-67.

116 Not least because many in Whitehall are scarred by a long history of extremely costly IT project procurement failures. To some degree, getting a grip on migration data is going to mean fixing procurement and state capacity issues more generally.

117 R. Colvile, ‘Tweet: The vaccine passports debate is a perfect illustration of my new working theory’, X (16 February 2021). [Link](#)

3. Rethinking the Economic Case for Migration

Too often, the immigration debate in the UK devolves into a question of whether migration is ‘good’ or ‘bad’ – and, indeed, whether people who argue that migration is bad are themselves bad for saying so.

We strongly agree with Professor Alan Manning of the LSE that ‘the discussion on immigration needs to improve’.¹¹⁸ In particular, if we are to have a debate which does not produce more heat than light, we need to rethink how we frame the discussion. Instead of simple binaries, we need to be asking: ‘Immigration of who, under what circumstances, and to what end?’

Our underlying premise, which we should be clear about, is that British politicians and the British state have a duty to British citizens and residents first and foremost. Yes, as well as aid and development in situ, we should support some (but not all) of the world’s 108 million refugees through resettlement, as we are already doing at scale through several safe and legal routes.¹¹⁹ But all other immigration needs to be very clearly in the national interest.

‘The question is not: will migration make the migrant better off? It is: will migration make Britain better off?’

In other words, the question is not: will migration make the migrant better off? (To which the answer is almost certainly yes, if they are moving here from any developing country). But rather: will migration make Britain better off?

To argue that we should prioritise those people who will bring the greatest economic benefit to the country is not to pass judgment on those who cannot. People are people, and may be wonderful grannies, good listeners, excellent friends and so on. But the acid test for the Government’s migration policy should be whether their arrival in whatever numbers improves the quality of life for existing citizens.

This means that if your starting point is that we should be seeking to maximise global utility, for example by giving as much weight to the economic welfare of migrants, or to any of the hundreds of millions of aspiring migrants around the world, as to British residents, then you are not going to agree with us.¹²⁰ But we believe our approach is firmly in line with the views and wishes of the British people.

This approach also implies a very different approach to immigration policy. As one of the co-authors has written elsewhere, Britain should aim to be the ‘grammar school

118 A. Manning, ‘The discussion on immigration needs to improve’, LSE (31 January 2024). [Link](#)

119 UNHCR UK, ‘Figures at a glance’ (14 June 2023). [Link](#)

120 According to a 2021 Gallup Poll, 16% of adults worldwide said they would like to leave their own country permanently, if they could. Weighted by country, that amounts to about 900 million people. 4% of respondents put Britain as their preferred destination – so around 36 million people. See: A. Pugliese & J. Ray, ‘Nearly 900 Million Worldwide Wanted to Migrate in 2021’, Gallup (24 January 2023). [Link](#)

of the Western world'.¹²¹ And if Britain is to have a grammar school approach, then we need to formulate rigorous selection criteria. Overall numbers matter. But so too does the composition of immigration and its distributional effects.

This is not just or even mainly about the fiscal impacts of migration. First and foremost, we need to think about the impact of migration on our housing stock, infrastructure, public services and quality of life. It also means looking at the broader economic picture – GDP, GDP per capita and productivity. As mentioned in the previous chapter, we do not have all the data we might like on this. But we do have enough, we believe, to make a convincing case for reform.

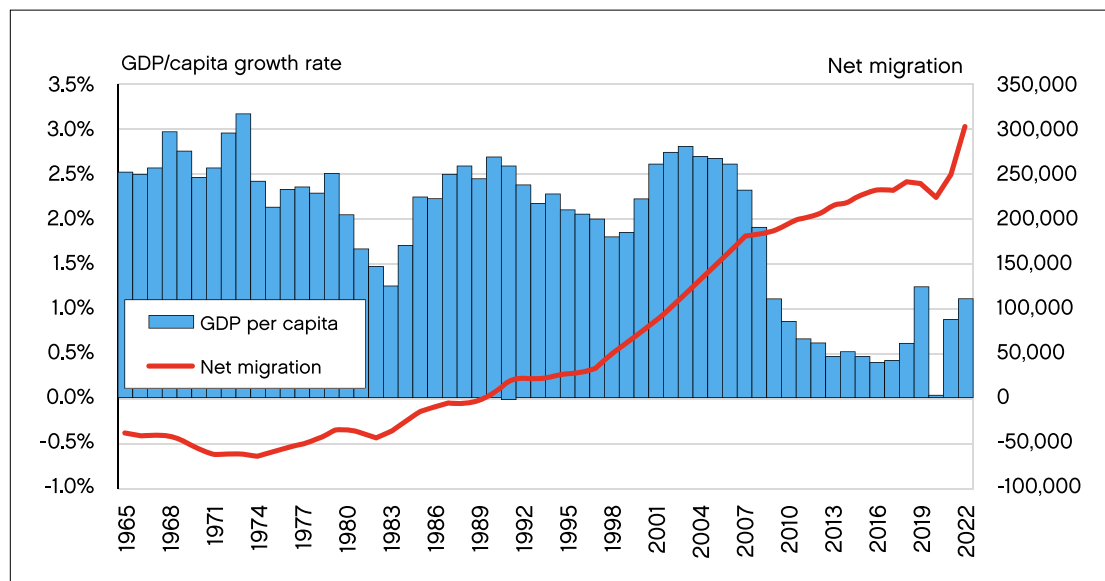
High immigration has not led to higher GDP per capita growth

Immigration is very often presented as an unalloyed good for the economy. And on one level, this is obviously correct: a larger workforce will lead to higher GDP, all else being equal.

However, many proponents of the sort of large-scale immigration we've seen in recent years like to go one step further and claim that it will be a massive boost for living standards too – rocket fuel for the economy.¹²²

In some circumstances, with the right immigration mix, this might very well be the case. However, it is far from obvious that this has been the case for Britain in recent decades. In the modern era of large-scale, relatively low-skilled net migration, GDP per capita growth has actually stagnated, as the graph below indicates.¹²³

GDP per capita and net migration, 10-year moving averages



Sources: ONS, World Bank

Correlation is not causation, of course. But if large-scale migration of the sort we've seen is really so great for the economy, we have to ask ourselves why we are not seeing this in the GDP per capita data.

¹²¹ N. O'Brien, 'The grammar school of the western world', *Neil's Substack* (23 November 2023). [Link](#)

¹²² In the words of Andrew Neather, for example, 'The results in London, and especially for middle-class Londoners, have been highly positive'. See: A. Neather, 'Don't listen to the whingers – London needs immigrants', *The Standard* (13 April 2012). [Link](#)

¹²³ ONS, 'Gross domestic product (Average) per head, CVM market prices: SA' (15 February 2024). [Link](#)

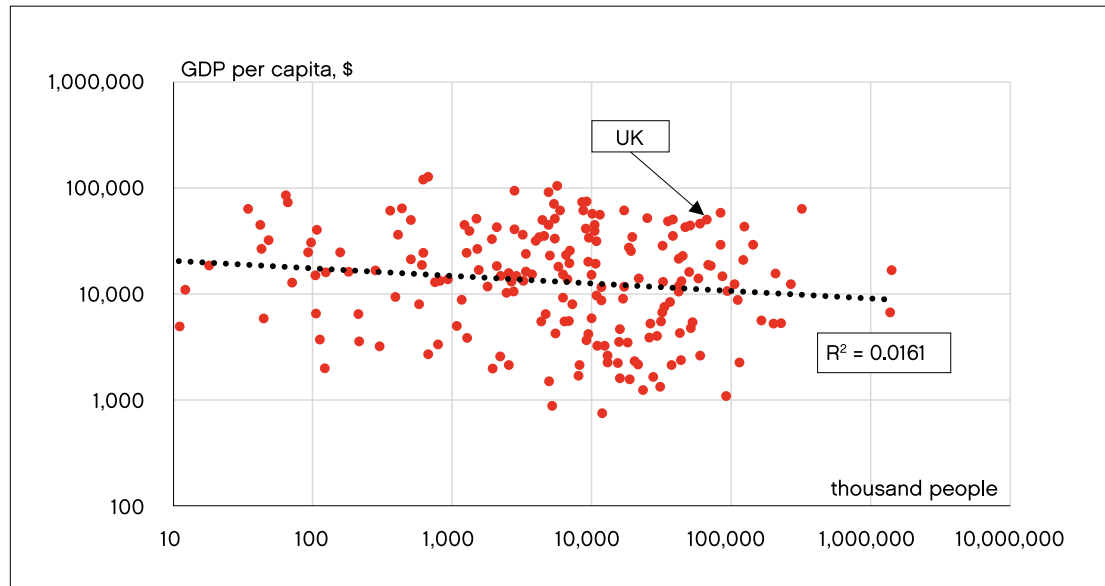
It might of course be that growth in real incomes and living standards might have been even more desultory, were it not for the net migration of at least 5.9 million people over the last 25 years.

But this seems implausible. Britain saw relatively firm levels of GDP per capita growth for decades, indeed centuries, before gross immigration, let alone net migration, exceeded 300,000 per annum. So there is no *prima facie* reason why we should think we need migration at these levels to sustain rising living standards.¹²⁴

The more pertinent question seems to be: what is the relationship between the immigration of recent decades and stagnating living standards?

A country with more people in it will normally have a higher GDP because there are more workers. But what actually matters to most people is their standard of living. Russia has a bigger GDP than Australia, but Australia has a much higher standard of living. And as our graph shows, there is essentially no relationship between the size of a country's population and its GDP per capita (we have used a log scale due to the significant range of both national populations and incomes).¹²⁵

Relationship between GDP per capita and population, 2019



Source: World Bank

This is not to say that immigration cannot boost GDP per capita. If a migrant brings something extra that existing residents don't have – whether it be skills, ideas, capital, a willingness to do certain jobs, or a greater work ethic – they are likely to boost the average level of output through 'compositional effects'. Migration might also benefit an economy via what economists refer to as 'complementarity', i.e. when low-skilled jobs are done by migrants, allowing existing residents to upskill into more productive and better paid jobs. There may also be positive economic spillovers in the wider economy.

However, in the specific case of immigration to Britain over the last 25 years or so, there is little evidence of this at a macro scale. Instead, as we will show, its scale and

124 One key difference between now and the Britain of 30 years ago of course is our ageing population – although this was much less relevant 10-15 years ago, before the Baby Boomers started retiring. But as we shall see (pp.100-102), immigration is very far from a solution to the challenges of an ageing population.

125 World Bank, 'Population, total' [accessed 25 March 2024]. [Link](#). World Bank, 'GDP per capita, PPP (current international \$)' [accessed 25 March 2024]. [Link](#)

composition may be generating negative rather than positive spillover effects. And there are two related mechanisms or processes that might be driving this.

The first is capital dilution. Migrants don't bring their own housing or land or infrastructure, meaning the stock of these things built up over long periods is shared out among more people. This is a cost to existing residents. Housing becomes less affordable, while infrastructure from GP surgeries to roads becomes more congested and productivity lower.

The second is a restructuring of the economy to be more labour-intensive, and less capital- and energy-intensive. As the journalist Iain Martin has written: 'Might there be a connection between some businesses underinvesting in machinery, automation, all the productivity-enhancing stuff, and the ever expanding pool of relatively cheap labour that has been made available by the politicians who preside over the immigration system?'¹²⁶

High immigration has not led to higher productivity growth

Britain's unprecedented era of mass migration has coincided with what economic historians Nick Crafts and Terence Mills described as a productivity slowdown 'unprecedented in the last 250 years'.¹²⁷ In other words, productivity growth has not been this consistently anaemic since the onset of the Industrial Revolution and the age of modern capitalism.

Since the financial crisis, UK productivity growth (measured in terms of output per hour worked) has averaged just 0.7% per annum – barely a third of the long-run rate of 2.1%.¹²⁸ Indeed, had productivity growth continued at the pre-2008 trendline rate, productivity would now be almost 30% higher than it in fact is (as of Q3 2023).

‘The Migration Advisory Committee has looked into the connection between immigration and productivity several times in recent years’

The shift is equally obvious if we look at total-factor or multi-factor productivity growth, which has averaged just 0.5% since the financial crisis, compared to a long-run rate of 1.3%.¹²⁹

It bears repeating that correlation is not causation. And we would certainly not argue that immigration has been the main, let alone sole, cause of the productivity slowdown. Britain is not alone in having a productivity problem – though ours has been particularly acute. And there are all kinds of other contributory factors that you could suggest, many of them addressed in multiple CPS papers: the housing crisis, energy costs (our industrial electricity prices are among the highest in the developed world), the distortions created by a decade of ultra-low interest rates, over-regulation, a badly structured tax system which until recently discriminated against business investment in plant and machinery, a lack of lending by banks in the aftermath of the crash, and many other factors.¹³⁰

¹²⁶ I. Martin, 'Here's the number we can't afford to ignore', *The Times* (6 March 2024). [Link](#)

¹²⁷ N. Craft & T. Mills, 'Is the UK productivity slowdown unprecedented?', *National Institute Economic Review* 251 (February 2020). [Link](#)

¹²⁸ ONS, 'Dataset: Output per hour worked, UK' (15 February 2024). [Link](#)

¹²⁹ ONS, 'Dataset: Multi-factor productivity, annual, UK' (9 November 2023). [Link](#)

¹³⁰ See for example: T. Clougherty et al, 'Why Choose Britain?' (May 2022), [Link](#). R. Colvile, 'The Morality of Growth' (January 2023). [Link](#). A. Morton & E. Dunkley, 'The Case for Housebuilding' (January 2023). [Link](#). T. Clougherty, 'The UK's International Tax Competitiveness: 2023 Update' (October 2023). [Link](#)

But the Migration Advisory Committee (MAC) has looked into the connection between immigration and productivity several times in recent years,¹³¹ and in December 2022, it put the relationship between immigration and capital investment under the microscope.

It cited a 2011 study of migration and automation in the US by economist Ethan Lewis, which found that:

‘Over the past 30 years, US. manufacturing plants invested heavily in automation machinery. This paper shows these investments substituted for the least-skilled workers and complemented middle-skilled workers at equipment and fabricated metal plants. Specifically, it exploits the fact that some metropolitan areas experienced faster growth in the relative supply of less-skilled labour in the 1980s and 1990s due to an immigration wave and the tendency of immigrants to regionally cluster. **Plants in these areas adopted significantly less machinery per unit output, despite having similar adoption plans initially.** The results imply that fixed rental rates for automation machinery reduce the effect that immigration has on less-skilled relative wages.’¹³² (Our emphasis.)

‘Freedom of movement provided a relatively cheap supply of labour that may have incentivised recruitment over labour-saving capital investment’

The MAC argues that something similar might have happened in the UK thanks to the influx of European workers under freedom of movement (FoM) in the 2000s and 2010s:

‘In the UK context, **FoM can be interpreted as a similar shock to the labour supply**, in that it increased the pool of labour available to employers, particularly in RQF 1-2 [low skill] occupations. **This may have historically dampened incentives to adopt machinery.**’¹³³ (Our emphasis.)

As such: ‘FoM provided a relatively cheap supply of labour that may have incentivised recruitment over labour-saving capital investment or other restructuring activity towards fewer, higher productivity and higher paying jobs.’¹³⁴

On the face of it, this seems like a perfectly plausible conclusion.

For instance, ONS decomposition of the total-factor productivity data suggests that the UK economy has become more labour-intensive in recent years.¹³⁵ The labour contribution to gross value added (GVA) crossed over with the capital contribution in 2011 and has remained relatively high ever since. Multi-factor productivity (MFP) also appears to have stagnated. This suggests that economic growth in the UK might have become less driven by investment in labour-saving technology (IT systems for

131 See for example the summary of recent studies in: MAC, ‘Annual Accounts 2018-19’ (January 2020), pp.5-6. [Link](#). And also in: MAC, ‘Annual Report’ (December 2020), p.19. [Link](#)

132 E. Lewis, ‘Immigration, Skill Mix, and Capital Skill Complementarity’, *The Quarterly Journal of Economics* 126 (May 2011), pp.1029–1069. [Link](#). Compare also: D. Acemoglu, ‘Does Labor Scarcity Encourage Innovation?’, *Journal of Political Economy* 118 (December 2010), pp.1037-1078. [Link](#)

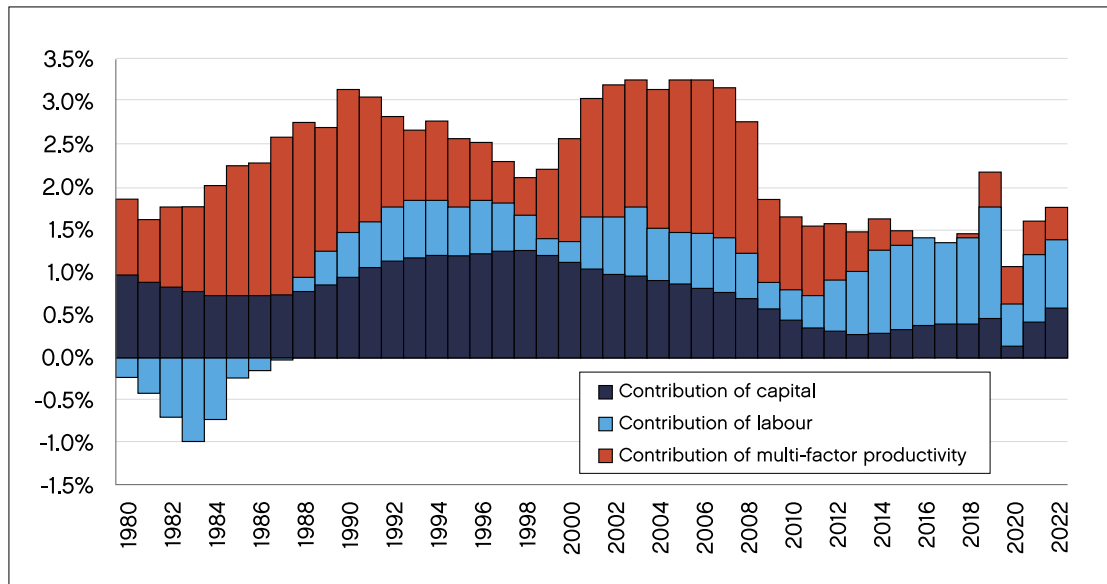
133 The Regulated Qualifications Framework (RQF) is a way of comparing the education and skill levels associated with different occupations, and the main scale numbers 1 to 8, from least to most skilled. RQF 1-2 corresponds to a GCSE level of education. See: Gov.uk, ‘What qualification levels mean’ [accessed 20 April 2024]. [Link](#)

134 MAC, ‘MAC Annual Report’ (December 2022), pp.24-25. [Link](#)

135 ONS, ‘Dataset: Multi-factor productivity, annual, UK’ (9 November 2023). [Link](#). These are, we should note, still ‘experimental estimates’ rather than certified ‘National Statistics’.

office and warehouse workers, self-service checkouts in supermarkets, machine tools in factories) and more by elbow grease.

Contributions of capital, labour and MFP to GVA growth, 10-year rolling average

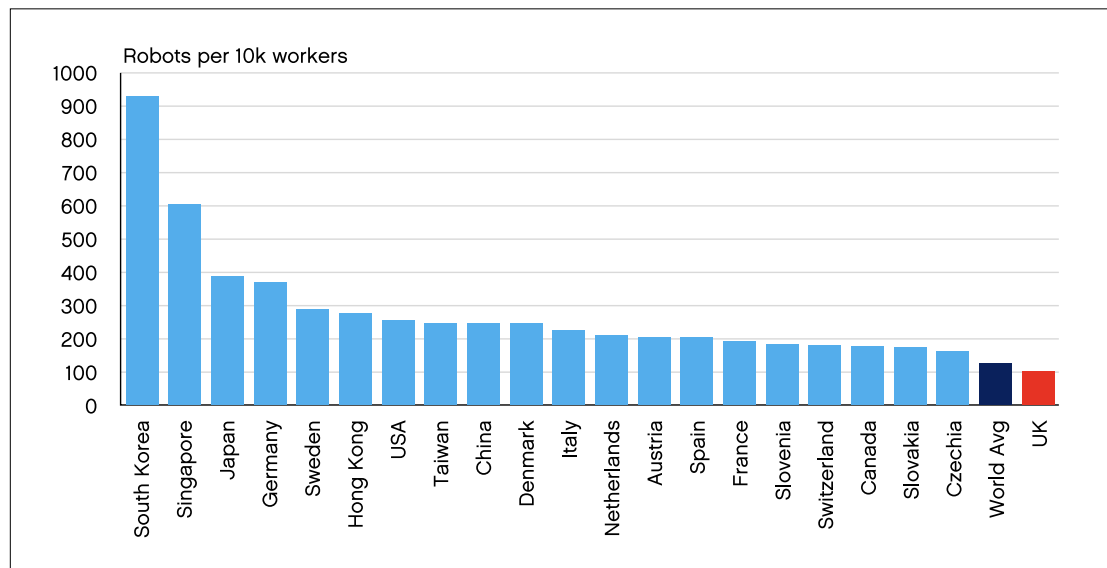


Source: ONS

The MAC also found more qualitative evidence that labour had been substituted for capital during the freedom of movement era too, insofar as some companies were responding to the end of FoM by looking to automate more of their roles.¹³⁶

In a way, this shouldn't surprise us. As industrialisation analyst Rian Whitton has long been pointing out, the UK is the least automated of any major economy, with an incredibly low density of industrial robots – just 101 per 10,000 manufacturing workers. The Netherlands has twice this density of robots, Japan four times as many and South Korea nine times.¹³⁷

Robot density per 10,000 manufacturing workers in 2020



Source: International Federation of Robotics

136 MAC, 'Annual Report' (December 2022), pp.28-30, 34-36. [Link](#)

137 R. Whitton, 'Britain's exceptional lack of automation', Doctor Syn Substack (27 June 2022). [Link](#)

Of course, other factors are bound to be at play too. Lacklustre business investment in the UK is a problem which predates the era of mass migration, much like our failure to build enough houses. Our incredibly high electricity prices also mean that industrial robots might be too expensive to run (although until the last couple of years, Japan consistently had far higher industrial electricity prices than the UK).¹³⁸

But it is striking that firms in countries with lower levels of immigration face greatly different incentives to those in the UK.

We could do with more studies focused on specific UK sectors to tease this out further, but one UK industry where there has been some really detailed research is car-washing. An investigation by the House of Commons Environmental Audit Committee found not just substitution of labour for possible future investment in capital, but actual de-automation and erosion of the existing capital stock on a vast scale.

‘ We need to be careful that we do not recreate the conditions which underpinned the relatively low-investment business model of the 2010s and 2020s ’

Automatic car wash sites plummeted as poorly regulated and sometimes even forced labour flooded the market in the 2000s and 2010s. The number of automated washes more than halved from 9,000 in 2000 to 4,200 by 2015. Meanwhile, the number of dedicated handwashing sites expanded to at least 20,000. This was not part of some broader global trend. Elsewhere, automatic car washes remain a growth industry.¹³⁹

Perhaps the nexus of incentives would have changed in due course. Alan Manning has argued that ‘even before the Brexit vote, the business model that relied on a steady stream of new migrants from Eastern Europe was probably running out of road; the EU was not expanding, and options at home and elsewhere in Europe were improving’.¹⁴⁰

Yet if the relationship between high immigration has been as strong as some of the evidence suggests, we need to be careful that we do not recreate the conditions which underpinned the relatively low-investment business model of the 2010s and 2020s through our new post-2020 immigration system.

As the MAC cautioned in 2022: ‘There is no economic rationale that requires sectors to have fixed shares of employment. Where FoM historically facilitated the creation of jobs in some sectors by providing access to relatively cheap labour from the EEA, these jobs may no longer be economically viable as workers move to other, likely higher paying, roles in the labour market. In the context of soaring vacancies but consistently high economic inactivity and a looming recession, the MAC believes that the Government should resist calls to open new visa routes without a strong economic rationale and in effect undo the end of FoM on a sectoral basis.’¹⁴¹

138 DESNZ, ‘5.3.1 (excl. Taxes)’, Industrial electricity prices in the IEA (QEP 5.3.1) (30 November 2023). [Link](#)

139 UK Parliament, ‘Hand car washes inquiry launched’, Environmental Audit Committee (24 April 2018). [Link](#)
See also: UK Parliament, ‘Hand car washes’ (15 November 2018). [Link](#)

140 A. Manning, ‘UK labour shortages and immigration: looking at the evidence’ (September 2001). [Link](#)

141 MAC, ‘Annual Report’ (December 2022), p.40. [Link](#)

High immigration is diluting our capital stock

Whereas the debate around immigration and automation in the UK still has some way left to run, we can be much more certain about how immigration is diluting our capital stock more broadly.

Essentially, migration means the UK's capital stock is divided between more people. Migrants may bring skills and their ability to work; but they cannot bring a mile of motorway; a large piece of industrial machinery; a house; a GP surgery; or an acre of land.

The nature of capital stocks is that they have often built up over quite long periods, so the marginal flow of new capital doesn't change the overall stock much. But in an ideal world, our stock of stuff would grow much faster than the number of people. As a result, there would be more stuff to go round, making us more productive.

Indeed, while new ideas and ways of doing things are vital for growth, there's an incredibly tight correlation between capital stock per worker, and output per worker.¹⁴²

In a super-productive, capital-intense Britain, you would get a seat on the high-speed train and hammer away on your laptop using the built-in 5G; you'd not waste time in a traffic jam; you'd use the latest bit of kit at work; or use another 5G connection to work from the fully specced office at the bottom of your gigantic garden. Drudge work would be automated, and people paid more to do those things only people can do.

So how are we doing? The table below compares the growth of different types of capital during the decade between the two most recent censuses in England with population growth, including that stemming from just migration.

Population growth and capital stock

	2011	2021	Change
Population in England (millions)	53.01	56.49	+6.6%
Share of population arriving since 2011¹⁴³			7.4%
Major roads (thousand miles)	21.9	22.4	+2.3%
Roads (thousand miles)	187	190	+1.6%
Rail network (UK, miles)	9,803	9,902	+1.0%
GP premises in England	8,794	9,143	+4.0%
Secondary schools in England	3,310	3,473	+4.9%
Electricity generation capacity (UK, megawatts)	89,105	76,446	-14.2%
Net capital stock of machinery and equipment (UK)	477	496	+4.0%
No. of dwellings in England (million)	22.9	25.1	+9.6%
Land area of England (m²)	50,301	50,301	0.0%

Source: CPS analysis of ONS etc

This is obviously neither exhaustive, nor intended as some sort of definitive econometric analysis. But it does convey something of the intuitive case for capital dilution.

It is also worth pointing out that, as with immigration more broadly, the impacts of capital dilution are felt locally rather than nationally – for example, via its effect on the London housing market, or road or rail use in areas of particularly high migration.

¹⁴² See for example: M. Shirotori, B. Tumurchudur & O. Cadot, UNCTAD, 'Revealed Factor Intensity Indicators at the Product Level', Policy Issues in International Trade and Commodities Study Series 44 (2010), pp.5-6. [Link](#)

¹⁴³ ONS, 'Year of arrival in the UK', Census 2021 (28 March 2023). [Link](#)

But the overall picture is still clear – and relatively alarming. Even if we had had zero net migration from 2011 to 2021, the population would have still grown by 2.7% as more children were born. Many aspects of our capital stock were not growing fast enough to keep up even with that level of population growth. But once you add the additional numbers from high levels of immigration, the effect becomes far worse. Population growth outpaced essentially every form of capital accumulation, with the exception of housing – but there we are also trying to address a deficit of an estimated 4.3 million homes since 1955.¹⁴⁴

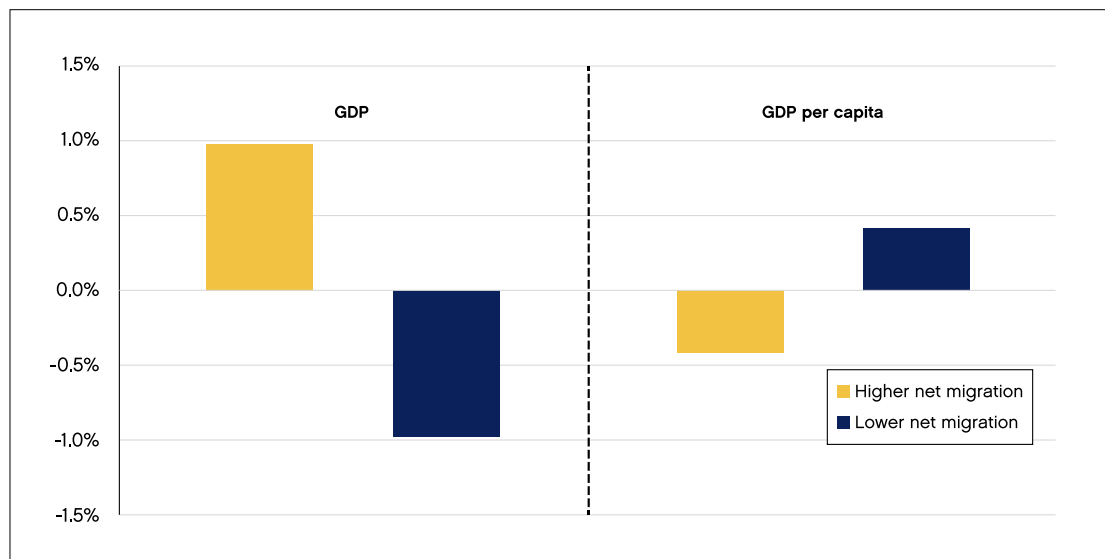
For the UK this issue about capital dilution is particularly significant, because a lot of economists would agree on two points about the UK economy.

First, the UK has a problem with fixed capital investment.¹⁴⁵ For many decades we've tended to be at the bottom of international league tables for investment in physical stuff that can drive productivity: buildings, machines, equipment and so on.¹⁴⁶ Second, the UK has a long-running problem with housing, discussed in more detail below.

Migrants are not to blame for either of these problems. But for the UK, the effect of migration in diluting the capital stock creates a further challenge in exactly the areas of our economy where we have significant long-term problems.

Interestingly, the OBR seems to endorse this view, at least implicitly. In its Budget analysis in March, it published an intriguing graph based on modelling the economic implications of two alternative net migration scenarios compared to the principal case used in its main forecast.¹⁴⁷ It forecast that increasing net migration by 165,000 per annum on average over the next five years (and by 200,000 per annum under the projected long-run rate from 2028/29) would increase GDP growth by about 1pp by the end of the forecast period, but actually cut GDP per capita by around 0.4pp – if there was no change in the capital stock. The situation was reversed in the lower net migration scenario, with GDP 1pp lower, but GDP per capita about 0.4pp higher.

OBR March 2024: differences from central forecast, 2028/29



Source: OBR

144 S. Watling & A. Breach, 'The housebuilding crisis: The UK's 4 million missing homes', Centre for Cities (February 2023). [Link](#)

145 Agreement on this point reaches across the political spectrum. See for example: G. Dibb & L. Murphy, 'Now is the time to confront UK's investment-phobia', IPPR (20 June 2023). [Link](#)

146 This is partly why the CPS has been such a staunch advocate of 'full expensing' – one of the most important tax reforms introduced by any British government in the last 40 years. See: T. Clougherty & K. Williams, 'Permanent Full Expensing' (November 2023). [Link](#)

147 OBR, Economic and fiscal outlook – March 2024 (6 March 2024), p.31. [Link](#)

Immigration inevitably puts more pressure on housing, infrastructure and things like GP surgeries. We can build more of these things over time, but supply is not elastic and our stock has been built up through investment over a very long period. Migrants can bring skills, but not buildings or railways, so our capital stock gets diluted between more people if overall levels are too high. This is very clearly the case for housing.

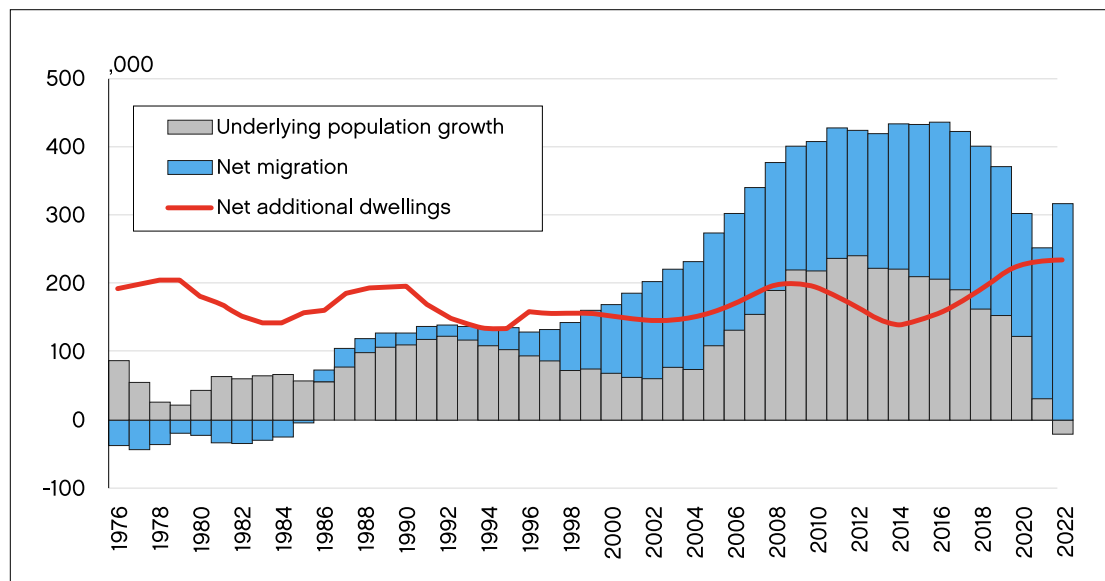
Immigration is significantly exacerbating the housing crisis

The CPS has consistently advocated for greater housebuilding – as did one of the authors of this paper when he was the minister in charge of the area.¹⁴⁸ But while we should very certainly be building more, to think that we can add people at current rates and simultaneously solve the housing crisis is absolute magical thinking.

This matters not just because the housing crisis is preventing so many young people from owning their own homes, getting on in life and having as many children as they would like – though these are sufficient reason in themselves for action – but also because housing shortages constrain productivity and economic growth, as is now widely accepted across the political spectrum.¹⁴⁹

Our next graph shows the rate of new housebuilding in England compared to total population growth and, of which, how much of that is net migration (England gets about 90% of migrants to the UK, which is reflected in the graph).¹⁵⁰

Change in population and number of dwellings in England, five-year moving average



Sources: *Department for Levelling Up, Housing & Communities (DLUHC), ONS*

It is worth saying that even without migration, we would still need more housing – much more housing. But as previous CPS work has shown, migration is making the problem so much more severe – as well as diluting public consent for the housebuilding we need.

148 See in particular: A. Morton & E. Dunkley, 'The Case for Housebuilding', CPS (January 2023). [Link](#). C. Hope, 'We have a duty to build more homes, Robert Jenrick tells Tory heartlands', *The Telegraph* (21 June 2021). [Link](#)

149 J. Myers, S. Bowman & B. Southwood, 'The housing theory of everything', *Works in Progress* 05 (14 September 2021). [Link](#)

150 Migration Observatory, 'Where do migrants live in the UK?' (24 March 2022). [Link](#)

The famous housing target for England of just under 300,000 houses a year was adopted by the Government in December 2020. The methodology behind this figure has been explained by the CPS in detail elsewhere.¹⁵¹ But in essence, it assumes that housing market dynamics and population growth among existing residents generates demand for roughly an additional 225,300 homes per annum.

The methodology also assumes that on top of this, net migration to England of around 170,500 people per annum would generate demand for another 72,250 new houses.

Now, obviously there are many problems with using household numbers as a proxy for housing demand. Indeed, the ONS has explicitly cautioned against doing so.¹⁵² One reason, as the CPS has pointed out, is that the housing crisis appears to have suppressed household formation on a very significant scale: just look at the huge rise in the number of adults living with their parents.¹⁵³

‘ Under the Government’s chosen methodology, net migration accounted for 55% of additional housing demand in England in the year to March 2023 ’

But still – this is the methodology the Government has adopted. And it is obviously the case that, given that methodology, higher net migration should mean a higher level of housing need, otherwise our housing stock is going to be diluted among more people. And net migration to England is not running at 170,500, or anything like it.

Let us take the most recent annual period for which we have both net migration data and data on the overall growth of the housing stock in England: the year ending March 2023.¹⁵⁴ Net migration to the UK in this period was 705,000, implying net migration to England of roughly 635,000.

Plugging these numbers into the official methodology, we get a figure of over 499,300 additional dwellings needed – 225,300 to meet demand from underlying population growth, and another 274,000 to meet the demand stemming from net migration.

So under the Government’s chosen methodology, net migration accounted for 55% of additional housing demand in England in the year to March 2023.

The growth in supply, however, fell well short of the growth in demand: the net increase in dwellings in England across this period was just 239,000 – equivalent to about 48% of the increase in demand. In other words, the increase in housing stock was just about enough to keep pace with underlying population pressures and net migration to England of around 30,000 people. But not the other 600,000 migrants.

This dilution of the housing stock wouldn’t be so bad if 2022-23 were a one-off. But of course it was not – we’ve been underbuilding for years, even without high levels of net migration. And even if we limit ourselves to just the last 10 years, the picture is bleak.

To cope with underlying population growth and the actual levels of net migration (again, according to the Government’s official formula), we needed to expand the

151 K. Williams, ‘Net Migration and Housing – A CPS Briefing’ (27 November 2023). [Link](#)

152 See: ONS, ‘Families and households in the UK: 2022’ (14 May 2023). [Link](#)

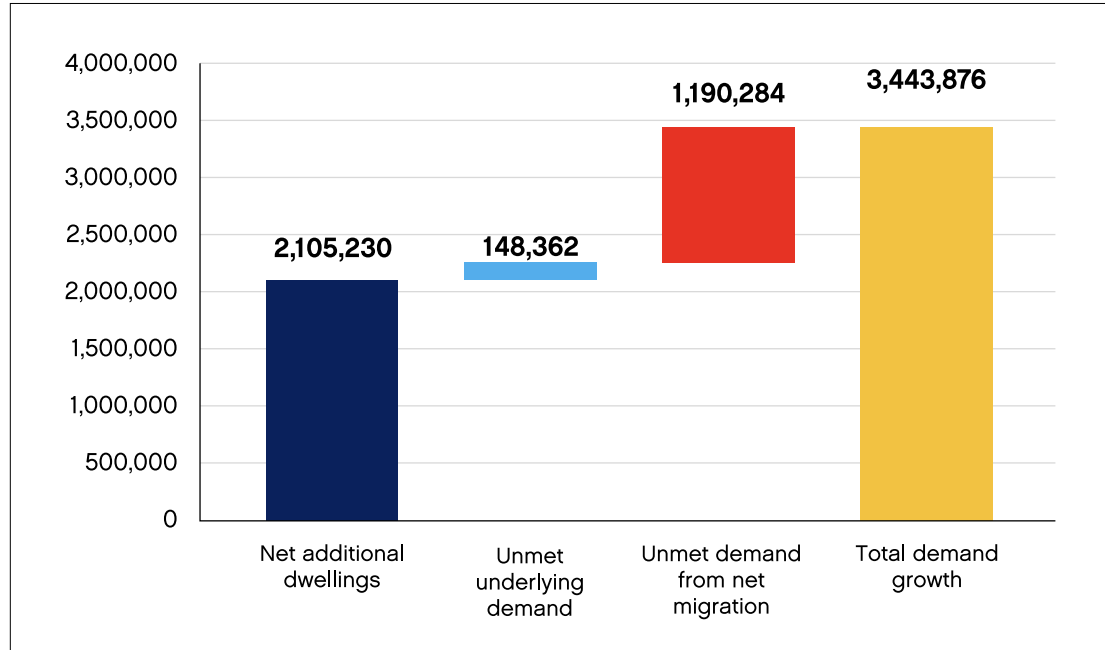
153 See: A. Morton & E. Dunkley, ‘The Case for Housebuilding’ (January 2023). [Link](#)

154 DLUHC, ‘Table 118: annual net additional dwellings and components, England and the regions’, *Live tables on housing supply: net additional dwellings* (24 November 2022). [Link](#)

housing stock by around 3.44 million homes: 2.25 million to meet underlying demand pressures, and 1.19 million to cope with net migration.

In fact, we increased the number of homes by 2.11 million.¹⁵⁵ That leaves a deficit of 1.34 million homes, with net migration in effect accounting for 89% of the deficit – 1.19 million homes.

Actual and required growth in the housing stock in England, April 2013 - March 2023



Sources: DLUHC, CPS analysis

But it gets even worse. Migrants who come to England do not spread out evenly across the country. They disproportionately live in London and the South-East, where economic opportunity and a large number of universities are concentrated.¹⁵⁶ That, of course, is also where housing pressures are greatest.

In London, the housing stock expanded by just over 35,000 dwellings in the year to March 2023. Yet roughly 30% of all migrants to the UK come to London – so roughly 212,000 in that period. Based on the Government’s methodology, net migration alone would have entailed expanding the London housing stock by about 92,000 homes – more than two and a half times the actual increase.

This is not just about house prices, housebuilding and home ownership. It inevitably affects the rental market, too.

A 2017 study by the ONS found that ‘more recent migrants are more likely to privately rent than live in social housing or own their own home’, with 88% of EU migrants and 80% of non-EU migrant arrivals between 2014 and 2016 privately renting.¹⁵⁷ Assuming these figures are still roughly correct, then in 2022 there was a net increase of around 450,000 people entering the rental market in England (even assuming almost all Ukrainians remained with their host families). And again, they would have done so mostly in the places where housing pressures are most acute – in particular the big cities.

¹⁵⁵ DLUHC, ‘Table 244: permanent dwellings started and completed, by tenure, England, historical calendar year series’, *Live tables on housing supply: indicators of new supply* (28 September 2023). [Link](#)

¹⁵⁶ Migration Observatory, ‘Where do migrants live in the UK?’ (24 March 2022). [Link](#)

¹⁵⁷ ONS, ‘International migration and the changing nature of housing in England – what does the available evidence show?’ (25 May 2017). [Link](#)

Indeed, there's been a lot of discussion recently about the fact that 48% of heads of households in social housing in London were born overseas – a topic we address below. But there has been much less about the fact that 67% of private rented households in the capital are headed by someone born overseas.¹⁵⁸ This has very obviously helped to put pressure on London's housing stock, which has recently witnessed extremely sharp rises in rents and cut-throat competition for the flats that do become available.

We should also remember that this is not just about workers. There has been a huge rise in the number of international students, not least because fees paid by home-grown students are capped. But those universities are in effect importing international students and capturing most of the value through high student fees, while externalising all the costs, which are borne by local communities in terms of increased pressure on public services and infrastructure, and higher rents and house prices.

‘ In London, 67% of private rented households are now headed by someone born overseas. This has very obviously helped to put pressure on the capital's housing stock ’

As discussed below, a series of universities have opened satellite campuses in London, purely in order to cater to this international market, not least by offering one-year masters courses that come with a subsequent right to work – an extremely lucrative practice for the university, but one that increases local housing pressures further.

Clearly, as with the broader housing crisis, there are lots of factors other than migration feeding into rising rents. But we cannot ignore the substantial demand pressures caused by soaring net migration.

In fact, we can put a cost on it. In 2018 DCLG published its rule of thumb model, ‘Analysis of the determinants of house price changes’.¹⁵⁹ It says that, all else being the same, a 1% growth in households increases house prices by 2%, while a 1% increase in total housing stock reduces house prices by 2%. So, pretty intuitively, every 1% increase in the population needs to be offset with a 1% increase in the housing stock. (Though even if you do that affordability will still deteriorate, not least because incomes are going up, pushing up prices.)

Again, let's take the Government's model at face value. From 2012 to 2022, net migration added around 2.92 million to the population of England. With an average household size of around 2.3, that amounts to an extra 1.3 million households in England – an increase of around 6% (there were just over 22 million households in England in 2012). That added 12% to house prices, according to the ready reckoner. Across the same period, the housing stock increased by around 2.23 million dwellings, so roughly 9.5%, notionally pushing prices down by 19%.

So in effect, net migration cancelled out three-fifths of the downwards pressure on prices from expanding the housing stock, eating up most of the benefits of that increased supply – and that's before we get to the upward pressure on prices from domestic population growth and rising incomes (not to mention other factors that DCLG's model doesn't capture).

158 ONS, ‘Country of birth and tenure of household’, *Census 2021* (28 March 2023). [Link](#)

159 DCLG, ‘Analysis of the determinants of house price changes’ (April 2018). [Link](#)

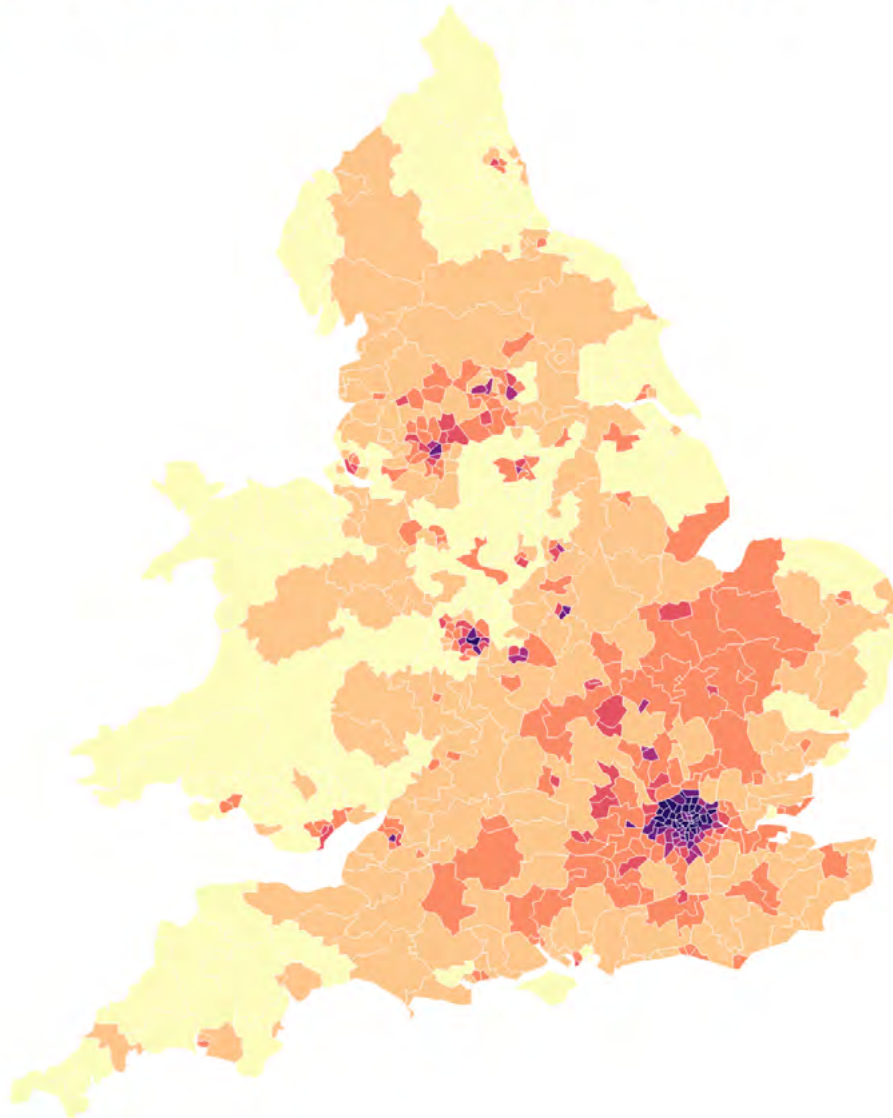
It is abundantly clear that if we are to fix the housing crisis we need to massively increase rates of housebuilding while also getting net migration down to sensible levels, otherwise we are forever going to be running up a down escalator.

Separately to the overall housing and rental markets, it's also worth thinking about immigration and social housing.¹⁶⁰ Simply put, social housing is disproportionately occupied by people born overseas (including those who will have since become British citizens).

The map below illustrates the proportion of social tenancies where the head of the household (the 'Household Reference Person') was born overseas as at the time of the 2021 census.¹⁶¹ As with other aspects of migration, there is massive variation around the country: less than 7% were born abroad in Wales, while it was 20% in England as a whole and just under half (47.6%) in Greater London.

Share of social renting households where head of household was born outside the UK

< 0.05 0.05–0.10 0.10–0.20 0.20–0.30 0.30–0.40 0.40–0.50 ≥ 0.50

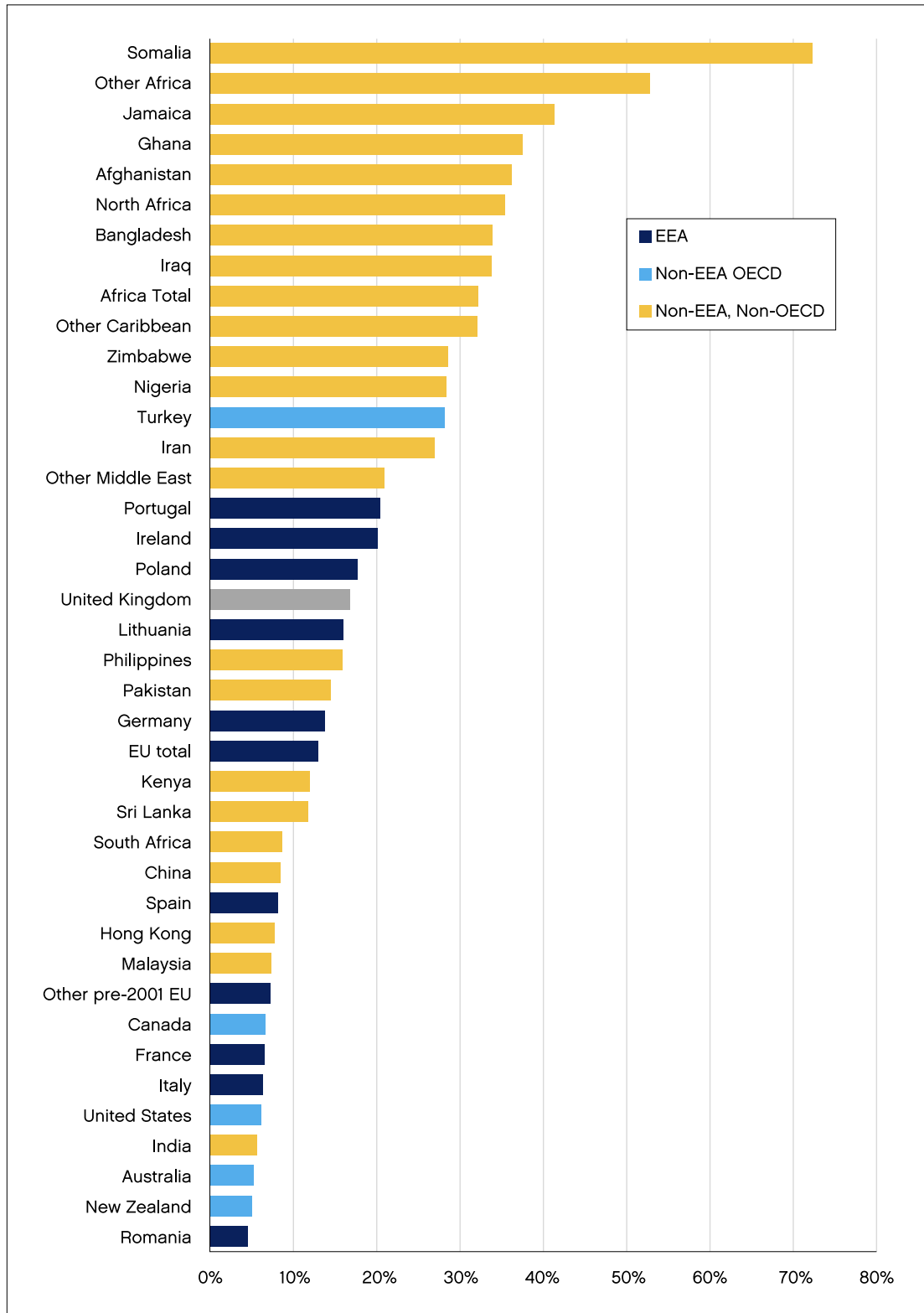


Source: ONS, Census 2021

¹⁶⁰ See for example: M. Goodwin, 'How mass immigration is worsening the housing crisis', *The Spectator* (8 December 2023). [Link](#)

¹⁶¹ This is at the level of parliamentary constituency, but finer-grained data is available, down to neighbourhood level. See: ONS, 'Tenure of household and year of arrival in the UK', *Census 2021* (28 March 2023). [Link](#)

Proportion of household reference persons who are in social housing by country of birth (England and Wales)



Source: ONS, Census 2021

Obviously many of those who were born overseas have UK nationality now. And many have been settled here for quite a long time, though the proportion of social tenancies headed by someone who arrived since 2001 is still striking: 4% for Wales, just over 10% for England, and 17.5% of social tenancies in Greater London.

If people become UK citizens, then they of course have the same rights as people who were already British citizens. But from an economic point of view, people becoming British nationals doesn't make much difference to the effect on the scarce supply of housing, or the wider economic effects of the housing crisis.

In Greater London, the number of socially rented properties is very similar to 2001: it was 801,000 in 2001, fell to 781,000 by 2010, and recovered to 793,000 by 2022. Having 377,000 of those occupied by people born overseas (or 183,000 who arrived since 2001) still means those properties are not available for other people.

Some people want to wish these challenges away. But migration at the record rates we have seen in recent years inevitably means the capital stock of the country is diluted between more people; fixed assets built up over time are shared by more users, be they roads or railways or council houses.

As well as the effects of sheer numbers, it also worth thinking about which groups are more likely to be in social housing. Across England and Wales as a whole, people born overseas were very slightly more likely to be in social housing than people born in the UK: 18% compared to 17% in 2021. But this varies hugely by country of birth.

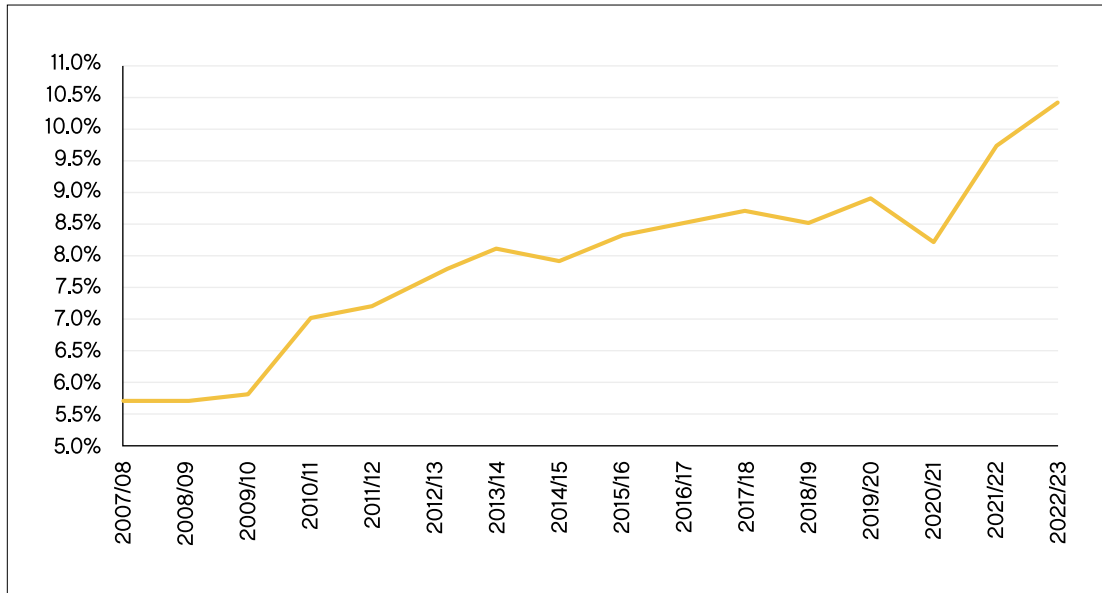
Among arrivals from Western Europe, Canada, New Zealand and the USA, there are very low proportions in social housing. In contrast, for people from countries like Afghanistan, Ghana, Jamaica and Somalia, the proportions are very high (36%, 37%, 41% and 72% respectively). There is also significant variation within regions: looking at South Asia, rates varied from 6% for people from India to 15% for people from Pakistan to 34% for people from Bangladesh. While the average for people from Africa was 32%, the range ran from 9% for South Africa, to eight times that for people from Somalia.

As we will show in subsequent chapters, many of the groups most over-represented among social tenants are also those who are most likely to be net recipients of government cash. If our long-term policy had been to select high-wage migrants to make Britain the grammar school of the Western world, then the share of migrants in social housing would be much lower than for those born in the UK.

There are also signs in DLUHC data that the share of social housing occupied by migrants is on the rise, probably related to the changes to the immigration mix under the new system.¹⁶² As the graph below shows, the annual proportion of new social lets to non-UK nationals in England reached a record 10.4% in 2022/23. Non-EEA migrants accounted for over three fifths of non-UK national lets, up from a half in 2019/20. Some of this will be to do with Ukrainian refugees, but not all, and the rising trend was already well established.

¹⁶² DLUHC, 'Social housing lettings in England, April 2022 to March 2023' (31 January 2024). [Link](#)

Annual share of new social housing lets to non-UK nationals, England



Source: DLUHC

Again, there is huge variation around the country.¹⁶³ In many shire and coastal areas, the proportion is lower. But it is worth noting there are some non-urban areas where a large share of social tenancies are going to people who are not British nationals: Boston, East Cambridgeshire, East Staffordshire and so on.

In many urban areas the share is also high. In places like Manchester it was over a fifth, and not far off that level in places like Sheffield and Birmingham. It was also high in various smaller cities – over a quarter in Leicester, for example. Across Greater London in 2022/23, it was 18%, although much higher in specific boroughs – 33% in Brent, for example.

‘ We need lower migration until we can build the millions of houses we need to catch up with where we should be ’

These trends have wider economic implications. Very many of the most productive jobs, which create the most gross valued added (GVA) and generate the highest tax revenues, are located in London. Yet much of the housing space in London – on some of the most valuable land in the world – is being given over to those who are likely, based on the aggregate data we explore in subsequent chapters, to be some of the least productive workers in the country, if indeed they are economically active at all. The growth you get from putting lots of highly productive people in one place – termed ‘agglomeration effects’ by economists – is inhibited.

And on an individual level, young people in particular are losing out. In essence, we have created a system where skilled graduate workers can struggle to afford a room in a house share in Zones 3 or 4, while unskilled migrants live in subsidised housing in Zones 1 and 2. It is not obvious that this is a sensible use of resources.

163 DLUHC, ‘Dashboard: COntinuous REcording of Lettings in Social Housing in England (CORE)’ [accessed 6 April 2024]. [Link](#)

For older workers and pensioners who are more likely to own their own homes, this has much less of an impact. But for many younger, working-age Britons, it is fundamental to their cost of living. And of course it brings us back to the running up a down escalator argument: we need lower migration until we can build the millions of houses we need to catch up with where we should be.

Last year the CPS published an essay collection called 'Justice for the Young', looking at how young people today have a raw deal, and what to do about it.¹⁶⁴ Housing is obviously a big part of this. But we cannot escape the fact that by worsening the housing crisis, large-scale, unselective immigration also feeds intergenerational unfairness, undermining the living standards of young, working-age people in particular.

¹⁶⁴ M. Feeney & R. Colvile (eds), 'Justice for the Young' (November 2023). [Link](#)

4. What is the Fiscal Impact of Migration?

If migration doesn't seem to be doing much for living standards directly, is it at least delivering a fiscal surplus for the Treasury – taxes that can be invested in our capital stock to offset some of the dilution effect of high levels of immigration, for example by building more infrastructure and bolstering public services?

Unfortunately, while some migrants undoubtedly contribute a lot, it's not at all clear that this is the case overall under our current immigration system, or indeed the system for the last few decades.

This is crucial – rather than getting caught up in the debate about whether the 'average migrant' is a net contributor or a net recipient, we need to be thinking about how to make the distribution of immigration more fiscally favourable overall.

‘ One of the most contentious and emotive aspects of the immigration debate is about the net fiscal impact of migrants – how much they pay in versus how much they take out ’

Some migrants are net contributors – but many are not

One of the most contentious and emotive aspects of the immigration debate is about the net fiscal impact of migrants – how much they pay in versus how much they take out. There are people who think the net fiscal effect of migration has been a disaster, and people who think that public services will implode if net migration drops below 500,000 a year. So what's the truth?

The Migration Observatory at the University of Oxford has a good summary of the main studies which attempt to work out whether or not people who come are net contributors or not, which we have reproduced and coloured below.¹⁶⁵

The key finding is that whether migration is a cost or a benefit, 'the fiscal impact of migration to the UK is small'. They add that: 'Studies examining the fiscal impact of migrants have produced different results, although in all cases, the impacts have been estimated at less than +1% or -1% of GDP.'¹⁶⁶

This echoes the experience of other developed countries. According to the OECD, 'the [fiscal] impact of the cumulative waves of migration that arrived over the past 50 years in OECD countries is on average close to zero, rarely exceeding 0.5% of GDP in either positive or negative terms'.¹⁶⁷

¹⁶⁵ C. Vargas-Silva, M. Sumption & P.W. Walsh, 'The Fiscal Impact of Immigration in the UK', Migration Observatory (30 March 2022), p.5. [Link](#)

¹⁶⁶ Ibid, p.4.

¹⁶⁷ OECD, 'Is Migration Good for the Economy?' (May 2014), p.2. [Link](#)

	All migrants and UK-born			Recent migrants only	
	EEA	Non-EEA	UK-born	EEA	Non-EEA
Oxford Economics (2018) ¹⁶⁸					
FY 2016/17 (1 year)	+£4.7bn	-£9.0bn	-£41.4bn		
Migration Watch (2016) ¹⁶⁹					
FY 2014/15 (1 year)	-£1.1bn	-£15.6bn	-£87.8bn	£0.0bn	-£6.2bn
Dustmann & Frattini (2014) ¹⁷⁰					
1995-2011 (17 years)	+£4.4bn	-£118bn	-£591bn		
Annual average	+0.26bn	-£6.9bn	-£34.8bn		
2001-11 (12 years)			-£617bn	+£20.2bn	+£5.2bn
Annual average			-£51.4bn	+£1.68bn	+£0.43bn
2001-11 (A10) (12 years)				+£4.9bn	
Annual average				+£0.41bn	
2001-11 (Rest of EEA) (12 years)				+£15.3bn	
Annual average				+£1.28bn	
Rowthorn (2014) ¹⁷¹					
2001-2011 (12 years)				-£0.3bn	-£29.7bn
Annual average				-£0.025bn	-£2.48bn
Migration Watch (2014) ¹⁷²					
1995-2011 (17 years)	-£13.6bn	-£134.9bn	-£565bn		
Annual average	-£0.8bn	-£7.94bn	-£33.2bn		
2001-11 (12 years)	-13.4bn	-£116.8bn	-£586bn	-£0.25bn	-£27.17bn
Annual average	-£1.12bn	-£9.73bn	-£48.8bn	-£0.021bn	-£2.26bn
Dustmann & Frattini (2013) ¹⁷³					
1995-2011 (17 years)	+£8.8bn	-£104.1bn	-£605bn		
Annual average	+£0.52bn	-£6.12bn	-£50.4bn		
2001-11 (12 years)	+£9.0bn	-£86.6bn	-£624bn	+£22.1bn	+£2.9bn
Annual average	+£0.75bn	-£7.23bn	-£52bn	+£1.84bn	+£0.24bn

Source: Migration Observatory

The Migration Observatory authors also note that studies consistently find that ‘the fiscal impact of EEA migrants is more positive than that of non-EEA migrants’. Every study cited shows that non-European migrants as a group are net recipients, while some studies show European migrants as contributors while others suggest they are net recipients.¹⁷⁴

168 Oxford Economics, ‘The Fiscal Impact of Immigration in the UK’ (2018). [Link](#)

169 Migration Watch UK, ‘The Fiscal Effects of Immigration to the UK 2014/15’ (May 2016). [Link](#)

170 C. Dustmann & T. Frattini, ‘The Fiscal Effects of Immigration to the UK’, *The Economic Journal* 124 (2014), pp.593-643. [Link](#)

171 R. Rowthorn, ‘Large-scale Immigration: Its Economic and Demographic Consequences for the UK’, Civitas (August 2014). [Link](#)

172 Migration Watch UK, ‘An Assessment of the Fiscal Effects of Immigration to the UK’ (March 2014). [Link](#). This paper is a systematic critique of the methods, assumptions and conclusions of the Dustmann and Frattini study of 2013, and also contains a helpful review of several previous attempts to calculate the fiscal impact of migration which were conducted in the early 2000s.

173 C. Dustmann & T. Frattini, ‘The Fiscal Effects of Immigration to the UK’, *Discussion Paper Series*, CDP No 22/13, Centre for Research and Analysis of Migration, UCL (2013). [Link](#)

174 Meanwhile, every study shows that those already in the country tend on average to take from the state rather than contribute to it, but that is the subject of a whole other report.

If we want to maximise the benefits of immigration, this difference between EEA and non-EEA migrants is extremely significant – because under its new immigration system, the UK has shifted sharply in the direction of non-European immigration.

As noted in Chapter 1, migration from non-EU countries was 1.37 million net across 2021-22, and 1.64 million gross. A total of 3.71 million non-visitor, non-temporary visas were issued to non-EU migrants across 2020-23, and the 3.3 million issued across 2021-23 (after the Brexit transition period) accounted for 96% of the total.

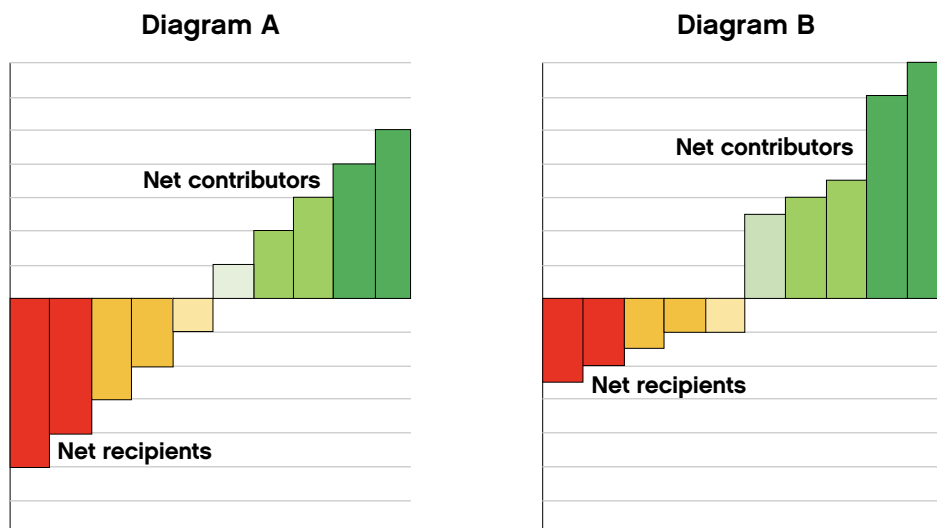
You can see the implications more clearly when you stop thinking about the overall impact of migration and start thinking about individuals.

Migration consists of a mix of people, from those who will be major net contributors to major net recipients. Whether a migrant will be a net contributor to the Exchequer depends on many things: their earnings, health, age, whether they have kids or dependent adults, where in the UK they move to and so on.

You can debate whether the median migrant is or isn't a net recipient, but from a policy point of view the right thing is to make the balance more favourable overall – which, we believe, means being significantly more selective.

The diagrams below are a way to conceptualise this issue. Each shows a different distribution of 60 migrants according to 10 hypothetical fiscal footprints (for illustrative purposes). Those on the left-hand side are net recipients to different degrees, those on the right-hand side net contributors to different degrees.

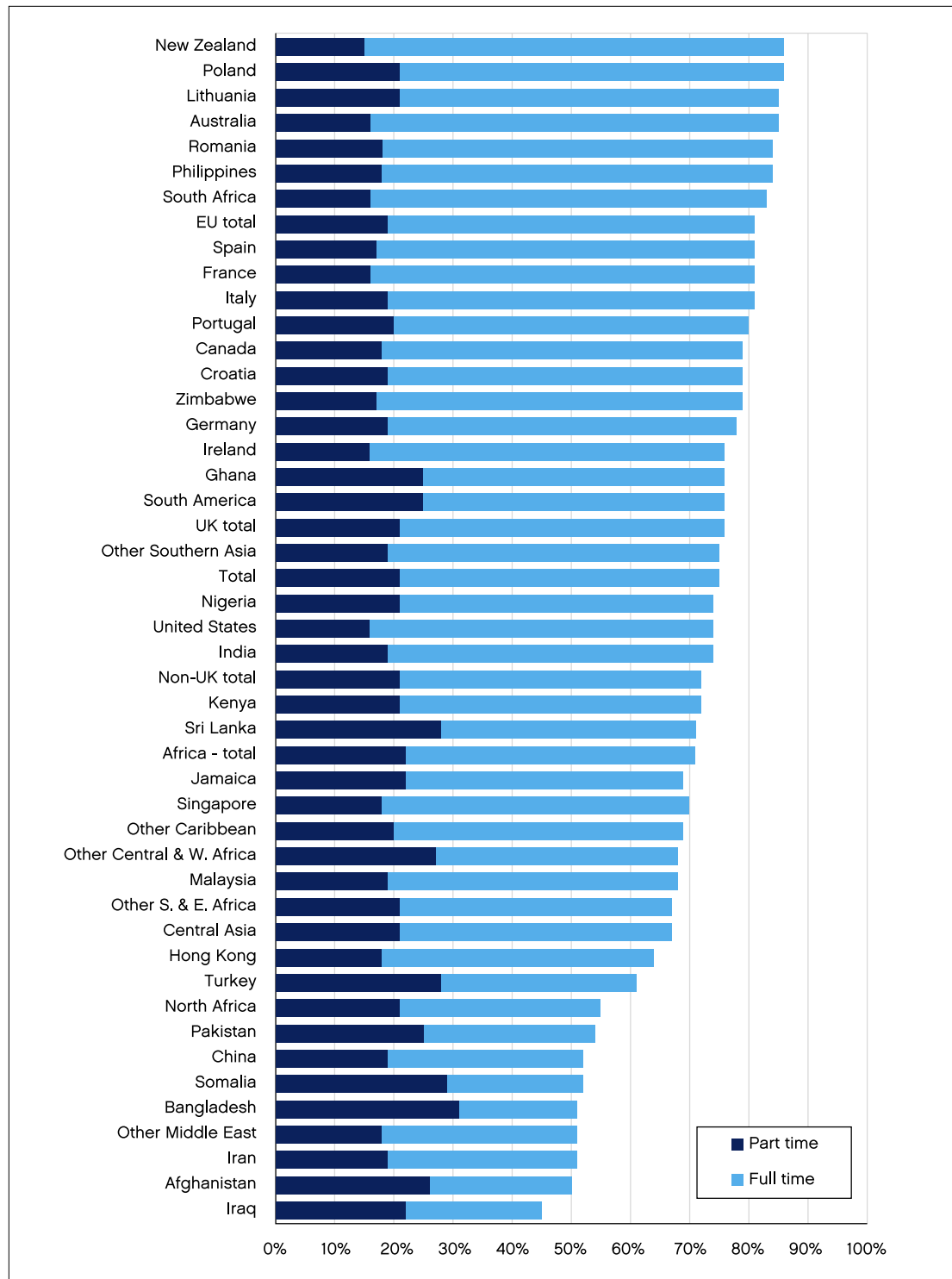
In Diagram A, the net contributors more or less offset net recipients, making migration overall fiscally neutral. In Diagram B, more of the migrants are net contributors, and more strongly so, while there are fewer net recipients, and especially fewer major net recipients. As such, migration delivers a fiscal surplus – a surplus which could then be invested into things to offset the broader economic costs of migration relating to productivity, congestion, capital dilution, housing and so on.



So rather than debating how many median migrants can dance on the head of a pin, we should be thinking about how to craft immigration policy to skew the distribution of any given number of migrants towards being major net contributors – more Diagram B than Diagram A.

Are there such large variations in the fiscal profiles of migrants in reality? Yes – because migrants are anything but homogenous. This is reflected in many datasets, not least employment rates by country of birth, as per the graph below.¹⁷⁵ Of course, there is substantial variation within countries. But on average, a migrant from New Zealand or Poland is almost twice as likely to be in work as a migrant from Iraq, and 50% more likely than a migrant from Bangladesh or Somalia.

Employment rate by country of birth



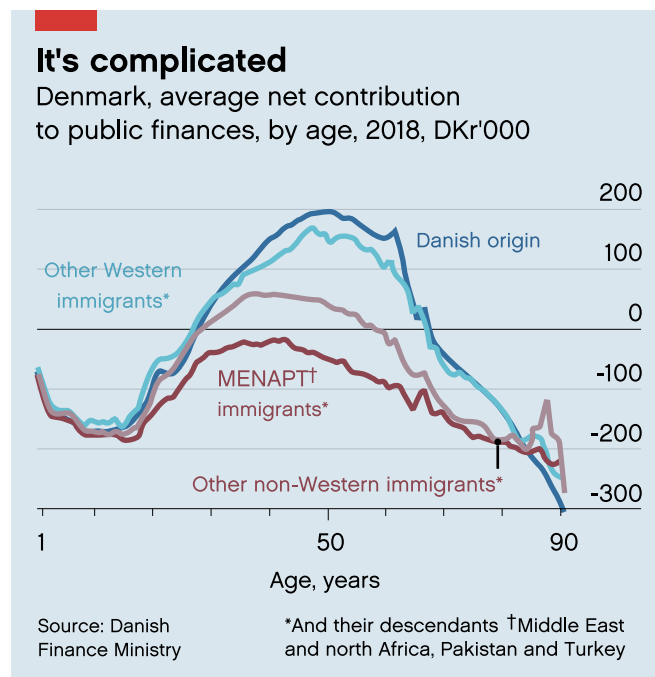
Source: ONS, Census 2021

¹⁷⁵ ONS, 'Country of birth and economic activity status', *Census 2021*. [Link](#)

In an ideal universe, under which we were taking the 'grammar school' approach to migration described elsewhere, the only migrants who might start out as major net recipients would be the vulnerable people in conflict zones we helped via our capped, safe and legal humanitarian routes. And of course, we would hope that any refugee brought to Britain would get the support they need, receive a good education and eventually go on to get a good job – moving from the left-hand side of the distribution towards the right-hand side.

But in making these estimates, we again run into problems with the data – especially when trying to create profiles of migrants over time, rather than momentary snapshots.

Denmark, for example, produces analysis like the below, broken down by country of origin and what point people are at in the life cycle.¹⁷⁶



The Economist

Source: *The Economist*/Danish Finance Ministry

Its last such report estimated that in 2018, immigrants from non-Western countries and their descendants cost the public finances 31 billion kroner (£3.6 billion), the equivalent of 1.4% of GDP. Immigrants from Western countries, by contrast, contributed 7 billion kroner (£800 million). Migrants from 'MENAPT', or the Middle East, North Africa, Pakistan and Turkey, accounted for 50% of non-Western migrants and 77% of the costs – the equivalent of 85,000 kroner (£9,800) per migrant.¹⁷⁷

In Britain, we don't have good net migration data by nationality for the last few years, but we can look at Home Office visa data to get a rough sense of the immigration side of the equation. Across 2020-23, 475,000 visas were issued to migrants from MENAPT countries. If the Danish analysis were to hold here, and if most of these migrants were to settle, then those visas would represent a potential net cost to the

¹⁷⁶ Chart from: 'Why have Danes turned against immigration?', *The Economist* (18 December 2021). [Link](#)

¹⁷⁷ Danish Finance Ministry, 'Economic analysis: Immigrants' net contribution to the public sector finances in 2018' (October 2021). [Link](#)

Exchequer over the long term of something like £5.5bn per annum in today's money, which would be enough to fund a further 1% reduction in National Insurance.¹⁷⁸

Unfortunately, much of the rhetoric in Denmark has latched on to the Islamic dimension of this, which has unfairly become conflated with the debate around Islamism and extremism. As *The Economist* notes of Denmark: 'This year was the first time the ministry reported separately on the contributions by people from 24 Muslim countries.'

In reality, the fact that net recipients in Denmark were disproportionately Muslims probably has little to do with religion per se. Far more relevant are low levels of education, social capital and earnings in the relatively poor countries where these migrants came from. As a result, they performed poorly in the Danish labour market, and combined with a tendency to retire early and make use of universal welfare schemes, this resulted in such migrants being significant net recipients.

It's not just the Danes who have looked into this. A team led by mathematician Jan van de Beek of the University of Amsterdam recently found that the Dutch government had spent net €400bn on migrants over the 1995-2019 period, i.e. almost €17bn per annum. In the reference year of 2016, the net benefits of migration from Western countries came to around €0.9 billion (about €500 per person) whereas other migrants cost €18 billion (€8,500 per person).¹⁷⁹

‘A team at the University of Amsterdam recently found that the Dutch government spent net €400bn on migrants over the 1995-2019 period’

Significantly, the Dutch study also found that the disparity in fiscal profiles of different types of migrant persisted across generations, such that 'even in the third generation, on average, less than half of the differences have been 'made up''.¹⁸⁰ Overall, it found that taking into account chain migration, 'only labour immigration from North America, Oceania, the British Isles, Scandinavia, Belgium, Luxembourg, France, Germany, Austria, Switzerland, Italy, Spain, Israel, India, Singapore, Taiwan, South Korea and Japan [is] unequivocally positive'.¹⁸¹

The effects in the UK are unlikely to be exactly the same as in the Dutch study. But since 2020 we have issued 1.23 million visas to people from the countries that were 'unequivocally positive' in that study, and 2.62 million to people from other countries.

There are of course multiple reasons why we simply can't transpose the findings of the Danish and Dutch studies to the UK wholesale. In some senses, both have more extensive welfare states than the UK. But offsetting this, the contributory principle also plays a greater role, which means that in theory people should be covering more of their own costs compared to the UK.

178 HMRC, 'Direct effects of illustrative tax changes' (23 January 2024). [Link](#)

179 J.H. van de Beek et al., 'Borderless Welfare State: The Consequences of Immigration for Public Finances', University of Amsterdam (June 2023), p.128. [Link](#)

180 Ibid, p.207.

181 Ibid, p.118.

Nevertheless, the sums involved in the Danish and Dutch studies should give us pause for thought. Because there are significant signs that the long-term costs to the UK of non-Western migration are of the same order of magnitude as for Denmark, the Netherlands and other European countries – as the table collated by the Migration Observatory above indicates.

The most recent study, conducted in 2018 by Oxford Economics, estimated the net fiscal contribution of EEA migrants in 2016/17 at £4.7bn, compared to a net cost of £9bn for non-EEA migrants (that's around £5.9bn and £11bn in today's money).

Yet even this did not capture the full picture, as the non-EEA category includes migrants from countries such as Canada, Singapore and Australia, who on average pay between four and nine times as much income tax in the UK as migrants from countries such as Somalia, Afghanistan and Pakistan.¹⁸²

Given the gaps in the published data, discussed at length in Chapter 2, it is very far from straightforward to update this sort of analysis to reflect the current situation. The ONS does attempt to work out how many people are net recipients across the whole population: in 2022, 54% of individuals received more in benefits than they paid in taxes.¹⁸³ Unfortunately, the ONS does not break this analysis down by nationality, still less migration status or where people were born.

But what numbers we do have suggest the situation has not improved – and may even be getting worse, given the changed mix of migration under the new post-2020 immigration system.

↳ Migrants from countries such as Canada, Singapore and Australia pay between four and nine times as much income tax as migrants from Somalia, Afghanistan or Pakistan ↴

Some migrants in the UK pay far more in tax than others

The most relevant data in the public domain for thinking about this are the statistics on income tax, National Insurance contributions, tax credits and child benefits published by HMRC.¹⁸⁴ But this is a minority of tax revenue and a very small sliver of public spending. In 2019/20 total receipts were about £828bn, of which £194bn was income tax and about £68bn from the employee part of NICs (so about 30% of receipts). In the same year total spending was £888bn, of which about £18bn was on the (legacy) tax credit system and £11.5bn on child benefit (so about 3% of spending).¹⁸⁵

Yet amazingly, even on this basis, where we are counting a much larger part of people's tax contributions than their consumption of public spending, the analysis suggests that a number of nationalities were net recipients, not net contributors, across just these four taxes and benefits, including nationals of Somalia, Afghanistan and Bangladesh.

¹⁸² See p.69.

¹⁸³ ONS, 'Effects of taxes and benefits on UK household income: financial year ending 2022' (18 July 2023). [Link](#)

¹⁸⁴ HMRC, 'Income Tax, National Insurance Contributions, Tax Credits and Child Benefit Statistics for Non-UK Nationals: 2019 to 2020' (25 August 2022). [Link](#)

¹⁸⁵ OBR, 'Fiscal supplementary fiscal tables: receipts and other', 'Fiscal supplementary fiscal tables: expenditure', *Economic and fiscal outlook – March 2021* (3 March 2021). [Link](#)

This analysis doesn't even purport to be an overall picture, and in the absence of any proper figures from government, its main usefulness to compare relative personal tax contributions.

Even trying to do this, however, exposes fundamental flaws in the British state's data processing. For 27 of the 87 specific nationalities in the HMRC dataset, the ONS population estimates for 2019 were actually below the number of individuals recorded as paying NICs in the 2019-20 tax year – in many cases substantially below (though the ONS estimates do come with large error margins attached).¹⁸⁶

We have made adjustments accordingly, taking the HMRC number as the truer figure in the graph below for countries such as Romania, Bulgaria, India, Nigeria, Nepal, the Philippines, Jamaica and Kenya. But assuming at least some and probably many of these taxpayers will have dependants, even these figures are likely to flatter the per capita analysis. This is imperfect, but until we have proper, UK-wide nationality data which aligns with a HMRC dataset, this is the best we have.¹⁸⁷

‘ For 27 of the 87 nationalities in the HMRC dataset, the ONS’s population estimates were actually below the number of individuals recorded as paying tax ’

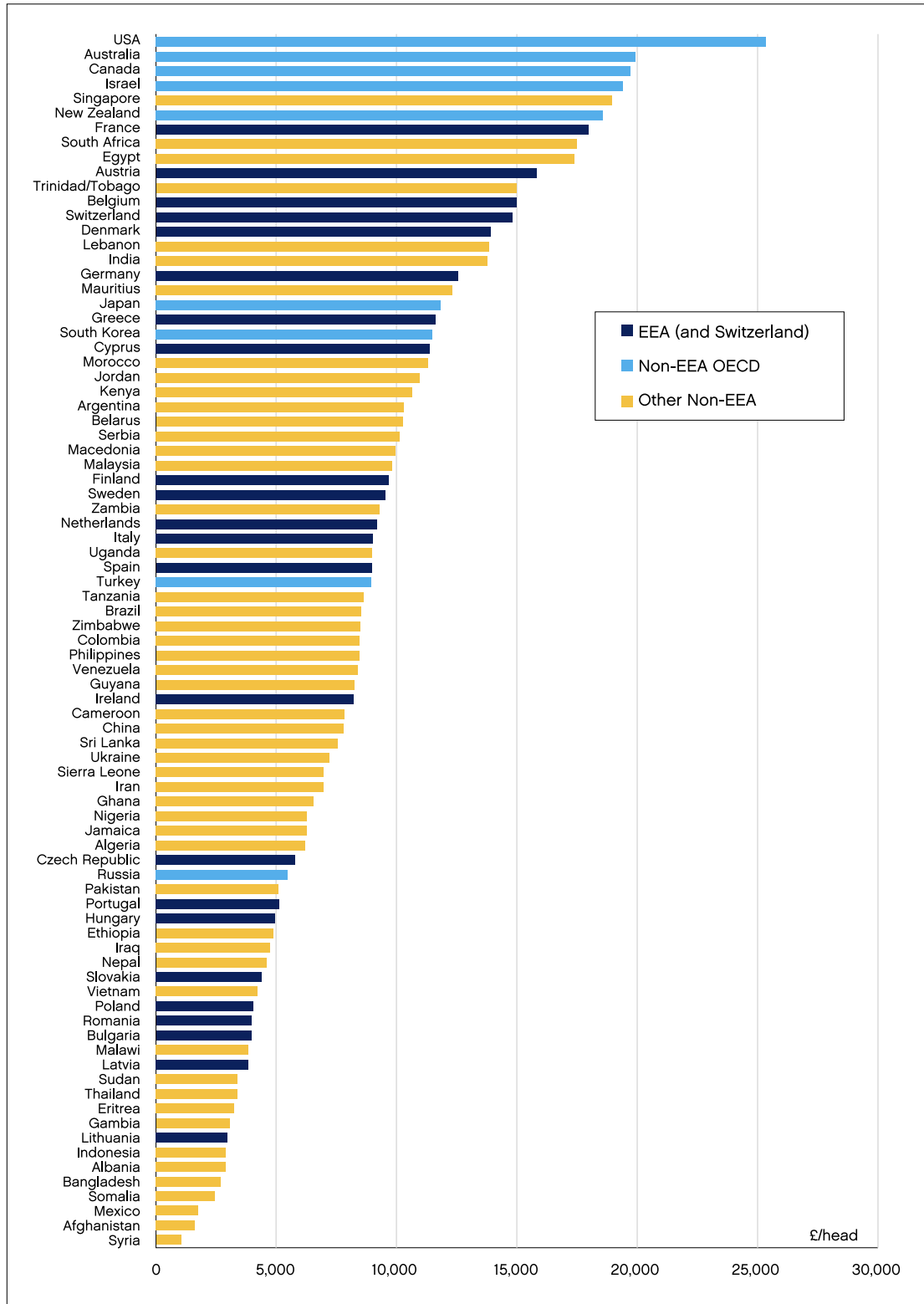
So the precise numbers need taking with a big pinch of salt. But the general pattern is clear, and not surprising. When it comes to migrants from both Europe and the rest of the world, people from richer countries generally paid much more tax. Western Europe and countries like the USA, Canada and Australia head the table of top taxpayers. Generally, migrants from these countries are likely to be net contributors overall. Migrants from poorer countries such as Eritrea, Albania and Bangladesh are more likely to be net recipients.

Overall, income tax and NICs paid per head were about two thirds higher among arrivals from the EEA & Switzerland than non-EEA, so the swing away from Europe since 2020 would, all things being equal, mean fewer net contributors – unless it was a swing towards rich countries and individuals outside Europe. Unfortunately, that doesn't seem to be the case.

¹⁸⁶ ONS, 'Population of the UK by country of birth and nationality: individual country data' (2020). [Link](#)

¹⁸⁷ Note also that HMRC will include some non-residents too – yet another data issue that needs sorting out if we are to create a truly rigorous evidence base for migration policymaking.

Income taxes and NICs paid per head by nationality, 2019-20 tax year



Source: HMRC

Annoyingly, many of the other relevant statistical sources don't record data on migration directly. The census allows us to see which people were born in another country, but others just look at people's current nationality.

One very rough proxy we could potentially use would be ethnicity data. The ONS did attempt to cross-reference ethnicity and fiscal data for 2019, and took into account data on indirect taxes and different forms of benefits, not just the more limited data we've had to work with.

However, there are limited conclusions we would be able to draw from this. Large numbers of the people covered by this analysis wouldn't be migrants but rather British citizens, born in the UK – roughly 44% of those self-identifying as Indian ethnicity for example, and 64% of those self-identifying as Black Caribbean.

Immigration is commonly hailed as a solution to rising economic inactivity among British people, but this ignores the fact that economic inactivity rates among some groups of migrants are very high¹

By the same token, whilst this could be an interesting way to look at the multi-generational effects of immigration, we have no way to distinguish the second and third generation descendants of migrants of any given ethnic background from actual migrants fresh off the plane.

The differences shown in the data do warrant further investigation from a migration perspective. For example, the ONS found that 'Asians' – which will include people from many backgrounds – were net contributors by £500 on average (about £600 in today's money), whereas residents who described themselves as Black (so this will group together people who describe themselves as Black African and Caribbean) were net recipients of about £6,400 on average (£7,800 today).

But ultimately, the only conclusion we could draw with any certainty from this analysis would be that we need to massively improve the data, so that we're not left with proxy measures.

Economic inactivity is likely a significant factor in differing fiscal contribution

One major factor that is likely to be behind differences in average contribution between different migrant groups is economic inactivity. Rates of economic inactivity also are important to consider more generally, because immigration is commonly hailed as a solution to rising economic inactivity among British people of working age.¹⁸⁸ Not only does this not address the underlying problems,¹⁸⁹ it ignores the fact that economic inactivity rates among some groups of migrants are very high. The economically inactive are far more likely to be net recipients than net contributors, for obvious reasons.

188 See for example: J. Bloom, 'Economy of truth: Debunking Hunt's migrant myths', *The New European* (13 March 2024). [Link](#)

189 R. Jenrick, 'Fixing welfare is an economic and moral imperative', *The Telegraph* (23 February 2024). [Link](#)

Here, the census data on economic activity and language proficiency is telling.¹⁹⁰ Among those who were unable to speak English well or at all, 43% and 61% respectively were economically inactive, more than double the share among those whose main language was English or who could speak English very well.

Although they represented just 2.1% of the working age population, those with poor or no English accounted for 3.8% of the economically inactive. If they had been economically active at the same rate as people whose main language was English, there would have been roughly an extra 160,000 people in the workforce. They might not be in jobs where they would be net contributors to the Exchequer, but they would surely represent less of a cost to the public purse.

Economic activity by language proficiency in England and Wales (aged 16-64)

	Main language is English	Speaks English very well	Speaks English well	Cannot speak English well	Cannot speak English
Employed	71%	74%	68%	52%	34%
Unemployed	4%	5%	5%	5%	5%
Inactive	24%	21%	28%	43%	61%

Source: ONS, Census 2021

It is a serious failing of our immigration system that there are over three-quarters of a million working-age people in England and Wales whose main language is not English and who cannot speak English to a basic standard. Most of the public, quite reasonably, assume that we only allow people to migrate who have at least a basic proficiency in English, and who will ensure that their children can fit in at school and so on. Yet this is emphatically not the case.

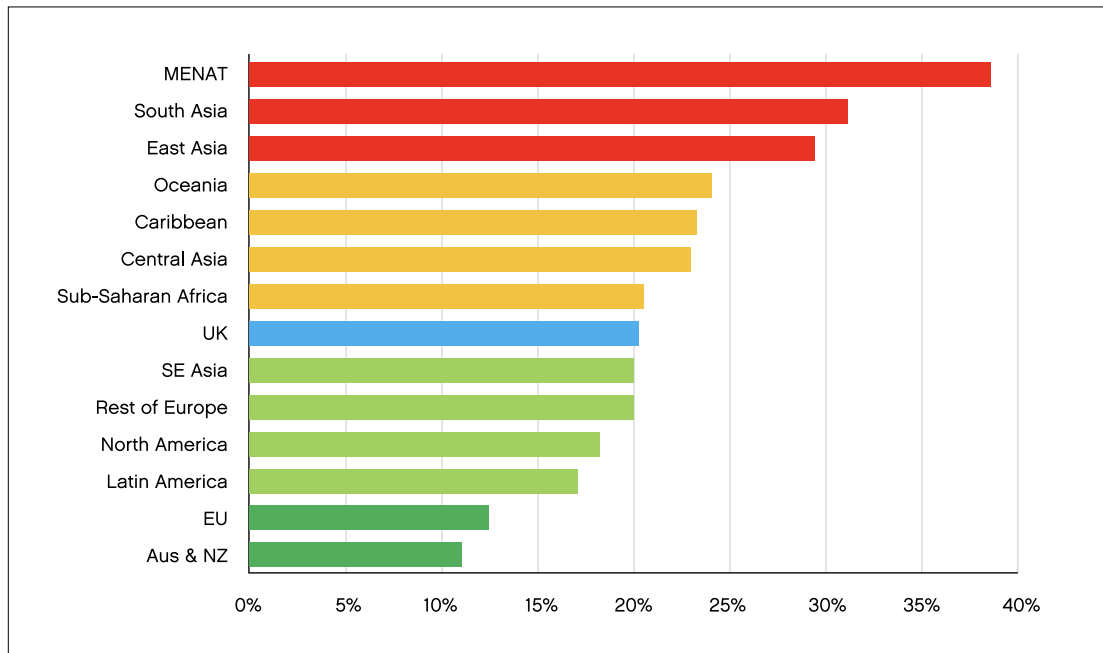
It is a serious failing of our immigration system that there are over three-quarters of a million working-age people in England and Wales who cannot speak English to a basic standard

We can also slice the economic inactivity data from the census by country of birth, as per the graph below. In this case, to reduce potential distortions caused by the relatively high numbers of international students from some countries such as China, we have chosen to focus on those aged 25-64.

At time of the 2021 census, economic inactivity among people born in the UK stood at 20.3%, basically in the middle of the distribution. Yet it was just 11.0% among those from Australia and New Zealand, and 12.4% among those from the EU; but 38.6% among those from MENAT countries (Middle East, North Africa and Turkey), and 31.1% among those born in South Asia (Afghanistan, Bangladesh, India, Pakistan and Sri Lanka).

¹⁹⁰ ONS, 'Age, economic activity status and proficiency in English language', *Census 2021* (28 March 2023). [Link](#)

Economic inactivity by country of birth (aged 25-64)



Source: ONS, Census 2021

As set out later in this report, we believe that we shouldn't be using immigration as a short-term fix for labour market issues.¹⁹¹ But if ministers are going to resort to filling gaps in the workforce via migration, they should be prioritising workers from places like Australia, New Zealand and the EU – at least if we have any regard for the long-term sustainability of the public finances. They should also be doing their best to ensure that we admit only workers, rather than their dependants. Since 2021, visas have been granted to 897,000 dependants, including 45,000 from MENAT countries and 402,000 from South Asia. And of course, those dependants are – on the figures above – much more likely to be economically inactive than those already here.

There is a large degree of variation in earnings by nationality

The section above dealt with those who are not in the workforce. But for those who are, we need to know what jobs they are doing, and how much they are earning.

To this end, we have obtained new figures for earnings by nationality, from HMRC's 'Real Time Information' project, via a Freedom of Information request.¹⁹² This is just a snapshot, from a period before the new migration system kicked in, but it is interesting nevertheless. We can also compare that information to survey-based methods like the ONS Annual Population Survey.

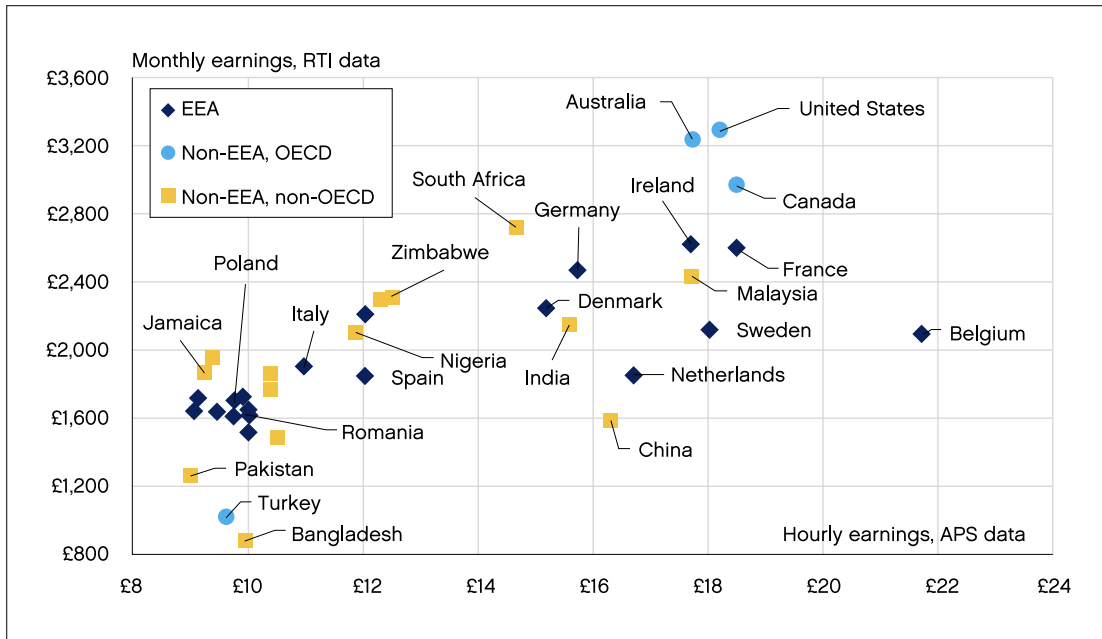
This data is not for all migrants, but only for non-UK nationals (and in the case of the RTI data, those who were not UK nationals when they got their NI number).¹⁹³ But again, it supports the picture already described.

¹⁹¹ For more on this, see: A. Manning, 'UK labour shortages and immigration: looking at the evidence', LSE (10 September 2021). [Link](#)

¹⁹² Previously, the best evidence in the public domain was perhaps Labour Force Survey data on earnings by ethnicity and by whether people were born outside the UK. See: ONS, 'Table 8', *Dataset: Ethnicity pay gaps: raw pay gaps* (29 November 2023). [Link](#). This data is much less granular than earnings by nationality.

¹⁹³ J. Glen, 'Answer: UIN 7399, tabled on 18 December 2023' (12 January 2024). [Link](#). HMRC, 'FOI 100_604'.

Comparing two measures of median earnings by nationality (2019)



Sources: ONS, HMRC

Unsurprisingly, there is a correlation between monthly and hourly earnings. In general, nationals of richer countries (such as Western Europe and the Anglosphere OECD countries) earn more. Nationals of poorer countries (like Pakistan, Turkey and Bangladesh) earn less. There are variations, though: on both measures, Indian nationals earn much more than people from neighbouring countries.

Similarly, another set of new FOI data also lets us look at the earnings distribution within nationals of each country, as per the graph below.¹⁹⁴ For example, Australian nationals at the 25th percentile earned more than Bangladeshi nationals at the 75th percentile. UK nationals are more or less smack on the average. While there are more countries with nationals earning above the average, there are larger numbers of people here from the countries whose nationals earn less.

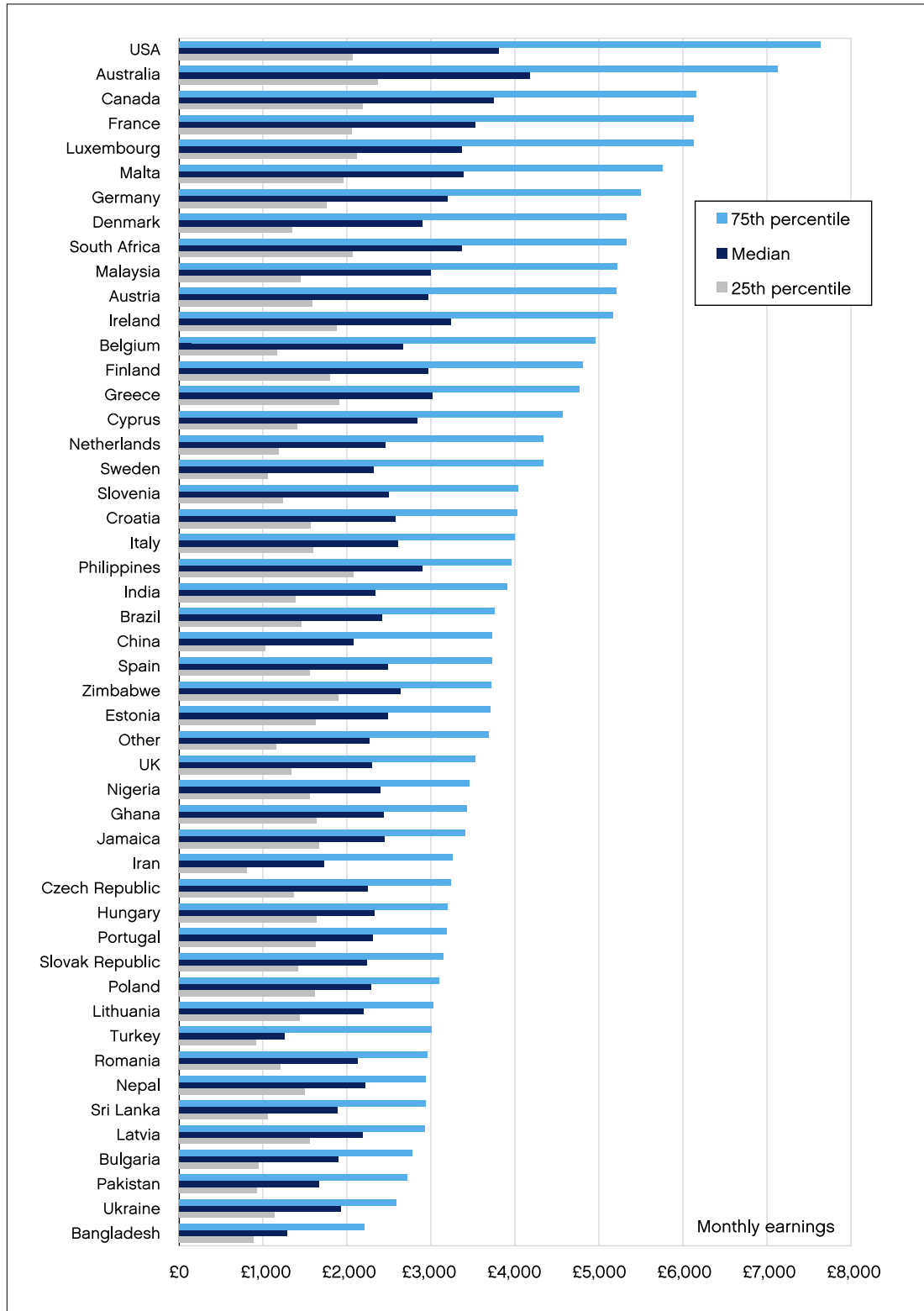
Since 2021, have also seen a large increase growing numbers of people coming from poorer countries (whose earnings are generally, but not always, lower) than people from richer countries. There are some exceptions to this – as Jonathan Portes has pointed out, our new immigration system tends to take richer people from poorer countries.¹⁹⁵

But the crucial point is that this unselective approach will tend to push down average earnings compared to what they could have been. If we were more selective, we could make the average impact much more positive. And as we have seen, we need to be seeking a large earnings premium so that we can offset the broader costs of immigration.

194 HMRC, FOI request 2023_100604.

195 J. Portes, 'Tweet: interesting new data', X (20 February 2024). [Link](#)

Monthly earnings by nationality, employees only, September-November 2023



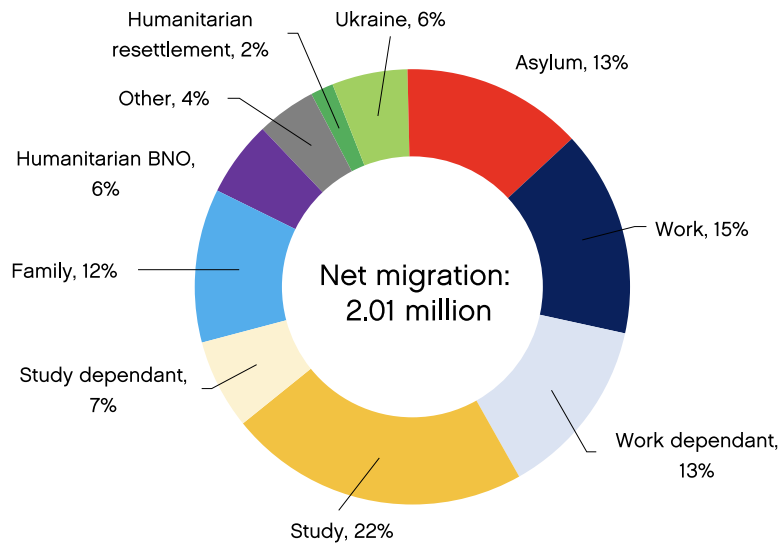
But before making policy decisions, we need to answer the obvious question that follows from this earnings data: what jobs are these migrants doing, and what visa routes are they using?

As the next graph shows, a large number of those who moved to the UK over recent years did so for reasons other than work, so were not subject to the earnings requirements of the work routes.¹⁹⁶ In fact, Out of net migration of 2.01 million non-EU

¹⁹⁶ ONS, 'Long-term international immigration, emigration and net migration flows, provisional' (23 November 2023). [Link](#)

nationals over the last five years, only 15% came principally to work. Even ignoring those on the asylum and humanitarian routes, many others also came without facing salary thresholds because they came as students, or adult dependants of students or workers, or for family reasons.

Net migration of non-EU nationals by reason, 2018-2023



Source: Home Office

As we shall see when we take a closer look at immigration and the universities, many non-EU students are effectively here on 'gig economy visas' and their earnings will be relatively low.

For now, though, let's concentrate on those who came here specifically to work via a skilled worker visa – both the main route and the health & care route.

Skilled worker visas are being used by many low-skilled workers

Since the start of 2021, 571,000 non-temporary work visas have been issued to actual workers, accounting for 17% of all visas issued. Of these, 74% were on the skilled worker routes (the rest were split over more than a dozen niche routes, such as 'Creative worker' and 'Religious worker').¹⁹⁷ So the skilled worker visas accounted for just over 12% of all visas issued in this period. Within this, the health & care route accounted for 60% of skilled worker visas

Further splits within the skilled worker category are set out in the table below:

Entry clearance visas issued on skilled worker routes, 2021-23

	2021	2022	2023	Total
Skilled worker	35,599	66,119	65,766	167,484
Share EU	22%	18%	16%	18%
Share non-EU	78%	82%	84%	82%
Skilled worker (health & care)	31,800	76,724	146,477	255,001
Share EU	2%	1%	1%	1%
Share non-EU	98%	99%	99%	99%
Total skilled worker	67,399	142,843	212,243	422,485
Share EU	12%	9%	5%	8%
Share non-EU	88%	91%	95%	92%

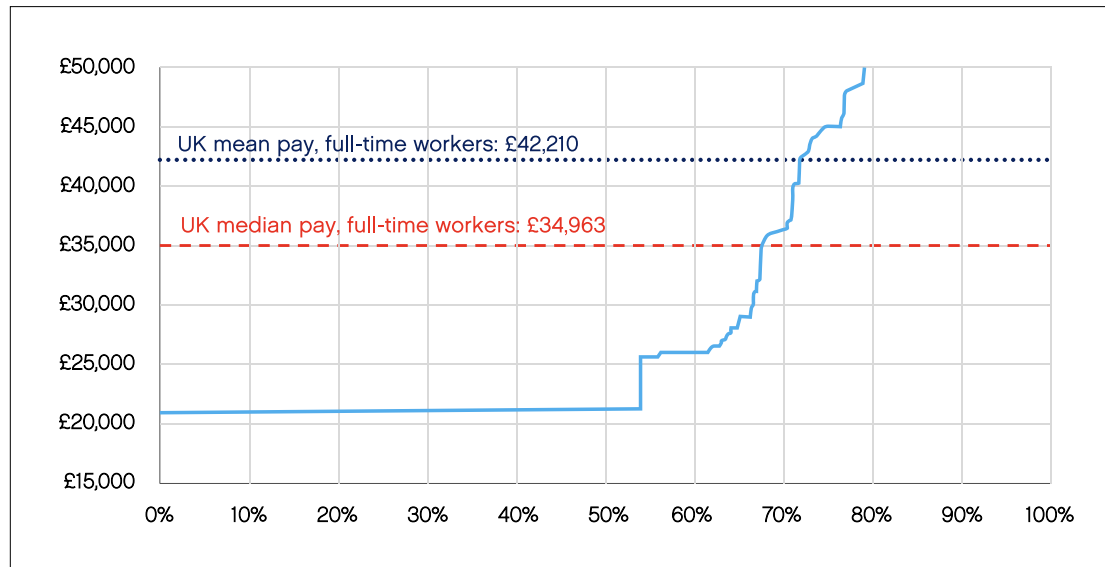
Source: Home Office

¹⁹⁷ Home Office, 'Vis_D02', Entry clearance visa applications and outcomes detailed datasets, year ending December 2023 (29 February 2024). [Link](#)

The preponderance of non-EU workers is notable. Indeed, given that only a tiny fraction (4.7%) are from affluent, English-speaking non-EU OECD countries, based on historical earnings and contributor/recipient data, this does not bode well for fiscal sustainability.

As noted above, the Home Office is unwilling to publish data on what salaries people are arriving on in general. But we do have access to data on how many visas are being issued against different occupational codes for the skilled worker routes, which we can cross-reference with median salary data for those occupations.¹⁹⁸

Proportion of sponsored skilled worker visas issued July 2022 - June 2023, by ranked median salary of occupation



Source: Home Office

As the graph above shows, even of those on skilled worker visas, 68% came to occupations where the median salary was less than the median earnings of full-time workers, and 72% of those on skilled worker visas came to occupations where the median salary was less than the mean earnings of full-time workers.

To repeat, this is based on occupational median salaries, not migrants' actual salaries. But in the context of all the other data we've seen on migrant earnings, we might reasonably suppose that this very roughly tracks the actual distribution of salaries.

Left off of the graph is a long tail of potentially much higher earners, the 20% of skilled workers in occupations where the median salary ranges from £52,000 to £200,000. Although we have no idea of their consumption of public services, these are very likely to be mainly the high net contributors we should be prioritising. If all migrants were like this, then immigration really could be rocket fuel for economic growth and a big positive for the public purse. But sadly this is not the case.

Indeed, the fact that roughly 68% of skilled workers are coming to do jobs where the median occupational salary is below the median UK salary is quite astonishing. Skilled workers should be the most economically beneficial component of migration. But even they are tending to end up in low-wage jobs – which has its own implications for the labour market, as we will see.

198 Home Office, 'Sponsored work visas by occupation and industry: Occ_D02 – Grants of entry clearance visas, by occupation and industry', Managed Migration Datasets (24 August 2023). [Link](#). ONS, 'Dataset: Earnings and hours worked, all employees: ASHE Table 1', ASHE (1 November 2023). [Link](#). For the visa data from an FOI request to the Home Office, and analysis which also looks at the 25th and 75th percentiles, see: R. McNeil, 'How will new salary thresholds affect UK migration?', Migration Observatory (6 December 2023). [Link](#)

In part, this situation has arisen because the minimum salary threshold on the skilled worker route was originally set at £25,600 in 2020, well below the median salary.¹⁹⁹ The threshold then became even more liberal over time as it was eroded by inflation. Even after being updated to £26,200 in March 2023, it was still 16% lower in real terms by the start of 2024, when it was announced that the threshold was being increased to £38,700 from April 2024 (roughly £31,800 in 2020 money).

However, it was the Shortage Occupation List (SOL) which really punched a hole in the skilled visa route.

The SOL was notionally designed as a mechanism to help employers fill vacancies 'where employers find it problematic to secure adequate numbers of workers with the required skills to fill their vacancies **and** where the Migration Advisory Committee (MAC) judge that migration is a sensible response to that shortage'.²⁰⁰ (Our emphasis.) The main feature of the SOL was that applicants could be paid 80% of the going rate for that occupation code, which lowered the minimum salary threshold to £20,480 in various jobs, notably on the health & care visa route.

‘The list of roles on the Shortage Occupation List became so copious that the main salary threshold became almost meaningless’

In the event, the list of roles on the SOL became so copious that the main salary threshold became almost meaningless. This is reflected in the skilled worker visas graph above – 54% of visas were issued for occupations in which the median salary was below the £25,600 threshold, with 42% for occupations where the median was no more than £21,200. The vast majority of this 42% was made up of health & care visas, mainly for the adult social care sector. But a substantial number of other skilled visas were issued against relatively low-paid occupation codes too.

This dysfunction was recognised by the MAC in its review of the SOL published last October. Among other things, it recommended that ‘the SOL going rate discount should be removed and that all occupations on a national pay scale, alongside those where the going rate exceeds the general threshold, be made ineligible for the SOL’, and that ‘if the Government opposes allowing low-wage employers to pay below the general threshold for the [skilled worker] route, then we recommend it should either abolish the SOL or heavily reform it to address this issue’.²⁰¹

The Government has responded by abolishing the SOL and introducing a new Immigration Salary List (ISL).²⁰² This is a step in the right direction. It means the 20% discounted salary threshold is now £30,960 (though this is still 11% below the UK median salary), and the number of occupations on the list has been shrunk to a more sensible figure.

But it still leaves some gaping holes in the system. Teachers have exemptions – a point to which we shall return. And crucially, there are substantial exemptions for many health and care workers, such that you can be paid ‘between 70% and 90% of the lower going rate for your job if your salary is at least £23,200 per year’.²⁰³

199 On the methodology used to arrive at this threshold, see: MAC, ‘Calculating salary thresholds: technical note’ (July 2020). [Link](#). On the process used to arrive at this methodology, see: MAC, ‘A Points-Based System and Salary Thresholds for Immigration’ (January 2020), pp.81-118, 264-65. [Link](#)

200 MAC, ‘Shortage Methodology Review’ (February 2023), p.3. [Link](#)

201 MAC, ‘Review of the Shortage Occupation List’ (October 2023), p.129. [Link](#)

202 Home Office, ‘Skilled Worker visa: immigration salary list’ (4 April 2024). [Link](#)

203 Home Office, ‘Health and Care Worker visa’ (4 April 2024). [Link](#)

Since healthcare workers accounted for around 60% of skilled workers in 2021-23, the ISL will actually do relatively little to tighten up the system – hence official projections that the new immigration rules will only shave 15,000 migrants off the worker numbers.²⁰⁴

In other words, it is likely that even with the changes so far introduced by the Government, migration is likely to remain skewed more towards lower earners – and so net recipients – than it could be. This is far from ideal.

This reality has begun to become more widely accepted in recent months. For example, in its analysis of the fiscal and economic context ahead of the March 2024 Budget, the Institute for Fiscal Studies (IFS) found that while higher projected net migration compared to the November Budget would help to boost the overall size of the economy (more people means more GDP), it would also ‘make existing spending plans even more challenging in per-capita terms’.²⁰⁵

‘It is likely that even with the changes so far introduced by the Government, migration is likely to remain skewed more towards lower earners – and so net recipients – than it could be’

Instead of per capita day-to-day spending on public services growing by 0.5% per annum from 2025/26, it is now set to grow by just 0.2% per annum on average, thanks to the new projections including the long-run rate of net migration being revised upwards from 245,000 per annum to 315,000 per annum.

This echoes a point made recently by OBR committee member David Miles to a Parliamentary inquiry into the sustainability of the UK’s national debt:

‘It is much less clear that persistently high levels of net immigration to boost the labour force can generate sustained fiscal improvements. New immigrants, particularly if they come on work visas, may generate a favourable balance of extra tax revenue relative to extra public spending for some years. But immigrants who stay grow older and have children so the favourable tax to spending balance does not persist. And even when the favourable fiscal effects persist, they may do so largely because government spending on public services (particularly on health and education) falls in per capita terms and the quality of those services is eroded as population rises.’²⁰⁶

If we were to change the rules so that we shifted the mix much more towards highly productive, well-paid migrants, relatively young migrants without dependants and with little reliance on the state, then the fiscal outlook would improve. We want the individuals who will be doing significantly better than paying their own way in terms of tax and spend.

Overall numbers would have to be reduced to sensible levels as well, in order to reduce other costs associated with migration, but we cannot ignore the question of composition. We have a choice about who to admit: we can aim to select for those more likely to be contributors. And there are numerous rules and thresholds in the system we can use to do this (even without more fundamental reform), as we detail in our final chapter.

204 Home Office, ‘Legal migration statement: estimated immigration impacts’ (21 December 2023). [Link](#)

205 C. Emmerson, M. Martin Mikloš & I. Stockton, ‘The context for the March 2024 Budget’, IFS (27 February 2024), p.15. [Link](#)

206 D. Miles, ‘Written Evidence SND0012 – Sustainability of the UK’s National Debt’, Economic Affairs Committee (1 February 2024). [Link](#)

5. Migration and the State

In the previous chapters, we looked at the pressure of migration on social housing, and on the public finances more broadly.

But one of the most significant, and worrying, aspects of our shift towards a high-migration economy is the way in which many of our public services, and many government departments, have become dependent on migration, rather than planning and training for their future workforce needs.

As we will show, such dependence just stores up trouble for the longer run – and could and should be greatly diminished.

Doing so will involve making changes to how we do things, particularly in terms of the care sector and higher education. But such changes need not be as disruptive, or destructive, as the advocates of high migration appear to think.

‘ Many of our public services, and many government departments, have become dependent on migration, rather than planning and training for their future workforce needs ’

One of the challenges of working in the Home Office is that you’re almost always outnumbered. Part of your job is to control and – given manifesto pledges down the years – reduce legal immigration. But as a host of Home Secretaries and Immigration Ministers have found, you are likely to face strong dissent from more pro-migration voices within government and Whitehall.

Generally speaking, to push through substantial cuts to migrant numbers, Home Office ministers need firm support from the Prime Minister of the day, who has to be willing to overrule and mollify Cabinet colleagues. Theresa May succeeded in reducing net migration for a couple of years – until EU freedom of movement got in the way – partly because as Prime Minister, David Cameron was committed to the ‘tens of thousands’ pledge.

But while leadership is important, we also need to think about how the incentive structures around migration work within Whitehall, and how to ensure that the left hand knows what the right is doing.

The Treasury

Beyond the spending departments, perhaps the most prominent Whitehall advocate of migration has been the Treasury. It has historically seen migration as a way to boost GDP growth projections and hence tax revenues, which in turn can help it to meet deficit and debt rules. The pressure to use migration to ease projected fiscal pressures has become especially acute post-Covid, given the state of the public finances.

This really came to the fore in the Budget just over a year ago, in March 2023. Jeremy Hunt was, as all Chancellors do, struggling to make the numbers add up. But he got an unexpected boost: the OBR incorporated the latest ONS net migration projections into its modelling. These raised the projected long-run rate of net migration from 205,000 to 245,000. Compared to the November 2022 analysis, cumulative net migration within the forecast period was increased by 300,000 migrants, to 1.6 million.²⁰⁷

As we have seen, these forecasts were in fact wildly out. But they served the Treasury's purpose. The OBR's modelling at the time assumed – roughly speaking – that every 60,000 migrants yielded a 0.1% boost to GDP, with no extra cost to public services. That meant an extra 0.5% of GDP growth in 2027/28.²⁰⁸ And so, through accounting alchemy, migration helped the Treasury to stay within the Chancellor's fiscal rules and reassure the bond markets – though debt was left falling 'only by the narrowest of margins' by the end of the forecast period.²⁰⁹

Since then, upwards revisions to net migration estimates incorporated into OBR modelling have continued to give the Chancellor additional fiscal leeway at the end of the OBR forecasting period. In other words, migration has come to be used as a substitute for the long-term structural reforms our economy needs to get growth moving again.

‘ Until very recently, the OBR and Treasury have been happy to bank the extra GDP growth from migration, but much less open to calculating the potential costs ’

This short-termism has been enabled by an asymmetric approach to modelling the benefits versus costs of migration. Until very recently, OBR/Treasury forecasters have been happy to bank the extra GDP growth from migration, but much less open to calculating the potential costs, for example pressures on housing, public services and infrastructure – the capital dilution we have discussed in this paper.

The Treasury has also been happy to bank the revenues generated from visa fees and the immigration health surcharge – a total of around £4.1 billion at the OBR's current projected rate of net migration.²¹⁰ But even leaving aside the fact that this represents just 0.3% of public spending, there is still the problem that historically, less effort seems to have been made to calculate the potential fiscal costs of migration, especially over the long-term.

The greater attention paid to the cost side of the ledger in the OBR's March 2024 'Economic and Fiscal Outlook' was therefore a welcome step in the right direction.²¹¹

However, problems remain. One OBR chart that received a lot of attention showed higher levels of migration having a positive impact on public borrowing and the national debt over the five-year forecast period – the natural effect of pumping up GDP growth (regardless of the deleterious effects on GDP per capita growth).²¹²

But as the OBR cautioned, this is no guide to the fiscal impact of migration in the long term. It warned that the 'fiscal impacts of migration are likely to become less beneficial over time, reflecting that after a minimum of five years, migrants can apply

207 OBR, 'Economic and fiscal outlook – March 2023' (15 March 2023), p.28. [Link](#)

208 Ibid.

209 Ibid, p.5.

210 OBR, 'Economic and fiscal outlook – March 2024' (6 March 2024), p.125. [Link](#)

211 See above, p.51.

212 OBR, 'Economic and fiscal outlook – March 2023' (15 March 2023), p.127. [Link](#)

for indefinite leave to remain and therefore become eligible for welfare benefits'. Which meant that most of the broader fiscal impacts of the new net migration projections 'fall outside' the five-year horizon of the OBR's medium-term forecasts.²¹³

Moreover, as the Institute for Fiscal Studies highlighted ahead of the Budget, the new net migration assumptions meant that projected per capita growth in day-to-day spending on public services was diluted from 0.5% per annum to 0.2% per annum,²¹⁴ something which the OBR also noted on the day.²¹⁵ It's easy to get borrowing down if you're claiming you'll spend less per person.

Of course, we might well decide as a matter of policy that a lower level of public spending growth per capita (or indeed lower GDP per capita growth) is a trade-off we want to make get borrowing down and the national debt under control without, for example, making nominal spending cuts or raising taxes. But at the moment, these choices are mostly implicit, embedded within opaque modelling processes.

We believe that we should foreground these choices – not least by having a proper debate before we pull the migration lever. But at the moment, as we shall show in this chapter, it is a reflex right across Government.

Schools

The big spending departments such as the Department for Education (DfE) face a constant temptation to use migrant labour as a short-term fix for long-term workforce and skills issues. This leads to holes in our visa system, storing up problems and making public services ever more addicted to migration.

Notably, school teachers have been exempted from the recent increase in the salary threshold to £38,700 on the skilled worker route. Otherwise, with the starting salary for a teacher in the English state system set at £30,000 from September 2023, there would be far fewer opportunities to recruit from abroad.

This would be a problem for the DfE. Just within the last two years, it has massively liberalised its approach to granting qualified teacher status (QTS) – a legal requirement for teachers in maintained schools in England – to overseas teachers.

‘If you do not have a teaching qualification obtained in England, you can now apply to convert your qualification from any other country in the world’

If you did not have a teaching qualification obtained in England, it used to be the case that you could apply to convert a qualification from Australia, Canada, the EEA, Gibraltar, New Zealand, Northern Ireland, Scotland, Switzerland or the USA directly into QTS.

From February 2023, the list was expanded to include Ghana, Hong Kong, India, Jamaica, Nigeria, Singapore, South Africa and Ukraine. Direct application was then opened to teachers 'from every country outside the UK' at the end of 2023.²¹⁶

Although admitting that the 'department does not hold any data on the number of overseas teachers that could be eligible for applying for QTS in England', the DfE expected

213 Ibid.

214 C. Emmerson, M. Mikloš & I. Stockton, 'The context for the March 2024 Budget', IFS (27 February 2024). [Link](#)

215 OBR, 'Economic and fiscal outlook – March 2023' (15 March 2023), pp.125-126. [Link](#)

216 DfE, 'Projected number of overseas teachers awarded QTS in England' (December 2022). [Link](#). Previously you required a teaching qualification from one of: Australia, Canada, the EEA, Gibraltar, New Zealand, Northern Ireland, Scotland, Switzerland or the USA.

the move to completely open up QTS equivalence to increase QTS awards to overseas teachers by between 25% and 74% – so between roughly 400 and 1,200 people.

This is almost certainly going to turn out to be a massive underestimate. Though it's too early for the effects of this to fully show up in the statistics, we can use the number of applicants to initial teacher training (ITT) – a requirement for most overseas teachers until the start of this year – as a proxy. These show applications rising by over 60% (an extra 3,300) in the period from October 2023 to March 2024 compared to the same period in 2022-23, with 90% of the increase coming from outside the EEA. The share of overseas applicants rose from 18% to 27%.²¹⁷

In part, this massive increase may be due to very proactive attempts to recruit from abroad by the DfE, with foreign teachers being offered a £10,000 signing-on bonus.²¹⁸ But it is clear that there is massive underlying demand to come to the UK, and teaching provides an increasingly viable route for a lot of migrants, given the approach of the DfE and the salary threshold exemption.

Another aspect of the DfE's approach to migrant labour is the creation of the 'internationally qualified teacher status', or iQTS, in 2021.²¹⁹ The theory is that teachers will be trained abroad by UK-based universities to UK standards, in collaboration with schools in the trainees' home countries. Backed up by the reputation of Britain's education sector, the iQTS will become the international gold standard of teaching qualifications.

‘It is not hard to imagine how lax English language standards might degrade the quality of the teaching’

If that were all there was to the qualification, no one would object. But there is more to it. While notionally enabling teachers to get jobs in 'a range of schools worldwide', the iQTS also automatically confers qualified teacher status (QTS) in England. This raises the question: if you are a Vietnamese iQTS holder, is the value in that qualification going to come mainly from opportunities to teach in Nigeria? And ditto for Nigerians in Vietnam? Or is it going to come from moving to Britain?

The Government's own 'Get Into Teaching' website is certainly not shy about the implications of iQTS-QTS equivalence.²²⁰ So far 13 institutions are providing iQTS training, with ex-polytechnics preponderant. Four more universities are set to follow.

But in a pattern that we will see repeated in this chapter, there are concerns not just about the numbers that could arrive via this method, but the quality of their training.

In theory, teachers coming to England on the back of the iQTS qualification should have a score of 6.5 out of 9 on the International English Language Testing System (IELTS). This level is deemed 'competent', i.e. 'the test taker has an effective command of the language despite some inaccuracies, inappropriate usage and misunderstandings'.²²¹ When we're talking about schoolteachers, this description doesn't exactly inspire confidence.

217 Gov.uk, 'Candidate statistics by UK region or country, or other area', *Initial teacher training applications for courses starting in the 2024 to 2025 academic year* (25 March 2024). [Link](#)

218 For more on this in relation to schools in particular, see: T. Jones, 'Education is being outsourced to the lowest bidder', *CapX* (5 April 2024). [Link](#)

219 For more detail, see: K. Williams, 'Another immigration backdoor is opening', *The Conservative Reader* (7 August 2023). [Link](#)

220 Get Into Teaching, 'Get international qualified teacher status (iQTS)' [accessed 7 April 2024]. [Link](#)

221 IELTS, 'Understanding your score' [accessed 21 April 2024]. [Link](#)

Alternatives to the IELTS are also allowed, ranging from having ‘completed some of your education in the English language, for example, a degree studied in English’,²²² to alternative language tests, including these set by the provider universities themselves.²²³

Like the rest of the DfE’s approach to liberalising international recruitment, this might be great for the DfE’s objectives in the short term. But in the longer term, it is not hard to imagine how lax English language standards might degrade the quality of the teaching in England, with pupils’ learning suffering as a result.

There is undeniably a long-standing recruitment and retention problem in England’s state school sector, hence the DfE’s 2019 ‘Teacher Recruitment and Retention Strategy’, designed to make the lives of teachers better by dealing with the things that drive people out of the profession: workload, poor classroom behaviour and weak leadership.²²⁴

However, it looks increasingly like the post-2020 immigration system is allowing the DfE to use migration as a substitute for actually doing the hard work of implementing its 2019 strategy and addressing the underlying workforce issues. This might be fine in the short-term – but is only likely to be sustainable with a constant churn of new migrant teachers. Meanwhile, standards and working conditions will continue to stagnate.

Melanie Renowden, the chief executive of the National Institute of Teaching – the professional development body for teachers and school leaders – has called for an NHS-style long-term workforce plan for the schools sector.²²⁵ Combining such an approach with implementing the 2019 strategy is likely to deliver a far better outcome for teachers and, crucially, pupils.

Universities

Of all the aspects of the immigration system, the arrival of overseas students is one of those towards which most people are instinctively well-disposed. The assumption is that students will come here for a few years, study, maybe do a bit of part-time work on the side in retail or hospitality, and then leave again, taking with them fond memories and a good qualification. A few might decide to stay to do cutting-edge research, or work in high-skilled jobs. A win-win for them and for Britain.

‘Rapid growth in the number of international students has crowded British students out of many of our top universities’

In fact, some people have argued that such students shouldn’t count as migrants at all, given their relative transience. Why limit the number of skilled workers arriving, just because we are taking more students? Why block students coming over, just because we are taking workers?

222 Get Into Teaching, ‘Get international qualified teacher status (iQTS)’ [accessed 7 April 2024]. [Link](#)

223 See for example: UWE Bristol, ‘English language requirements: UWE Bristol Online English Language Test’ [accessed 21 April 2024]. [Link](#)

224 DfE, ‘Teacher Recruitment and Retention Strategy’ (January 2019). [Link](#)

225 L. Cumisky, ‘We need NHS-style long-term school workforce plan, says NioT boss’, *Schools Week* (20 March 2024). [Link](#)

Well, for one thing, including students in the migration figures is the internationally accepted standard.²²⁶ But setting that aside, this argument is unconvincing, not least because the underlying assumptions do not reflect the whole picture.

First, as previous research by one of the authors has shown, rapid growth in the number of international students has crowded British students out of many of our top universities.²²⁷ The financial incentives for universities are clear – as discussed below, fees for domestic students are capped, but fees for international students aren't. But UK students pay the price.

Second, although universities can profit from overseas students with higher fees, while they are here, students still impose pressure on housing, infrastructure and public services (in other words, more capital dilution) – especially in areas of already high congestion like London. We can't plan for these things if we're deliberately ignoring a huge chunk of people, even if there is lots of churn (and the churn itself matters, for example if we're thinking about the impact on the rental market).

Students on the Graduate route can stay in the UK to look for work, without any sponsor, for up to two years, at any salary threshold and any skill level. The result, predictably, has been soaring numbers

Third, there has always been a small proportion of over-stayers who slip off into the grey economy during or after their studies. Generally these migrants have been from poorer countries. Some migrants even attempt to stay in the UK once their study visa expires by claiming asylum. Of the 2009-16 cohort of international students from Pakistan, Bangladesh and Sri Lanka, 1%, 2% and 4% respectively had successfully claimed asylum by 2022.²²⁸ This problem seems to be getting worse: it has just come to light that in the year to March 2023 over 21,500 asylum claims were made by visa holders – a 150% annual increase. What is particularly notable is that 16,000 (63%) of these migrants claimed asylum within a year of their visa being issued – suggesting that it was always the intention to claim asylum – and that international students accounted for 5,000 of these 16,000 claims.²²⁹

Fourth, once we drill down into the detail, we can see that stay rates have actually been quite high for many groups of students, especially those from the sort of poorer countries towards which student migration has now swung. Among the 2007-16 cohort of international students, only 6% of students from the US were still here with valid leave as of 2022, compared to a quarter of those from countries like Pakistan, Nigeria, Bangladesh and Sri Lanka.

Due to problems with overstayers and worries about study visas being used as backdoor route to living and working in the UK, there were attempts to keep a lid on international student numbers during the early 2010s. There was a major crackdown on bogus higher education institutes. And the original post-study visa – which allowed international students to live and work in the UK for two years after graduating, in many cases after only one year of postgraduate study – was abolished in 2012.²³⁰

226 UN, 'Recommendations on Statistics of International Migration: Revision 1' (1998), p.14. [Link](#). See also ONS, 'Reason for international migration, international students update: November 2023' (23 November 2023). [Link](#)

227 N. O'Brien, 'No Room at the Top', *Onward* (9 June 2020). [Link](#)

228 Home Office, 'Migrant journey: 2022 report' (24 May 2023). [Link](#)

229 D. Barrett, 'Tens of thousands of foreign nationals are 'exploiting a hidden asylum loophole' to stay in the UK permanently, documents reveal', *Daily Mail* (28 April 2024). [Link](#)

230 Instead international students were given a six month grace period to find a job and move onto a work visa – though of course this did not apply to students from the EU, who had the right to stay and work here anyway.

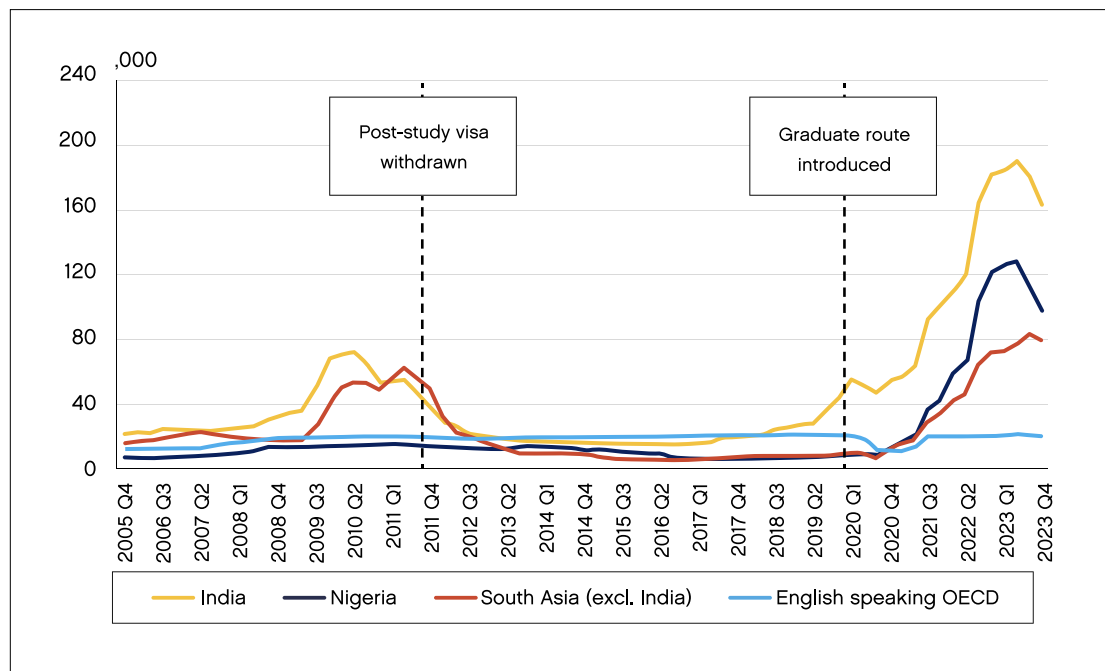
Under our new system, however, we have again flung that back door wide open via the introduction of the 'Graduate route' – essentially a reboot of the post-study visa.

As well as being able to work for up to 20 hours per week during term time, students on the Graduate route can stay in the UK to look for work, without any sponsor, for up to two years, at any salary threshold and any skill level.²³¹

The result, predictably, has been soaring numbers of international students – especially from poorer countries.²³² Since the start of 2021, a total of 1.65 million sponsored study visas have been issued, accounting for 48% of all migrant visas issued. While the growth of this route has not been as explosive as on the health & care visa, numbers in 2023 were still up by 40% on 2021, at just over 600,000. Indeed, study visas accounted for fully a third of the increase in entry visas issued in 2023 compared to 2022 – second only to health and care visas.²³³

It was also possible, before the rule changes brought in by one of the authors of this paper, for virtually all of these students to bring their dependants with them if they wanted to. Of the 1.65 million study visas issued since 2021, 20% went to dependants. This share was also on the rise, from 13% in 2021 to 22% in 2022 and 24% in 2023. In fact, the increase accounted for over half of the increase in student visas issued between 2021 and 2023.

Study visas, rolling annual number, selected countries



Source: Home Office

231 Gov.uk, 'Graduate visa' [accessed 7 April 2024]. [Link](#)

232 The other main trend in study visas is the rise and then sharp decline in the number of students from China. There are several things going on here: pandemic disruption, global decoupling and geopolitics, the rapid rise of China's own universities and so on. For clarity, the Chinese numbers have been excluded from the graph.

233 Home Office, 'Vis_D02', *Entry clearance visa applications and outcomes detailed datasets, year ending December 2023* (29 February 2024). [Link](#)

Because of delays in the move to a new student data model at the Higher Education Statistics Authority (HESA), we don't yet have data on actual student numbers and characteristics for 2022/23, only 2021/22. But we do know that in that year there were just under 680,000 non-UK domiciled students, of whom just over 380,000 were in their first year (on any course of any level or duration).²³⁴

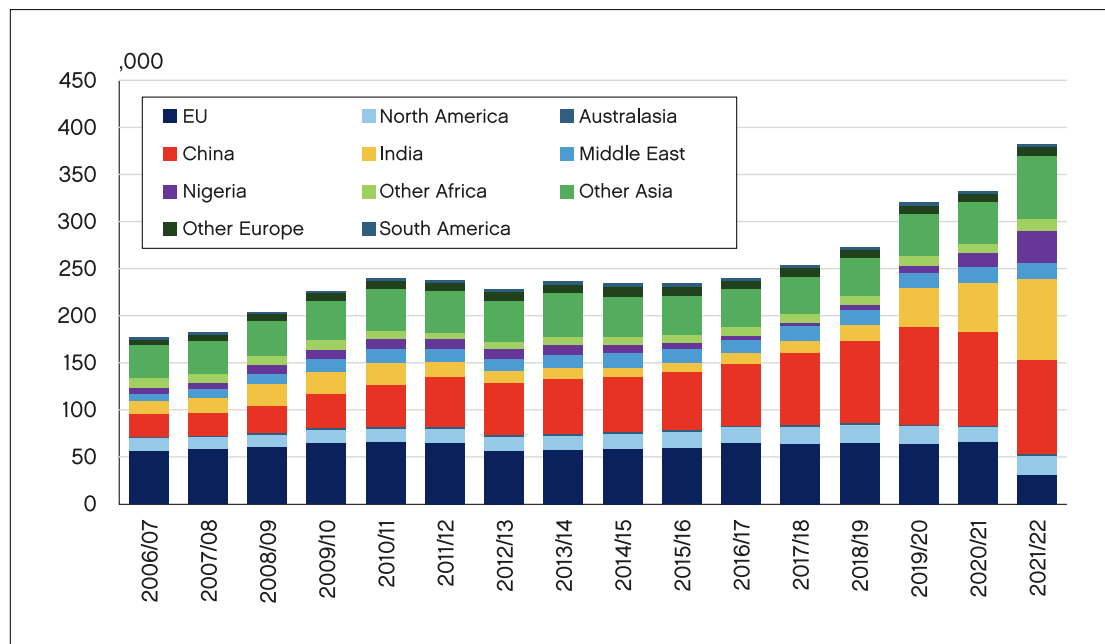
Contrary to conventional opinion, these surging numbers are likely to translate into a lot of extra people staying long-term. For example, based on historical stay rates, we might expect around 44,000 of the 176,000 migrants from Bangladesh, Pakistan and Sri Lanka issued a student visa in the last three years to still be in the UK more than five years after their course has finished. And as we have seen, migrants from these countries are much less likely to end up as net contributors.

However, the ONS has already detected evidence that newer cohorts of international students are staying in the UK longer than their predecessors,²³⁵ so this estimate could well be on the low side.

Similarly, in spite of a Home Office data error,²³⁶ analysis by the Migration Observatory at Oxford has found a sharp increase in non-EU students switching to skilled worker or Graduate visas by the end of their first year of arrival – 15% in the 2021 intake, whereas the pre-pandemic norm was 1%, with a peak of 4% in 2010.

More importantly, of those switching into skilled worker visas, only around a quarter were actually doing graduate-level jobs – in fact, the majority were going into the low-paid social care sector.²³⁷ These migrants are very unlikely to be net contributors.

First-year university students by origin, non-UK



Source: Home Office

234 HESA, 'Where do HE students come from?' (January 2023). [Link](#)

235 ONS, 'Reason for international migration, international students update: November 2023' (23 November 2023). [Link](#)

236 The Home Office mislabelled data provided in response to a Freedom of Information request from the Migration Observatory, tagging those who went straight onto skilled worker visas as switching to the Graduate visas route. See the correction to: B. Brindle & M. Sumption, 'International students entering the UK labour market', Migration Observatory (17 April 2024). [Link](#)

237 Ibid.

Despite its crackdown on dependants, the Government is still at least notionally committed to a high volume of student immigration. To understand why, we have to go back to the Government's International Education Strategy (IES).²³⁸

First drawn up in March 2019, and updated most recently in 2021, the aim of the IES is to turbocharge the export potential of the UK's education sector, deepening Britain's comparative advantage in an important top-end services export. The strategy's key ambitions were to 'increase education exports to £35 billion per year and to increase the numbers of international higher education students studying in the UK to 600,000 per year' by 2030.²³⁹

As far as we can tell, this 600,000 figure was totally arbitrary.

Nevertheless, the Graduate route was explicitly seen as a key means of achieving this ambition. A press release in 2019 hailed the Graduate route as a move which would 'help recruit and retain the best and brightest global talent, as well as opening up opportunities for future breakthroughs in science, technology and research'.

‘ The Migration Advisory Committee is scathing about the effect that the Graduate route has had on border control and labour markets ’

Now, there is much to be said in favour of the IES: £35bn in exports (equivalent to about 1.6% of GDP in 2019) is nothing to sneer at – especially if we really are scooping up the 'best and brightest' from new markets and turning them into biomedical scientists or nuclear fusion researchers at the UK's world-class universities.

However, this is not what is happening in practice.

In the first place, if the international students target is supposed to be interpreted as meaning 600,000 students at any one time, as seems to be the case, then this was achieved in 2020/21, a decade early.

So instead of having 10 years to gradually offset capital dilution from international student numbers rising by 20% (in particular, by alleviating housing pressures in London and other university cities) we've had three years to offset numbers increasing by over a third.

Moreover, the Migration Advisory Committee's most recent annual report is scathing about the effect that the Graduate route in particular has had on border control and labour markets – an effect which the MAC predicted back in 2018, when it recommended 'against the introduction of a separate graduate visa, due to concerns that it would lead to an increase in low-wage migration and universities marketing themselves on post-study employment potential rather than educational quality'.²⁴⁰

238 DfE & DIT, 'International Education Strategy: global potential, global growth' (March 2019). [Link](#). DfE & DIT, 'International Education Strategy: 2021 update' (February 2021). [Link](#)

239 DfE & DIT, 'International Education Strategy: 2021 update' (February 2021), p.11. [Link](#)

240 MAC, 'Annual Report' (December 2023), p.52. [Link](#)

The MAC predicted that:

‘If students had unrestricted rights to work in the UK for two years after graduation there would potentially be demand for degrees (especially short Masters degrees) based not just on the value of the qualification and the opportunity to obtain a graduate level job and settle in the UK, but for the temporary right to work in the UK that studying brings. A post-study work regime could become a pre-work study regime.’²⁴¹

This is pretty much what has happened, especially among migrants from poorer countries – who, as we have repeatedly shown, are much less likely to be net contributors to the public purse.

In other words, restoring the right to work after graduation with no salary threshold has punched a hole in attempts to make migration more selective. As the MAC noted in December:

‘A large proportion of postgraduate Masters students earn below the current general threshold of the skilled worker route (currently £26,200 but rising to £38,700 next year) during their first full year post-study. In fact, 25% earn close to the current minimum threshold (currently £20,960 but expected to increase following the Home Secretary’s announcement on December 4). Additionally, the lower quartile of non-EU Masters students experience minimal wage progression up to five years after graduation, suggesting they are more likely to remain in low-skilled jobs post-study.’²⁴²

Which raises the question: why are they coming if they are not able to parlay their qualifications into good jobs?

**‘ Restoring the right to work after graduation
with no salary threshold has punched a hole in
attempts to make migration more selective ’**

Well, for people from poorer countries, a study visa – especially with the Graduate route – still represents an opportunity to earn much more than they could at home. And in many cases they will send funds home, as migrants from Eastern European countries did in 2000s and 2010s.

According to the MAC, ‘the cost-benefit of enrolling in a degree has changed substantially [thanks to the Graduate route]. In the case of an international student studying a 1-year postgraduate Masters, and bringing an adult dependant, the couple could earn in the region of £115,000 on the minimum wage during the course of their three years in the UK. Some universities offer courses at a cost of around £5,000.’²⁴³

In other words, for many people these are not study visas, but ‘Deliveroo visas’ – to use a phrase coined by one of the authors of this report as a shorthand for the type of gig economy work often done by people on these visas.²⁴⁴ Because the kind of work they end up doing is not cutting-edge or highly skilled, but in the grey economy, for low wages.²⁴⁵

241 Ibid.

242 Ibid, p.53.

243 Ibid.

244 N. O’Brien, ‘Visa policy scandal that lets poorest migrants stay in the UK, *The Times* (1 January 2024). [Link](#)

245 A. Crawford, ‘Children working as riders for food delivery apps – BBC investigation’, *BBC News* (14 November 2023). [Link](#)

Indeed, many international students benefitting from the new route do not even finish their courses. The former universities minister Jo Johnson recently warned that ‘entirely unacceptable’ dropout rates among Indian and Bangladeshi students of ‘approaching 25%’ were damaging the sector’s reputation.²⁴⁶

Sadly, controlling low-wage work by people on student visas is extremely difficult. In theory, the rules say students should work no more than 20 hours per week during termtime. But it is obviously nigh-on impossible to police this.

‘ For many people these are not study visas, but ‘Deliveroo visas’ – because the kind of work they end up doing is not cutting-edge or highly skilled, but in the grey economy, for low wages ’

If you talk to academics, you’ll hear complaints about newer international students not bothering to turn up to lectures or hand in assignments. Another common complaint is that English language standards have declined, as has the quality of work – though there is sometimes pressure not to drop students’ grades all the same.²⁴⁷

So why do universities put up with this?

Simply put, international students are big business.

The value of undergraduate fees for British students is frozen at £9,250 – which given the recent spike in inflation represents a real-terms decline of around a third on 2010, when the cap on fees was tripled from £3,000. But fees for international students can be, and usually are, far higher.

The result is that the entire sector has become hooked on that income. Recent analysis by The Times found that Russell Group universities got 57% of their fee income from international students as of 2021/22, up from 49% in 2016/17.²⁴⁸ This trend is even more pronounced among less research-intensive universities and post-1992 universities, many of which are using overseas recruitment agencies to pump up their student numbers.²⁴⁹

Indeed, HESA data shows that the new wave of international students are overwhelmingly enrolling at these less prestigious institutions.²⁵⁰ The 20 universities which have seen the largest increase in international student numbers in recent years – an extra 107,000 between them – are mostly based in London or have satellite campuses there, and only six are Russell Group universities.

246 J. Johnson, quoted in: P. Foster, ‘UK universities urged to cut ‘fraudulent’ international student applications’, *Financial Times* (19 October 2023). [Link](#)

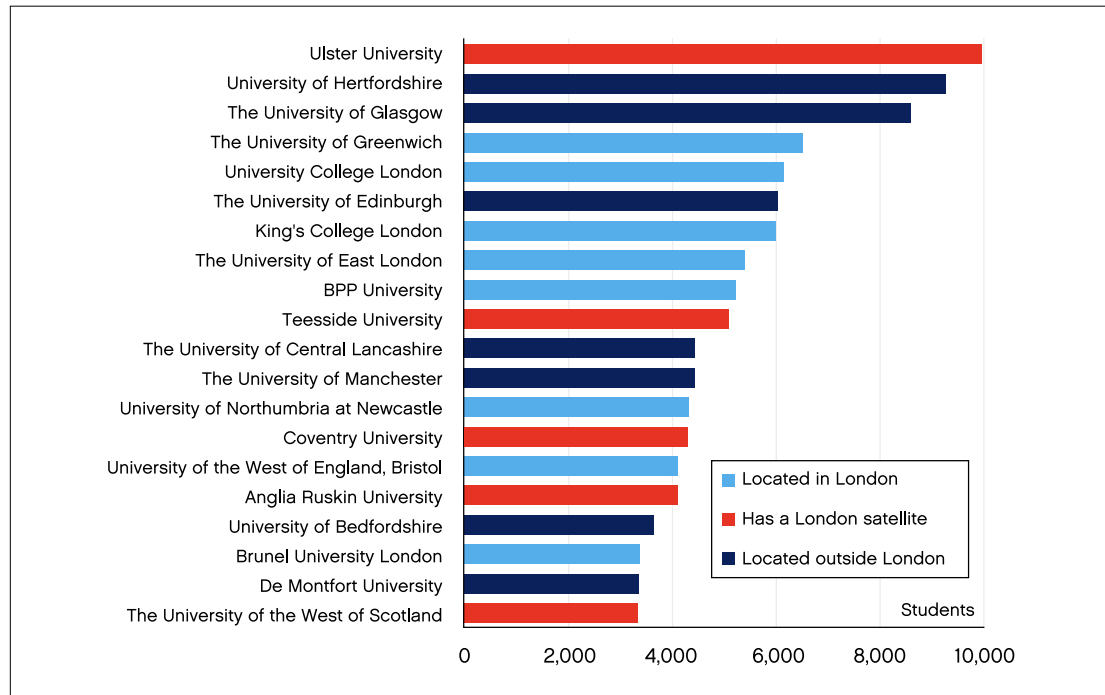
247 M. Goodwin, ‘The big Tory lie’, *The Critic* (9 January 2024). [Link](#)

248 V. Menzies & C. Smyth, ‘UK universities ‘get most of their fees’ from foreign students’, *The Times* (24 March 2024). [Link](#)

249 As documented in: P. Coburn, ‘The great international student scandal’, *The Critic* (February 2023). [Link](#)

250 HESA, ‘Where do HE students study?’ (31 January 2023). [Link](#)

Change in international students, 2017/18 to 2021/22



Source: HESA

In fact, the 24 Russell Group institutions combined accounted for just a quarter of the increase in international student numbers between 2017/18 and 2021/22.

This means – with all due respect to the institutions concerned – that many of the newer international students are studying for degrees that won't carry much weight in the job market. It is striking that for Indian students there are no Russell Group universities among the top 30 choices in the latest year for which we have data, and for Nigerian students, none in the top 50. Degrees in business and management dominate non-EU masters students' choices, with international students outnumbering British students on these courses by over two and a half to one.²⁵¹

Of course, business and management degrees can be extremely valuable. But as the CPS has pointed out elsewhere, many such courses are among the worst-value in the country, with the highest dropout rates.²⁵²

To see what we mean, take the University of Hertfordshire – the most popular place for Indian and Nigerian students to do a Masters. There, an MSc in Management comes in at a relatively affordable £15,450 – well within the parameters of the cost-benefit analysis highlighted by the MAC. There are no exams – 100% of assessment is done on coursework – and it also accepts borderline 3rd/2:2 undergraduate degrees for admission.²⁵³ The most recent data published by the Office for Students shows that undergraduates studying this topic at the university had a 'Proceed rate' – the proportion expected to complete their studies and have a successful outcome upon graduation – of just 45.7%, which is not just the lowest for any subject there but far below the officially acceptable level.²⁵⁴

251 For a succinct and shocking analysis of how this is playing out, see: J. Hilton, 'Cracking down on dependents misses the real problem with student migration', *CapX* (23 May 2023). [Link](#)

252 C. Walsh, 'The Value of University', CPS (November 2021), esp. pp.14-15. [Link](#)

253 University of Hertfordshire, 'MSc Management' [accessed 14 April 2024]. [Link](#)

254 OfS, 'Projected completion and employment from entrant data (Proceed): Updated methodology and results' (19 May 2021). [Link](#). AdvanceHE, 'Office for Students (OfS) announces numerical thresholds for student outcomes (Condition B3)' [accessed 14 April 2024]. [Link](#)

So keen are universities to attract international students that they seem to see English language requirements as a nuisance: there is a striking overlap between the most popular universities for international students and a list of universities advertised as allowing alternatives to the IELTS (the English language proficiency test) for admission. Some universities offer online pre-sessional courses with their own testing criteria. Others also offer remedial English language modules for international students during their courses.²⁵⁵ It's hard to imagine that the courses can be that rigorous if you don't even need to be able to understand what's going on to pass.²⁵⁶

The tragic thing about this is that while some of these students might see these courses as little more than a back door to working in the UK, there will also be genuinely studious and talented individuals who don't realise they are being sold a qualification that most British employers will see as next to worthless.²⁵⁷

The argument made by universities, of course, is that they need the money. But is it really worth the cost to society?

The Migration Observatory has noted that most of the increase in international students has been driven by Masters degrees and other taught postgraduate courses. The number starting such courses rose by 77% between 2018/19 and 2021/22, while the number of new undergraduate students from inside the UK remained unchanged, and the number enrolling on a postgraduate research course actually declined by 10%.²⁵⁸

‘Some students might see these courses as little more than a back door to working in the UK, but there will also be genuinely studious individuals who don't realise they are being sold a qualification that employers will see as next to worthless’

Is fuelling the growth of lower tariff, less research-intensive universities really worth the cost of punching a huge hole in our attempts to have a selective immigration system? The universities may make a profit on these students. But does this profit translate into an economic benefit for the UK via high quality research which enhances UK productivity? Absolutely not.

If we wanted to use foreign students to fund high-quality research, or cross-subsidise UK students, there are better ways of doing it. As Alan Manning has pointed out, the current system 'is a very indirect way of funding research because most of the extra students are likely to go to less research-intensive institutions. An alternative would be for the government to sell work permits directly and then use the proceeds to fund the research deemed most important.'²⁵⁹

It's not even clear that international students are bringing much additional spending power to poorer parts of the UK, which is another of the claims made in the

255 'Study in UK without IELTS', *Study in the UK* [accessed 30 March 2024]. [Link](#). Some universities will accept as little as a Grade C in the English Language IGCSE.

256 See for example the 'Academic Spoken Communication Skills for International Students' module offered by the University of Westminster: 'skills covered include those required to participate effectively in discussions, interviews, presentations, seminars and meetings'. University of Westminster, 'Academic English Modules' [accessed 27 April 2024]. [Link](#)

257 For more on the huge variation in outcomes based on qualification and institution, see C. Walsh, 'The Value of University', CPS (November 2021). [Link](#)

258 Migration Observatory, 'Student Migration to the UK' (24 January 2024). [Link](#)

259 A. Manning, 'Striking a balance on student migration to the UK', Electronic immigration network (14 February 2024). [Link](#)

system's defence.²⁶⁰ As first brought to prominence by The Times,²⁶¹ a string of universities have opened satellite campuses in London, purely in order to cater to the international market, many offering academically unimpressive one-year Masters courses.

In fact, The Times underestimated the number of universities with a satellite campus in London. As our table shows, there are currently 18, with another campus opening this year and one in 2026. Two of these, the subsidiary campuses of Ulster and Cumbria, are of long standing. (Ulster also has campuses elsewhere in Britain, including Birmingham.) Most, however, have sprung up in the last decade or so.

UK universities with a satellite campus in London by year of first intake

Parent Institution	Satellite Campus First Intake	The Guardian University Guide 2024	The Complete University Guide 2024
Ulster University	1968	28	49
University of Cumbria	1994	114	122
Coventry University	2010	46	69
Glasgow Caledonian University	2010	40	79
Bangor University	2011	54	52
University of Sunderland	2012	49	75
University of Wales Trinity Saint David	2012	105	118
University of Liverpool	2013	36	24
Northumbria University	2014	38	36
University of Warwick	2014	9	11
Loughborough University	2015	10	7
University of the West of Scotland	2016	119	128
York St John University	2018	78	107
Anglia Ruskin University	2019	102	118
Staffordshire University	2019	63	108
Nottingham Trent University	2023	42	42
Teesside University	2023	-	=92
University of Portsmouth	2023	33	47
University of Hull	2024	89	76
Sheffield Hallam University	2026	83	63

Source: CPS analysis

On the whole, the parent universities of these London campuses don't perform particularly well in higher education league tables: only three are in the top quartile in each of the most recent main UK-focused rankings.²⁶² None make it into the Times Higher Education global top 100 (though Warwick comes close, ranking joint 106th), despite the UK having 11 universities in this bracket.²⁶³

Not only does the Government have no real way to limit the numbers arriving via this route, but only real check on quantity is how fast universities can expand their courses or open new campuses.

260 J. Johnson, 'The future for international students in the UK', HEPI (14 June 2023). [Link](#)

261 Woolcok & C. Parker, 'How northern universities use London to cash in on foreign students', *The Times* (1 December 2023). [Link](#)

262 *The Guardian*, 'The best UK universities 2024 – rankings', *Guardian University Guide* (September 2023). [Link](#). Complete University Guide, 'University League Tables 2024' (June 2023). [Link](#)

263 THE, 'World University Rankings 2024' (September 2023). [Link](#)

Without exerting firmer control over selectivity and without introducing a cap, international student numbers are likely to continue trending upwards, to well above the arbitrary 600,000 target.

The IES was created with good intentions, just as the Graduate route was, to position the UK as a hub for research and innovation while boosting services exports. But it is clearly not achieving its aim of fostering academic excellence. The students now coming here are all too often ending up in low-grade international education factories studying uncompetitive degrees – when they are studying at all.

‘ We need to ensure that, under our grammar school approach, we are taking only those who want to genuinely study and learn rather than work and settle ’

The results look less like an education strategy, and far more like a backdoor immigration channel. As the journalist Poppy Coburn (one of the first people to raise the alarm on the student visa situation) wrote last year: ‘Post-1992 universities aren’t selling an education, they’re selling a residence permit.’²⁶⁴

It may cause financial pain for the vice-chancellors. But if we want to take control of both the quality and quantity of migrants coming to Britain, we need to take the decision on how many we admit as international students out of their hands – and ensure that, under our grammar school approach, we are taking only those who want to genuinely study and learn rather than work and settle.

Care

The health & care visa was launched in August 2020 as part of the emergency response to Covid. It was then added to the Shortage Occupation List (SOL) at the end of 2021, at the recommendation of the MAC. As such, the salary threshold was reduced to barely over £20,000 – a 20% discount on the main skilled worker visa (and migrants on the health & care visa route were also already exempt from the healthcare surcharge).

The expansion of this visa route was explicitly intended as a ‘temporary measure’ while the social care sector dealt with ‘the additional pressures of the pandemic’.²⁶⁵ However, as is so often the case in British migration policy, what was intended as a temporary measure has morphed into a seemingly permanent feature of the immigration system.

Alongside study visas, health & care visas – the vast majority used for adult social care – have fed the latest surge in immigration. A total of 572,000 such visas have been issued since the start of 2020, including 570,000 since the new immigration system came fully into effect at the start of 2021. The vast majority of these, 99%, went to non-EU nationals.

²⁶⁴ P. Coburn, ‘The great international student scandal’, *The Critic* (February 2023). [Link](#)

²⁶⁵ DHSC, ‘Biggest visa boost for social care as Health and Care Visa scheme expanded’ (24 December 2021). [Link](#)

Health & care visas issued

	2020	2021	2022	2023	Total
EU	5	694	1,353	1,485	3,537
Dependants	0	24	282	335	641
Share dependants	0%	3%	21%	23%	18%
Non-EU	1,189	62,597	156,283	348,444	568,513
Dependants	505	31,467	80,630	203,117	315,719
Share dependants	42%	50%	52%	58%	56%
Total	1,194	63,291	157,636	349,929	572,050
Dependants	505	31,491	80,912	203,452	316,360
Share dependants	42%	50%	51%	58%	55%

Source: Home Office

But this is where the problems start. A staggering 55% of those granted health & care visas were dependants, not workers. In the case of Nigeria, for every health & care worker, there has been on average 1.7 dependants. (Of course, some of these dependants will enter the labour market, contributing to the country. But the Home Office estimates that only 25% of the overall total.)²⁶⁶

Some would argue that allowing people to bring dependants is necessary to attract the health and adult social care workers we need. But there is no evidence of this. Britain is already a very attractive destination for migrants – indeed, for about 36 million aspiring migrants across the globe, it is their first choice of destination.²⁶⁷ And for years before the visa system was liberalised in 2020, we had a model where workers – mostly from central and eastern Europe – would come to actually work and then send remittances to their family members, who remained back home.

Perhaps being able to bring dependants would be a necessary inducement at the margins if we needed vast numbers of health and social care workers from abroad. But in normal circumstances, we do not. In particular, when the health & care visa route was created, it was envisaged by DHSC that it would be used to bring in around 6,000 migrants per annum. That amounts to about 0.3% of the combined NHS and adult social care workforce in England.²⁶⁸

The fact that in 2023, we admitted 58 times as many people on this route as was publicly predicted, including 24 times as many workers, is nothing to celebrate – particularly since many of these migrants are either underqualified and/or being exploited by unscrupulous employers, recruitment agencies or gangs. Indeed, we have created a system, in the words of Nadra Ahmed, chairman of the National Care Association, ‘where vulnerable people are looking after vulnerable people’.²⁶⁹

266 Home Office, ‘Reducing Net Migration Factsheet – February 2024’ (1 February 2024). [Link](#)

267 See above, p.43.

268 The King’s Fund, ‘NHS workforce’ (12 June 2023). [Link](#). HoC Library, ‘Adult social care workforce in England’ (22 January 2024). [Link](#)

269 As quoted in: I. Khan, T. Kelly & K. Pickles, ‘Cash for care jobs’ scandal EXPOSED: Vulnerable UK patients are being looked after by unqualified migrants as rogue fixers charge up to £20,000 for ‘100% success rate’ in getting work visas, undercover probe reveals’, *Daily Mail* (3 March 2024). [Link](#)

Hints of the scale of the problem began to emerge through investigations launched by charities and news organisations a couple of years ago. For example, from 2021 to 2022, there was a 606% increase in the number of modern slavery cases in the care sector, with more than 700 individuals identified as potential victims in 2022, accounting for 18% of the total across all sectors.²⁷⁰ A majority of the potential victims were women, and some of them were children.

But this was just the tip of the iceberg, as revealed in a recently published report by David Neal, the former Independent Chief Inspector of Borders and Immigration. The report draws attention to the ‘case of 275 certificates of sponsorship being granted to a care home that did not exist, and 1,234 certificates being granted to a company that stated it had only four employees when given a licence’.²⁷¹

Part of the problem, according to Neal, is that Home Office resources are being overwhelmed by the scale of migration on the health & care route – ‘the mismatch between its meagre complement of compliance officers and ever-expanding register of licensed sponsors’, with just one compliance officer for every 1,600 licensed employers.²⁷² With this ratio, each compliance officer would have to investigate more than four employers per day for 365 days of the year, just to keep an eye on things.

‘ Home Office resources are being overwhelmed by the scale of migration on the health & care route ’

The Home Office was slow off the mark in addressing these problems, in Neal’s view, because of ‘conflict between [the Home Office’s] priorities and those of other government departments’.²⁷³ Again, a public sector dependency on the sugar rush of migration is contributing to bad outcomes.

Yet that should not disguise the fact that the health & care visa was a fundamentally flawed policy from the outset. To quote Neal again: ‘The Home Office selected a route that was designed for a largely compliant sector and applied it to a high-risk area – migration into an atomised and poorly paid sector is miles away from the recruitment of highly skilled workers being sponsored by multinational corporations.’²⁷⁴

In addition, as the MAC has also noted, a large number of workers on the route are not actually ending up in the health or social care professions. According to the MAC: ‘Border Force queried the documentation of a migrant who was sponsored by one care provider, who had had 498 visas granted since May 2022. CQC confirmed that this care provider had been dormant since September 2021 and was no longer providing any services. [...] UKVI stated that 5 sponsor licences in the care sector had been revoked in May 2023, who between them had made over 1,100 main applicant visa applications.’²⁷⁵

It also noted that: ‘Assessing the total scale of the compliance problems in the care worker route is a challenge, although the number of cases that have been detected suggests that misuse is a significant problem and greater than in other immigration routes and occupations.’²⁷⁶

270 N. Mitra, ‘Key findings in the care sector’, Unseen UK (2023). [Link](#)

271 Neal, ‘An inspection of the immigration system as it relates to the social care sector (August 2023 to November 2023)’, Independent Chief Inspector of Borders and Immigration (26 March 2024), p.5. [Link](#)

272 Ibid, p.2.

273 Ibid.

274 Ibid.

275 MAC, ‘Annual report’ (December 2023), p.35. [Link](#)

276 Ibid.

Indeed, it is likely that problems will continue to come to light. Just this February, it was revealed by The Guardian that the Nursing and Midwifery Council (NMC) is taking action against 717 Nigerian nurses and midwives thought to have obtained their qualifications fraudulently, with another 1,238 also under suspicion. All obtained their qualifications from the same testing centre in Ibadan, Nigeria's third largest city, by getting other people to sit the tests on their behalf. Peter Carter, the ex-chief executive of the Royal College of Nursing, has rightly called this 'industrial-scale fraud'.²⁷⁷

Shockingly, these cases represent 1.7% of all Nigerian workers on health and care visas at the low end, and 4.6% at the high end – based on one testing centre alone. What's more, work by the investigative journalist Charlie Peters suggests that this sort of fraud is not just confined to one testing centre.²⁷⁸

Obviously this raises big concerns about patient safety in hospitals and the wellbeing of vulnerable adults in care homes.

‘ The Nursing and Midwifery Council is taking action against 717 Nigerian nurses and midwives thought to have obtained their qualifications fraudulently, with another 1,238 also under suspicion. All obtained their qualifications from the same testing centre ’

The Government has now implemented plans to stop workers from bringing dependants on health & care visas – a step which we welcome. Measures to increase Care Quality Commission (CQC) oversight of how the visa is operating in practice are also very welcome,²⁷⁹ although resourcing is like to remain an issue given the sheer size of the worker flows via the health & care visa.

Yet, fundamental issues remain unaddressed. In respect of adult social care in particular, the health & care visa is a piece of pure Treasury short-termism.

This is because, in order to hold down costs and spending in the short term, we are importing a lot of people who are – based on our analysis of the available data in Chapter 4 – likely to be net recipients of taxpayer funds in the long term.

According to Skills for Care, in the month before the April 2023 increase in the National Living Wage, 55% of independent sector care workers were being paid below the new minimum wage. Median care worker pay in March 2023 (£10.11) was just above the 10th percentile of the national earnings distribution.²⁸⁰ The Treasury is effectively opting to pay less now, but more later.

In the care sector, in particular, it's not generally appreciated that eight out of ten workers are UK nationals.²⁸¹ When one of the authors was (briefly) the social care minister, he was struck by how responsive to slight variations in pay people are. Indeed, precisely because they are so low-paid, people will move jobs within care for a small increase. A new Amazon warehouse locally can spell trouble for the local care sector. This helps explain why the vacancy rate in the social care sector is, as the King's Fund has noted, more than double the wider unemployment rate and the vacancy rate in the wider economy.²⁸²

277 D. Campbell, 'NHS nurses being investigated for 'industrial-scale' qualifications fraud', *The Guardian* (14 February 2024). [Link](#)

278 C. Peters, 'Social care work visa adverts going viral on social media promising 'easy' process for 'all family members'', *GB News* (5 March 2024). [Link](#)

279 Home Office, 'Reducing Net Migration Factsheet – February 2024' (1 February 2024). [Link](#)

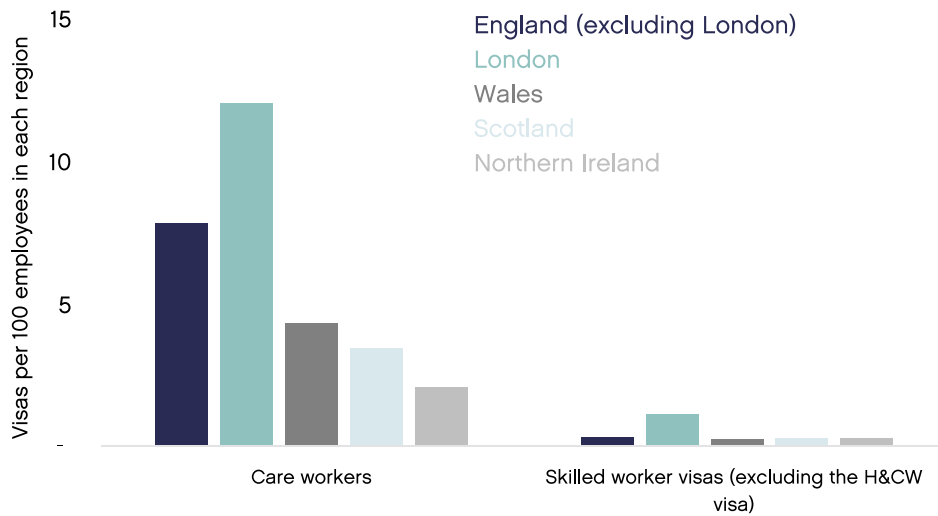
280 Skills for Care, 'The state of the adult social care sector and workforce in England' (October 2023), p.122. [Link](#)

281 *Ibid*, p.100.

282 The King's Fund, 'Social care 360: workforce and carers' (12 March 2024). [Link](#)

The MAC does a good job of showing the connection between the use of the care visa and the competitiveness of social care pay in different places.

Figure 2.5: Care worker visas and skilled worker visas by region



	Care workers	Competing occupations	Care worker premium over competing occupations
England (excl. London)	£11.69	£11.50	+£0.19
London	£12.00	£12.61	-£0.61
Wales	£11.81	£11.85	-£0.04
Scotland	£12.83	£12.22	+£0.61
Northern Ireland	£11.44	£11.10	£0.35

Source: Migration Advisory Committee

In effect, the health & social care visa is helping to sustain a low wage equilibrium in the social care sector. Combined with existing problems such as a lack of career and pay progression, this makes it harder to fill roles from the UK's pool of domestic workers (and the economically inactive).

But this is a choice, not an inevitability. As the MAC noted last December:

'The underlying cause of these workforce difficulties is the underfunding of the social care sector. We recommended the addition of care workers to the H&CW visa as part of a package of 19 other recommendations. We were clear that immigration could not solve these workforce issues alone. Our main recommendation was to introduce a minimum rate of pay, initially at £1 per hour above the National Living Wage (NLW), for care workers in England where care was being provided by public funds, to help tackle the workforce issues faced by the sector in the medium to longer term.'²⁸³

In broad terms, this sounds like a sensible suggestion, though the exact numbers will need finessing. Given how responsive to slight variation in pay people are, even a more modest increase of around 40p per hour – possibly through a sectoral minimum wage – could make a significant difference to recruitment and retention.

283 MAC, 'Annual report' (December 2023), p.35. [Link](#)

We should also look at pegging the health & care visa threshold to the NLW (£11.42/ hour from April 2024) or social care-specific equivalent plus 10%, so that care providers only use immigration to fill the vacancies at the margin.

Breaking the addiction to migration in adult social care is of course going to have a cost in the short term. Given the precarious finances of many local authorities, this will almost certainly have to come from central government, at least until we can implement a thoroughgoing reform of how we fund adult social care.

The King's Fund estimates that there are around 1.17m full-time equivalent (FTE) workers in the social adult social care sector, and around 165,000 vacancies.²⁸⁴ For simplicity's sake let's assume all these vacancies are FTE positions. Based on a 37-hour average week,²⁸⁵ the total number of hours worked over a year would be roughly $1.335\text{m} \times 37 \times 48 = 2.37\text{bn}$. So a 40p increase in hourly social care wages would cost roughly £950m, which would require a roughly 3% increase in the social care budget. A 20p increase would cost around £475m.

‘By reducing numbers on the health & care routes to sensible levels, we would have greater oversight of who is working in the social care system, and reduce the exploitation of vulnerable people’

However, this is much less of a trade-off than it seems, as it is likely to spare the public purse much more in the long term. And more importantly, by reducing numbers on the health & care routes to sensible levels, we would have greater control and oversight of who is working in the social care system. This should reduce the exploitation of vulnerable people while improving the safety and wellbeing of those in care.

Weaning our public services off of migration is not going to come without trade-offs. But in the care sector in particular, these are much less steep than many people imagine, and from a longer-term perspective, may be a win-win.

Health

Many people, including the authors, feel supportive of those who come to the UK to work in health. Their hard work, dedication and professionalism was more valuable than ever during Covid. People coming to work as doctors are the kind of high skill, high wage workers a selective system should enable to come to the UK.

And yet there are reasons to be concerned about the rapidly growing dependence of the health service on migration.

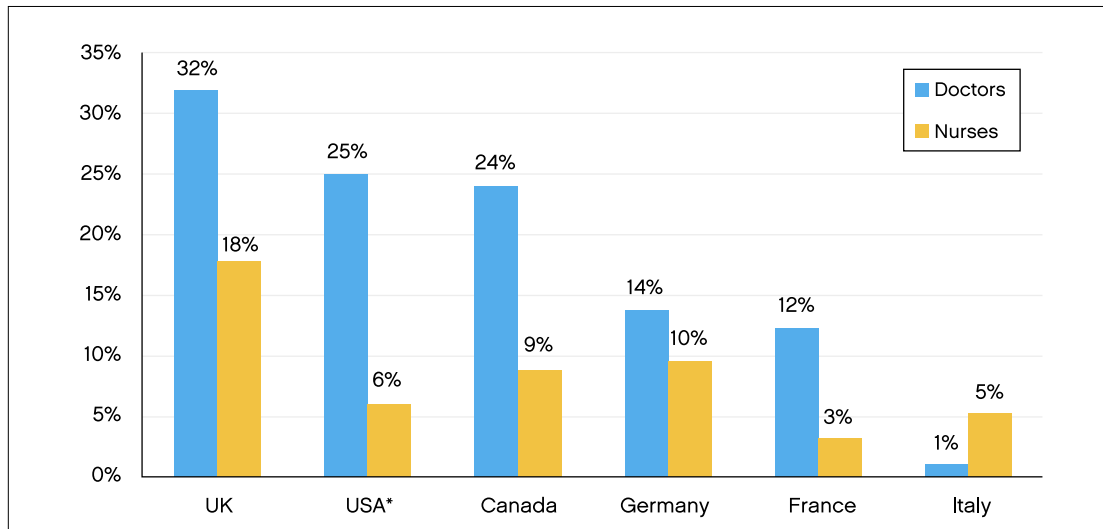
The UK is unusual in having such a large proportion of its health service made up of migrant workers. The next graph shows the share of doctors and nurses working in the healthcare systems of our G7 peers who were trained abroad (no data is available for Japan).²⁸⁶ Some of these individuals will be domestic nationals who studied medicine abroad before returning home, but most will have been born outside of the country where they currently work.

284 The King's Fund, 'Key facts and figures about adult social care' (12 May 2023). [Link](#)

285 Skills for Care, 'The state of the adult social care sector and workforce in England' (October 2023), p.44. [Link](#)

286 'Health Workforce Migration: Foreign-trained doctors by country of origin – stock' [accessed 27 April 2024]. [Link](#)

Share of clinical workforce trained abroad, 2021



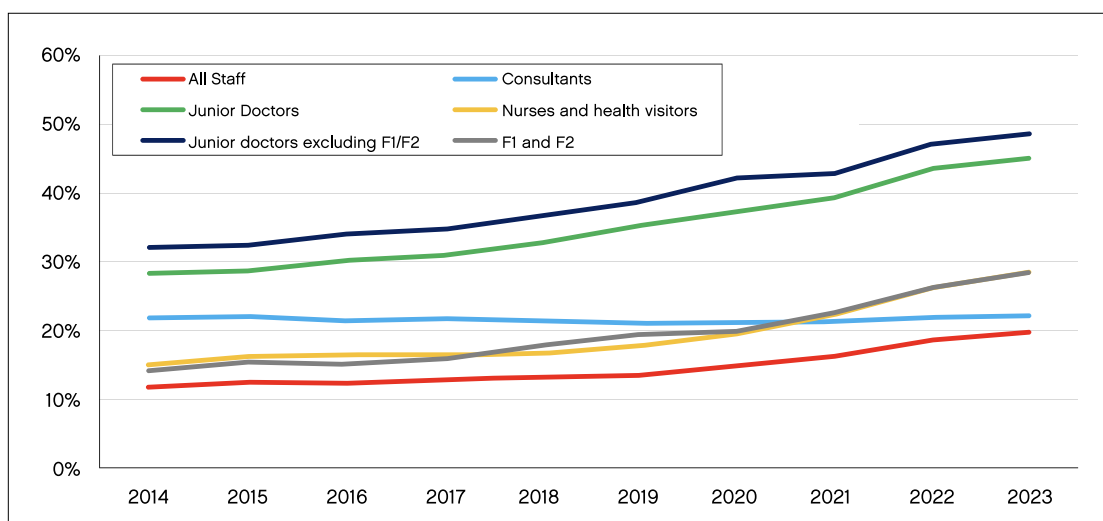
Source: OECD

Even these figures, however, understate the size of the migrant workforce, for two reasons. First, some people will migrate to the UK before training. Second, they are a narrow measure: the General Medical Council (GMC) register shows that non-UK trained doctors made up 50% of the secondary care doctor workforce in England (excluding trainees) in October 2022.²⁸⁷

As well as being more reliant on migration than other health services, the NHS has become dramatically more so in recent times. While the proportion of consultants who are UK nationals has changed little, the proportion of junior doctors and nurses who are not UK nationals has increased sharply over the last decade, and particularly over the last few years.

Excluding those who have just left university (F1 and F2), the share of junior doctors in England who are not UK nationals has grown from a third a decade ago to just under half (49%). The share of nurses and health visitors who are not UK nationals grew from 15% to 28%.²⁸⁸

NHS staff who are non-UK nationals



Source: NHS Digital, NHS Workforce Statistics

287 GMC, 'GMC Data Explorer' [accessed 28 April 2024]. [Link](#)

288 NHS Digital, 'NHS Workforce Statistics – December 2023 (Including selected provisional statistics for January 2024)' (28 March 2024). [Link](#)

Again, this measure doesn't fully capture the reliance of the health service on migration, as many people will become UK nationals after migrating.

So why are the proportions so high in the UK?

The answer boils down to our failure to train enough doctors and nurses. This is not because young people in the UK don't want to be doctors. UCAS reports that there were 26,820 applicants for 2023 entry, and 29,710 applicants for 2022 entry.²⁸⁹ But there are only 7,500 places, of which 7,100 are for UK applicants. Unlike many specialised private sector roles, training is almost entirely controlled by the state.

More than enough qualified young people apply each year to be doctors, and data from the government's Longitudinal Educational Outcomes database shows that taking a medical degree has an excellent financial return for students and taxpayers, despite the high upfront cost.²⁹⁰ Even taking into account the higher upfront cost of medical qualifications, the financial return for students and taxpayers is better than for almost any other degree. Yet we force young people to do other degrees by rationing places. In the longer term, this makes no economic sense.

**‘ For decades, migration has been
a way to avoid doing proper workforce
planning within the NHS ’**

In 2023, NHS England published the NHS Long Term Workforce Plan, which proposes increasing medical school places to 15,000 a year by 2031/32.²⁹¹ This will greatly help. Indeed, there is no good reason that a developed country like the UK should not be able to supply far more of its own medical staff.

The decision to limit places (at least until the Workforce Plan) has been the result of a combination of pure Treasury short-termism, plus historic protectionism on the part of the medical unions. In 2008, for example, the British Medical Association voted to limit the number of places at medical schools, and ban the creation of new medical schools, in order to 'avoid overproduction of doctors with limited career opportunities'.²⁹²

It has been a similar story with nurses: for decades migration has been a way to avoid doing proper workforce planning. As Alan Manning noted in 2021: 'To give one example among many, in 2016 the MAC considered whether nurses should be placed on the shortage occupation list (SOL) to receive priority in the allocation of work permits. The Department of Health (as then was) argued this was needed as a short-term measure before its ambitious plans to train more nurses came to fruition. To nobody's great surprise this did not happen, and nurses remain on the SOL to this day.'²⁹³

Once again, a supposedly temporary measure became a permanent feature of our immigration system.

289 S. Pedley, 'UCAS Application Stats For 2024 Entry Medicine', *The Medic Portal* (3 November 2023). [Link](#)

290 Gov.uk, 'LEO Graduate and Postgraduate Outcomes' 6 July 2023. [Link](#)

291 NHS England, 'NHS Long Term Workforce Plan' (30 June 2023), p.7. [Link](#)

292 A. Cole, 'BMA meeting: Doctors vote to limit number of medical students', *BMJ* (9 July 2008). [Link](#)

293 A. Manning, 'UK labour shortages and immigration: looking at the evidence' (10 September 2021). [Link](#)

Migration may also be used by NHS trusts to push wages down. As the MAC recently noted: 'We also estimate – after controlling for age, gender and regional differences – that migrant nurses when first entering the country are paid 18% less than domestic nurses in 2023. As we highlighted previously in our 2019 SOL review, this is possibly due to migrant nurses being paid on the lowest pay band irrespective of their experience. This may be a contributing factor to the NHS's reliance on the immigration system.'²⁹⁴

There is an irony that the UK is luring medical staff from countries where they are rare: poorer countries to which we simultaneously give aid. As the Migration Advisory Committee has pointed out: 'Approximately 35% of doctors and 20% of nurses are recruited from countries on the WHO red list.' This is a list of 54 very poor countries, with acute shortages of medical staff, almost all of which are recipients of UK international aid.

‘ We are simultaneously giving aid to these very poor countries, which often have acute shortages of medical staff, while luring away their doctors and nurses ’

As with the care sector, fixing our reliance on imported medical staff will of course have a cost – which is something the NHS Long Term Workforce Plan does not shy away from.

But we should remember that this reliance on a very high level of medical migration has its costs, too.

First, we are putting ourselves in a precarious situation. An international or even local crisis – no longer unimaginable post-Covid – could see a sudden exit of staff from the UK, causing acute problems. Not only are nearly half of junior doctors non-UK nationals, but this headline figure conceals much higher rates for particular specialties and trusts.

Second, it may contribute to staff churn. Research by the Health Foundation recently found that for an increasing number of migrant nurses, the UK is now acting as a stepping stone to other, more lucrative destinations.²⁹⁵ As The Guardian reported, the number of UK-registered nurses looking to move to other countries doubled between 2021-22 and 2022-23. Some 70% of those looking to leave had qualified somewhere other than Britain or the EU – often in India or the Philippines. Moreover, 'the vast majority of those quitting are heading to the US, New Zealand or Australia, where nurses are paid much more than in the UK – sometimes up to almost double'.²⁹⁶

Third, such high levels of churn and international recruitment may impact quality. While an international workforce has upsides, it also has downsides. Language barriers and cultural differences within the increasingly diverse NHS workforce make things trickier. Older people can find it difficult to understand or to make themselves understood. As MPs we have met constituents who find this upsetting.

294 MAC, Annual Report (December 2023), pp.30-31. [Link](#)

295 N. Bazeer, E. Kelly & J. Buchan, 'Nursing locally, thinking globally: UK-registered nurses and their intentions to leave', The Health Foundation (24 March 2024). [Link](#)

296 D. Campbell, 'Thousands of foreign nurses a year leave UK to work abroad', *The Guardian* (25 March 2024). [Link](#)

There is also, as with teaching, a potential quality issue. The overwhelming majority of those who come to the UK to practice do so safely and well. But the combination of language differences and differences in practice can inevitably create risks.

Doctors who qualified overseas are more likely to be struck off: of 460 struck off between 2010 and 2015, 72% trained overseas.²⁹⁷ GPs from Europe are two and a half times more likely to be struck off or suspended than those from the UK.²⁹⁸

‘ The UK is unusual in having such a large proportion of its health service made up of migrant workers ’

Ultimately, while migration of doctors and skilled medical personnel is the kind of high-skilled migration we support, there is no good reason why the UK cannot supply its own medical needs. Limiting medical training for qualified young people in the UK forces them into careers with lower economic benefits. Failing to plan for our own needs leads to growing risks and churn in the NHS.

As Dr Peter Carter, the then head of the Royal College of Nursing, said in 2015: ‘You have virtually every NHS trust... recruiting overseas. It is ludicrous, hugely expensive, and labour intensive. The root cause is not training and retaining enough UK nurses.’²⁹⁹

Immigration is not the answer to an ageing population

Before we end this chapter, and move on to our proposed policy solutions, we should address a couple of broader issues.

First, it is commonly argued that migration is essential because we are an ageing society. Fertility rates in Britain, as in many other Western countries, are falling rapidly – in the most recent ONS figures, the number of children born to UK-born mothers had fallen by 20% in a decade.³⁰⁰ So the argument is that we need to import workers on an industrial scale simply to prevent the demographic pyramid toppling over.

The challenges of an ageing society are real enough,³⁰¹ and migration policy does have a part to play in tackling them. But the way migration policy can help is by becoming more selective, and increasing the net contribution from migrants. Simply having more migration does not help: increased migration of people who will receive more in public spending than they pay in tax during their time in the UK will actually make the problem of dependency worse, and this is likely to be the case for a substantial part of the UK’s current migration mix. We need to increase the share who will do substantially better than pay their way.

297 S. Adams & M. Powell, ‘72% of struck off doctors are from overseas: Cases include an Indian GP who ran an immigration scam and a Malaysian medic who secretly filmed female patients’, *Mail on Sunday* (17 April 2016). [Link](#)

298 S. Borland, B Wilkinson & I. Ferris ‘GPs from Europe are more than TWICE as likely to face disciplinary action as those from Britain’, *Daily Mail* (21 February 2017). [Link](#)

299 L. Donnelly, ‘NHS spends huge sums on foreign nurses, yet two thirds of local applicants are rejected’, *The Telegraph* (20 June 2015). [Link](#)

300 ONS, ‘Table 1: Summary of key birth statistics, 1838 to 2022’, *Dataset Births in England and Wales: summary table* (23 February 2024). [Link](#)

301 See for example: K. Williams, ‘The Age Trap’, in M. Feeney & R. Colvile (eds.), *Justice for the Young*, CPS (November 2023). [Link](#)

Furthermore, there is another big point: migrants themselves age. Unlike some other countries, Britain has never adopted a *Gastarbeiter* approach to migration, in which we welcome healthy young people then order them to return home once their economic utility has expired. Unless we shift to such a system, the migrants themselves will eventually become pensioners. At which point they will in turn impose significant costs on the state – in terms of pensions, care and healthcare – which will have to be paid for by importing yet more young workers.

Trying to tackle the effect of an ageing society through immigration simply creates an endless treadmill. Indeed, the ONS has noted, ‘over time, second-generation migrant patterns of fertility tend to converge to those of the UK’.³⁰² In other words, immigration only slightly delays population ageing – which is now a global phenomenon outside of Sub-Saharan Africa. Strikingly, EU analysis from 2019 found that ‘migration increases the EU’s total labour force size, but has a limited effect on the ration of dependants to workers’, and in fact that ‘even doubling migration has little effect compared to continuing current trends’.³⁰³

It is also the case that importing enough workers to offset the impact of ageing would require a population transformation unprecedented in Britain’s history – with all the accompanying risks of capital dilution, housing pressure and so on.

‘Trying to tackle the effect of an ageing society through immigration simply creates an endless treadmill’

In 2000, the Population Division of the Department of Economic and Social Affairs at the United Nations Secretariat published a paper looking at how much migration would be required to offset an ageing society. It found that in 1995, the UK had a potential support ratio of 4.1 – this is the number of working-age people (aged 15-64) per elderly person (aged over 65). The UN calculated that to maintain that ratio would require net migration of 59.8 million between 1995 and 2050, or 1.087 million people a year, resulting in a population of 136 million – of whom 59% would be post-1995 migrants or their descendants.³⁰⁴ It is hard to imagine any Government gaining popular consent for immigration on such a scale.

A more sensible, and nuanced, approach, would be to account for age when granting visas, alongside the other reforms discussed in this paper. Bringing older people to the UK to do low-wage jobs, particularly from countries whose nationals are more likely to settle in the UK, makes it even more likely that they will be net recipients of public funds not net taxpayers. Understanding these dynamics better is one reason we advocate that the Government should carry out detailed work on the lifecycle fiscal effects of different types of migration.

302 ONS, ‘Living longer: how our population is changing and why it matters’ (13 August 2018). [Link](#). See also David Miles of the OBR (as above, p.77). ‘New immigrants, particularly if they come on work visas, may generate a favourable balance of extra tax revenue relative to extra public spending for some years. But immigrants who stay grow older and have children so the favourable tax to spending balance does not persist.’ D. Miles, ‘Written Evidence SND0012 – Sustainability of the UK’s National Debt’, Economic Affairs Committee (1 February 2024). [Link](#)

303 W. Lutz et al, ‘Immigration and the ageing population - EU Demographic Scenarios’, European Commission Joint Research Centre (May 2019), p.12. [Link](#)

304 Population Division Department of Economic and Social Affairs United Nations Secretariat, ‘Replacement Migration: Is it A Solution to Declining and Ageing Populations?’ (March 2000). [Link](#). See also: P. Arslanagic-Little & A. Sarygulov, ‘Sorry – immigration isn’t the solution’, *Boom Substack* (6 April 2024). [Link](#)

Immigration has cultural impacts, too

So far we have focused mostly on the economic impacts of immigration. But it has significant impacts on our culture too. And the two are linked: economic performance has deep cultural roots.

One of the most obvious challenges is about communicating with one another. In the 2021 census there were over a million people in England and Wales who said they could not speak English, or not speak it very well. As well as costs and practical difficulties, not being able to speak to one another makes it hard to feel we are all in a shared society. The effect of this is unevenly felt around the country: in Brent and Newham 8% of people respectively don't have English, or can't speak it well. In Leicester it is 9%. The same effect is true in more surprising places, like Boston in Lincolnshire, where 7% of people have little or no English.³⁰⁵

In schools, as discussed earlier, the trends are more pronounced, with a growing number of pupils not speaking English as their first language. While children's ability to catch up is always amazing, this often requires a lot of resources, particularly in primary schools. Today, there are about 1.7 million pupils in state schools in England who don't have English as their first language, and the proportion has increased substantially over time, up from 8% of primary school children in 1997 to 22% now (and 45% in Greater London).³⁰⁶

‘ Jones argues that immigration to a large degree creates a culture transplant, making the places migrants go a lot like the places they left ’

There is also a wider relationship between culture and long-run economic prosperity, which has been a subject of intellectual inquiry since at least the 18th century. A comprehensive summary of recent research can be found in the critically acclaimed book *The Culture Transplant* (2022) by American economist Garrett Jones.³⁰⁷

Jones and other researchers have shown that immigrants tend to import cultural traits from their homelands, and that these traits tend to persist over decades and even centuries, for example in Chinese diasporas in Southeast Asia,³⁰⁸ or in different European diasporas in the USA.³⁰⁹

Complete assimilation within a couple of generations is, he argues, a myth: ‘Immigration, to a large degree, creates a culture transplant, making the places that migrants go a lot like the places they left.’³¹⁰ This chimes with the study we cited earlier from the Netherlands, which found that the fiscal profiles of first generation migrants tended to persist, in some form, down to at least the third generation.³¹¹

305 ONS, ‘Main language (detailed)’, Census 2021 (28 March 2023). [Link](#)

306 For the data, see: D. Hinds. ‘Answer: UIN 8572, tabled on 8 January 2024’ (11 January 2024). [Link](#)

307 G. Jones, *The Culture Transplant: How Migrants Make the Economies They Move To a Lot Like the Ones They Left* (Stanford University Press, 2022). In the words of Tyler Cowen, ‘Built upon mainstream, well-reviewed academic research that hasn’t pierced the public consciousness, this book offers a compelling refutation of an unspoken consensus that a nation’s economic and political institutions won’t be changed by immigration.’ T. Cowen, ‘The Culture Transplant: How Migrants Make the Economies They Move To a Lot Like the Ones They Left’, *Marginal Revolution* (12 September 2022). [Link](#). However, for a thorough critical review of *The Culture Transplant*, see: A. Nowrasteh, ‘Review of *The Culture Transplant: How Migrants Make the Economies They Move to A Lot Like the Ones They Left* by Garrett Jones, Part I’, *Alex Nowrasteh’s Deep Dive* (12 December 2023). [Link](#)

308 Jones, *The Culture Transplant*, pp.129-137

309 *Ibid.*, pp.144-148.

310 *Ibid.*, p.xi.

311 See above, p.66.

Jones also argues that many of the traits transplanted from one locale to another can be economically significant, not least attitudes towards saving, trust, cooperation, risk-taking, the role of government, individualism, collectivism, kinship, gender norms and so on. This is seen in microcosm in the famous study into the behaviour of UN diplomats in Manhattan.³¹² According to the paper's abstract:

'We study cultural norms and legal enforcement in controlling corruption by analysing the parking behaviour of United Nations officials in Manhattan. Until 2002, diplomatic immunity protected UN diplomats from parking enforcement actions, so diplomats' actions were constrained by cultural norms alone. We find a strong effect of corruption norms: diplomats from high-corruption countries (on the basis of existing survey-based indices) accumulated significantly more unpaid parking violations.'

The effects of culture are also clear in employment rates. The 2021 census found that working-age (24-64) people who gave their ethnicity as Bangladeshi or Pakistani were much less likely to be in full time work and much more likely to be inactive.

Self-described ethnicity	Employment	Total	Born in UK
Bangladeshi women	Inactive	60%	37%
	Full time	19%	38%
	Part time	21%	25%
Bangladeshi men	Inactive	25%	23%
	Full time	38%	56%
	Part time	36%	21%
Pakistani women	Inactive	57%	42%
	Full time	21%	33%
	Part time	22%	25%
Pakistani men	Inactive	23%	24%
	Full time	51%	56%
	Part time	27%	20%
White British women	Inactive	27%	27%
	Full time	42%	42%
	Part time	31%	31%
White British men	Inactive	19%	19%
	Full time	71%	70%
	Part time	10%	10%

This wasn't just about new arrivals. Around 15% fewer Bangladeshi and Pakistani men born in the UK were in full-time work compared to those who describe themselves as White British. Among working-age women born in the UK who described themselves as Bangladeshi and Pakistani, 11% and 15% more were inactive compared to those who described as White British.

So far, only one Government study in the UK seems to have attempted to examine these issues in a systemic way (albeit with an imperfect dataset).³¹³ It found that 'explanatory variables such as level of education and health do not explain why

312 R. Fisman & E. Miguel, 'Corruption, Norms and Legal Enforcement: Evidence from Diplomatic Parking Tickets', *Journal of Political Economy* 116 (2007), pp.1,020-1,048.

313 Only the UKHLS dataset includes a migrant generation variable and an ethnic/migration boost. See: Equality Hub & Race Disparity Unit, 'Outcomes in labour market for ethnic minorities by immigrant generation status' (17 April 2023). [Link](#)

Pakistani and Bangladeshi women are more likely to be economically inactive compared with white British women' and that 'according to qualitative work from the Department for Work and Pensions, this may be due to the effects of segregation and cultural attitudes, where women are expected to stay at home and care for younger and older members of the household'.³¹⁴

There is also an argument that diversity, when taken to extremes, can in and of itself have adverse economic consequences. Robert Putnam famously argued that in ethnically diverse neighbourhoods in America, 'trust (even of one's own race) is lower, altruism and community cooperation rarer, friends fewer'.³¹⁵ (While ethnicity is of course not the same as nationality or migration status, it is an indicative proxy in this context.)

‘Reducing the pace and scale of migration makes it easier both for the host country to adapt, and for the new arrivals to adapt to the host country’

This finding has been replicated by others around the world, and seems robust to controlling for various other factors. A 2020 meta-analysis concluded that: 'We find a statistically significant negative relationship between ethnic diversity and social trust across all studies. The relationship is stronger for trust in neighbours and when ethnic diversity is measured more locally'.³¹⁶

The connection between social trust and economic growth is well established. If, on average, immigrants and their descendants preserve cultural norms from their homelands, then immigration from relatively low trust to relatively high trust countries could have big implications for the host nation's prosperity over the long term.

This is not just about our economy, but our society – and our democracy. As one of the authors has written, it is a sad truth that many of the countries that we have taken to importing large numbers of migrants from have values and beliefs – towards women, free speech or democracy – that are at odds both with those of the majority of Britons, and with our history. Indeed, in recent months we have seen many espousing profoundly hostile and illiberal views on our streets.

Just as we believe that the migration system should be governed by what is best for those citizens already here, so we believe it should be governed by what is best for our democracy and society. Higher skilled and more qualified migrants are more likely to integrate successfully. And reducing the pace and scale of migration makes it easier both for the host country to adapt, and for the new arrivals to adapt to the host country.

In short, the 'grammar school' approach to immigration policy which we have advocated throughout this paper is not just the right one for the economy, but is also right for society.

314 Equality Hub & Race Disparity Unit, 'Outcomes in labour market for ethnic minorities by immigrant generation status' (17 April 2023). [Link](#)

315 R.D. Putnam, '*E Pluribus Unum: Diversity and Community in the Twenty-first Century*', *Scandinavian Political Studies* 30 (2007), pp.137-174. [Link](#)

316 P.T. Dinesen, M. Schaeffer & K.M. Sonderskov, 'Ethnic Diversity and Social Trust: A Narrative and Meta-Analytical Review', *Annual Review of Political Science* 23 (2020), pp.441-465. [Link](#). Although for the argument that in the UK context, income inequality and deprivation may be the main determinants of lower social trust rather than diversity per se, see the summary provided by: N. Demireva, 'Immigration, Diversity and Social Cohesion', The Migration Observatory at the University of Oxford (13 December 2019). [Link](#)

Conclusion: Making Migration Work for Britain

For the last few decades, the champions of high and rising levels of immigration have argued that mass migration is not just a huge positive when it comes to delivering higher growth and better living standards, but increasingly essential to doing so.

But while immigration can undoubtedly be enriching in many ways, the promised economic benefits have not materialised.

We have argued that there are several reasons why the benefits of migration have been far less than hoped for.

The sheer scale and pace of migration is one factor. As immigration-driven population growth outpaces our ability to build enough houses, roads, railways, grid capacity and GP surgeries, our capital stock is diluted. Prices rise, queues lengthen and congestion builds.

‘ While immigration can undoubtedly be enriching in many ways, the promised economic benefits have not materialised ’

Large-scale migration has also coincided with the worst slowdown in productivity growth in Britain for over two centuries, and stagnant GDP per capita growth. Correlation is not causation. But the idea that yet more migration is the way out of economic stagnation looks increasingly hard to defend.

And as we have shown throughout this paper, we have also failed to prioritise the kinds of immigrants who would do most to benefit Britain – whether economically, culturally, scientifically or in supporting our public services. Indeed, some of the key routes that were meant to alleviate pressures in the care sector, or make us a home to the best and brightest students, have become backdoor routes into low-paid labour.

The official projections say that net migration will fall back over the coming years, settling at around 315,000 per annum within a few years. But even if these forecasts are correct, this would still leave net migration running at a level with no parallel before 2021.

If all migrants were high-earning individuals from advanced economies or talented students at top universities, the economic calculus of migration would look very different. But low-skilled workers, increasingly from developing economies, predominate among migrant workers. The growth in student numbers has been driven mainly by university courses of dubious quality. The number of dependants arriving alongside workers and students has exploded. And abuse of visa routes has become rife.

These problems go back many years, but Britain’s new immigration system has not improved things. Gross immigration and net migration have soared to new heights.

The selectivity that was promised through a points-based system has not been delivered, with some immigration routes excluded from a points-based assessment entirely, massive holes left in other parts of the system, and previous requirements watered down. Meanwhile, ambitions to wean public services off their addiction to migration have yet to come to fruition.

We do not behave like this in other areas of government policy. When it comes to spending, we do not let each department simply spend as it sees fit to meet its immediate needs, and all of them simply stick the resulting costs on to people's tax bills. It would be a recipe for spiralling public spending, much of it hugely wasteful.

The Budget process, and the regular spending reviews, force government to make trade-offs about what spending it really values. Having a budget for migration would bring the same discipline and focus.

‘ Only by setting a strict overall limit on net migration can we force proper decision-making and have an honest conversation ’

So if we are to make migration work better for Britain, we need an entirely new approach to migration policy. This approach should be based on three key elements:

1. **An overall cap:** Only by setting a strict overall limit on net migration can we force proper decision-making and an honest conversation about the trade-offs between different types of migration. It is the only way to re-anchor the system and provide confidence to the public that there is overall control after 30 years of broken promises.
2. **A new, transparent process for making decisions:** Parliament should set a migration budget for each year, with individual caps on each of the main types of migration. This should be accompanied by far greater transparency, and a drive to improve the currently inadequate data on migration and its impacts.
3. **A clear philosophy:** The UK should aim to be the grammar school of the Western world, reducing migration by making it more selective, so that a greater share of immigration to the UK consists of higher skill, higher wage people. And we should be consistent and determined in cracking down on the many ways the current system is being abused.

The 36 recommendations we set out below show how we can put this new approach to migration policy into practice. Broadly speaking, they fall into four main categories:

- High level policy objectives
- Reforms to institutions and processes
- Improving data
- Amending the rules on specific visa routes

Some of these measures are likely to be too complex and time-consuming to implement in the next few months, not least because some will require primary legislation or substantial cross-departmental collaboration (though we would urge the Government to adopt these as commitments for the next Parliament).

For example, over the longer term, we need working institutions that can translate the will of Parliament and the public into action. The Home Office has fallen short on this front. While staffed by many good, hard-working people, it has proven itself simply too unwieldy to function effectively, and has been undermined by high levels of churn and a lack of institutional knowledge.

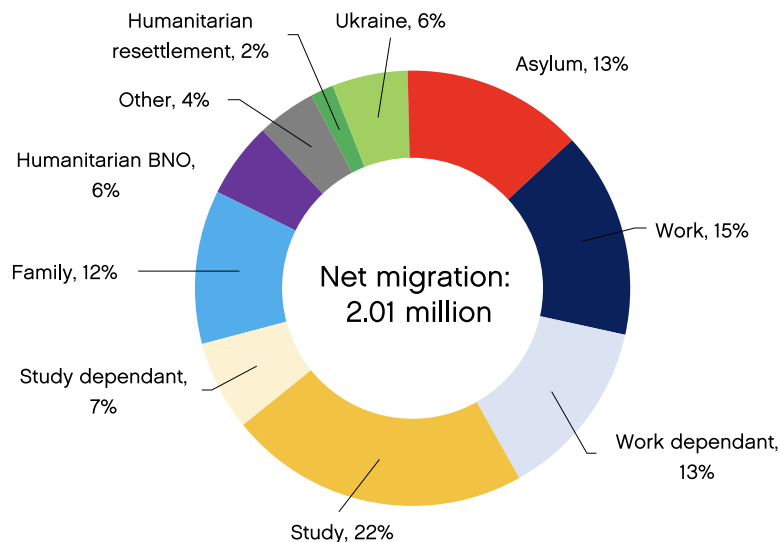
We therefore need to split up the Home Office and create a new **Department of Border Security and Immigration Control**, which should be a Cabinet-level position (the rest of the department would form a Department for Policing and National Security). This would be an opportunity to instil a totally different culture in the Home Office, with new personnel and processes. We would then have both a Secretary of State and a bureaucracy dedicated to delivering for the public on this vital issue.

Most of our recommendations, however, can be set in motion right now, without the use of primary legislation. In the tables below, we have highlighted these **28 recommendations for action this Parliament** with an asterisk.

Some are simply policy changes. Others are measures would be implemented through changes to the Immigration Rules,³¹⁷ enacted by Statutory Instruments (SIs) as provided for in section 3A of the Immigration Act 1971.³¹⁸

SIs laid in Parliament under the Immigration Act 1971 become law unless annulled by either House within 40 sitting days. Between the second week of May and rising for the summer, the House of Commons is scheduled to sit for almost 50 days (and the House of Lords for more). A successful motion to stop an SI under the negative procedure is rare – last occurring in the Commons in 1979 and the Lords in 2000.³¹⁹ It is perfectly feasible to enact substantial changes to the Immigration Rules before the summer recess.³²⁰

Net migration of non-EU nationals by reason, 2018-2023



317 Home Office, 'Immigration Rules' (11 March 2024). [Link](#). UKVI, 'Immigration Rules: statement of changes'. [Link](#)

318 Legislation.gov.uk, 'Section 3A', *Immigration Act 1971*. [Link](#)

319 UK Parliament, 'What is Secondary Legislation?' [accessed 13 March 2024]. [Link](#)

320 For further detailed recommendations on what can be achieved through SIs during the remainder of this Parliament, including some suggestions on migration policy, see: F. de Fossard, 'Action this Day: Ten Things the Prime Minister can do for prosperity, right now', Legatum Institute (1 March 2024). [Link](#)

Cutting net migration to the tens of thousands

Ultimately, we think it should be for Parliament to determine the overall cap, balance the trade-offs and agree on what action is needed across each specific route as part of an annual migration budget. With the improvements to data, transparency and decision making processes we propose, it would be possible for Parliament to set an overall goal and choose to hit it in a number of different ways.

But we believe that Government policy should be to set the overall cap on immigration at a level consistent with returning net migration to the tens of thousands, the level it was at for most of the 1990s, and which the Conservative Party committed to reaching when elected in 2010.

Some people will argue that this is impossible without causing major disruption. But over the last five years, net migration from the EU has been almost flat: under 5,000 people a year. This partly reflects the fact that eastern Europe is much richer than 20 years ago. During the 1990s, net migration from non-EU countries ran at just over 90,000 a year. Over the five years from 2012 to 2017 it averaged 84,000 a year. At the same time, over the last decade, about 70,000 British people have left every year. So even without any emigration of British people at all, we could get to the tens of thousands with today's levels of EU migration and historically recent levels of migration from the rest of the world.

Or to put it another way, taking into account the reforms already implemented (thanks in large part to the work of one of the co-authors of this paper), the OBR forecasts net migration to fall to 336,000 in 2024-25, mostly because of the reduction in dependants.

This implies that further cuts of around 240,000 are needed to get net migration below 100,000.

This may seem impossibly strict. But while the recent surge in immigration is unwinding, we are likely to have sufficient levels of emigration that the visa regime can remain relatively permissive by historical standards, while still delivering on the tens of thousands target.

The table below, for example, shows what would happen to visa numbers if they returned to the levels in 2021 – still historically high.

Visa route	Visas issued in 2023	Visas issued in 2021	Difference
Study (main applicants)	457,673	375,999	-81,674
Health & care (main applicants)	146,477	31,800	-114,677
Other work (main applicants)	116,080	79,861	-36,219
Family	81,203	42,182	-39,021
Worker dependants	73,218	42,122	-31,096
Total	874,651	571,964	-302,687

Source: Home Office

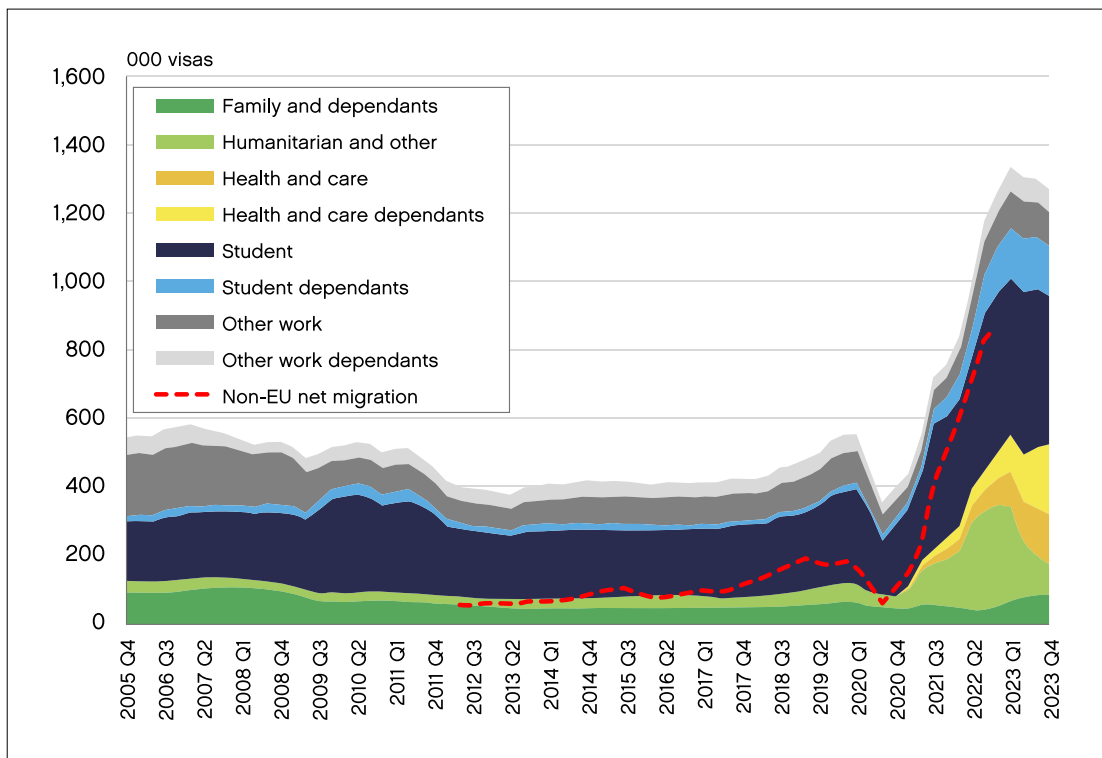
The Home Office already anticipates 15,000 fewer workers due to the higher salary threshold on the main skilled worker route, and we can infer that this will lead to around 25,000 fewer dependants. But even so, going back to the number of visas issued in 2021 implies lowering the inflow of migrants by around 260,000, taking net migration below 100,000 (all else being equal).

Of course, this is just an illustrative scenario. Different people will have different views on which visa routes should be prioritised. There isn't a 1:1 relationship between the number of visas issued and the number of migrants – net migration reflects emigration rates as well as the number of visas being issued. Migrants on some visa routes and from some countries are more likely to remain in the UK than others.

But the point is that 'tens of thousands' is well within the realms of possibility, both in the short term and over a longer period – especially if we adopt the recommendations outlined below, including ramping up the training of doctors and nurses, addressing the issues in the social care workforce, and curbing the number of low-quality university courses that are acting as a back door into low-paid employment.

When David Cameron made the tens of thousands promise, he was hamstrung by the fact that we could not actually control our borders, due to EU freedom of movement. Now, after Brexit, we can. The chart below shows how recent the surge in non-EU migration has been.³²¹ It also shows that there is nothing inevitable about our continuing to welcome migration on such a scale – and, as we have shown, with such limited regard to whether its components will be economically beneficial.

Non-EU visas issued by route and non-EU net migration, rolling 12-month average



Source: Home Office

We therefore hope that the recommendations below will be the starting point for a wider debate, and process of analysis, about the future of Britain's migration system – and how we can finally deliver a system that genuinely maximises the benefits of migration.

³²¹ EU numbers are excluded because before 2021, EU citizens did not require a visa to live, study or work in the UK. However, only 46,000 visas were granted to EU citizens in 2023. Non-EU citizens make up over 95% of inward migration to the UK.

Recommendations

Policy objectives	
1.*	We should reaffirm a national commitment to reducing net migration to the tens of thousands – the target under David Cameron. This is possible now we have left the EU.
2.*	We need to be more selective in who we permit to live and work in the UK. We should be the grammar school of the Western world, so that the overwhelming majority of migrants are net contributors to the public purse.
3.*	As a backstop to a more selective system, we should institute an annual cap or lock on each individual visa route, which should be set by Parliament under a 'Migration Budget' process. This dual approach, combining a more selective system with a series of caps, will allow us to filter for quality while still retaining control over overall numbers. Experience shows that demand to move to the UK is enormous and increasing all the time, and that the British state virtually always underestimates this demand. If our routes are open-ended then they are beholden to global fluxes in migratory trends: a cap is the only way that government can guarantee to meet a promise to reduce immigration.
4.	Immigration needs to be explicitly linked to skills policy. Any exceptional relaxation of visa rules for particular job types needs to be based on clear, funded commitments from the respective sector to train UK workers, backed by the relevant Government department. This will change incentives across industry and Whitehall, while helping to fix Britain's skills problems.

Institutions and processes	
5.*	We should institute an annual Migration Budget, organised by the Secretary of State and delivered to Parliament, underpinned by a report akin to the Red Book, with votable resolutions (analogous to Budget Resolutions) covering each of the main migration routes. This will enhance transparency and accountability around migration-related decision making.
6.*	The annual 'Migration Book' for the Migration Budget should pull together data from across all relevant departments, looking at the demographic and fiscal footprint of migration forecasts, but also modelling other key considerations such as the net impact of each official Migration Budget on housing, infrastructure and access to public services.
7.*	We should expand the remit and resources of the Migration Advisory Committee so that it assists in the preparation of the 'Migration Book' by feeding forecasts to the Secretary of State. It should also be a watchdog for the Migration Budget. As it stands, the MAC is a valuable institution, but there is only so much a small panel of experts can do by themselves, even with a Civil Service secretariat supporting them.
8.*	We should update the terms of reference in the 'MAC Framework Document' so that the MAC is required, in its annual reports, to provide analysis on how to get net migration down to the tens of thousands, and once we have achieved this, what must be done to keep it at this level.
9.	We need to split up the Home Office and create a new Department of Border Security and Immigration Control, which should be a Cabinet-level position (the rest of the department would form a Department for Policing and National Security). This would be an opportunity to instil a totally different culture in the Home Office, with new personnel and processes. We would then have both a Secretary of State and a bureaucracy dedicated to delivering for the public on this vital issue.

Data

10.*	The ONS has discontinued publication of UK population estimates by country of birth and nationality. Fixing the data issues underlying this decision needs to be a top priority supported by ministers in the Home Office (and subsequently the Department of Border Security and Immigration Control) and elsewhere.
11.*	Throughout this report, we have cited data released by Government departments in response to FOIs or written questions in Parliament. In the interest of transparency and better analysis, the Government should commit to publishing these datasets on a regular basis, via gov.uk, as the Home Office does with visa data. This includes data on earnings and National Insurance registrations by nationality and country of birth, and data relating to Foreign National Offenders (FNOs).
12.	We need to improve the evidence base for migration budgeting by integrating migration and population data across government, and introducing consistency in data collation across the public sector. In particular, we need to collect and link up data according to migration status, nationality and country of birth.
13.	The beefed-up MAC should lead a cross-Whitehall project to better understand the impact of migration. Part of this will involve producing lifecycle analysis of the fiscal impact of different profiles of migrant (according to nationality, age, work and so on), as Denmark and the Netherlands already do. But the project should also look at data relevant to the broader economic impacts of migration, for example on housing and infrastructure. This ongoing project would inform the annual Migration Budget.
14.	We should use this integrated data to conduct multi-generational longitudinal studies of migration and its impacts, looking at how the descendants of different cohorts of migrants have performed relative to each other and the population baseline. This should be based on hard data such as educational attainment, economic outcomes and crime statistics.

Skilled worker visas

15.*	We should accept the MAC's recommendation to abolish the Shortage Occupation List (SOL) altogether, rather than just creating a new, opaque Immigration Salary List (ISL). A time-limited exception could be made for NHS work, until the NHS Long Term Workforce Plan ramps up.
16.*	As we shift the mix of our immigration system in a more selective direction, we can raise this cap (without compromising on salary thresholds and other requirements). In the meantime, we should prioritise doctors and other skilled healthcare workers on this route, until the NHS Workforce Plan can ramp up.
17.*	The salary threshold for the skilled worker route that comes into effect from April 2024 should automatically rise in line with inflation (as should any other thresholds in the system – spousal visas for example). Before the Government announced the new threshold, it had fallen by 16% in real terms since its introduction.
18.*	Schoolteachers have been exempted from the higher salary threshold implemented earlier this year, needing instead to earn the minimum of the relevant pay range. As the starting salary for a new teacher is £30,000 (£36,745 in central London), the new threshold is irrelevant. We need to close this loophole.

19.*	We need to abolish the automatic equivalency of the new 'international qualified teacher status' (iQTS) with QTS, and reverse the 2023 reform whereby teaching qualification from any country can be used to gain qualified teacher status. As elsewhere, we should select for quality – not least in terms of English language proficiency.
20.*	As per MAC recommendations, we should rationalise the dozen or so niche, small-scale worker routes, and cap numbers at 24,000 in the short term. The total number of applicants is small but they take up an excessive amount of capacity in the Home Office and UK Visas and Immigration (UKVI).

Health & care visa

21.*	This route is being systematically abused. To end the use of fake companies, we need to ensure all health & care visas are based on a genuine, evidenced vacancy, not a speculative one – and we should as a minimum insist the employer or agency has been CQC-registered for at least two years.
22.*	We need to set the salary threshold for health & care visas above the National Living Wage, and ensure it remains there, so as not to encourage low salaries and undercutting of domestic workers.
23.*	In order to aid in recruitment and retention of UK workers in social care, we should increase the minimum hourly wage in the sector by 20-40p, at the cost of around £475m-£950m to central government.
24.*	We should impose an immediate cap on health & care visas at c.30,000 (roughly the number of visas issued to main applicants in 2021, and still five times higher than the number envisaged when the route was introduced as an emergency response to Covid). Over the next three years, we should gradually reduce this cap to 6,000 – the number envisaged by the DHSC when the route was set up. The cap should operate on a monthly basis and have a regional dimension to ensure harder to recruit to places do not lose out to London and the big cities.
25.	While the NHS Long Term Workforce Plan is an extremely welcome step in the right direction, it needs to be accelerated as fast as resources allow so more nurses and doctors are trained domestically. We should phase out specific professions from the health & care visa route as and when domestic training reaches appropriate levels.
26.	Given evidence of industrial-scale qualification fraud at various foreign institutions in response to Britain's new visa regime, we should move towards an approved whitelist of institutions whose qualifications render migrants eligible for health & care visas. We need more focus on quality.

Study & graduate visas

27.*	We should introduce an overall cap on sponsored study routes.
28.*	We should abolish the Graduate route outright. Foreign students who want to stay in the UK should need to find graduate-level jobs that meet the salary threshold within a six-month grace period at the end of their studies. The MAC is conducting a review into the Graduate route – which it recommended against in the first place – but we should act immediately, ahead of the September 2024 and January 2025 start dates for university courses.
29.*	The 30% discount to the occupation-specific salary threshold (and 20% to the general threshold) which applies to migrants aged 26 and under should be reduced to 10%, or abolished. At 10%, the discounted threshold would be near the level of the UK median salary (around £35,000), rather than substantially beneath the average.

30.	We should make universities accountable for their international students: where there is evidence of sustained abuse (such as very high dropout rates, low attendance and a drop in academic standards) they should be struck off the list of licensed study visa sponsors. We should focus initially on reviewing the 18 satellite campuses of non-London universities in London, which are geared towards international students on Masters courses of dubious quality.
31.	We should substantially revise the International Education Strategy (IES), ending the arbitrary 600,000 a year target for the number of international students. The IES instead needs to focus on quality over quantity, as per the grammar school approach to immigration. This will also move the Education and Business Departments away from constantly calling for more migration while resisting attempts at selectivity and control.
32.	We need a greater diversity of higher education provision – in particular, some local universities, such as the 18 provincial universities with London campuses, should reorient towards educating and training the local or regional population, rather than trying to educate the rest of the world. Reducing the number of international students on poor quality courses might entail some pain for the sector – but we should not shy away from this.

Family routes

33.*	People coming through the family route are much less likely to have a positive economic impact than those coming through the work routes. We could either cap the family route or set a target to be met via changes to rules and thresholds such as those below.
34.*	We should require firm evidence that couples have cohabited for at least a year as a prerequisite for a partner visa, in order to demonstrate that the relationship is real and sustainable. We do not currently have a cohabitation rule, and there is significant evidence of abuse at present, reflected in the number of dependants granted partner visas doubling year-on-year in 2023.
35.*	We should end the loophole that allows people to bypass the financial threshold by pooling savings across families and communities. People must have evidence that they have had the required savings and earnings for at least 12 months prior to applying for a partner visa.

Safe and legal routes

36.*	An annual cap, set in consultation with local authorities, has now been legislated for in the Illegal Migration Act 2023. This needs to go ahead this year. Given the need to absorb pressure on the system from people who have used the routes so far – more than half a million since 2015, the highest level since WW2 – not to mention the cost of illegal migration on local authority resources, we think the cap should be set at a relatively low level for several years (although ultimately this will be up to Parliament).
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