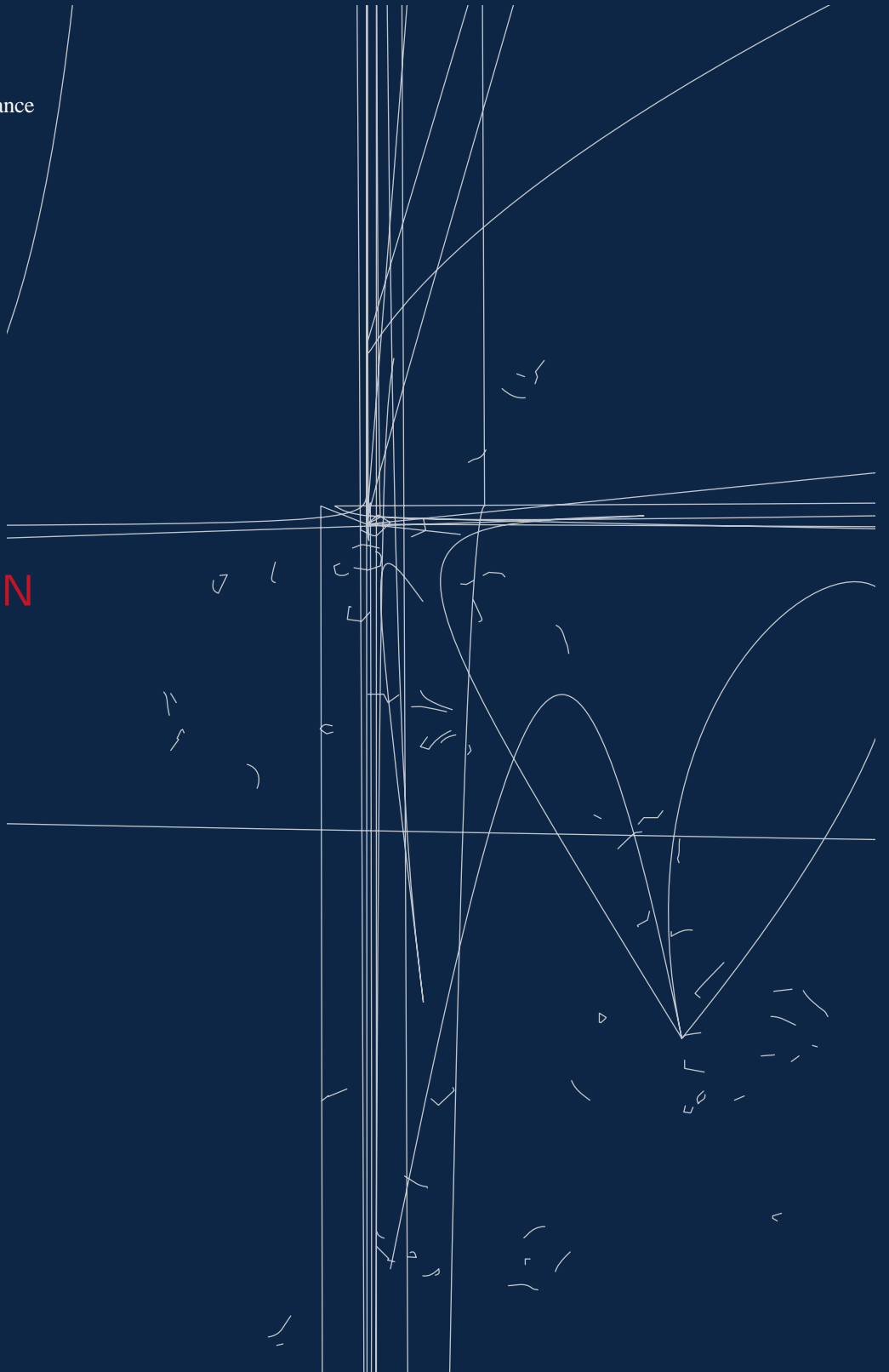




Centre for Law, Economics and Finance

UK IMMIGRATION AFTER BREXIT

Report



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- Despite the claim of pro-Brexit campaigners that immigration in the UK would diminish with new conditions, in 2022, more than 1 million people migrated to the UK, effecting a net migration of 504,000 people, a +27% increase compared to 2021.
- After the enactment of the new migration policy in 2021, the UK attracts more workers from non-EU countries (+114%) (due to the loosening of some migration barriers, such as a high salary threshold), but less workers from the EU (-21% compared to 2021) (affected by the new conditions they have to meet to get a visa).
- The new migration policy also contributed to a 32% rise in the arrival of non-EU new

The current report broadens the scope of queries and problems the association [Manifesto di Londra](#) has dealt with in the past three years. Matteo and Federico wish to wish to extend their gratitude to the members of the association's Migration Committee for their insights and support.

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It has been more than six years since the United Kingdom European Union membership referendum, and more than two years since the signing of the EU–UK Trade and Cooperation Agreement. Still, it is not entirely clear how Brexit affected the UK regarding many relevant socio-economic dimensions, such as trade, inflation, or financial services. The almost contemporaneous presence of the covid 19 pandemic made it difficult to isolate the Brexit effect, and precisely measure its impact. The fading of the health emergency, along with the increased availability of data, is now allowing researchers to make progress in this regard. This report contributes to such efforts, by analysing the most recent data on irregular, study-, and work-related migration, describing how Brexit affects the changes in migration flows to the UK.

THE SYSTEM

On 23 June 2016, a referendum took place in the UK, which saw the majority of the electorate choosing the country to leave the EU. After several years of negotiations, the UK left the EU on the 31 January 2020, with the transition period ending on 31 December 2020. This decision was to have profound political, economic and social consequences for the UK. Among these, changes in the migration policy impacted the movement of people moving in the country.

between the UK and the EU was signed on 30 December 2020 and entered into force on 1 May 2021.¹ The agreement covers topics on trade in goods and services, energy, aviation, road transport, fisheries, and the movement of persons. While the agreement ensured a fair treatment of EU citizens living in the UK before Brexit and vice versa, from 1 January 2021 onwards a new migration policy was issued for regulating the inflow of people in the UK.

During the Brexit campaign, pro-leave campaigners maintained two claims about the desired outcome of Brexit on migration. They claimed that a new migration policy, banning the free movement of EU citizens, would boost wages and increase productivity (Portes, 2022, p. 92). It must be noted that, among the many changes that Brexit was to make, one of the most heated points of discussion in public debates was migration; the animated debate on the net-migration target (the reduction of net-migration to from “hundreds” to “tens of thousands” (Vargas-Silva & McNeil, 2017)) ultimately contributed to the referendum results and the 2017 general elections (Dennison & Geddes, 2018). It should be noted that net migration goal was publicly abandoned under Boris Johnson’s government in 2019, after having never been reached.

On 1 January 2021 the British government adopted a new immigration policy that for the first time in decades makes no distinctions between EU- and non-EU citizens. This policy consists in a point-based immigration system, whereby migrants are granted a leave to work and remain on the UK on the basis of a score determined by a series of parameters (e.g. education, earnings,

high skilled jobs – with the exception of shortage occupation jobs, for which there is a lower threshold), without considering the social value of lower paid jobs (e.g., care workers, bus drivers, supermarket staff – sectors where migrants' employment is higher).

Although the new policy is formally presented as 'points-based', researchers observed that the points determining the final score granting or not access to the UK are mostly "cosmetic"; in fact, the policy largely consists in a traditional employer-driven work permit system, since there is no flexibility in how most of the points are allocated (Sumption & Walsh, 2023, p. 100).

The new immigration policy entails the same regime for EU and non-EU citizens, who now both need to get a work visa to work in the UK (except for Irish citizens, who do not require a visa to work or live in the UK).

As a result of the new policy, there currently exist the following Visa types.

This visa is for those who intend to spend 6 months or less in the UK for tourism, business and study. "**Visitor Visa**" holders need only to prove they can sustain themselves for the length of stay and will not make the UK their permanent home. They are not allowed to work in the UK but can volunteer for 30 days. Special conditions apply for academics, doctors, dentists and people who intend to marry or register a civil partnership.

The most significant changes of the new policy regard work visas. There are three main categories of work visas: 'high-value' work visas, sponsored long-term work visas, and short-term work visas.

The new policy abolished the previously known "Tier 1" visa, whose eligibility criterion was merely economic (minimum funds or investments). Those starting their activity in the UK now can apply for a "**Start-up visa**" or an "**Innovator Founder Visa**", whereby their business ideas need approval by an "endorsing body" selected among a pool of organisations including start-up accelerators and seed investors. Besides, the "**Global Talent visa**" is available for workers who excel in one of the following fields: academia or research; arts and culture; digital technology. They need to be endorsed by a set of specific organisations, e.g., the British Academy or Tech Nation.

The "**Skilled Worker Visa**" is the main innovation in the current policy, substituting the old "Tier 2 Visa". Workers who apply to this kind of visa should meet the following criteria: being in receipt of a work offer for middle- or high- skilled jobs; earn an annual salary of at least £26,200 annual, £10.75 hourly, or the job's 'going rate'. There are exceptions to this last condition; the salary threshold is lowered to £20,960 (or 80% of the 'going rate') for: jobs in a shortage occupation; people who are under 26, recent graduates or in training; people in possession of a STEM PhD relevant to the job (the threshold is £23,580 or 90% of the 'going rate' for other PhDs); people

who hold postdoctoral positions in science or higher education (70% of the 'going rate'); health and care professionals (a smaller application fee applies). F

EFFECTS ON MIGRATION:

After two years that the new policy entered into power, it is possible to start looking at the new trends in migration pattern in the UK. Net migration (considering people moving in and moving out of the country) is the main indicator of migration patterns.

Evidence suggests that, after a sharp fall in immigration due to COVID-19 restrictions, Net migration has increased, and reached a +587,000 record in December 2022 (see *figure 1*)³. There are remarkably different patterns for EU and non-EU migration. While Net migration from European countries has gradually decreased since 2016, and dropped to a -51,000 in 2022, non-EU citizens marked a sharp increase, totalling a +638,000 in the same year.

It must be observed that the available data for the period 2012-2022 is not consistent, since: 1. the disruptions caused by the Covid-19 pandemic prevented from collecting significant data in 2020-21; 2. The ONS have adopted a different methodology from June 2020 onwards. The main source for these estimates was in fact the *International Passenger Survey*, which had to be discontinued because of the pandemic outbreak in March 2020. To bridge a gap in the data and to produce more accurate estimates, the ONS has been experimenting a new methodology that combines: A. Improved data for non-EU emigration and immigration: Home Office’s *Systems Data on individuals’ travel movements*; B. Department for Work and Pensions (DWP)’s *Registration and Population Interaction Database (RAPID)*; C. *International Passenger Survey (IPS)* – this latter now mainly used to monitor British migration. Besides, it is particularly hard to get the data for permanent emigration. Considering these remarks, the figures presented in this paper are to be considered rough estimates and not a detailed account of effective movement of people. However, it may be, data from different sources consistently show that in the last two years, the increase in Net migration was largely driven by non-EU citizens, to which British Nationals Overseas must be added.

Figure 1. Net Migration to the UK. EU and non-EU citizens



Sources: 2010-2020: ONS, Provisional long-term international

data collection method has been discontinued after August 2020).

2020-2022: ONS, Long-term international immigration, emigration

flows, provisional (new experimental methodology).

³ These figures comprise only non-UK (EU and non-EU) citizens.

⁴ The ONS has adopted a new methodology from 2020 onwards, hence the gap in the graph. Details of the new methodology are available on [the ONS website](#). The need for a revision of the old methodology is explained [here](#).

While the strong discrepancy in EU and non-EU trends partly reflects the effects of the new migration policy, there are other factors to take into account when looking to those figures. In fact, the surge of non-EU migration is dictated by contingent geopolitical circumstances, as Visa grants well illustrate: a “Bespoke Humanitarian Route”⁵ has allowed more than 133,000 Ukrainian citizens and 75,000 British Nationals Overseas (from Hong Kong) to move to the UK in 2022. Considered together, these people account for the 30% of non-EU immigration (704,000).

However, the arrival of international students (277,000) and skilled workers (151,000) from non-EU countries also impacted on the overall Net migration increase. As researchers have observed, “this rise in non-EU migration is partly the result of the criteria for a skilled worker visa having been ‘liberalised’ under the new system” (Sturge, 2022).⁶

To better understand the general data on net migration and capture the outcomes of the new policy, the paper will analyse the new trends in study-related, work-related, and irregular migration.

In 2022, roughly 39% of the migration influx was related to study reasons. Recent changes in the migration policy were paralleled by a change in tuition fees. Starting with the academic year 2021/22 (starting after 31 July 2021), EU and non-EU students were both due to pay tuition fees at the full ‘international student’ rate. This did not change the conditions for extra Europeans but meant in most cases a doubling of the fee for students coming from the EU, which were previously due to pay fees at the Home rate – same as UK nationals –, usually around a half of the Overseas rate.⁷

A possible reason for the noticeable increase of non-EU students' new enrolments includes the loosening of restrictions for work-related visas, which might make studying in the UK more attractive for foreign born nationals who intend to enter the UK as students and subsequently work in the country. However, most likely, the main element of attraction is the re-opening of the 'Graduate route' (as presented above), which offers to recent graduates the possibility to work at any skill and salary rate in the UK for a period of 2 years after graduation (3 years for PhD graduates). When considering the increase of extra-EU new students, the most represented countries are China (from 77 to 100 thousand news enrolments in the period 2017-2021), India (from 13 to 87 thousand), and Nigeria (from 5 to 33 thousand).

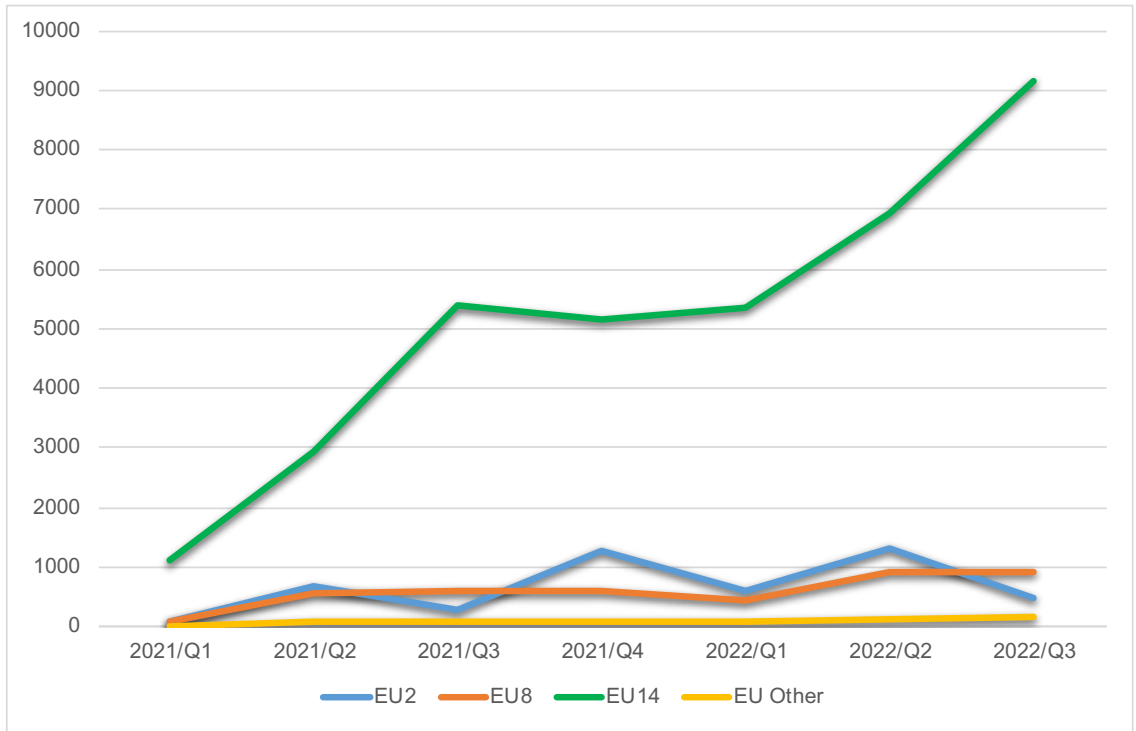
The fall of students' enrolment number from EU nationals (-53% in the last year) can be related to the increase of tuition fees as compared to pre-Brexit rates.

non-EU citizens were eased to meet the same standards of EU citizens (most importantly, the salary threshold was lowered by almost £5,000 and the Tier 2 visa cap was scrapped). On the other end, the enactment of the same policy posed stricter conditions for EU citizens, particularly impacted by the newly introduced minimum salary threshold.

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Since 2021, newly arrived EU citizens willing to work in the UK need a work visa. It is interesting to look at the number of visas granted to EU citizens from different areas.

Figure 5. Work Visa for EU Countries.



Source: [ONS](#).

As shown in figure 5, not only the number of visas for people coming from EU2 and EU8 countries is lower compared to EU14 countries, but whereas the latter registers a noticeable increase, the two former groups mark a more constant trend.

This can partly reflect the nature of work-migration coming from different EU country groups. Whereas a good percentage of EU 14 nationals work in mid- to high-skilled jobs, the majority of EU2 and EU8 nationals tend to take up low-income (and often low-skilled) labour; these latter are more likely to be cut off by the new migration system. Even among EU14 countries, we notice a shift in migration patterns: whereas before 2021 Italians were by far the most numerous group (with 617,930 people who applied to the EU settlement scheme, compared to 252,520 French and 177,590 Germans); they took up a mere 3,868 work visas in 2022, compared with French workers (5,740 work visas) and German ones (4,439 work visas).¹⁶

Lastly, migration fluxes ought to take into account irregular migrants entering the UK as well.

On 28 April 2022, the Government-sponsored Nationality and Borders Act 2022¹⁷ was enacted and entered into effect on the 28 June of the same year. The Bill: included a differential treatment of refugees (distinguishing between those arriving from a life-threatening country or territory and others); increased the standard of proof for finding persecution; and penalised applicants for late evidence submission for an asylum or human rights claim. The expectation was that a stricter

¹⁶ Source: [Home Office](#).

¹⁷ Cf. [Nationality and Borders Act 2022](#).

policy would act as deterrent for those wishing to reach the UK illegally.

However, data from the Home Office shows that the last 2 years registered an increase, and not decrease, of asylum applicants in the UK (*figure*

CONCLUSIONS

Brexit has undoubtedly had a huge impact on various aspects of the economic, social and political

is difficult to explain through current political and economic events and it must be therefore attributed to contingent circumstances involving asylum seekers from non-EU countries. It is in any case worth remembering that the overall number of irregular migrants arriving to the UK is significantly lower than that of other European countries such as Germany, France, Spain and Italy in the same period.

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