



Background paper for the ETUC

The impacts of irregular migration

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Executive Summary

Across Europe, undocumented or 'irregular' migrant workers are a particularly vulnerable group. Most irregular migrants lack access to basic social protections and workers' rights, and are frequently the victims of exploitative labour practices. They are also the subject of a great deal of political controversy, with publics and policymakers in many European countries calling for tough action to remove and return irregular migrants to their countries of origin. However, to date, this debate has been complicated by a lack of clear data on the size of irregular populations and on the range of impacts – both economic and social – that they may be having on destination countries. This short paper therefore aims to set out the best evidence on what is currently taking place, focusing particularly on the situation in the UK.

Despite the considerable difficulties involved in gathering evidence on irregular migrants, recent estimates have suggested that there may be more than 600,000 such individuals currently living in the UK – and potentially more than 800,000. The profile of these migrants is highly varied, with a relatively small proportion falling into the category of 'clandestine entrants' who come to the UK without proper documentation. It is more common for migrants to become irregular as a result of non-compliance with the terms of their visas or changes in the visa regime itself.

Although the dominant public image of irregular migrants is of free-riders who take jobs from native workers and access public services without paying their fair share in taxes, the reality is likely to be more nuanced than this. Since most irregular migrants do not have access to social benefits it is likely that a high proportion of them work in order to survive, suggesting that they may be having a significant impact on the economy through their contribution to the labour market. Irregular migrants are also consumers, and thus increase demand and generate economic growth through their spending. Some key points about the economic profile and impacts of these migrants include:

- Irregular migrants largely work in low-skilled, low-paid jobs. While they often work in the same sectors as recently-arrived legal migrants, they may remain in those sectors for longer than other workers due to the lack of opportunities for professional development.
- Irregular migrants tend to work in sectors which have many hard-to-fill vacancies and which have trouble retaining staff.
- Irregular migration may be having a negative impact on wages in certain sectors in the UK, since irregular migrants may be more willing to accept low wages and poor working conditions. However, this impact is limited to a certain extent by the National Minimum Wage (NMW), which protects those UK-born or migrant workers who are able to claim their employment rights
- Many irregular migrants work in the informal or illegal economy, but ippr research suggests that many are paying at least some tax.
- Although irregular migrants likely pay less in tax than those working legally, it is also the case that they do not claim as many benefits, or access public services to the same degree. This means that fiscal losses resulting from irregularity through reduced tax revenue must be offset at least to some extent by savings through reduced public spending.

Irregular migration does, however, pose a significant social and political challenge, even if its economic effects are not as problematic as is often thought, and in our view, it is neither credible nor progressive for governments to tolerate large irregular migrant populations – not least because irregularity has negative consequences for

irregular migrants themselves. But neither is it feasible to reduce the problem to zero, as some governments (including the UK) seem to want to do. We believe that a better objective for policy would be to implement a range of complementary measures to deter future irregular migration, while taking a realistic approach to addressing the existing stock of irregular migrants.

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1. Introduction

In many European countries, irregular migration has become one of the most contentious and emotive issues in public and policy discourse around migration. This is particularly true of the UK debate, which tends to be dominated by demands for the government to take strong action on irregularity. As a consequence, policy discussions have mainly focused on the enforcement of immigration rules and on the return or removal of irregular migrants. However there has been relatively little debate about the impacts of irregular migration on UK communities, or about the impact of irregularity on migrants themselves.

The latest attempt to estimate the number of irregular migrants in the UK puts the figure at more than 600,000 (Gordon et al 2009), and a high proportion must work in order to survive. Irregular migrants therefore form a part of the labour market, and have an impact on it. This means that there is a clear need for a better understanding of who these migrants are, how they cope with irregularity, and what their effects are on others.

This paper starts by defining the types of migrants that we would classify as being in a state of irregularity, and setting out the most up to date estimates of how many irregular migrants there are in the UK. It then goes on to consider the economic role of irregular migrants, and some of the major impacts of their irregular status. Finally, it explores the policy implications of this issue, and suggests some different strategies for responding to it in a progressive way.

The major difficulty in analysing the economic drivers and economic impacts of irregular migration is the lack of data and evidence in this area. We do not claim to have overcome these limitations. Rather, what we seek to do here is to present a framework for economic analysis of irregular migration, and to pull together existing data and research in order to draw new conclusions.

2. Definitions

For many, the dominant image of irregular migrants will be of those individuals who attempt to enter a country by concealing themselves on lorries or boats. However, while some migrants do reach the UK in this way, the evidence suggests that they are not the only, or indeed the largest group of those who could be classed as irregular. In recent years, the UK's irregular migrant population has become increasingly diverse, and includes people who are irregular in different ways.

In this paper, we use the term 'irregular migrant'¹ to describe people without a legal right to abode in the UK, or who, while subject to immigration control, are in breach of their visa conditions. This definition covers a number of different categories of people, including those who:

- have entered the country illegally (by avoiding migration inspection or by using false documents);
- have broken visa conditions (for example, by overstaying or working more hours than is allowed);
- are *sans papiers* (for example, a person's passport may have been destroyed or taken by an employer);
- and those who have had a claim for asylum refused.

¹ The words 'illegal' and 'irregular' are often used interchangeably in this debate. While they refer to the same groups (as by definition, all irregular migrants are in some sense acting outside the law), we have chosen to use the concept of irregularity, since it is less value-laden.

At different times, the same migrant may fall into different categories if policies on border control, visa regimes, work permits or other areas change. In other cases, the categories overlap. For instance, asylum seekers often use similar routes of entry to clandestine entrants, since there is no visa system in place to allow people to travel for the purposes of claiming asylum (Reynolds and Muggeridge 2008)

For the sake of clarity, we will use a classification system which divides irregular migrants into three non-excluding groups (Tapinos 2000):

- clandestine entrants
- clandestine residents
- clandestine workers.

Clandestine entrants

Clandestine entrants are defined in this paper as migrants who cross the UK's border without complying with the requirements for legal entry. This group are mainly migrants from outside the EU who need a visa to enter the UK. Currently, nationals from 108 countries are in this position. Nationals from about 50 per cent of those countries also need visas to transit through the country (UK Border Agency 2009b).

The most common ways for clandestine entrants to enter the country are through being smuggled or trafficked. Smuggling has been defined as: 'procurement of illegal entry into a State of which the person is not a national or permanent resident for direct financial or other material gain' (UNODC 2010). Smuggling differs from trafficking in that migrants consent to it, the final objective is not necessarily exploitation, and it always involves a transnational movement. Trafficking in persons, in contrast, is defined as: 'the action of recruitment, transportation, transfer, harbouring, or receipt of persons by means of the threat or use of force, coercion, abduction, fraud, deception, abuse of power or vulnerability, or payments or benefits to achieve the consent of a person for the purposes of exploitation' (UNODC 2007).

Internationally, stories of migrants dying in the deserts on the US-Mexico border or trying to cross the Mediterranean in leaky boats from Africa have highlighted the risks taken by those who are desperate enough to enter other countries without the proper authorisation. These stories also show how much effort governments are putting into controlling their borders - it has become very difficult to enter many countries, the UK included. Indeed, these efforts appear to have paid off from the point of view of the state, as migrants who enter the UK clandestinely make up a relatively small proportion of the UK's irregular migrant population.

Clandestine residents

Clandestine residents in the UK are defined in this paper as those who enter the country legally but have no current permit to reside in the UK. Migrants classified as clandestine residents include:

- asylum 'over-stayers' who remain in the country after their asylum application is refused
- non-EU nationals who can enter the country without a visa but stay longer than allowed
- non-EU nationals who get the visa required to enter the country but stay after their visa expires
- children born to irregular migrants.

Clandestine workers

Clandestine workers in the UK are defined in this paper as migrants who are legal residents but fail to fully comply with the work-related requirements of their visa/route of entry. This category comprises a diverse group of migrants including:

- asylum seekers who are not allowed to work unless they have special permission
- migrant workers from outside the EU who entered the country as general visitors or any other category under which work is not permitted
- migrants who work more hours than allowed, such as students who work more than the maximum 20 hours per week allowed during term time
- migrants from the new EU accession states who have no work authorisation (A8 nationals must register in the Worker Registration Scheme if working and employed in the UK for more than three months. Nationals from Bulgaria and Romania (with some exceptions) need to apply for an accession worker card and, in some cases, their employer needs to issue a work permit (UK Border Agency 2009a)).

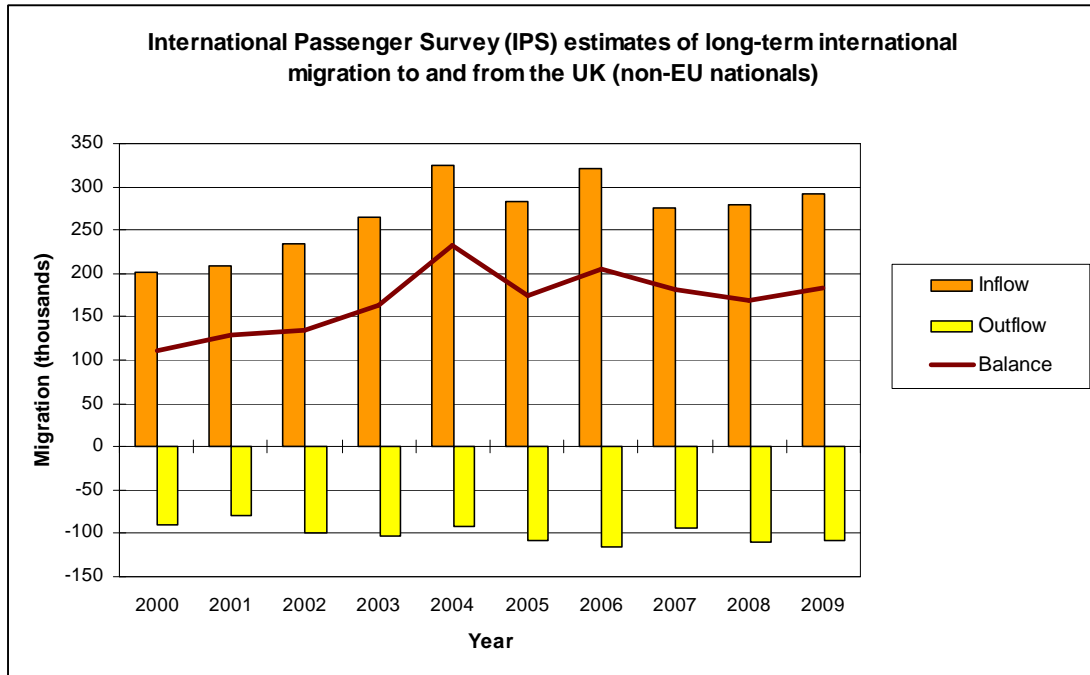
3. Estimates of irregular migration

A frequently-cited estimate of the number of irregular migrants in the UK (which is often used as a baseline for new estimates) suggested that in 2001 there were around 430,000 'unauthorised (illegal) migrants' in the country, with possible values ranging from a minimum of 310,000 to a maximum of 570,000 (Woodbridge 2005). Note that this estimate included clandestine entrants and clandestine residents (excluding children born to irregular migrants), but *not* clandestine workers.

The methodology used for this estimation is the US residual method, where figures are estimated from the difference between the total foreign-born population and the total number of migrants captured in immigration records. Total foreign-born figures in the UK were taken from the 2001 Census and the total number of migrants was estimated using Home Office records of immigration, asylum applications and visa extensions. However, the estimation is only a rough indication of the number of irregular migrants in the UK, not only because of the data limitations acknowledged in the methodology, but also because it excludes clandestine workers (who may be a substantial proportion of the UK's irregular migrants). It is also fairly out of date, given that the 2005 estimate was based on 2001 figures, and a number of developments suggest that the number of irregular migrants may have risen in recent years.

The most important of these is that there have been large inflows of migrants into the UK over the past decade. Inflows from the new EU states have significantly contributed to this trend, but net migration from outside the EU has also remained positive, as shown in Figure 1 below. While few EU migrants are likely to fall into the 'irregular' category, a proportion of the non-EU migrants who have either remained or arrived since 2001 are likely to be irregular.

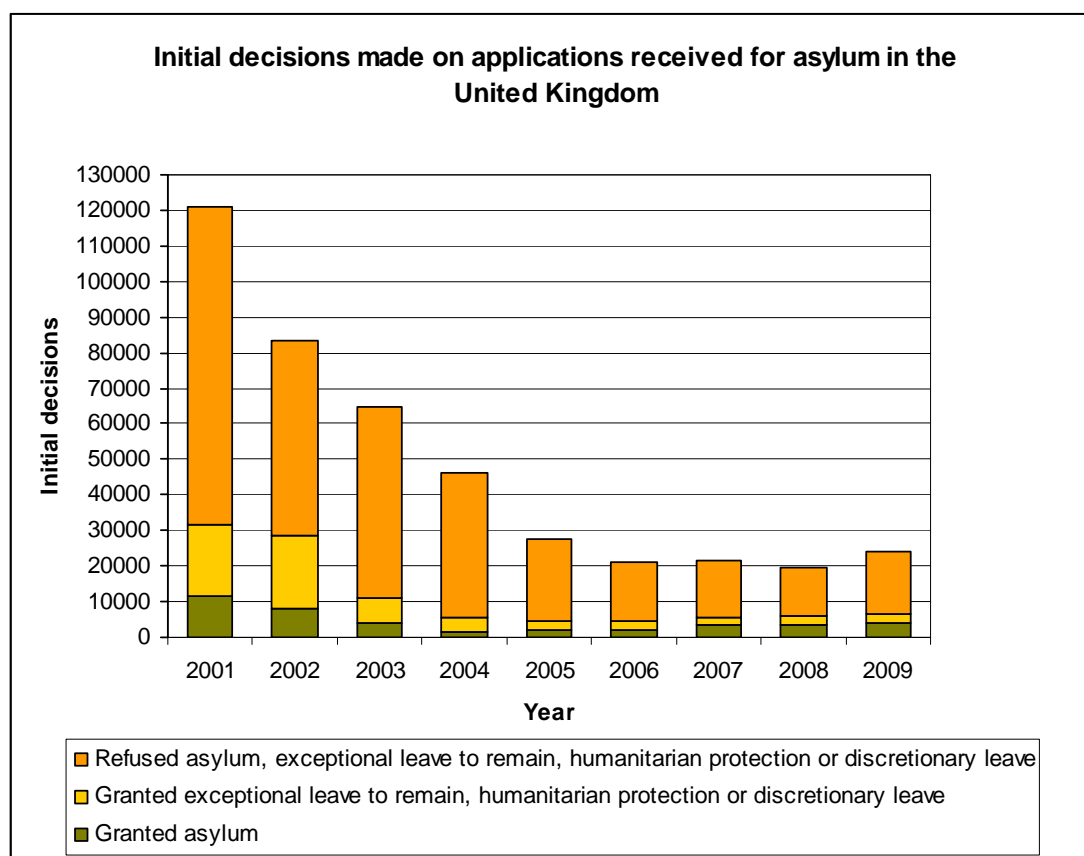
Figure 1: Long-term international migration to and from the UK of non-EU nationals, 2000-2009



Source: ONS 2010

Although asylum applications fell by around 66 per cent between 2001 and 2009 (from 71,025 to 24,285), the proportion of initial decisions refused has remained fairly constant over the period, as shown in Figure 2 (Home Office 2010).

Figure 2: Initial decisions made on applications for asylum in the UK, 2001-2009



Note: These figures show all asylum decisions made between 2001-2009 (including backlog cases), so do not correspond exactly to the number of asylum applications made in each year. These figures also do not include the dependants of asylum seekers.

Source: Home Office 2010

Moreover, the latest data available on the total number of persons removed for asylum cases (from 2007) showed that they represented only 79 per cent of initial decisions refused in that year – this suggests that the ‘stock’ of asylum over-stayers is continuing to rise, albeit at a slower rate than in previous years (National Audit Office, 2009).

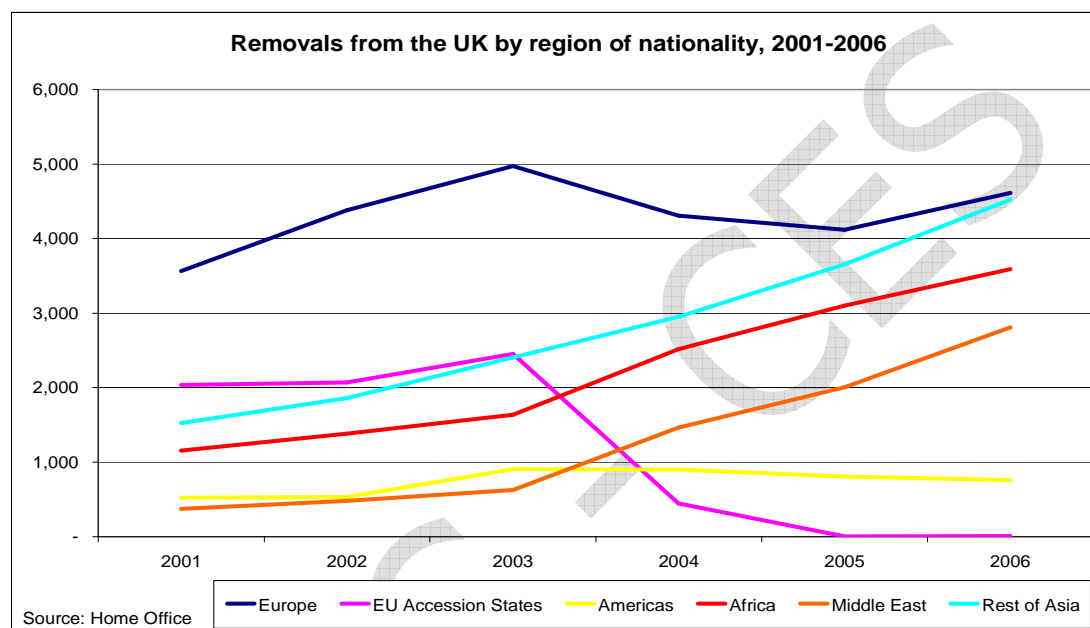
Migrants classified as clandestine workers were not included in the 2005 estimate, but evidence suggests that this may be a significant group of irregular migrants. For example ippr research in 2008 found that that 47 per cent of Poles who had returned to Poland did not register in the Worker Registration Scheme while working in the UK, with only 25 per cent not registering because they were self-employed or worked for less than three months – this suggests that up to 22 per cent of this group were working illegally while in the UK.

Moreover, Labour Force Survey data suggests that between 5 per cent and 10 per cent of full time non EU international students are working full time

However, there are also some indications that the UK population of irregular migrants may have declined since the 2005 estimate.

Nationals from the countries that joined the European Union in 2004 who may have been breaching immigration rules in the UK automatically gained the right to stay and work in the country after EU enlargement. The evidence suggests that this group represented a fairly significant proportion of irregular migrants in the UK before 2004. Figure 3 shows removals from the UK in the period before and after EU accession, and shows that EU accession states made up 10 per cent of removals from the UK in 2003, just before their membership of the union. The proportion is even higher if Romanians and Bulgarians, who have been allowed to remain in the UK without a visa since 2007 (although with restrictions on their ability to work), are included.

Figure 3: Removals from the UK by region of nationality



Some irregular migrants can move into regularity. Clandestine entrants and clandestine residents who have lived in the UK for 14 years can apply to a scheme called 'long residence' whereby they are allowed to obtain legal residence (Home Office 2000). Since 2006, the UKBA has also been running a 'case resolution' process to clear a backlog of an estimated 450,000 asylum cases by 2011. By July 2008, 90,000 cases had been concluded - with 20,000 removals (22 per cent), 39,000 decisions to grant some form of leave to remain (43 per cent), and in 32,000 cases the case record was closed. This suggests that a fairly large number of asylum over-stayers have been regularised in the last three years (Immigration Law Practitioners' Association 2008).

A more recent estimate of the UK's irregular migrant population by the London School of Economics (Gordon et al 2009), using the 2005 Woodbridge estimate as a baseline, suggests that there were between 417,000 and 863,000 irregular migrants in the UK in 2007, with a central estimate of 618,000. This central estimate is based on the assumptions that since 2001 there are some 220,000 additional failed asylum seekers in the UK, around 50,000 additional visa over-stayers and illegal entrants, and around 85,000 UK-born children of irregular migrants, but more than 165,000 regularised migrants (including from EU accession countries).

This estimate does not include those who are legally resident, but working illegally (clandestine workers). As discussed above, this may be a significant group. On balance, therefore, it seems likely that the number of irregular migrants in the UK has

grown since the 2005 estimate, and it may even be higher than LSE's estimate once clandestine workers are taken into account.

In sum then, while the nature of irregular migration means that data will always be uncertain, the total number of irregular migrants in the UK certainly runs into many hundreds of thousands of people, and likely is coming close to one million, when all categories of irregularity are included.

4. Impacts of irregular migration

The patchiness of official data on irregular migration makes it very difficult to be certain about the impacts, both positive and negative, that irregular migrants may be having on the economy. However, it is likely that they make a significant contribution to the economy through their participation in the labour market. The employment rate of irregular migrants is thought to be high: because most do not have access to benefits, they are very likely to work in order to survive. For example, a study on illegal migrants in detention in the UK found that three quarters of those interviewed (83 migrants detained in three immigration facilities) had worked illegally in the UK (Black et al 2005). Many irregular migrants who work are confined to the informal or illegal economy, but ippr research suggests that many are paying at least some tax. Irregular migrants are also consumers – they increase demand, and generate economic growth, through their spending.

In this section we consider some of the impacts that irregular migration may be having in the UK, looking first at a range of economic impacts, and then discussing some of the social impacts.

Economic impacts

Labour market impacts

It appears that many significant sectors of the economy depend in some way on irregular migrants (Pinkerton et al 2004). However, the evidence on the sectors where irregular migrants work is mostly anecdotal. According to Wright and McKay (2007) undocumented migrants in the UK mainly work in construction, agriculture, textiles, hotels and restaurants, cleaning, care work and domestic work.

These are sectors that often face problems in recruiting UK-born workers, particularly when employers offer low wages and temporary contracts. These sectors are also characterised by short-term work, including by legal migrants who may work in these sectors when they arrive in the UK, but then move on to other jobs. It also seems to be the case that irregular migrants tend to work in sectors which have many hard-to-fill vacancies and which have trouble retaining staff (probably because of pay and conditions).

If this is the case, it suggests that irregular migrants may make an economic contribution to the UK by allowing firms to overcome bottlenecks caused by recruitment problems. In particular, irregular migrants may make a significant contribution to small businesses that rely on a foreign workforce, but who may have limited access to legal migrant workers (for instance, if they cannot afford the costs of sponsoring a worker). This seems to be true for small ethnic restaurants and care homes, for example. Care assistants and home carers is the occupation with the largest number of vacancies in the UK (9 per cent). Chef and cooks are the twelfth largest group with 5 per cent of total vacancies in 2008 (Office for National Statistics 2008).

Some irregular migrants do not fit this labour market profile, however, and have highly-skilled jobs, potentially playing an important role in filling skills gaps at this end of the labour market. In particular clandestine workers who work more hours than the time allowed in their visa, or who work without authorisation, (but who are legally resident in the UK) may participate in higher-skilled sectors. For example, previous research has shown that more than 50 per cent of non-EU students working full time (which is illegal) are employed in public administration, education and health and financial services, which are sectors that often employ higher-skilled workers (Mulley, Chappell and Latorre, unpublished).

Turning from skills gaps to wage effects, recent research on the impact of migration on the UK labour market shows that migration has little or no negative effect on the wages of UK born workers (Reed and Latorre 2009; Dustmann *et al* 2005). Irregular immigrants may, however, have a different impact. Previous ippr research and work by others (for example Krenn and Haidinger 2008) suggests that the vulnerable situation of irregular immigrants means that they are more willing to accept low wages. They are also less likely to complain about their work conditions or their levels of pay because they fear being reported to the immigration authorities. As a result, employers are under less pressure to improve pay and conditions or to spend money on training or other types of benefits.

However, these problematic impacts for irregular migrants themselves will not necessarily affect the wages of others. The impact that irregular migrants are having on wages other than their own is limited to a certain extent by the National Minimum Wage (NMW), which protects those UK-born or migrant workers who are able to claim their employment rights. In effect, the NMW segments the labour market and reduces the transmission of wage effects from those working below it to those above. In the absence of the NMW the impact of irregular migrants on wages might be greater.

The separation of many of the jobs undertaken by irregular migrants and others in the labour market by the NMW, and as a result of the fact that many irregular migrants are concentrated in sectors with high vacancy rates also implies that most irregular migrants will not be having an effect on unemployment. Rather than irregular migrants displacing regular migrants and British citizens from jobs they might otherwise hold (as is often feared), it seems likely that many of the low wage, low productivity jobs held by irregular migrants might simply not exist without irregular migration.

This doesn't mean that irregular migrants' employment circumstances have no effect on the wider UK economy, however. The lower wages paid to irregular migrants also affects total economic output. Gordon *et al* estimate that irregular immigrants earn twenty five per cent less than other migrants, and eliminating irregularity, allowing these immigrants access to the minimum wage (along with some changes to their employment rates) could raise UK GDP by £3 billion (Gordon *et al* 2009). In this respect their irregular status is a lost opportunity for the UK economy.

Structure of the economy

There is also potential for irregular migrants to contribute to a changed structure of UK labour markets, with many concerned that they perpetuate the existence of a

substantial informal economy in the UK². And indeed evidence suggests that irregular migrants are a source of labour for the informal economy, particularly where social networks are developed. Evidence on Pakistani and Afghans smuggled into the UK, for example, suggests that well-established networks give them employment prospects (Ahmad 2008). However, while it is sometimes easier for employers in the informal economy to recruit irregular migrants, these migrants are neither a driver nor the unique source of labour for this part of the economy. For example, groups such as young school leavers are particularly likely to be employed in the informal economy.

Moreover, it is also important to note that the informal economy is not always as problematic as is sometimes suggested, and makes a significant contribution to the wider UK economy. As well as providing employment in its own right, the informal economy supports parts of the formal economy. The formal and informal are often linked through services that informal businesses provide for formal businesses, or through employees hired in formal business under informal employment relations (Baldassarini 2001). Therefore, those irregular migrants working in the informal economy are, at least indirectly, contributing to the formal economy too.

However, saying this, it is important to acknowledge that irregular migrants with severe restrictions on their ability to work legally are not only found in informal work, but also in illegal and underground sectors, which is a more problematic issue. In some cases, the demand for workers in these sectors can foster trafficking in persons. This is often the case of sex workers and drug-trafficking businesses where migrants remain underground and become highly vulnerable.

A final effect that irregular migrants can have on the structure of the economy is that their availability at very low wages may de-incentivise some firms from investing in technology or capital that would increase the productivity (and wages) of their staff (migrants and others), or simply lead to capital being tied up in low-productivity activities which would otherwise cease to exist in the UK. If irregular immigrants are less able to move jobs than other workers (including in the extreme cases where smuggling or trafficking is involved), this may also remove the competitive pressure that might otherwise push employers to increase wages and/or improve production methods.

Fiscal impacts

Although irregular migrants contribute significant amounts to the exchequer through indirect taxation, the fact that they are often employed in the informal economy implies that they (and/or their employer) may not pay direct taxes, generating losses for the exchequer.

Gordon et al (2009) estimate that an earned regularisation scheme (affecting around 400,000 irregular migrants) might net the exchequer around £850 million per year (including by increasing wages and employment rates in line with other migrant groups). Using the same methodology, and the most recent estimate of irregular

² Jobs in the informal economy are usually small or unregistered self-employed, or involve wage employment without secure contracts or social benefits (Chen 2007). It is important to note that the informal economy is not the same as the illegal economy – firms in the informal economy may be providing legal goods and services, even though they are not compliant with employment law or other regulation of their activities.

migrants in the UK, we estimate that the equivalent figure today would be over £1.1 billion.

If irregular migrants pay less in tax than those working legally, it is also the case that they do not claim as many benefits, or access public services to the same degree. This means that fiscal losses resulting from migrants' irregular status and resulting reduced tax revenue must be offset, at least to some extent, by savings through reduced public spending. However, it is hard to establish the extent to which irregular migrants do use public services and claim welfare benefits.

Some analysts have argued that irregular migrants tend to consume more public resources than they pay in tax (Epstein and Weiss 2001). However, on the other hand, arguments against regularisation are often based on the presumed cost of providing public services and benefits to migrants who are currently irregular, and therefore assumed not to be claiming benefits or using public services (see for example Migration Watch 2009), or not consuming more than they currently pay for in tax.

The truth is probably more complex. Some public services (like education) are available quite openly regardless of immigration status. Others are not strictly available to irregular migrants, but in practice are often used by them (such as primary health care). The cost of other services (like roads) is unlikely to be significantly affected either way by the UK's irregular migrant population. And some public services (such as Accident and Emergency health services) may be over-used by irregular migrants because of their lack of access to other services (in this case registration with a GP). Moreover, there can be indirect pressures on public services because of irregular migrants' status (for example, a lack of access to primary healthcare for irregular migrants could lead to an outbreak of TB).

Gordon et al suggest that the costs placed upon public services by irregular migrants are probably around £410 million per year less than if those migrants were living in the UK with regular status – generating a public service 'saving' as a result of irregularity.

Turning from services to benefits, data from the Labour Force Survey show that very few non-EU migrants claim benefits (see Table 1 below). Irregular migrants are even less likely to do so (almost by definition they are not entitled to do so). Black et al suggest that benefit take up by irregular migrants is thought to be "very very low" (Black et al 2005). This suggests that the benefit costs imposed by irregular migrants on the UK is very small.

As with public services, the corollary of this is that irregularity generates a 'welfare saving' relative to a situation in which the same migrants had legal status that would provide them with access to benefits. Gordon et al estimate this 'saving' at up to £1bn per year.

Table 1: Percentage of non-EU migrants claiming benefits, 2008

Benefit	Percentage of non-EU migrants
Unemployment related benefits, NI credits	1
Income support (not as unemployed person)	4
Sickness or disability (excluding Disabled persons Tax Credit)	2

State pension	2
Family related benefits (excluding child benefits & tax credits)	0
Child benefits	14
Housing/council tax (GB), rent/rate rebate (NI)	5
Other	1

Source: Labour Force Survey and ippr calculations

Putting this together, it is very difficult to draw firm conclusions about the fiscal impacts of irregularity in the UK (for example, many migrants have legal status but only limited access to benefits, which means that much depends on assumptions about what kind of legal status irregularity is compared to). It seems clear that irregular migrants in the UK do not impose significant fiscal burdens on the taxpayer, but it is hard to assess what the net impact of their irregular status per se is (i.e. whether the same group of migrants would make a greater or lesser fiscal contribution if they had legal status).

The final potential fiscal effect generated by irregularity is the cost of detention and deportation. The UKBA does not disaggregate the costs of enforcement, including detention or deportation, from its overall budget. However, it does supply a range of figures for the cost of removal (National Audit Office 2009). These are between £7,900 and £17,000 excluding accommodation and support costs, and between £12,000 and £25,600 including accommodation and support costs. This suggests that the total cost of removing the 618,000 irregular migrants estimated to be in the UK by the LSE would be up to £10.5 billion, excluding accommodation and support, and up to £15.5 billion including these costs. However, given that rates of removal are in practice very low (in the low tens of thousands per year), in reality removal is not a major burden on the British state. It is worth noting, incidentally, that an earned regularisation programme for non-asylum seeking irregular migrants, for example, is estimated to cost £300 million (Gordon et al 2009), very much substantially less than a complete programme of removals.

Social impacts

In this section we consider briefly the social impacts of irregular immigration. Popular discourse around irregular migrants tends to focus on issues of crime and security, and it is of course true that some irregular immigrants do get involved in crime, not least because their status makes them vulnerable to criminal exploitation. The extent of the security threat posed by irregular immigration is much more contestable, and while immigration has certainly been 'securitised', since 9/11 in particular, there is little evidence that terrorist networks use irregular immigrants to further their aims (Chappell unpublished). Indeed migrants often feel particularly threatened by terrorist activity and the public's fear of it (see Rudiger 2007 for example).

More generally, the direct impacts of irregular immigration on most people in the host society are likely to be minimal. A number of studies have shown that irregular migrants tend to locate themselves in 'marginal niches', blending into the society in ways that make them almost unnoticed (particularly in big global cities like London) and generally living lives that are indistinguishable from others around them (Massey et al 1998; Reyneri 2003; Papademetriou 2005; Sassen 1991; Duvell and Jordan 2002; Sassen 1998).

In interviews for an ippr research project on irregular migration, we were struck that one of our key informant interviewees said to us that the government department responsible for community cohesion (the Department for Communities and Local Government) does not have irregular immigration on its radar as an issue at all. Moreover, irregular immigration as a specific component of overall immigration has, apparently, never been discussed at the Migration Impacts Forum (MIF) the *ad hoc* ministerial body, which looks at the social and community issues raised by migrant inflows.

There have, of course, been examples of social tension and breakdown involving immigrant communities. But given the scale of immigration into the UK into recent years such instances have been surprisingly small in number, and there is no evidence that irregularity has been an important factor in sparking trouble – indeed the 2001 riots in Bradford, Burnley and Oldham involved clashes with long settled, but poorly integrated, immigrant communities (BBC 2001).

However, while the links between irregularity and crime, security and cohesion seem weak, there are a couple of social impacts of irregularity which do seem problematic. First, it could be suggested that the most serious costs of not returning people who have no legal right to be here come through the its effects on the integrity of our migration and border control systems. If the government is unable to return those who have no right to be here, this compromises the idea that they are in control of our borders. This causes the government of the day political damage and it violates a key aspect of sovereignty which the UK public place great priority upon.

While incredibly difficult to measure, recent ippr research on public attitudes³ suggested that whilst British people do not distinguish greatly between different forms of immigration, a high premium is put on ‘playing by the rules’ and ‘making a contribution to society’. The importance of ‘giving something back’ perhaps explains why a poll for the Strangers into Citizens in 2007 found relatively (and perhaps surprisingly) high support for an earned regularisation programme for irregulars with a proven record of working.⁴ Despite this finding, however, it is our judgement that on the whole, irregular immigration increases negative public reactions to migration, making it more difficult for politicians and policy makers to pursue policies which are economically and socially beneficial to the UK. To put it another way, if irregularity could be significantly reduced there would be greater space to pursue rational and balanced migration policies.

Second, the simple existence of a large ‘shadow’ population who are disconnected from the normal patterns of community life is clearly a social ill. Any country that values active, integrated citizens is damaged by the prevalence of large numbers of people who are excluded. And to the extent that migrants themselves live difficult, and sometimes miserable lives, this is a stain on the composition of British social life.

The most comprehensive attempt to amalgamate estimates of the social and economic costs of irregular migration (an internal study for the Home Office in 2003 (Dubourg & Prichard eds 2003)) gives a very approximate total figure of the costs imposed by those smuggling trafficking (so note that this does not cover the full

³Communicating Migration - a series of public meetings and deliberative workshops in the West Midlands in 2009. For research findings contact s.mulley@ippr.org

⁴ <http://www.independent.co.uk/news/uk/politics/illegal-migrants-right-to-work-wins-support-of-public-in-poll-446103.html>

scope of irregular migration in the UK) at £2.4 billion. This, at best, is a very broadly indicative figure, and doesn't take into account any labour market estimates, or the political and public opinion effects, or crucially any of the benefits of irregularity and so is very clearly only one side of the picture. However, the size of the estimate does give a sense of the importance that policymakers should give to the issue, so that the costs of irregularity are minimised - and benefits maximised.

5. Policy challenges⁵

While many of the negative effects of irregular migration may be overstated, the existence of irregularity is problematic both for the migrants themselves and for the European countries that host them. Tolerating a substantial irregular migrant population with the negative consequences this has for both vulnerable migrants and wider society, does not seem to us to be a credible policy. Civilised governments cannot turn a blind eye to the existence of hundreds of thousands of highly at risk and marginalised people within its borders. But neither is it feasible to reduce the problem to zero, as some governments (including the UK) seem to want to do. We believe that a better objective for policy would be to try and minimise the costs of irregularity and maximise the contributions of irregular migrants.

In this section, we briefly discuss a range of options that might help to achieve a more strategic approach towards tackling irregular migration, looking both at deterring future irregularity and dealing with current stocks of migrants.

Reducing future irregular migration

Over the long term, levels of irregular migration will only fall if there is a concerted effort to tackle the disparity between economic conditions in many countries of origin – and in particular wage levels and employment opportunities – and those in the UK or other European destination countries. However, there are other steps that European governments can take in the short and medium term to reduce the supply of irregular migrants. No single policy can be effective in isolation, however: policymakers need to implement a range of options as a coherent package. We consider a few of these options below:

(a) Improving the provision of information to potential irregular migrants

Most irregular migrants do not know what economic opportunities are available to them in countries of destination such as the UK. Expectations of outcomes are the basis upon which people make their decisions to move, meaning that the information that people use to form their expectations are vital. So while addressing the real economic disparities between countries is key, it is also important to try to shape people's expectations – irregular migration won't be prevented if people there continue to believe that London's streets are paved with gold. Providing people with more information on what life as an irregular migrant can be like, as well as what dangers may lie in the way of reaching Britain is something that the UK government has pursued to some effect. More efforts of this kind could discourage clandestine entrants and entry for the purposes of irregular residence.

(b) Tightening border controls

⁵ These policy issues are explored in greater depth in ippr's forthcoming report: No Easy Options: Reducing irregularity in the UK immigration system, Tim Finch with Myriam Cherti

In recent years, the UK government has greatly increased border security, utilising both traditional methods (such as increased numbers of officers and greater intelligence sharing) and new technology (bio-metrics and e-borders). This has led to some success in tackling clandestine entry and entry for the purpose of irregular residence or work. Indeed nearly 50 per cent of those included in the 2008 removal figure of 66, 275 people – a 5 per cent increase on the year before – were in fact stopped at the port of entry.

Tightening border controls certainly go some way to meeting public concerns about immigration – and it is entirely legitimate for the state to know who is coming and going and why, particularly given the international security situation. However, we would argue that tighter border controls are very unlikely to eliminate irregular migration, given the relatively small proportion of irregular migrants who enter the UK clandestinely, and given the strong supply and demand factors at work. Border controls are necessary, but not sufficient.

(c) Boosting legal channels for migration and work

A significant reason why a migrant may be irregular rather than regular is that they may not be eligible to enter, live or work in European destination countries. For example, in the UK, the current points-based immigration system will only allow people from outside the EU into the UK to work if they are high-skilled (and even these opportunities are increasingly limited). This means that those people who are not classed as skilled currently have no routes of entry apart from asylum and family reunion. The fact that many irregular migrants work in low-skilled jobs suggests both that they may be ineligible for skill-based migration routes, and that there is demand for low-skilled migrant labour which is not being met by current routes. The supply of irregular migrants could therefore be reduced by allowing some unskilled workers from outside the EU to come to the UK.

Limitations on working are often what encourage migrants to violate the terms of their visas and move into a state of irregularity, so we would also argue that where possible, government regulations in European destination countries should be revised in order to give legally resident migrants the opportunity to work legally.

(d) Making irregularity less attractive

Another way of deterring irregular migration is by making life in the UK for irregular migrants so difficult that far fewer migrants come, fewer migrants become irregular, or more return to their countries of origin.

There have been a number of initiatives in this area in the UK, including removing all support from asylum overstayers, and denying access to free health care, except in emergencies, to irregular migrants. However, these policies appear to have had limited impacts, while, according to NGOs and others, they have caused significant suffering. Other countries, such as Germany, have also tried creating 'difficult environment' to discourage irregularity, with a similar lack of success (Stobbe 2000).

Quite aside from the inhumane nature of this approach, it presupposes (falsely in our view) that irregular migrants are drawn to the UK because of their awareness of

access to benefits and services; and that the withdrawal of these encourages their return or deters future illegal migration⁶.

(e) Tackling migrant vulnerability and employment regulation

Some employers employ irregular migrants because they want to breach employment regulations (such as by paying very low wages). Recent research (Burnett and Whyte 2010) has shown the kinds of exploitative practices that these employers use – such as driving wages far below the minimum wage, docking wages dramatically for minor infractions such as lateness, and not paying employees for time worked. In order to tackle this exploitative demand for irregular migration, it is essential that governments enforce employment regulations rigorously.

In the UK at present, the government's focus on enforcing immigration rules, including by punishing migrants and employers for immigration offences, may be limiting their ability to enforce employment regulation. It is currently very difficult for irregular migrants and workers to enforce any employment rights (in effect, their irregular status means that they have very few employment rights), and while they operate under threat of deportation, they are unlikely to cooperate with the authorities to provide information about employers breaching employment rules in any case.

Governments should make sure that all irregular migrants and workers have the same employment rights as other workers in the UK. Information on employment rights for migrant workers should be made accessible to the most vulnerable groups, including irregular migrants. In recognition that irregular migrants are likely to remain reluctant to make complaints about their working conditions, more resources should be made available for proactive investigations, based on third party reports and wider risk analysis as well as individual complaints. The Gangmasters' Licensing Authority is a good model which should be expanded to further sectors, and the lessons from its success explored for their relevance to the wider economy.

At the same time, exploited irregular migrants need reassurances that they will not be penalised if they provide information about breaches of employment regulation by their employer. We believe the government should consider a process of regularisation for irregular migrants who assist policy enforcement in this way. There is an important role here for trade unions and civil society organisations in promoting and supporting the rights of irregular migrants (and other vulnerable workers).

Reducing the stock of irregular migrants:

a) Regularisation

As well as responding to the drivers of supply and demand for irregular migration, governments need to come up with policies which reduce the size of existing populations of irregular migrants.

Looking particularly at the UK, we would argue that removing or deporting all irregular migrants is not a realistic goal. As mentioned above, the cost of removals is disproportionately high, even if it was possible to identify and round up all irregular migrants living in the country.

⁶ These measures may also be put in place to reduce the fiscal costs that the existing stock of irregular migrants create for receiving countries. The effectiveness of is discussed in the following sub-section.

The current situation – whereby government makes some removals and some marginal reductions in the costs of irregularity (by making work harder and services harder to claim), but broadly simply tolerates a substantial irregular migrant population - does not seem to be a credible policy either.

ippr has long backed earned regularisation as an option for dealing with the issue of the large irregular stock built up in recent years – and we remain of the view that properly managed it would be useful policy tool (though regularisations do create their own problems). There are strong moral and practical arguments in favour of regularisation given the UK's recent history of immigration management, and excluding it as an option certainly makes the task of reducing irregularity that much harder. However, we believe that the current political climate, and in particular the outcome of the General Election in 2010 has ended any prospect of a large scale regularisation programme in the UK.

Instead we would argue for strictly limited measures which will provide status and leave to remain for some irregulars. The 'case resolution' process for refused asylum seekers which has been running for the last few years provides a model. There should be some scope in the system for 're-compliance' – which would allow 'low risk' irregular immigrants to come back into compliance for a time-limited period.

b) Return

Measures to support, encourage, and (where necessary) enforce the return of irregular migrants need to be a key part of the policy framework for responding to irregular migration. Governments could encourage return by: working with irregular migrants and trusted agencies on humane return programmes; further developing voluntary return packages; and developing circular migration projects which allow some irregular migrants to return to the UK legally in the future.

Enforced return has a part to play in any government response to irregular migration – this is an uncomfortable, but inevitable conclusion. That said, enforced return does not have to mean dawn raids, arbitrary detention, being taken in handcuffs to the plane (though, sometimes, it will come to that.) Rather, it should involve impressing on irregular migrants that return is going to be enforced and that the process cannot be endlessly spun out, but that within certain limits the system will always include scope for the sorting out an individual's affairs in the UK and the availability of a package of financial help to aid reintegration in the home country. To that end we propose that all irregular migrants should receive some package of support and incentives to return, with the extent of that package being determined on a sliding scale according to the level of cooperation shown.

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