

Poverty and the UK post-Brexit points-based immigration system

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POLICY BRIEFING

SEPT 2022

This briefing summarises two recent studies on migrant families in the UK. The first study established the lifecourse experiences of migrants, to understand their routes to partnership, fertility, and employment. This was achieved using large-scale longitudinal data from the UK Household Longitudinal Study (UKHLS). The second study examined the UK's post-Brexit points-based immigration system, which prohibits migrants from claiming public funds. The net income of migrant households was compared with the net income of non-migrant households on identical gross wages, calculated using ONS official wage statistics and social rights legislation. The study compared incomes for seven different skilled professions, and three different household types.

The findings suggest that the UK's points-based immigration system creates greater poverty risks for all working migrants with children compared to non-migrants. It makes economically inactive women with children particularly vulnerable. This affects households with migrant women from South Asia to a much greater extent than European migrants, who are more likely to be economically active and childless during their first five years in the UK.

Key Points:

- *The post-Brexit immigration system reinforces income inequality between migrant and non-migrant households with children.*
- *The points-based immigration system reinforces the vulnerability of mothers because migrants and their dependants are not entitled to family-related support.*
- *Immigrant women from South Asia are likely to be mothers and not economically active, increasing financial vulnerability.*
- *Immigrant women from European and Western countries are typically childless and employed during their first five years in the UK.*
- *Immigrant women from South Asia are at higher risk of poverty than immigrant women from European and Western countries during their first five years in the UK.*

The studies

The first study by Mikolai and Kulu (2022) followed the lives of immigrant women for the first five years after they arrived in the UK. They were particularly interested in how partnership, fertility, and employment changes interrelate. They used large-scale longitudinal data from the UK Household Longitudinal Study (UKHLS) and multi-channel sequence analysis to establish the main partnership, fertility, and employment routes immigrant women experience.

The second study by Meyer and Bridgen (2022) used ONS official wage statistics for 2021 and social rights legislation to calculate migrants' and non-migrants' net average income. They compared these for seven different skilled professions, and three different household types.

Main findings

The lives of migrant women in the UK

Understanding the differing experiences of migrant women is important to help identify who might be most vulnerable to economic hardship due to unemployment, large family size, and economic dependency on a partner.

Mikolai and Kulu found three distinct groups of immigrant women according to their experiences of partnership, childbearing, and employment (Figure 1).

Group 1 'partnered, childless, employed': Immigrant women in the first group tend to be unpartnered and childless when they arrive. Although many (around 60%) form a relationship during the first five years following migration, only around 20% become mothers during this time. They are either employed (full- or part-time) or

students. Women in this group tend to be from the EU and other European and Western countries, tend to be younger at the time of arrival and tend to be more highly educated.

Group 2 'family migrants with larger families': Women in the second group arrive and remain married. Many already have larger families (3 or more children) at the time of arrival. Five years after arrival, all women in this group have at least three children. Around half are economically inactive (with some returning to full-time employment towards the end of the five-year observation period), whereas the other half are employed. Women from Bangladesh and Pakistan are most likely to experience this type of family and employment pathway. Additionally, women in this group tend to be older and less educated at the time of arrival. They are more likely to have arrived before the 1990s.

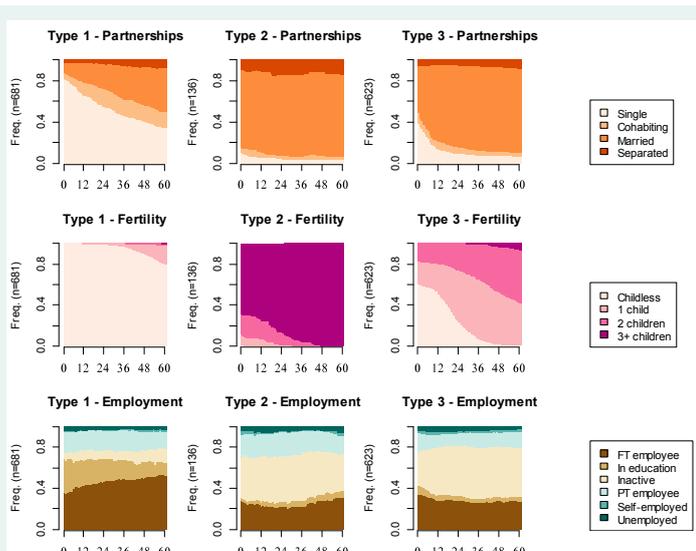
Group 3 'family migrants with smaller families': Many women in this group were single and childless when they arrived in the UK and most had a partnership (mainly marriage) soon after arrival. Similarly, almost all women in this group had at least one child during the five-year observation period. Their employment trajectories are very similar to those of women in Group 2, i.e., around half are inactive. Women from India, Pakistan, and Bangladesh and those from African and other countries are also more likely to belong to this group compared to women from EU countries. Women in this group have arrived to the UK more recently and tend to be younger when they arrive.

Measuring the risk of poverty for immigrants

The study by Meyer and Bridgen quantifies the extent of poverty risks in 2021/2022 under the conditions of the points-based immigration system. They constructed seven typical workers; five in professions with earnings above the Home Office annual earnings threshold for the Skilled Worker visa of £25,600, and two in shortage occupations.

They assumed that these workers would live in three types of households: as singles, one-and-a-half breadwinner (households with one full-time worker, one part-time worker, and one one-year-old child), and breadwinner households (one full-time worker, one full-time homemaker, and one one-year-old child). This led to 21 household types.

They calculated the net income for each household type and compared it for non-migrants (citizens and residents) and migrants. For non-migrants they applied tax, national insurance, and Universal Credit entitlements. For migrants they applied tax, national insurance, a healthcare surcharge, and visa fees. To gauge households' poverty risks they compared the net income of both groups with the 'decent



Note: The 'Separated' category includes separated as well as widowed individuals
Source: Mikolai, J. & Kulu, H. (2022) calculations using UKHLS data, waves 1-9 (2009-2019)

Figure 1: Three types of partnership, fertility, and employment trajectories among immigrant women (n = 1,440)

standard of life threshold' for 2021 formulated by the University of York and the Joseph Rowntree Foundation.

The results show that of the three household types, migrants in the one-and-a-half and the breadwinner household have significantly lower net incomes than UK families with identical gross incomes because they are not entitled to benefits and have to pay additional fees (Table 1).

For example, in 2021 a breadwinner family aged 25+ on a gross annual income of £28,080 would have received £180 less per week in social benefits as migrants than as non-migrants. A one-and-a-half breadwinner family aged 25+ with joint gross earnings worth £40,319 would have received £207 less per week in social benefits as migrants than as non-migrants (Table 1).

As a result, non-migrant families are better able to live above the poverty line than migrant families. Breadwinner households are at particular risk of poverty. Even for non-migrants, the highest earning breadwinner household with an annual gross income of £43,692 just falls short of the decent standard of life threshold, but the gap is more pronounced for migrants. As migrants, a breadwinner family earning £28,080 would need an additional £358 weekly to meet the £735 'decent standard of life' threshold; equivalent UK households fall short by £178.

Conclusion

The research highlights that immigrant women have varied partnership and childbearing pathways with many (especially South Asian) women following the family migration trajectories. At the same time, many women who experience these trajectories are economically inactive when they arrive to the UK, and they remain inactive during their first five years in the UK. This means that for some groups of women, diverse partnership and childbearing experiences are coupled with economic inactivity. For these groups, the post-Brexit points-based immigration system is particularly problematic. The increased potential for economic dependence and poverty it generates among immigrant women may further exacerbate inequalities between different groups of immigrants, as well as between native and immigrant women. This may have long-term consequences for women's economic, physical, and mental well-being. The findings raise questions about the opportunity structures available for family migrant women to find employment in the UK when their children are older, as well as the role of potential discrimination experienced by immigrant women in the labour market.

Policy implications

The points-based immigration system risks exacerbating disadvantage. It creates greater poverty risks for all working migrants with children, and it makes economically inactive women with children particularly vulnerable. This affects households with migrant women from South Asia to a much greater extent than European migrants, who are a lot more likely to be economically active and childless during their first five years in the UK.

For EU migrants (with children) who have sufficient earnings to qualify for a British visa, the findings suggest that migration to work in the UK would be less attractive than migration to other EU countries, where they are entitled to family-related support.

Estimated weekly additional income non-migrants have compared with migrants because of exclusive social rights

Gross annual earnings	Single	One and a half breadwinner 25+ years	Breadwinner 25+ years
£43,692	£17		£38
£41,141	£17		£88
£32,926	£17		£153
£28,080	£17		£180
£25,759	£17		£190
£20,480	£16		£160
£13,520	£17		£160
£55,002		£94	
£52,451		£115	
£44,550		£179	
£40,319		£207	
£37,096		£218	
£31,790		£259	
£24,830		£272	

Source: Meyer, T. & Bridgen, P. (2022)

Table 1. Inequality between migrants and non-migrants (from December 2021)

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Acknowledgements

Mikolai and Kulu's work has received funding from the European Research Council (ERC) under the European Union's Horizon 2020 research and innovation programme (grant agreement No 834103). Meyer and Bridgen's work was funded by the ESRC Centre for Population Change (grant agreement ES/R009139/1).

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