




## An unstable environment

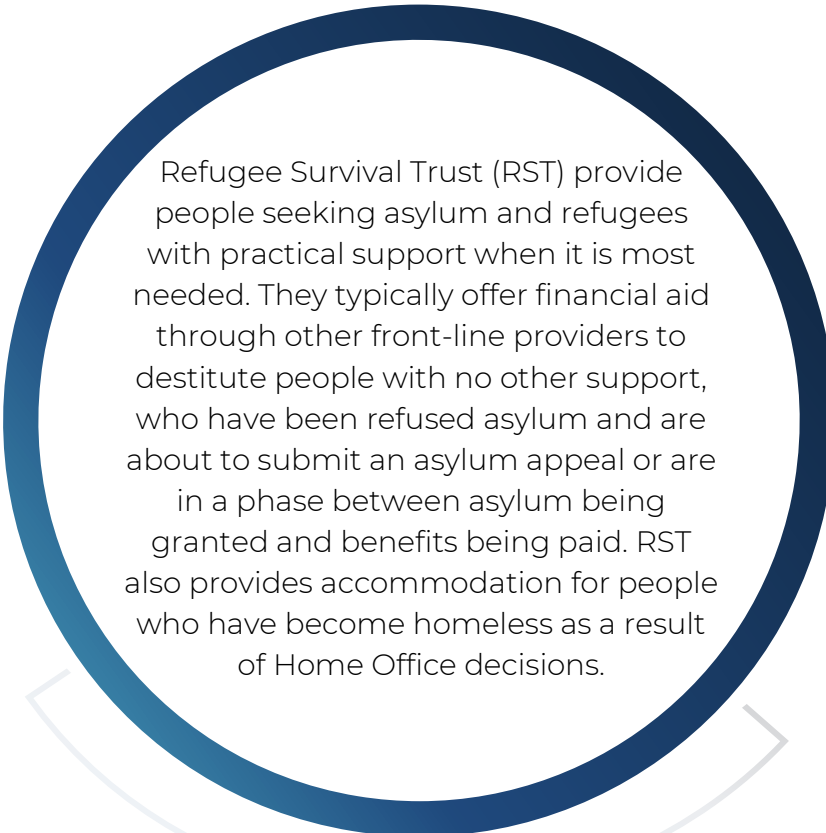
The economic case for getting asylum decisions right  
the first time

Marie Oldfield, Jade Siu and Sadia Sheikh

September 2021



Pro Bono Economics uses economics to empower the social sector and to increase wellbeing across the UK. We combine project work for individual charities and social enterprises with policy research that can drive systemic change. Working with 400 volunteer economists, we have supported over 500 charities since our inception in 2009.



Refugee Survival Trust (RST) provide people seeking asylum and refugees with practical support when it is most needed. They typically offer financial aid through other front-line providers to destitute people with no other support, who have been refused asylum and are about to submit an asylum appeal or are in a phase between asylum being granted and benefits being paid. RST also provides accommodation for people who have become homeless as a result of Home Office decisions.



# Contents

Summary	4
Introduction	6
Assessing the direct costs to the taxpayer	11
Assessing the indirect costs to the taxpayer	13



## Summary

Over half the total applications for asylum the UK receives each year are initially rejected, yet nearly a third of these initial rejections are subsequently overturned on appeal. This system that fails to get decisions right first time imposes significant costs, not just on the applicants themselves, but also more widely on UK taxpayers.

The taxpayer and Treasury bear the costs of this system failure in a number of different ways. Directly, resource is wasted within the courts and the legal aid system. The more protracted the process, the longer the Home Office must fulfil its obligations to provide accommodation and subsistence to asylum seekers at risk of destitution. There are also additional administrative costs to the Home Office: we estimate the cost of incorrect initial decisions adds up to £4 million per year.

The NHS must also manage the knock-on impacts of incorrect initial asylum decisions. More than 61% of asylum seekers and refugees experience serious mental distress including higher rates of depression, post-traumatic stress disorder and other anxiety disorders, and being refused asylum is the strongest predictor of depression and anxiety within asylum seekers.

In addition, the longer the appeals process drags on, the greater the opportunity costs for the UK economy. With the majority of asylum seekers banned from working, the Exchequer misses out on significant tax receipts. While refugees are stuck in a position of unemployment, their skills can become eroded: only 15% of refugees find employment in the UK of a similar status to that they had held in their country of origin. That has long-term impacts for the economy, with asylum seekers earning and working less than UK nationals and economic migrants.

At a time of real pressure both on Public Sector departmental budgets and NHS services, and when businesses are struggling to fill skills gaps, these costs cannot be dismissed. Nor can the potential benefits of refugees' skills and experience be underestimated.

Reducing the number of incorrect initial decisions on asylum applications would require tackling a number of challenges that

exist within the system, from the training of Home Office staff to the consistent provision of competent translators. Our research indicates that the support provided to asylum seekers during their application process may play a key role in affecting the outcomes of their applications.

The environment in which many people apply for asylum in the UK is an incredibly unstable one. Often arriving in the UK with very few resources, facing great uncertainty about their future and forbidden from working, many asylum seekers are reliant on the state and charities to survive and meet their essential needs, from bus passes to food. Only a very limited support system is provided by the government, and many individuals and families find themselves in precarious financial positions in addition to coping with the substantial trauma of the circumstances which forced them to flee home. This backdrop can impact the ability of asylum seekers to represent and advocate for themselves during the asylum process.

This is backed by evidence that suggests that the most vulnerable groups of asylum seekers are consistently more likely to have their appeals upheld by the courts. That includes women who have been more likely to succeed on their appeals every year for the last decade aside from 2015. There is also a marked difference in success rates between nationalities, with asylum seekers from nations experiencing extreme violence - such as Afghanistan, Sudan, Yemen and Libya - twice as likely to be successful at appeal than those from more less overtly violent nations. Coming to the UK having experienced significant trauma and with few resources, these groups are precisely those who need the most support from the asylum system.

Given this, investment in forms of support for asylum seekers which help create a more stable environment in which to go through the asylum process could help not only cut down on the costs of incorrect initial decisions but also on other potentially greater costs for the taxpayer. Charities which provide services such as help to access childcare, education, integration, transportation, essential goods, and accommodation to asylum seekers play an essential role in helping to ensure asylum applications are right first time by contributing to a more stable environment in which to apply.

Number of asylum applications received each year in the UK in the last decade

26,600

61%

of asylum seekers experience serious mental distress including anxiety, depression and PTSD

Asylum seekers from less stable countries are

2x

as likely to have initial rejection overturned

Providing a stable environment for refugees to prepare their case for asylum in their initial application and helping genuine cases get decisions right first time would avoid the costs of a lengthy and unnecessary appeal process which ends up costing the taxpayer nearly

£4 million/y

## Introduction

When an individual applies for asylum in the UK, the process they enter into is a complex and often lengthy one. As of 30<sup>th</sup> June 2021, 54,000 asylum seekers had been waiting for over six months for an initial decision on their asylum application, up from 11,600 only four years previously.<sup>1</sup>

Of course, an initial decision is not always good news for those seeking asylum, as more than half of initial applications are rejected.<sup>2</sup> In such cases, there is often a right to appeal that decision – if, for example, an error has been made or all areas of the claim have not been considered, and that mistake would render the decision unlawful or a breach of the UK's obligations under the Refugee Convention. But appealing a decision adds many months onto an already extended process: official data (for the period January to March 2020) shows that the mean average waiting time for an asylum appeal is 25 weeks -about six months.<sup>3</sup>

During these months of waiting, costs accumulate. Financial hardship and destitution is an ever present spectre in the lives of asylum seekers and can be experienced at any stage of the asylum process, regardless of whether decisions are positive or negative. While asylum seekers are neither entitled to mainstream welfare benefits nor are the overwhelming majority allowed to work, many at risk of destitution are eligible for small stipends and accommodation provided by the government. Individuals seeking asylum spend this period in a state of suspended uncertainty which can lead to a number of detrimental impacts to health<sup>4</sup>, to long-term economic fortunes<sup>5</sup>, and to the eventual integration process, creating costs for both the individual and the taxpayer. Many of these costs are avoidable. It is these unnecessary and avoidable costs to the taxpayer of not getting asylum decisions right first time that are the focus of this study.

It should be noted that the study includes only those applications that are ultimately successful and in which the applicant eventually is granted the

---

<sup>1</sup> Home Office (August 2021). Immigration Statistics. [asylum-applications-awaiting-decision-datasets-jun-2021.xlsx \(live.com\)](#)

<sup>2</sup> Home Office (August 2021). [Asylum and Resettlement - Applications, Initial decisions, and Resettlement, Immigration Statistics, year ending June 2021](#)

<sup>3</sup> Ministry of Justice (June 2020). [Tribunal Statistics Quarterly: January to March 2020 - GOV.UK \(www.gov.uk\)](#)

<sup>4</sup> Mental Health Foundation. (2016). Fundamental Facts About Mental Health 2016. Mental Health Foundation: London

<sup>5</sup> Fasani, F. et al. (2018). '(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe.' CEPR Discussion Paper 12718

right to remain in the country. It does not consider those applications that were rejected after final appeal.

We acknowledge that a single number cannot fully capture all associated costs to the individual and society of not getting decisions right first time. Therefore, we draw on a range of existing evidence to investigate the scale of the various costs which accumulate. We numerically calculate the direct administrative costs of getting initial decisions wrong, and supplement this with a literature review and qualitative assessment of other direct and indirect impacts that may add to the eventual cost imposed on the taxpayer.



## How it goes wrong the first time?

During the process of putting forward their cases, asylum seekers face several barriers which can contribute to meritorious applicants being denied the first-time round.

**The processes and procedures themselves:** First, errors can and do occur while asylum applications are being processed. Reviews of refused asylum applications by the Independent Chief Inspector of Borders and Immigration have identified high proportions of cases (22 out of 56 in one study) where credibility assessments have been made without using the proper methodology,<sup>6 7</sup> while the UN Committee Against Torture has criticised the Home Office for failing to apply the correct standard of proof to its decision making.<sup>8</sup> There is evidence of a range of challenges within the asylum system's processes and procedures contributing to poor decisions being made, including low quality interview technique by caseworkers<sup>9</sup>, a poor understanding of definitions by staff<sup>10</sup>, and a culture of disbelief within the relevant agencies.<sup>11</sup>

**The support provided to navigate the process:** Second, while some assistance is provided by the government to asylum seekers to help them apply for asylum, this often falls short. Many asylum seekers qualify for legal representation through legal aid. However, this support is limited and most adult asylum seekers with legal aid lawyers are unable to be accompanied by them to the initial screening and subsequent substantive interviews which can be critical to their applications. The Home Office also provides interpreters for asylum seekers who attend their interviews. However, these too can be flawed: translation mistakes made by interpreters are believed to be a leading source of contradictions, which can lead to applications being denied.<sup>12</sup>

**The conditions under which the application is made** – Third, by definition, refugees are those who have fled their previous place of residence due to a threat to their life, their persons, or their freedom. As a result, many entering the UK do so negatively affected by their pre-displacement

---

<sup>6</sup> Independent Chief Inspector of Borders and Immigration, 2016, An Inspection of Asylum Casework March – July 2015

<sup>7</sup> Independent Chief Inspector of Borders and Immigration, 2017, An Inspection of Asylum Intake and casework April – August 2017

<sup>8</sup> Committee Against Torture (2019), Concluding observations on the sixth periodic report of the United Kingdom of Great Britain and Northern Ireland

<sup>9</sup> Independent Chief Inspector of Borders and Immigration, An inspection of asylum intake and casework April – August 2017

<sup>10</sup> Home Affairs Committee, Asylum, Seventh Report of Session 2013-14

<sup>11</sup> *Ibid*

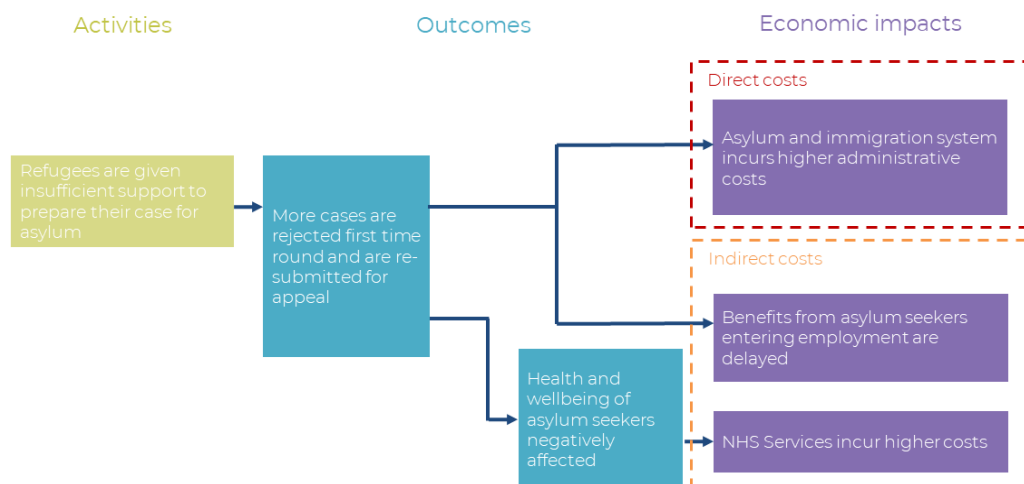
<sup>12</sup> Independent Chief Inspector of Borders and Immigration, An inspection of the Home Office's use of language services in the asylum process, May – November 2019

situation in a variety of ways. Upon reaching the UK, all too often asylum seekers then face a myriad of post-displacement stressors including poverty, insecure housing, isolation, discrimination and poor access to services<sup>13</sup>, factors that manifest in elevated Post Traumatic Stress Disorder (PTSD) scores.<sup>14</sup> These stressful conditions impact asylum seekers' ability to represent themselves and affect the quality of their applications. For example, where individuals are unable to access or afford a phone, the internet or printing facilities, this may impact their ability to advance their case.<sup>15</sup>

Thus, a wrong initial decision on an asylum application can be made due to any combination of these three reasons, with poor processes and inadequate support playing a major role in driving poor decisions. But the conditions under which applications are made are likely to play a key and under-studied role in determining the quality of application submitted, thereby indirectly contributing to the outcome of the application.

This suggests that services provided by social sector organisations like the Refugee Survival Trust have the potential to contribute to an improved asylum process by providing asylum seekers better conditions in which to prepare their case, increasing the likelihood of getting decisions right first time. Services that tackle such barriers not only enhance the life chances of asylum seekers but also reduce overall costs to the taxpayer and society, as illustrated below. These impacts and costs are explored in more detail in the remainder of this report.

Figure 1. Economic costs of not getting asylum decisions right the first time



<sup>13</sup> Morgan, G., Melluish, S., & Welham, A. (2017). Exploring the relationship between post-migratory stressors and mental health for asylum seekers and refused asylum seekers in the UK. *Transcultural Psychiatry*, 54(5-6), 653-674

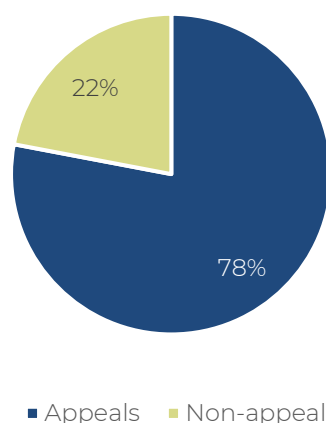
<sup>14</sup> James, P., Iyer, A., & Webb, T. L. (2019). The impact of post-migration stressors on refugees' emotional distress and health: A longitudinal analysis. *European journal of social psychology*, 49(7), 1359-1367.

<sup>15</sup> Refugee Council (2021). 'I sat watching life go by my window for so long'.

## Incorrect first-time decisions hit vulnerable groups disproportionately

Official data from the Office for National Statistics (ONS)<sup>16</sup> shows that the UK received, on average, 26,700 asylum applications a year over 2012-17. Only a quarter of these met with success in the initial application, with over 14,600 rejected each year in this period. 78% of these rejected applications (nearly 11,500) lodged appeals each year of which about 3,700 were eventually successful despite an initial rejection. More recent data shows the number of asylum applications at 31,000 a year in 2015-19, but the eventual status of some applications made in later years is still not fully known.

Figure 2. Proportion of rejected asylum applications appealed (2012-2017)



In addition to the absolute number of incorrect first-time decisions, there are long-standing concerns that particularly vulnerable groups are disproportionately impacted by incorrect initial rejections.

- In the Home Affairs Select Committee's last report on the asylum system, victims of domestic and sexual violence, victims of torture and those who have been persecuted because of their sexuality were all highlighted as disproportionately affected by weaknesses in the system.<sup>17</sup>
- Home Office data shows that, aside from 2015, women who have appealed their asylum case have been more likely to succeed every year for the last decade.<sup>18</sup>

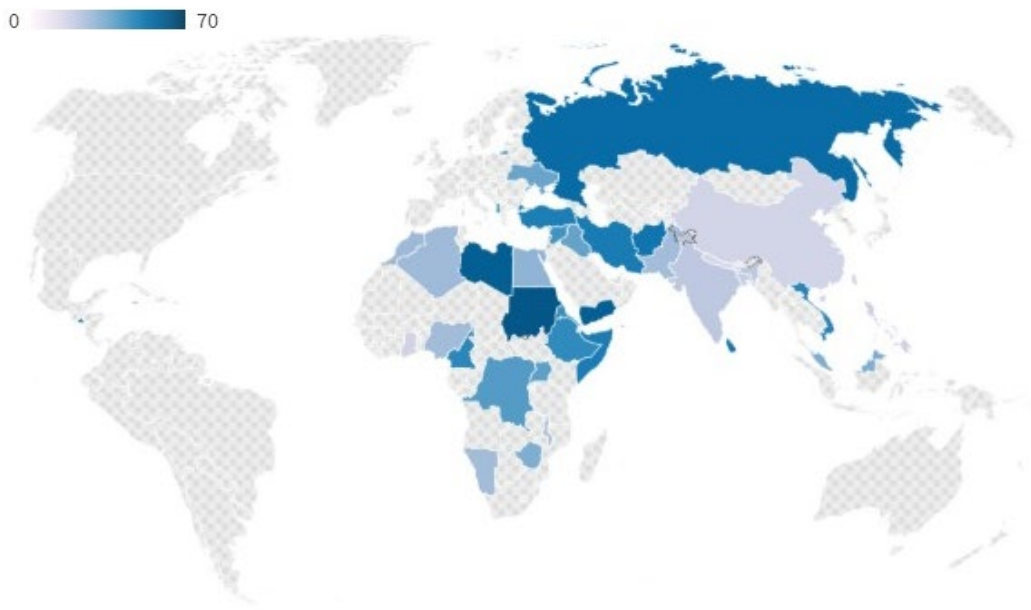
<sup>16</sup> Home Office (August 2021). [Asylum and resettlement datasets - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/datasets/asylum-and-resettlement-datasets)

<sup>17</sup> Home Affairs Committee, Asylum, Seventh Report of Session 2013-14

<sup>18</sup> Home Office, Asylum appeals lodged and determined Q1 2021

- Marked differences in appeal success rates between nationalities suggests that asylum seekers from some of the most dangerous countries in the world are particularly at risk of incorrect first-time decisions. A majority of appeals decided for asylum seekers from Sudan (61.6%), Libya (58.9%), Yemen (58.5%), Russia (54.4%) and Afghanistan (51.4%) over the last 4 years were allowed by judges.<sup>19</sup> All these nations feature in the Top 11 least peaceful places as ranked by the Global Peace Index in 2021.<sup>20</sup>

Figure 3. Asylum seekers from less stable countries saw a higher proportion of successful appeals on average over 2017-2021



These sobering statistics reinforce the need to simplify and speed up what is currently a complex asylum system in order to improve the quality of decisions made and to avoid unnecessary suffering to individuals seeking asylum. They also highlight that failure to provide asylum seekers appropriate support and better conditions while preparing their case for asylum impacts the most vulnerable asylum seekers disproportionately and thus prevents the asylum process from achieving its fundamental aim.

<sup>19</sup> Home Office, Asylum appeals lodged and determined Q1 2021

<sup>20</sup> 2021 Global Peace Index

## Assessing the direct costs to the taxpayer

To arrive at a monetary estimate of direct administrative costs involved in eventually successful appeals, it was necessary to bring together information from a variety of sources.

First, data on the *total number of successful appeals in a year* was obtained from the Office for National Statistics' Asylum and Resettlement Database.<sup>21</sup> This dataset, that provides an outcome analysis of asylum applications, was most recently updated in February 2021 (at the time of writing and covers the period 2004-19).

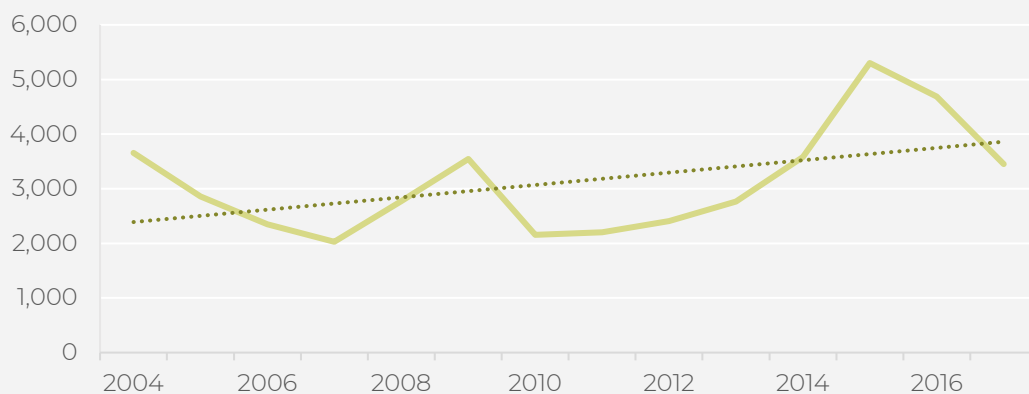
Information is provided on the number of grants of asylum each year that were an initial decision and also the number of grants of asylum each year that were a final decision. Logically, the difference between the two in any year would be the number of grants of asylum obtained after a successful appeal and it is that is the focus of our analysis.

### Number of successful appeals

The ONS's Asylum and Resettlement Dataset shows there were on average 3,000 successful appeals a year over the full data period (2004-2019). For more recent years – 2018 and 2019 – the final outcome of a large number of appeal cases is still unknown. As such the data for these years is incomplete and cannot be used. For this reason, we use data only until 2017 in our analysis.

In the last five years of full data, i.e. 2013-17, there were on average **3,957** successful appeals a year. The peak was in 2015 when 5,302 successful appeals were made.

Figure 4. Number of successful appeals



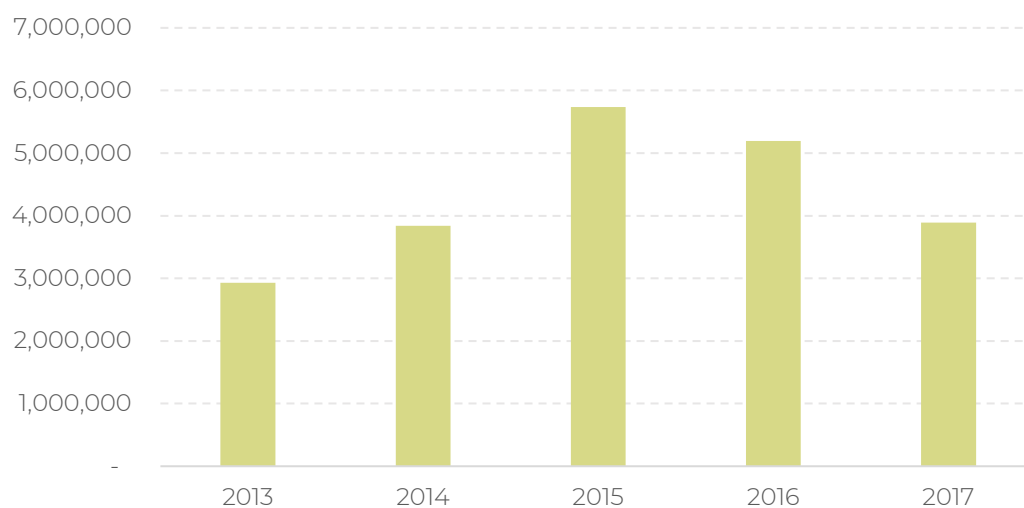
<sup>21</sup> Home Office (August 2021). [Asylum and resettlement datasets - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/datasets/asylum-and-resettlement-datasets)

Second, an estimate of the administrative cost of an appeal was obtained from a Freedom of Information Act request from the Ministry of Justice made in June 2017. This provided the average unit cost of appeals in the Immigration and Asylum Chamber for 2015-16.<sup>22</sup> The cost of a First-tier Tribunal which challenges Home Office decisions, the focus of this study, was £1,082. The average cost of a First-tier Tribunal over 2013-2017<sup>23</sup> is £1,090.

### Incorrect first-time decisions result in substantial administrative costs

Once we derive the average number of successful appeals per year and the average administrative cost of an appeal per year, it is relatively straightforward to calculate the total administrative cost of successful appeals for every year.

Figure 5. Number of successful appeals



For the five-year period 2013-17, total administrative costs were £4.3 million per annum. The average figure masks some variation over the five-year period, with costs ranging from £2.9 million in 2013 to £5.7 million in 2015. It should be noted that while the study is designed to focus on only the administrative costs associated with incorrect first-time asylum decisions, this is only part of the story. There are other direct costs such as those associated with government-provided accommodation<sup>24</sup> and Section 95 and Section 98 benefits (being received by 54,000 people as of March 2021)<sup>25</sup> that asylum seekers are eligible for during the appeal process that

<sup>22</sup> <https://www.whatdotheyknow.com/request/405643/response/990570/attach/html/3/111920%20Robert%20Thomas%20Response.pdf.html>

<sup>23</sup> We have used the GDP deflator to adjust this cost to reflect price changes over the period

<sup>24</sup> <https://www.nao.org.uk/wp-content/uploads/2020/07/Asylum-accommodation-and-support.pdf>

<sup>25</sup> <https://www.gov.uk/government/statistical-data-sets/asylum-and-resettlement-datasets>

also stack up. Incorrect initial decisions that deny asylum seekers the right to remain only prolong their stay in taxpayer-funded living arrangements and prevent them from independently meeting their own basic needs, suggesting that the £4m per year cost figure calculated above is a very conservative estimate of the full direct cost to the Exchequer.

## Assessing the indirect costs to the taxpayer

The administrative costs calculated in Phase 1 are only part of the total costs borne by the taxpayer, asylum seekers and society at large. This section of the study focuses on the additional indirect costs borne as a result of an extended appeals process.

This literature review focuses specifically on lost labour market opportunities and mental health issues. This is because, as the breakdown of costs in the previous section suggests, these two areas monetarily impact on the taxpayer albeit in an indirect manner. The longer the appeals process is dragged out, the more delay there is to successful asylum seekers entering the labour market which means lost economic activity and forgone tax revenue for the Exchequer. There is also a greater chance that a lengthy appeals process leads to heightened stress and worsened mental health in asylum seekers, a group arguably already more vulnerable on this front. As well as unnecessary human suffering, there is also a monetary cost borne by the taxpayer should NHS mental health services need to get involved.

Since there currently exists scant data for the UK on these two indirect costs of a long appeals process, we review evidence from other studies to draw conclusions around their impact. If robust data becomes available in the future, this could be included in the analysis of direct costs in Phase 1 alongside administrative costs.

### A prolonged appeals process negatively impacts future labour market prospects

While not many studies focus specifically on the UK, key themes emerging from international studies of asylum seekers in the labour market portray a narrative that fits well with the anecdotal evidence and experience reported by asylum seekers in the UK. These confirm that a prolonged appeals process harms the long-term economic potential of an already disadvantaged group.

The overwhelming majority of individuals seeking asylum in the UK are not permitted to access employment, except under some very specific and limited conditions. If an asylum seeker has been waiting for an initial decision for over 12 months, they can request permission to work. In the limited number of cases where access to the labour market is permitted, asylum seekers cannot become self-employed and may only take up a job on the list of shortage occupations published by UK Visas and



Immigration.<sup>26</sup> With this list currently including jobs as niche as 'skilled classical ballet dancers', 'nuclear medicine technologists' and 'bio-informaticians' to name a few, it becomes clear that the average asylum seeker will find it difficult to gain access to paid employment in the UK and is likely to face an extended period of unemployment from the time their initial application is made.

An unfortunate consequence of persistent high levels of unemployment and underemployment during the lengthy wait for a decision is a marked depletion of skills.<sup>27</sup> There is evidence that refugees struggle to find and retain work, leading to downward occupational mobility.<sup>28</sup> According to one study, while 87% of the refugee population has worked prior to coming to the UK, unemployment (for those with permission to work) stands at 57% per cent, far outstripping the rate amongst the native population. Notably, only 15% of refugees find employment in the UK of a similar status to that they had held in their country of origin, representing significant underuse of skills and abilities during the wait for a decision.<sup>29</sup>

A second channel through which asylum decision delays impact asylum seekers' prospects is the postponement of investment into human capital e.g. training or host language acquisition. A German study shows that asylum seekers from countries whose citizens have higher prospects of remaining are quicker to take up language courses. In contrast, those who face poorer chances of remaining fail to undertake such investment which ultimately impairs not only their access to the labour market but also hinders their social integration.<sup>30</sup>

The literature also highlights consistently worse labour market outcomes for forced migrants (refugees) compared to other migrants with similar characteristics.<sup>31</sup> One study specifically focusing on the UK concluded that refugees who migrate to the UK with the intention of claiming asylum are less likely to be in employment, have lower weekly earnings, earn less per hour and work fewer hours than natives and economic migrants.<sup>32</sup> Possible reasons for this gap are cited as differences in health status (particularly

---

<sup>26</sup> UK Visas and Immigration (December 2020). [Skilled Worker visa: shortage occupations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/skilled-worker-visa-shortage-occupations)

<sup>27</sup> Hart H., (2019). 'Keeping busy with purpose': How meaningful occupation can shape the experience of forced migration. Migration Studies, Oxford University Press

<sup>28</sup> Suto M. (2009). Compromised careers: The occupational transition of immigration and resettlement, Work, vol. 32, no. 4, pp. 417-429

<sup>29</sup> Hainmueller, J. et al (2016) When lives are put on hold: lengthy asylum processes decrease employment among refugees. Science Advances, 2 (8). ISSN 2375-2548

<sup>30</sup> Kosyakova, Y. and Brenzel, H. (2020): The role of length of asylum procedure and legal status in the labour market integration of refugees in Germany. Soziale Welt, Vol. 71, No. 1/2, pp. 123-159.

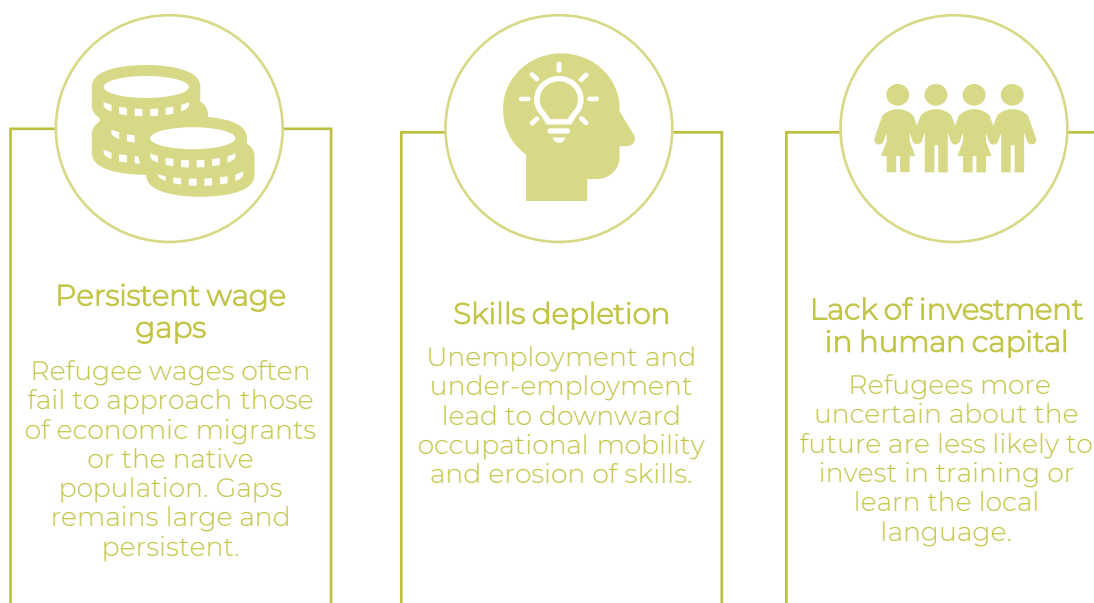
<sup>31</sup> Fasani, F. et al. (2018). CEPR Discussion Paper 12718

<sup>32</sup> Ruiz, I., & Vargas-Silva, C (2018). Differences in labour market outcomes between natives, refugees and other migrants in the UK. Journal of Economic Geography, Volume 18, Issue 4, July 2018, Pages 855-885

mental health) and, to some degree, English proficiency. While this gap does narrow gradually over time, it never fully closes with refugees recording persistently lower employment rates than other immigrants and natives even ten years after migration.<sup>33</sup>

A common finding across these studies is that any catch-up is more pronounced in employment rates than in wages. Refugee wages often do not approach those of natives even over a longer period and lag significantly behind those of other immigrants. Even in countries where refugee employment rates quickly approach the levels experienced by natives or other immigrants (as is the case in the United States), corresponding wage gaps remain large and persistent.

It is unsurprising then that the longer the delay in getting final asylum outcomes, the more damaging it is to asylum seekers' longer term economic prospects. This has been empirically confirmed by several recent European studies. A study for Denmark estimates that an additional year of waiting time decreases subsequent employment by 3.2 percentage points.<sup>34</sup> A second study reports that after controlling for several factors including origin, religion, ethnicity, age and gender, being forced to wait one additional year for the asylum decision lowers the probability of being employed by about 4.9 percentage points.<sup>35</sup> Concerningly, these impacts



<sup>33</sup> Brell C. et al et al., (2020). The labor market integration of refugee migrants in high-income countries. *Journal of Economic Perspectives*. VOL. 34, No. 1, Winter 2020 (pp. 94-121)

<sup>34</sup> Hvidtfeldt C. et al (2018). An estimate of the effect of waiting time in the Danish asylum system on post-resettlement employment among refugees. *PLoS ONE* 13(11): e0206737.

<sup>35</sup> Hainmueller, J. et al (2016) When lives are put on hold: lengthy asylum processes decrease employment among refugees. *Science Advances*, 2 (8). ISSN 2375-2548

are more concentrated amongst less educated refugees, harming migrants whose employability in host countries may already be limited.<sup>36</sup>

Of course, costs of delays are not just limited to asylum seekers themselves. By putting significant restrictions on labour market access, the UK government not only makes itself liable for the accommodation and living costs of asylum seekers which all comes at taxpayer cost, it also loses out on substantial potential tax revenue it could have collected had the asylum seeker been allowed to work.

Some studies attempt to assign a numerical cost estimate to these lost economic opportunities. A recent report by 'Lift The Ban', a coalition of over 200 organisations including businesses, trade unions, charities, think tanks and faith groups that campaign for the right to work for asylum seekers, estimates that if just half the individuals currently waiting more than six months for a decision on their initial asylum application are able to work full time on the national average wage, the Government would receive an extra £73.1 million per year from their tax and National Insurance contributions. There would also be additional savings of £24.7 million a year on subsistence (cash) support even if support for accommodation is retained. Overall, this amounts to a saving of £97.8 million each year.<sup>37</sup>

Other studies estimate the costs of forgone activity by drawing analogies with employment bans on refugees that restrict economic activity in similar ways as delaying decisions about granting asylum. One such study concludes that that such a ban imposed on over 1 million new refugees in Europe has resulted in an overall output loss of EUR 37.6 billion over an 8-year period, equivalent to about EUR 4,100 per banned refugee per year.<sup>38</sup> A second study focusing on UK asylum seekers carried out by the University of Warwick using Home Office data to build the case for allowing asylum seekers to work concludes that not restricting asylum seekers from employment would lead to taxpayer savings by lowering the asylum support bill. The study estimates that if even only 25% of asylum seekers work, that would lower the asylum support bill by a quarter. For the period of study (2014/15), this amounted to over £40 million (with costs lowered from £173.6m to £130m) in savings to the taxpayer.<sup>39</sup>

---

<sup>36</sup> Fasani, F. et al (2020). Lift the Ban? Initial Employment Restrictions and Refugee Labour Market Outcomes. IZA Discussion Paper No. 13149.

<sup>37</sup> Lift the Ban: Why giving people seeking asylum the right to work is common sense (2020). Lift the Ban coalition paper.

<sup>38</sup> Fasani, F. et al (2020). Lift the Ban? Initial Employment Restrictions and Refugee Labour Market Outcomes.

<sup>39</sup> [The economic case for allowing asylum seekers to work – and giving them more cash \(theconversation.com\)](https://theconversation.com/the-economic-case-for-allowing-asylum-seekers-to-work-and-giving-them-more-cash-148888)

Thus, a growing body of evidence confirms that labour market participation has immense benefits for refugees in the post-migratory period in preserving key skills, contributing to economic activity, and increasing integration with the wider community. Delays in reaching decisions around the right to remain not only deprives forced migrants of these individual benefits but also makes society worse off through missed economic activity and lost tax contributions.

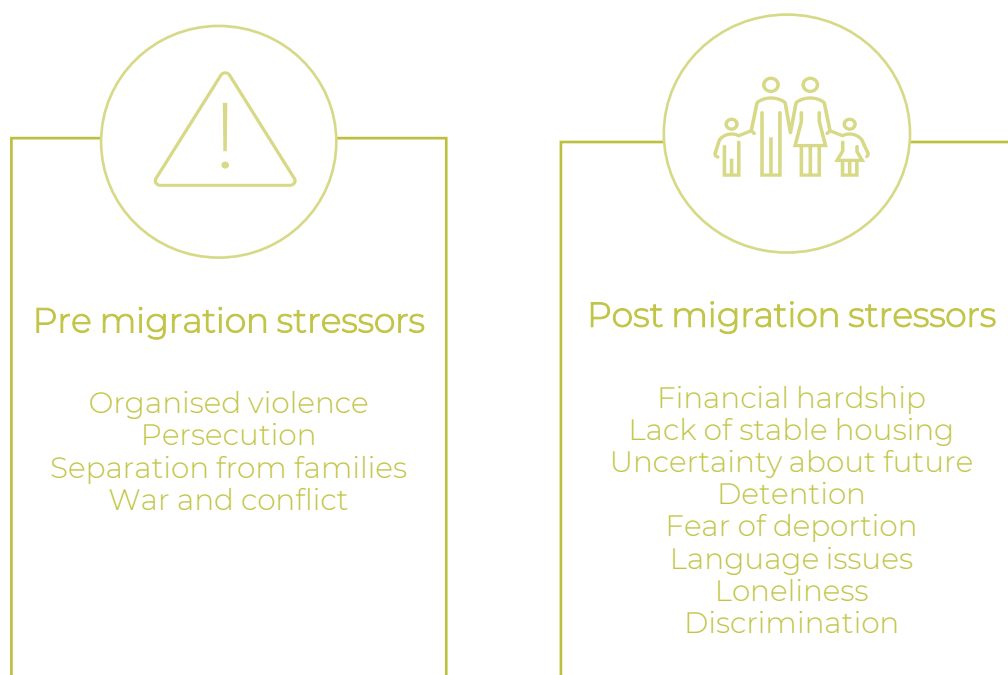
### Post-migration stressors can significantly impair asylum seekers' mental health

By the very nature of their status, refugees and asylum seekers have faced significant pre-migration trauma such as fear or experience of organised violence, sexual violence, persecution, conflict, and/or separation from their families. Research suggests that asylum seekers and refugees are more likely to experience poor mental health than the local population. More than 61% experience serious mental distress including higher rates of depression, post-traumatic stress disorder (PTSD) and other anxiety disorders.<sup>40</sup> Compounding these pre-migration traumas, post-migration stressors are also a notable source of distress for displaced individuals, both during the process of applying for asylum and afterwards.<sup>41</sup>

---

<sup>40</sup> Mental Health Foundation. (2016). Fundamental Facts About Mental Health.

<sup>41</sup> McColl, H., & Johnson, S. (2006). Characteristics and needs of asylum seekers and refugees in contact with London community mental health teams. *Social psychiatry and psychiatric epidemiology*, 41(10), 789-795



As this study focuses on the distress caused by long and unnecessary delays to reaching correct asylum decisions, it is primarily post-migration stressors that we consider in this section.

There is a causal link established in the literature between post-migration adversities and worsened mental health of asylum seekers and refugees. Displaced individuals who reach resettlement countries experience continuing high level of adversity associated with legal uncertainties, detention and deportation, financial hardship, loneliness, and language and employment problems, even after they have obtained legal right to remain.<sup>42</sup> In the UK, social isolation, discrimination, lack of stable housing, poor employment opportunities (as documented in the previous section), poverty and uncertainty about asylum application outcomes are especially cited as post-migration adversities faced by asylum seekers.<sup>43</sup>

The impacts of these are substantial. In particular, social isolation, restrictive policies and an insecure immigration status are associated with high Post Traumatic Stress Disorder (PTSD) scores even after controlling for pre-migratory trauma predictors.<sup>44</sup> Being refused asylum is the strongest predictor of depression and anxiety while asylum seekers (those awaiting the outcome of their application for refugee status) are documented as experiencing more distress than refugees (whose application status has

<sup>42</sup> Priebe S, Giacco D & El-Nagib R (2016). Public health aspects of mental health among migrants and refugees: a review of the evidence on mental health care for refugees, asylum seekers and irregular migrants in the WHO European Region. WHO Health Evidence Network Synthesis Reports

<sup>43</sup> Aldous J, et al. (1999). Refugee health in London, key issues for public health. Health of Londoners Project, London.

<sup>44</sup> Morgan, G., et al. (2017). Exploring the relationship between post-migratory stressors and mental health for asylum seekers and refused asylum seekers in the UK. *Transcultural psychiatry* Volume: 54 issue: 5-6, page(s): 653-674

been determined) which highlights the role heightened uncertainty around migration status plays in determining mental wellbeing.<sup>45</sup>

Such conditions contribute to the ongoing deterioration in asylum seekers' mental health post-migration to the extent that, in some cases, they end up requiring professional intervention. One UK-focused study looking at asylum seekers and refugees in contact with London Community Mental Health Teams (CMHTs) showed that even though the majority of the 89 participant refugees surveyed had no recorded history of mental health service contact before coming to the UK, 52 were eventually referred by their General Practitioners (GPs) or solicitors to suitable mental health services. Of these, nearly half had at least one psychiatric admission in the UK, and 29 had at least one compulsory admission. This is a common narrative across several studies where participants in clinical diagnoses demonstrate high rates of post-traumatic stress disorder, depression with psychotic symptoms, drug or alcohol misuse or dependence and other psychoses.<sup>46</sup>

While there is little readily available evidence on the annual cost of NHS mental health services specifically used by asylum seekers – and the hope is that in the future such data is collected – statistics are available on the average NHS costs of mental health illnesses typically presented by asylum seekers. For example, it was estimated that, in 2007, average service costs for individuals with depression was £2,085, and the average cost of resultant lost employment was £9,311. Average service costs for people in treatment for anxiety was £1,104 while associated lost employment costs brought the total to £2,402 per person.<sup>47</sup> A more recent study for nearly 14,000 adults estimates mean annual total healthcare costs with Serious Mental Illness (SMI) as £4,989 per person (median £1,208), comprising 19% (£938) from primary care, 34% (£1,717), from general hospital care and 47% (£2,334) from inpatient and community-based specialist mental health services. Mean annual costs related specifically to mental health, as distinct from physical health, were £2,576.<sup>48</sup>

It is also likely that the recorded number of asylum seekers whose mental health has deteriorated to the extent they require NHS mental health

---

<sup>45</sup> Gerritsen, A. A. M., et al (2006). Physical and mental health of Afghan, Iranian and Somali asylum seekers and refugees living in the Netherlands. *Social Psychiatry and Psychiatric Epidemiology*, 41, 18–26.

<sup>46</sup> McColl, H., & Johnson, S. (2006). Characteristics and needs of asylum seekers and refugees in contact with London community mental health teams. *Social psychiatry and psychiatric epidemiology*, 41(10), 789-795

<sup>47</sup> McCrone P. et al (2008). *Paying the price: The cost of mental health care in England to 2026*; The Kings Fund

<sup>48</sup> Ride J. et al (2020). Healthcare Costs for People with Serious Mental Illness in England: An Analysis of Costs Across Primary Care, Hospital Care, and Specialist Mental Healthcare; *Applied Health Econ Health Policy*. 2020; 18(2): 177–188.

services under-estimates the real scale of the issue. Several factors limit the access of asylum seekers and refugees to appropriate care services<sup>49</sup> such as language barriers, a wide range of cultures and attitudes among asylum-seeking populations, or staff lacking experience or training in recognising and managing the complex clinical and social problems with which they present and lacking understanding on asylum seekers' entitlement to healthcare.<sup>50</sup> Similarly, the wider legal and cultural context, limited entitlements to health, limited information about Mental Health and Psychosocial Support Services as well as stigma towards mental health can all lead to the under-utilisation of services in host countries.<sup>51</sup> The lack of provision of interpreters for GP surgeries has also been flagged as an impediment to empathic primary health care.<sup>52</sup>

Thus, a review of the evidence makes it clear that individuals seeking asylum in the UK do face serious post-migration stressors that amplify existing mental health issues they may already present due to their pre-migration experiences. Delays in resolving their asylum applications force them to stay in circumstances that, in many cases, impairs their mental health to the extent that they require the use of NHS mental health services<sup>53</sup>, the costs of which quickly begins to add up.

The case for improving the asylum application process to avoid incorrect initial decisions is strong: not only will it lessen the mental anguish and anxiety suffered by asylum seekers, it is also better value for the UK taxpayer and will ease the strain on NHS services themselves. Not rectifying the shortcomings in the system is not just failing vulnerable asylum seekers, it also is denying UK taxpayers the best use of their hard-earned tax contributions and preventing society from accessing valuable skills and labour to its benefit.

---

<sup>49</sup> Satinsky, E., Fuhr, D. C., Woodward, A., Sondorp, E., & Roberts, B. (2019). Mental health care utilisation and access among refugees and asylum seekers in Europe: A systematic review. *Health Policy*, 123(9), 851-863

<sup>50</sup> Summerfield D. (2001) Asylum seekers, refugees and mental health services in the UK. *Psychiatric Bulletin* 25:161-163

<sup>51</sup> Hodes M, Goldberg D (2002) The treatment of refugees. *Psychiatric Bulletin* 26:1-2

<sup>52</sup> Wessley S., Rose S. & Bisson J. (1998) A systematic review of brief psychological interventions (debriefing) for the treatment of immediate trauma related symptoms and the prevention of post-traumatic stress disorder (*Cochrane Review, latest version 25 Nov 97*. In The Cochrane Library, Issue 2.

<sup>53</sup> Hodes, M., Anagnostopoulos, D., & Skokauskas, N. (2018). Challenges and opportunities in refugee mental health: clinical, service, and research considerations. *European Child & Adolescent Psychiatry* volume 27, pages385-388 (2018)

## Conclusion

This study provides an assessment of taxpayer cost of not getting asylum decisions right the first time. We calculate the direct administrative costs associated with the appeals process and draw on the relevant literature to understand the indirect costs associated with lost economic opportunity due to delays in entering the labour market as well as potential costs to the NHS of increased demand for mental health services.

Our key findings are as follows:

- There would be direct savings of £4 million each year in administrative costs if successful asylum appeals are correctly accepted in the first instance.
- A delay in accessing the labour market due to an initial incorrect rejection of an asylum application leads to the erosion of skills, postponement of essential training and language acquisition, and impairs integration into the wider community.
- There are also social and economic costs to this delay, namely in the form of forgone tax revenue and additional government spending to provide subsistence (cash) support to people that they otherwise would have earned.
- An initial incorrect decision that prevents asylum seekers from acquiring refugee status can weigh on their mental health as they unnecessarily face prolonged restrictions often in unsuitable living conditions. This not only has humanitarian implications but also puts strain on existing already-strained mental health services at taxpayer cost.

We conclude that there is a strong case for providing asylum seekers a stable environment in which to complete their applications for asylum, thereby increasing the likelihood of reaching correct decisions in the first instance.

First, at an individual level, this would benefit asylum seekers by allowing them to seek meaningful employment, prevent them from falling into poverty, preserve their skills, encourage them to invest in language acquisition and further training, improve their mental wellbeing and sense of worth, with all these factors contributing to their successful integration as valued members of the local community in the future.

Second, at a broader societal level, there are significant savings to the taxpayer if the asylum process facilitates the correct decisions on the first



attempt. The administrative cost of tribunal appeals would be avoided, and the asylum support bill would be lowered as successful asylum seekers enter employment and no longer require subsistence support from the government. NHS mental health services would see lower utilisation as the long the wait for a decision (associated with anxiety and depression) is reduced. In addition, there will be gains to the public purse as asylum seekers begin paying taxes and National Insurance contributions sooner than they would have had they been forced to face prolonged periods of inactivity waiting for a final decision on their migration status.

# MEET THE TEAM



JADE SIU  
Development  
Pathways Ltd



MARIE OLDFIELD  
Oldfield Consultancy



SADIA SHEIKH  
Pro Bono Economics



@ProBonoEcon



[www.probonoeconomics.com](http://www.probonoeconomics.com)



020 3632 2668