



The Cost-of-Living Crisis and Its Impact on Remittances in OX4's Diaspora- Immigrant Communities

By

Amanda Opara

(Oxford SDG Impact Lab; MSc in Law and Finance, University of Oxford)

and

Intissar Eddajraoui

**(Oxford SDG Impact Lab; MSc in Modern Middle Eastern Studies, University of
Oxford)**

**A Community Lab Partnership Project of the Oxford SDG Impact and Oxford
Community Action**

9 July 2025

EXECUTIVE SUMMARY

This project investigates how the diaspora-immigrant communities in the OX4 area of Oxford are navigating the pressures of the cost-of-living crisis in the UK and their home countries.

Specifically, it explores how these transnational obligations are shaping remittance behaviours, straining financial stability, and exposing structural inequalities within the UK's economic and social welfare systems.

The objective of this research is to highlight the lived experiences of financial and economic transnational care among the diaspora-immigrant community in OX4, who continue to send remittances despite limited income, housing precarity, exclusion from public support, and increasing demands from family abroad due to cost-of-living crisis and other factors that are prevalent in their home countries. This is in furtherance of OCA's commitment to centering the lived experiences of their community in policy discourse and advancing inclusive, community-informed solutions. This research project, therefore, answers the following research question:

What is the impact of the cost-of-living crisis on remittances abroad for communities in OX4?

This research project employed a mixed-methods approach, comprising surveys, focus groups, interviews with OCA directors, and desk research.

Findings show that remittances are not simply economic transactions, but acts of care, shaped by cultural values, religious beliefs, and community identity. Yet, the hardships stemming from remittance transfers remain overlooked by UK public policy. National policies such as 'No Recourse to Public Funds' (NRPF), regressive taxation of secondary employment, and inadequate financial literacy infrastructure further deepen the burden. Oxford-specific challenges such as housing inequality and a widening economic divide further exacerbate this vulnerability.

This report recommends rethinking remittance policy beyond reducing transaction fees. It calls for structural reform of NRPF, the introduction of remittance-sensitive tax policy, and a shift in development discourse to include remittance senders as policy subjects, not just senders of aid.



It also urges Oxfordshire stakeholders to invest in affordable housing and ensure that low-income and racialised communities are not left behind in local development planning.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
RESEARCH BACKGROUND/CONTEXT AND OBJECTIVES	4
LITERATURE REVIEW	5
RESEARCH QUESTIONS	10
RESEARCH METHODOLOGY	11
KEY FINDINGS AND DATA ANALYSIS	14
RECOMMENDATIONS	22
BIBLIOGRAPHY/REFERENCES	30
ACKNOWLEDGEMENTS	33

RESEARCH BACKGROUND/CONTEXT AND OBJECTIVES

This project explores how the diaspora-immigrant communities in the OX4 area of Oxford are navigating the dual pressures of rising living costs in the UK and worsening economic conditions in their home countries. This research aims to highlight the lived experiences of financial and economic transnational care among this community, in line with OCA's commitment to centering their lived experiences in policy discourse and advancing inclusive, community-informed solutions.

This project builds upon OCA's previous research, which explored the effects of the cost-of-living crisis on food access in the OX4 area. The study not only revealed rising food insecurity, but also deeper systemic pressures disproportionately affecting racially minoritised and immigrant communities. One recurring theme that surfaced in community conversations was the transnational nature of these pressures. Many individuals are not only struggling to meet local needs but are also supporting other communities abroad through remittances (Barry and Carter, 2023).

As both the UK and their countries of origin face economic instability and inflation, immigrants find themselves caught in a dual crisis. This is because, while they reside in the UK, they maintain strong ties to their countries of origin, with consequent duties, responsibilities, and obligations of financial and economic support. As such, this study seeks to conduct an in-depth exploration of the ways in which these intertwined pressures impact their remittance behaviours.

It is expected that the findings from this research will equip OCA with the necessary information and recommendations to better assist minority communities in gaining representation in civic society and address systemic and structural inequalities, particularly in policy discourse and engagements for support from the city of Oxford and the county of Oxfordshire, given the insights gained from this concentrated research. Also, it is estimated that the findings from this research project, which further OCA's activities, can contribute to advancing the Sustainable Development Goals (SDGs), specifically addressing SDGs 1, 8 and 10 on No Poverty, Decent Work and Economic Growth, and Reduced Inequalities, respectively.

LITERATURE REVIEW

According to data from the World Bank, remittance costs remain high as of 2023, at more than twice the Sustainable Development Goal target of 3% by 2030 (Ratha et al., 2024). If the solution were as straightforward as meeting this quantitative target, the conversation around remittances would be far simpler. The reality is more complex. Remittance senders navigate a dual financial pressure: rising living costs in host countries and increasing demands from families back home.

This literature review explores how remittances are framed in academic and policy spaces and places those framings in contrast with the lived experiences of the Oxford community, especially those in the OX4 area. It highlights the gap between policy narratives focused on cost and volume, and the everyday realities of those who continue to send money, often as a personal sacrifice that goes unrecognized.

First, statistical inaccuracy is a significant challenge when gathering data on remittances. Academic and policy literature consistently highlights the difficulty of capturing the precise methods, volumes, and patterns of remittance flows. In fact, the Office for National Statistics in the UK does not report on remittances sent to and from the UK (Vargas-Silva et al., 2025). Most estimates come from the World Bank. Importantly, a significant share of remittances is transferred through unofficial channels, such as giving the amount in cash to a friend travelling back home (2025). Therefore, it is crucial to approach reported figures and statistics with caution, as they likely underestimate the actual scale of these transactions. Beyond scale, another reason why quantitative data alone is insufficient to capture the entirety of this particular challenge is the intended purpose of the transfer itself. Remittances sent for savings, investment, or loan repayments, although often large in amount, are much less common than those supporting family and friends (Lindley et al., 2023). It is safe to deduce that a small number of people are sending significant sums for long-term goals like investment, while the majority are sending much smaller amounts just to help their families survive. Only looking at the volume of remittances therefore risks missing the bigger picture.



Furthermore, the official definition in the literature is limiting. Based on data from the World Bank, “remittances are transfers of money from residents of one country to residents of another country and are often associated with immigrants sending money to families and their communities” (Vargas-Silva et al., 2025). In another report, the World Bank refers to them as “the movement of funds from the country of work back to a home country” (World Bank, 2024). These definitions fail to capture the full story. By framing remittances primarily as work-related transfers by recent immigrants, they erase the role of diaspora communities, particularly those born and raised in the destination country, who also send money home. This narrow framing reflects a broader pattern in remittance data collection by major international organizations and academic institutions, which tends to prioritize quantitative metrics, often overlooking the complexities of social, cultural and sometimes religious narratives behind these flows. It assumes that only immigrants have obligations to send money, when in fact, many members of the diaspora are deeply embedded in family and community networks. The reasons behind remittances, whether it is economic, cultural, or emotional, are multi-layered.

In line with the vision laid out by Healthwatch Oxfordshire and Oxford Community Action (Barry and Carter, 2023), it is critical to focus on research with and by communities. The report highlights the importance of involving community members as equal partners in the research process, and not as data providers. This approach has been adopted in this study’s methodology. The research contradicts the dominant definitions by reframing remittance practices through the lens of care, responsibility, and agency. Ultimately, it also focuses on the emotional labor, social obligations, and community ties that are crucial to understanding of remittances and cannot be captured by quantitative data alone.

Additionally, despite the UK being a top destination for immigration, remittances still only represent a relatively small fraction of the economy (Ratha et al., 2024). In 2023, it amounted to only 0.34% of GDP, placing the UK 107th out of 148 countries with available data (Vargas-Silva et al., 2025). Moreover, the UK receives far less in remittances than it sends, estimated at around £3.6bn compared to £9.3bn in 2023 according to the World Bank (2025). Even when we factor in the likely underestimation caused by informal transfer methods, these figures remain relatively



insignificant from a UK perspective. However, this stands in stark contrast to the role remittances play in many developing countries, where they have become a major and increasingly vital source of financial flows. They were considered the premier source of external finance for low- and middle-income countries (LMICs) as of 2023, surpassing foreign direct investment (FDI) and official development assistance (ODA); “In 2023, officially recorded remittance flows to LMICs reached an estimated \$656 billion. Despite a growth rate of 0.7%, remittances outperformed FDI, which registered negative growth, and official development assistance (ODA), which posted modest growth.” (Ratha et al., 2024). Because countries like the UK and other European countries do not rely on remittances, there is little political or economic incentive for their policymakers, or the international institutions they often shape, to prioritize or even fully understand them. Yet the expectations placed on immigrants and diaspora communities from home countries continue to grow given factors such as cost-of-living crisis and geopolitical factors such as political instability, conflicts and displacements in those countries. In other words, while remittances are critical for survival in developing countries, they are often overlooked or unacknowledged by host governments, where the people sending them face increasing financial pressure and limited recognition.

The research conducted by Lindley et al. (2023) is one of the few studies on remittances that centers the experiences and grievances of those who send remittances. What makes their work especially relevant is that it moves away from official remittance data and instead prioritises the lived experiences and everyday practices of the communities doing the sending, which we believe is essential to take the existing policies to the next level.

It is also important to consider the global dimension of remittances. The demand for remittances is far from uniform. Each home country, particularly in the Global South, experiences economic conditions differently, and this largely shapes the scale and urgency of remittance needs. As Ratha et al. (2024) note: “The prospects for remittances to the Middle East and North Africa will be affected by the difficult situation facing the region’s oil-importing countries, such as Egypt, Jordan, Lebanon, Morocco, and Tunisia. In contrast, the region’s oil exporters, such as Iraq and Algeria, will benefit from the rise in hydrocarbon prices.” This highlights the uneven effects of

global economic shifts, and the importance of not treating remitting communities as a single, homogeneous group.

Overall, the Covid-19 pandemic marked a critical point of inflection in remittance practices on a global level. On the one hand, it intensified the pressures on remittance senders. As Lindley et al. (2023) highlight, around half of their respondents reported that the needs of their communities abroad increased in 2020. Many were contacted by new people in need, and those who were already sending remittances felt a stronger sense of responsibility. At the same time, the crisis was also a catalyst for innovation. As Ratha et al. (2022) note, the pandemic accelerated the adoption of digital payment systems and fintech solutions, which contributed to reducing the cost of sending remittances, aligning with the broader Sustainable Development Goal (SDG) target of making remittance transfers more affordable. The International Organization for Migration (IOM, 2024) took this further by implementing workshops for diaspora communities in the UK, specifically Kenyans and Somalis, to improve digital financial literacy and promote the use of cost-effective remittance channels. While digital literacy and lower costs alone cannot address the deeper structural challenges that remittance senders face, these kinds of initiatives represent innovative approaches that should inform future policy-making.

According to World Bank data, the main destinations for remittances sent from the UK in 2021 were India, Pakistan, and Nigeria (Vargas-Silva et al., 2025). While India and Pakistan have minor representation in the research sample, Nigeria, along with several other Sub-Saharan African countries, features prominently. The focus is on the OX4 diaspora-immigrant community in Oxford, particularly in the OX4 area where immigrants and diaspora from Sub-Saharan Africa make up the majority of respondents. This is significant, given that Sub-Saharan Africa is a region where remittances play an increasingly vital role. In 2022 alone, the region received \$52.9 billion in remittances, a 6.1% increase from the year before, with countries like Ghana, Kenya, Tanzania, Uganda, and Rwanda experiencing notable growth (Ratha et al., 2023). Remittances to Nigeria, which accounted for 38% of regional inflows, continued to rise despite global uncertainty. These flows are often essential for survival in the face of food insecurity, extreme weather, and economic instability. So, while our findings do not represent all immigrant communities in the

UK, they offer an important window into the lived realities of a major, and often underrepresented, segment of the remitting population.

RESEARCH QUESTIONS

Further to the aforesaid, the primary question which this research seeks to answer is: What is the impact of the cost-of-living crisis on the transfer of remittances for diaspora-immigrant communities in OX4?

This primary question will be addressed in the following sub-questions:

1. How has the rising cost-of-living in the UK impacted remittance-sending behaviours (including amount and frequency) among diaspora-immigrant communities in the OX4 area of Oxford?
2. Has there been incoming pressure from home countries to send more remittances due to increased cost-of-living crisis in home countries? If so, how does that impact diaspora-immigrant communities in the OX4 area?
3. What type of coping strategies are emerging within the OX4 diaspora-immigrant community as a response to those pressures?
4. Are there any structural or policy factors (such as transaction fees, state regulations) that further complicate remittance patterns?
5. What public policy recommendations could the UK government (and specifically the Oxford City Council and Oxfordshire County Council) adopt to address this issue and support affected communities?

RESEARCH METHODOLOGY

This research adopted a mixed-methods approach to gain a comprehensive understanding of the research question. This methodology was intentionally chosen to combine both quantitative and qualitative depth, in line with the project's goal of centering lived community experiences while also identifying patterns across the population.

Primary Data Collection:

1. Quantitative Method: Survey

A structured online questionnaire was disseminated through OCA networks, primarily at weekly food drives. The survey was designed to capture broad trends in remittance behaviour, financial strain, and coping mechanisms across various demographic groups within the OX4 community. It collected data on employment status, household size, country of origin, remittance frequency and volume, and perceived economic pressures. In total, 42 responses were received. Most of our respondents are from Africa, constituting over 83% of the respondents, and South Asia having a minority representation. 76% of our participants are between the ages of 35 and 54.

49% of our respondents have lived in Oxford for more than 10 years, making them arguably more diasporan than immigrants.

We analysed this data using basic statistical techniques to identify trends and correlations.

2. Qualitative Methods

(a) Focus Group Discussions

A semi-structured focus group discussion was conducted with 10 members of the OX4 community during one of the weekly food drives on Wednesday, 25 June 2025. The group was fairly diverse in terms of age, sex, and country of origin. These discussions offered insight into the emotional, cultural, and geopolitical factors that influence remittance obligations and behaviours. Participants described both the pressures they face from relatives abroad and the internal conflicts of balancing local hardship with transnational support responsibilities.

(b) Key Informant Interviews

An in-depth interview was conducted with the directors of OCA to contextualise the findings from the survey and focus group within ongoing organisational efforts to address systemic inequality.

3. Secondary Data Analysis

Desk-based research was undertaken to supplement findings. This included reviewing UK inflation and labour market data, analysing World Bank data on remittance flows, and exploring geopolitical developments and inflation trends in key countries of origin of the community, such as Nigeria and Sudan.

This desk-based study helped complement the primary data obtained from the surveys and interviews, and included data that is broader than the OX4 community, showing the correlation between global trends and statistics, and connecting them to the lived experiences and remittance behaviours of communities in the OX4 area.

Limitations

Given that this is community-based research, the allocated research timeframe of 2 months was tight. Ideally, a 6-month research period would have been preferable. This would have enabled us to engage and interact with the OX4 community and gather more primary evidence. If we had more time, we could have arranged further smaller focus groups and individual interviews, as some of the participants were more reserved and could have opened up more in smaller settings, which would have added additional depth and diversity to our research.

Ethical Considerations

All participants were informed of the purpose of the research, and informed consent was obtained orally or in writing, including consent for audio recording during the focus group and key informant interviews. The surveys did not require participants' names to ensure anonymity and confidentiality.

Additionally, following the recommended community research approach in Oxfordshire, this research focused on dignity, respect, and co-production by involving participants in the OX4 area as active collaborators rather than subjects, and aimed to ensure it was not extractive.

This was achieved by attending their weekly food drives once approval was obtained from OCA to visit, working with OCA's and the community's schedules, discussing the research project informally with the community, assisting with the logistics and distributions at the food drive, and generally engaging with the community to ensure their comfort.

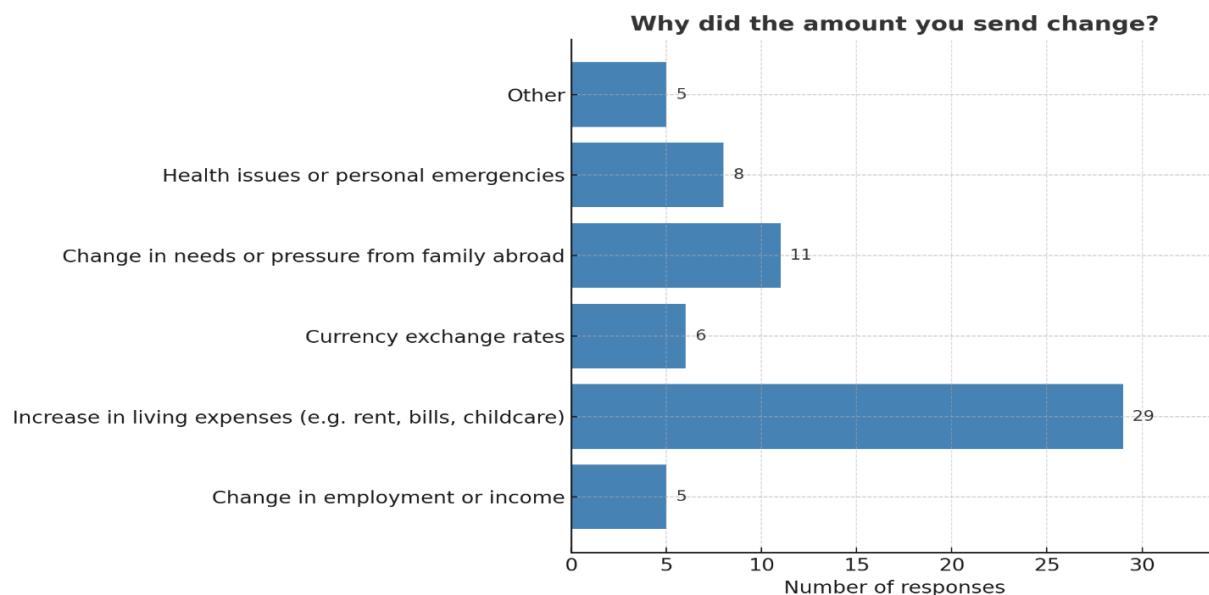
KEY FINDINGS AND DATA ANALYSIS

Our survey of 42 responses shows that 95% of respondents send remittances abroad. Of these, 75% do so monthly, and 10% send weekly.

In recent years, there have been changes in the community's remittance behaviour. Almost 71% of our respondents indicated an increase in their remittance. 45% of respondents indicate that these recent changes in their remittance behaviour are due to rising living costs such as rent, bills, and childcare.

"Yes, we've got work. Yes, we're working. But we're struggling... the money we're getting here is not enough to live here."

"House rent sometimes can take 50% of your salary."



Despite the constraints of the cost-of-living crisis in the UK, 37% of respondents still send remittances of more than £150 abroad every month. One reason for the consistent and substantial outflows from the diaspora-immigrant community in OX4 to their families abroad is that, despite hardships in the UK, the requests for support from back home have not stopped and in many cases, as highlighted above. they have increased.



As shown in the graph above, a contributing factor to the recent changes in the remittance behaviour of the OX4 community is the cost-of-living pressures in the countries they have ties with. Slightly over 26% of respondents have had to alter the amounts they send due to changing needs or pressure from family abroad, influenced by cost-of-living in the African and South Asian countries of origin. From our survey, 90% of respondents stated that their relatives and friends abroad have asked for more financial support in the past 5 years.

From our discussions with the community, aside from the cost-of-living crisis in their home countries and other related nations, there are also geopolitical factors such as wars, conflicts, and displacements that have left families, friends, and communities economically and financially vulnerable. The subsequent effect of this in the context of this research is that the OX4 community has had to support more people and in larger amounts despite their own limited resources in the UK. For example, a participant originally from Sudan informed us that they send remittances not only to their home country, but also to other countries where displaced Sudanese have sought refuge due to the current war (Booty and Chothia, 2025). In fact, this respondent sends their entire salary to not just their family, but also to other people in need, and relies solely on the income of their partner for their household in the UK. The respondent said:

“Not just your mom or dad, sometimes a neighbour, sometimes it’s not even family.”

The question that may be asked at this juncture is, why are people facing severe economic and financial difficulties in the UK still sending remittances abroad, causing themselves considerable inconvenience?

The practice of sending remittances within diaspora-immigrant communities has a long history, is deeply rooted in the community, and is quite complex and layered. Our respondents are primarily African, comprising 83% of our survey respondents and 90% of our focus group.

There is generally a sense of duty and responsibility to families and relatives back home (given the economic challenges in their home countries) in the diaspora-immigrant community, which is interwoven into their cultural fabric.



This sense of duty and responsibility arises from factors such as expectations from families and relatives abroad, the fear of disconnecting from home ties, the desire to help given the challenges faced back home, and sometimes as a form of repayment to people abroad for previous good deeds. For example, someone might be supported financially to move abroad with the express purpose of accessing better opportunities to help those back home. Also, in these communities, it is sometimes implied that diasporans or immigrants owe support to those who helped facilitate their move to the UK. Additionally, there exists a common perception back home that living in a country with generally better economic indicators, such as the UK, automatically equates to being wealthy or well-off, resulting in expectations of support. For example, individuals are sometimes financially supported to migrate abroad with the explicit purpose of seizing better opportunities and supporting those they left behind.

Also, in these communities, it is sometimes implied that diasporans or immigrants owe a debt to those who helped facilitate their move to the UK. Additionally, there exists a common perception back home that living in a country with generally better economic indicators, such as the UK, automatically equates with being wealthy or well-off, resulting in expectations of support.

“You have to feed somebody [else]...”

“Maybe you get people disconnect from you because you're not giving them, and the fear that you're supposed to ... It depends on what you're looking at it from, some people may have helped you with money to travel here. So, when you come here, you have to help back and even if you surpass what they gave you, it looks like you know, they g[ave] you a seed to grow a tree, and now you have to give back...”

“I will just post a single picture, they'll be like ‘wow, you're enjoying'... [and ask for money].”

From a perspective that extends beyond a sense of duty and responsibility, the support of family (both immediate and extended), and others, is culturally significant to these groups and forms an integral part of their identity. In certain cultures, remitting is an intrinsic part of identity and responsibility, with individuals continuously focusing on supporting family even if they become affluent (Banfield-Nwachi, 2022). It is not a simple matter of not having to do it, it is a duty of care that is shaped through cultural and psychological factors, beyond the economic aspect.



Providing support and being responsible for others is therefore an important aspect of African cultures and societies, where most of our respondents originate. This is somewhat encapsulated in the now popularised Zulu term, “Ubuntu”, which means, “I am because we are”. The orientation in these groups is to care for others once they are in a better economic and financial position.

“It’s just generally being good, you know, because it’s where we’re from. Where we’re from, we cater for everybody. It’s not just your family.”

“You know, it is just who you are, and you know you [are] from there, things are hard... It is the same thing ... The other people that don’t do th[is] kind of things is people that don’t have a culture. If you have a culture, you have to; it doesn’t matter where you come from, in one way or another”.

“... when you grow up and leave your parents’ house, once, maybe once a month, maybe once in two months, once in three months, then you go up to see your parents, even if your parents are trillionaire[s]. You know, you have to go there, you know? ...Seeing them, that’s giving, you know.”

Religion also influences remittance behaviours within the OX4 community. One of our respondents mentioned that their belief in a divine reward encourages them to support others in need, even those who may not be related to them.

“Yeah, for me I feel happy because, because I’m Muslim ... This reward[s] me... This [makes me] feel... happy. And when I give something, I believe...I get another thing. This make me happy.”

Beyond strong cultural, religious, and familial expectations to send remittances, especially given the economic challenges in their countries of origin, the OX4 community faces serious financial hardship due to the UK’s cost-of-living crisis and structural barriers. As a result, many experience deep emotional conflict as they struggle to balance survival in the UK with the responsibility of supporting loved ones abroad. This is also reflected in the wider literature. It has been reported that the pressure from remittances has a profound strain on the mental wellbeing of migrants. Half (53%) state that the responsibility of having to support their family or friends can sometimes be too much to bear and 61% of migrants say that they regularly make sacrifices in their own life

to ensure that they are able to continue sending money to their friends or family. Forty-two percent also reported that they often feel lonely, suggesting many migrants are prioritising work over building their own personal relationships (Western Union, cited by Always Finance News).

In light of the cost-of-living crisis in Oxford and the UK generally, some coping strategies adopted by diasporans and immigrants in OX4 include sending less money abroad and/or delaying remittances, as highlighted above. Others have made the difficult decision not to send money at all, which leaves them with feelings of guilt, pressure, stress, and at times resentment. This illustrates the complex emotions and feelings that diasporans and immigrants experience with the dual commitments that stem from living away from their home countries.

“Since last year... I just don’t have the ability to pay it, so I stopped [sending money].”

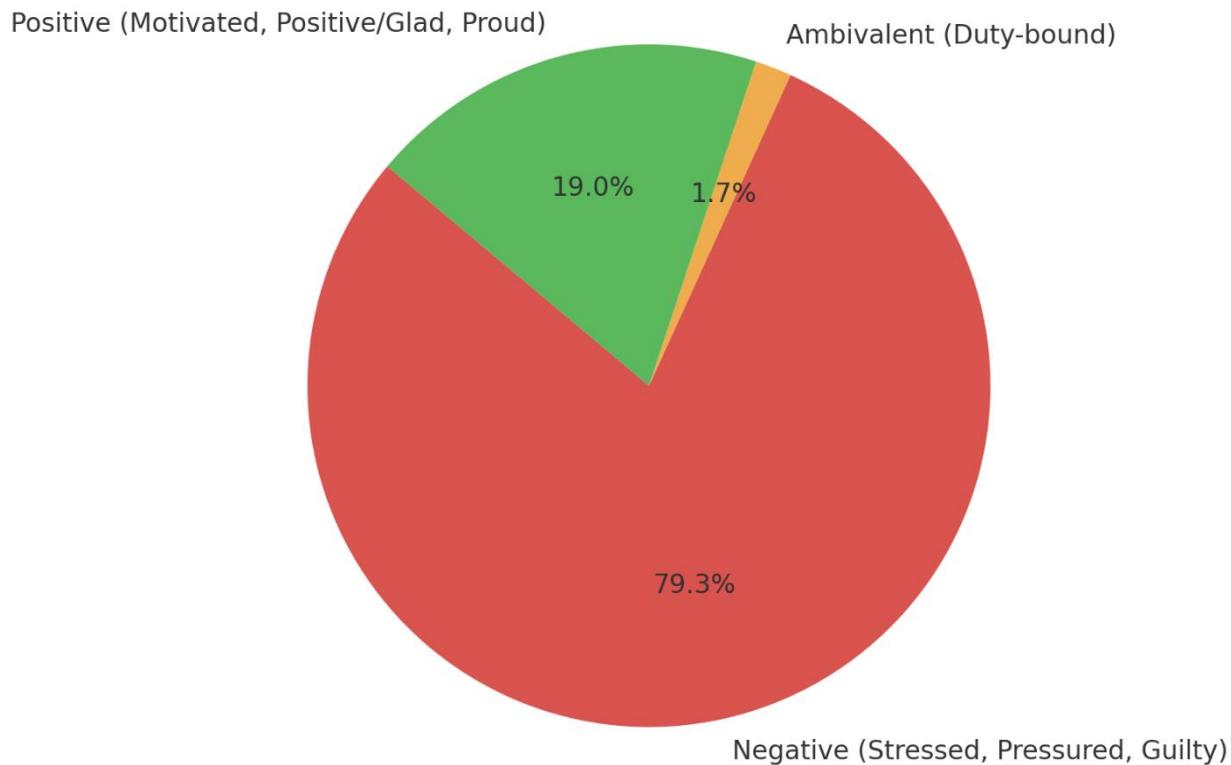
For those who have continued to send remittances despite the high cost of living in Oxford, most are under significant pressure and stress trying to make ends meet. 79.3% of our survey respondents experience negative emotions such as stress, guilt, and pressure, and 1.7% keep sending remittances despite challenges mainly because they feel obliged to do so, sometimes at the expense of their own needs.

Interestingly, despite the challenges, 19% of our respondents report positive feelings towards remittances, such as motivation, pride, positivity, and gladness. We were surprised to discover that many senders are indeed happy and proud of their duty of care, even in the presence of their economic grievances. It is perhaps the unsolved puzzle and the irony of remittances, the intersection of pride and hardship. This is reflected in the wider literature. Although it brings hardship and pressure, “it is clear that many people derived a real sense of meaning and connection from being able to send money: a sense of paying back, or paying forwards, and a strengthening of family feeling” (Lindley et al., 2023). In addition, in a research conducted by Western Union in 2025, immigrants living the UK states that despite the pressures making remittances put on them, nearly three-quarters (71%) of immigrants that the fact that they are able to send money to their friends or family gives their life a sense of purpose and 59% of migrants say that without having moved to the UK they may not have been able to support their friends or family financially at all (Western Union cited by Always Finance News).



Furthermore, in our focus group, we observed that there was a generational divide in the emotional responses related to remittances. While older respondents tend to have more positive attitudes, as we have highlighted above, younger respondents experienced more resentment and negative emotions or were simply ambivalent.

Emotional Tone of Respondents Regarding Sending Money Abroad



In any case, the impact and consequences of cancelling or delaying remittances generally have a significant effect not only on the diaspora-immigrant community in OX4 but also on their relatives abroad. From our survey, 73% of respondents report having had to delay or cancel remittances due to financial difficulties in the UK. These delays or cancellations due to the cost of living crisis both in the UK and abroad resulted in dire consequences such as '*hardships and feeling[powerless]*', '*housing displacement*', '*not able to pay school fees*', '*delayed health bills*', '*family abroad had nothing to eat*', '*emotional distress*', '*lost my mother in law*', '*parents had to get emergency loans*', '*frustration and agitation for alternative*', '*suffering getting treatment, food, medicine and even bills*'.

These consequences are some of the reasons why, despite severe constraints, the diaspora-immigrant community will go to great lengths to transfer these remittances, while relying on community support for their basic needs as a coping strategy, such as OCA's weekly food drive, despite having jobs (with many members holding more than one job). It has been reported that 2 in 5 (40%) migrants living in the UK believe their friends or family would be in poverty if it was not for them sending regular payments back home (Western Union cited by Always Finance).

"I couldn't even delay or cancel the remittance offering my parents and family members because the support is their social support they bank on".

Besides relying on community support and delaying or cancelling remittances as previously mentioned, the community has adopted other strategies to deal with the dual pressures from remittances, such as maximising the money they send abroad. One of these methods is using digital apps for remittances that offer better conversion rates.

"Something that I will also encourage you, even if you don't have more to send...[check] the different apps that are available and check the different rates, to know which one you will use you know, that is also positive."

This was very relevant in the literature as well. For the diaspora, over half of Britons who typically send money abroad have reported a decrease in their disposable income in recent months due to the cost of living crisis (Banfield-Nwachi, 2022). People rely on alternative strategies to keep sending remittances, such as being extremely thrifty, monitoring transfer costs and exchange rates closely, dipping into savings, borrowing money, or seeking help from other family members (Lindley et al., 2023). Our respondents repeatedly spoke of cutting down on luxuries or secondary needs (sometimes more dire needs) to accommodate primary needs back home. For many, sending money home is not perceived as a choice but a necessity.

However, interestingly, although it brings hardship and pressure, "it is clear that many people derived a real sense of meaning and connection from being able to send money: a sense of paying back, or paying forwards, and a strengthening of family feeling" (Lindley et al., 2023). This aligned with our findings, as we were surprised to discover that many senders are indeed happy and

proud of their duty of care, even in the presence of their economic grievances. It is perhaps the unsolved puzzle and the irony of remittances, the intersection of pride and hardship.

Amid these complex economic and financial pressures, diaspora-immigrant communities in OX4 appear to receive limited support from the government. While a small portion of our survey respondents (21.4%) reported receiving assistance, such as Universal Credit or childcare benefits, the majority (78.6%) said they had received no government support at all.

RECOMMENDATIONS

On The NRPF Barrier

For many members of the OX4 community, the ability to send remittances is heavily constrained by structural challenges embedded in the UK system. One major barrier is the No Recourse to Public Funds Policy (**NRPF**), that places an additional burden on households already struggling to make ends meet.

NRPF is a condition applied to individuals who are “subject to immigration control”. This includes those with limited leave to remain, those whose applications are pending appeal, and those without legal status. Individuals under NRPF cannot access most benefits or housing assistance, even if they are employed, paying taxes, and contributing to the UK economy. While exceptions exist, the majority of affected individuals remain excluded from any form of government support (NRPF Network). This exclusion disproportionately affects the financial situation of immigrants. As the Right to Remain project (2025) highlights, the policy has been challenged in court for causing hardship, yet it persists with only minor amendments.

The heavy weight of remittances amplifies the impact of this burden, further highlighting the need to critically examine and reform this framework. Our survey revealed that 79% of respondents have never received financial or social support from the UK government. 7 out of the 9 who reported receiving help mentioned Universal Credit, which is generally accessible only to those without NRPF restrictions, typically permanent residents or citizens. This unveils a critical divide within the OX4 community, representative of the wider diaspora-immigrant communities in the UK. Even though many immigrants contribute equally, if not more, in taxes and labour compared to UK-born citizens or those who have spent enough time to get their citizenship, they are excluded from the same safety nets. When combined with the expectations to remit, this exclusion intensifies economic vulnerability. It fails to recognise the unique added pressure of sending remittances faced by immigrants, an obligation that citizens do not typically bear. Importantly, survey respondents and focus group participants strongly emphasized the



emotional and financial toll of this situation. Several of them highlighted how even basic support during difficult times relative to the rising cost-of-living would be a game changer.

“Any means of support will go a long way”

On Fair Taxation for Survival

Furthermore, one of the most urgent structural issues raised in our conversations is the way secondary employment, especially in the gig economy, is handled within the UK tax system. As gathered from our focus group discussions as inferred above, a coping mechanism has been to take on other jobs in order to continue being able to make remittances back home. This is reflected in the literature as well. It has been reported that over half (53%) of immigrant's state that due to the rising cost of living, they have had to work extra hours or have started another job to continue sending remittance payments and 55% (Western Union cited by Always Finance News). Currently, however, the system does not distinguish between choice-based and survival-based secondary work. While some engage in extra-work to afford the luxuries of life, others taking on additional labor as a means of survival, and in the case of diaspora-immigrant communities, to cover their remittances.

Accordingly, any income stemming from a second job is taxed as surplus, while for many households, it is part of their basic financial survival strategy. According to Crunch (Furber, 2025) and The Low Tax Reform Group (2025), the Personal Allowance threshold - the amount of income a person in the UK can earn each year before they start paying income tax, is set at £12,570. Once it is exceeded, any extra income stemming from secondary employment is taxed from the first pound, often at a flat 20% rate, and sometimes even with additional national insurance contributions.

What is important to keep in mind, however, is that even when immigrant and diaspora workers in the UK earn above the Personal Allowance threshold, a significant portion of their income is not retained for personal use, but instead sent abroad as remittances to support families in home



countries. The current tax system, however, makes no distinction between income used for personal consumption and income redistributed across borders to meet essential needs in other households. In many cases, this means that after tax, living expenses, and remittances, these individuals are left with barely enough to survive, despite appearing to earn a “reasonable” salary on paper.

This reality was clearly illustrated by one of the participants in our focus group from Sudan, as discussed in the key findings. Since the outbreak of the war, she has been sending her entire salary back home to support not only her immediate family, but also friends and neighbours, both within Sudan and in other areas where they have taken refuge. The weight of this financial obligation has forced her and her husband to eliminate all non-essential spending, from holidays and leisure to even basic personal comforts, in order to prioritize the needs of those affected by the crisis. Over the past few months, her husband has been working additional shifts as a delivery driver after his full-time job to try and keep up. Yet, she expressed deep frustration that even this extra work is subject to taxation, describing the experience as both financially and emotionally exhausting. She mentioned that the high taxation makes it feel like none of their sacrifices are yielding any impact: *“If we want to work more, they take more.”*, she said.

Therefore, we recommend that the Personal Allowance threshold be reconsidered or recalibrated for diaspora and immigrant communities to reflect the transnational economic pressures they uniquely face. This could involve the introduction of remittance-sensitive tax credits, exceptional tax relief, or formal recognition of remittance outflows in tax assessments. Doing so would not only alleviate financial burden, but also acknowledge the hidden labour these communities perform in sustaining livelihoods across borders.

On Moving Beyond the Cost of Remittances

As highlighted above in the literature review, policy has been too centered around the cost of sending remittances. In 2009, the UK committed to lowering the global average cost of sending remittances to 5% within five years. While the cost has gradually declined over time, it is still above the original target, standing at 6% as of 2024 (Vargas-Silva et al., 2025). Similarly, the World



Bank's work on remittances is two-fold: reducing remittance costs, and increasing the volume of remittances (World Bank, 2024). Efforts have clearly been concentrated on decreasing the cost of remittances and ensuring that remittance flows continue. While that appears promising, it is an inadequate way of approaching remittance policy, because it fails to address the root of the issue. It ignores the deeper economic hardships that remittance senders experience. Far less attention has been given to what makes these flows possible in the first place, such as immigrants' access to stable employment and economic support during times of crisis (Lindley et al., 2023). Even if they are able to send more money, and send it at a lower cost, their own quality of life often remains unchanged or even hindered. Reducing transfer fees does not yield a significant difference when these communities, especially immigrants, are still navigating immense financial pressure in terms of rising rents, unaffordable bills, and the ongoing burden of high taxes, all while being excluded from public support schemes. While reducing the cost of sending remittances may look like a step forward, it is only one part of the solution. The reality is that senders face a "dual squeeze", dealing with inflation and economic instability in the UK, in addition to economic and geopolitical hardships back home (Banfield-Nwachi, 2022). Any meaningful conversation around remittance policy therefore needs to acknowledge these wider, structural factors.

On Oxford's Housing Paradox

Oxford is globally celebrated as a center of academic excellence, but for many local residents, particularly low-income and racialised communities, the reality is far less prestigious. Despite its reputation, Oxford is the second most unequal city in the UK. While the University contributes to the city's international acclaim, it also spikes housing demand and rental costs, with average house prices now exceeding 17 times the average annual income (Oxford City Council, 2023).

Nationally, this dynamic is compounded by racial inequality. According to the Runnymede Trust, Black and minority ethnic people are 2.5 times more likely to live in poverty than their white counterparts, making them disproportionately vulnerable to housing insecurity (Edmiston et al, 2022).

In Oxford, these inequalities are highly localised and often hidden. In areas like the wedge between Cowley Road and Iffley Road, racialised minority residents report living in overcrowded, poorly maintained housing, often without tenancy contracts or legal protections (Booth, 2023). This is line with the general national trend of ethnic deprivation in housing across the UK as over 57% of Black African communities live in the most deprived areas by household overcrowding (Lloyd et al., 2024). Ironically, these same neighbourhoods also house the university's students and staff, who benefit from the area's amenities, while long-standing residents shoulder the unintended costs of Oxford's global prestige.

While immigrant and diaspora communities are frequently praised for their resilience, they are in fact navigating daily challenges of housing insecurity, poverty, and racialised marginalisation in a city that has long overlooked their specific needs. Our respondents clearly emphasized housing as part of their major economic grievances. The housing crisis in Oxford is not only a matter of supply, it is a matter of inequality, access, and affordability. The sector remains a central site where structural injustice is produced and reproduced.

“House rent sometimes can take 50% of your salary.”

We therefore recommend that Oxford City Council, in collaboration with national and county-level authorities, expand the supply of affordable and social housing, particularly in areas like OX4, and prioritise investment in historically excluded communities, ensuring racial and ethnic inequalities are explicitly addressed.

On Reframing Remittances in Global and Local Development

Importantly, remittances remain marginal within global and local development debates, rarely factored into how states and organisations understand microeconomic realities, poverty indicators, or long-term development strategies.

At times, remittances are framed as a household-level issue, a matter of individual choice or family obligation before being a structural or policy concern. This framing is problematic. It allows home and host governments to absolve themselves of the responsibility to address hardships peculiar to diaspora-immigrant communities, such as the adverse effects of remittance transfers. It places the burden of social protection and economic survival of those in the home countries on diaspora-immigrant communities. The expectation that these communities will serve as long-term development actors filling the gaps left by the system should not be normalised.

As mentioned in the literature review, in terms of policy, remittances only represent a tiny fraction of the economy (Ratha et al., 2024). Because countries like the UK and other European countries do not rely on remittances, there is little political or economic incentive for their policymakers, or the international institutions where they have strong leverage, to prioritize or even fully understand them. In other words, while remittances are critical for survival in developing countries, they are often overlooked or unacknowledged by host governments, where the people sending them face increasing financial pressure and limited recognition.

This oversight is not limited to governments alone. Even well-meaning organisations sometimes fail to adequately address the structural burden of remittances. As Lindley et al. (2023) highlight, NGOs tend to call on diaspora-immigrant communities when addressing development challenges in their home countries. This includes requests to financially support infrastructure developments or feed families, among others. Light is often shed on the hardships back home and how they could provide solutions, but the focus is rarely on the harsh realities faced by these people themselves. While these contributions are good and honorable, they are ultimately not sustainable when the responsibilities placed on the senders exceed their capacity, as can be easily concluded from our findings.

On the UK local and national levels, the report “Thinking globally, acting locally” by the UK Community Foundations presents a compelling case for concrete action to achieve the Sustainable Development Goals (SDGs) (Jackson-Harman, K., & Utley-Williams, D, n.d.). However, the lived realities of remittance senders are not mentioned in the report. In overlooking remittance flows and the structural pressures placed on those who send them, the report misses

a vital connection between local economic hardship and global obligations. This is particularly relevant when addressing poverty (SDG Goal 1), inequality (SDG Goal 10), and decent work (SDG Goal 8), all of which are important parts of the report. In attempting to think globally and act locally, neglecting the weight of remittances is a failure to acknowledge that many local households are already acting globally, through the consistent redistribution of income across borders. Reports such as this one offer a crucial opportunity to broaden our understanding of what constitutes economic vulnerability and what breeds development. As such, integrating remittances into both global and local SDG frameworks would more accurately reflect the transnational nature of development and care. Including this dimension in future work, both at the organizational level of the UK Community Foundation and beyond, would strengthen the inclusivity and relevance of community-led approaches to the 2030 SDG Agenda. Our recommendations are therefore grounded on reframing the approach to remittances not primarily as a people's problem, but as a structural and policy issue that requires greater responsibility and intervention from decision-makers globally, governments nationally and locally, as well as organizations.

CONCLUSION

The findings of this research illustrate that remittances are not only financial transactions but expressions of transnational care embedded in cultural, emotional, and moral frameworks. For diaspora-immigrant communities in OX4, the ability to remit is inextricably linked to both their socio-economic positioning in the UK and their enduring obligations to communities abroad. This dual responsibility places them at the intersection of global inequality and domestic marginalisation.

Despite their critical role in sustaining livelihoods beyond national borders, remittance senders remain structurally disadvantaged within UK public policy frameworks. Policies such as NRPF, regressive treatment of secondary incomes, and the lack of tailored support systems for low-income racialised communities intensify the pressures these individuals face. While institutional actors continue to focus on reducing transaction costs or increasing remittance volumes, little attention is paid to the enabling conditions, or lack thereof, that make these transfers possible.

The report therefore urges policymakers to move beyond a narrow framing of remittances as private or voluntary acts. Instead, it advocates for recognising them as developmentally significant transfers, which impose measurable burdens on senders and require systemic support. Integrating remittance realities into local development strategies, welfare systems, and fiscal policy is essential to fostering equity and resilience in communities like OX4. This shift in approach is not only vital for meeting the Sustainable Development Goals, especially those on No Poverty, Decent Work and Economic Growth, and Reduced Inequalities.

BIBLIOGRAPHY/REFERENCES

Baker, L. (2025). *2 in 5 migrants living in UK say that without being able to send money back home their family would be in poverty.* <https://alwaysfinance.co.uk/2023/07/13/2-in-5-migrants-living-in-uk-say-that-without-being-able-to-send-money-back-home-their-family-would-be-in-poverty/>

Banfield-Nwachi, M. (2022). *'Pulled from both sides': Britons who send money abroad face living costs squeeze.* *The Guardian.* <https://www.theguardian.com/business/2022/dec/26/pulled-from-both-sides-britons-who-send-money-abroad-face-living-costs-squeeze>

Barry, V. and Carter, N. (2023) *Community Research in Oxfordshire – an overview by Healthwatch Oxfordshire* (<https://healthwatchoxfordshire.co.uk/wp-content/uploads/2023/11/Healthwatch-Oxfordshire-community-research.pdf>)

Booty, N. and Chotia, F. (2025) *Sudan war: A simple guide to what is happening.* BBC News. <https://www.bbc.co.uk/news/articles/cjel2nn22z9o>

Booth, R. (2023). *High-end bikes and overcrowded homes: Where poverty hides in Oxford.* *The Guardian.* <https://www.theguardian.com/society/2023/dec/11/high-end-bikes-and-overcrowded-homes-where-poverty-hides-in-oxford>

Booty, N. & Chothia, F. (2021, Updated 2025). *Sudan war: A simple guide to what is happening.* <https://www.bbc.co.uk/news/articles/cjel2nn22z9o#:~:text=Mass%20sexual%20violence%20has%20been,the%20UN%20children's%20agency%2C%20Unicef>

Edmiston, D., Begum, S., & Kataria, M. (2022). *Falling Faster amidst a cost-of-living crisis: Poverty, inequality and ethnicity in the UK* [Briefing]. Runnymede Trust. <https://www.runnymedetrust.org/publications/falling-faster-amidst-a-cost-of-living-crisis-poverty-inequality-and-ethnicity-in-the-uk>

Furber, L. (2025). *Second job tax: How to pay tax on a second job.* Crunch. <https://www.crunch.co.uk/knowledge/article/id-like-a-second-job-what-do-i-need-to-know>

International Organization for Migration UK. (2024). *Working with diaspora communities in the UK to reduce remittance costs.* <https://unitedkingdom.iom.int/news/working-diaspora-communities-uk-reduce-remittance-costs>

Jackson-Harman, K., & Utley-Williams, D. (n.d.). "Thinking globally, acting locally: How community foundations are contributing to the United Nations Sustainable Development Goals." UK Community Foundations. Acknowledgements by R. Hicks & L. Cerguera. Supported by the Charles Stewart Mott Foundation.

Lindley, A., Datta, K., Chase, E., Hammond, L., Fadal, K., Lim, I., Loureiro, G., & Majeed-Hajaj, S. (2023). *Remitting through crisis: Experiences of migrant and diaspora communities in the UK (Connecting During Covid-19 Research Briefing No. 2).* Queen Mary University of London. https://www.qmul.ac.uk/geog/media/geography/docs/332_23-Remittances-Crisis-Report-v3.pdf

Lloyd, et al. (2024) *An ethnic group specific deprivation index for measuring neighbourhood inequalities in England and Wales.* *The Geographical Journal*, 190, e12563. <https://doi.org/10.1111/geoj.12563>

Low Incomes Tax Reform Group. (2025, April 6). *Multiple jobs.* <https://www.litrg.org.uk/working/employment/multiple-jobs>

NRPF Network (2025). *Who has no recourse to public funds?* <https://www.nrpfnetwork.org.uk/information-and-resources/rights-and-entitlements/immigration-status-and-entitlements/who-has-no-recourse-to-public-funds>

Oxford City Council (n.d.). *Thriving Communities Strategy.* <https://www.oxford.gov.uk/people-communities/thriving-communities-strategy/4>

Ratha, D., Chandra, V., Kim, E. J., Mahmood, A., & Plaza, S. (2024). *Remittances slowed in 2023, expected to grow faster in 2024* (Migration and Development Brief; KNOMAD Trust Fund). World Bank Group. <http://documents.worldbank.org/curated/en/099714008132436612>

Ratha, D., Chandra, V., Kim, E. J., Mahmood, A., & Plaza, S. (2022). *Remittances remain resilient but are expected to moderate* (Migration and Development Brief; KNOMAD Trust Fund). World Bank Group. <http://documents.worldbank.org/curated/en/099459112222744253>

Ratha, D., Chandra, V., Kim, E. J., Mahmood, A., & Plaza, S. (2023). *Remittances: Growth continues, but risks remain* (Migration and Development Brief; KNOMAD Trust Fund). World Bank Group. <https://documents1.worldbank.org/curated/en/099755208142498760/pdf/IDU-88f10cd7-ae72-48f1-b63b-6ef304800a43.pdf>

Right to Remain (2025). *No Recourse to Public Funds (NRPF)*. Right to Remain Toolkit. Retrieved July 9, 2025, from <https://righttoremain.org.uk/toolkit/no-recourse-to-public-funds-nrpf/>
 Sabrie, H. and Hamidi, M. (2024). *What we heard about food and the cost-of-living impact on our communities in OX4*. <https://healthwatchoxfordshire.co.uk/wp-content/uploads/2024/07/OX4-food-report-Final-July-2024.pdf>

The Guardian, Banfield-Nwachi, M. (2022). *'Pulled from both sides': Britons who send money abroad face living costs squeeze*. <https://www.theguardian.com/business/2022/dec/26/pulled-from-both-sides-britons-who-send-money-abroad-face-living-costs-squeeze>

Vargas-Silva, C., Klimavičiūtė, L., & Cuibus, M. V. (2025). *Migrant remittances to and from the UK*. The Migration Observatory, University of Oxford. <https://migrationobservatory.ox.ac.uk/resources/briefings/migrant-remittances-to-and-from-the-uk>

World Bank. (2024). *Remittances*. <https://www.worldbank.org/en/topic/migration/brief/remittances-knomad>

ACKNOWLEDGEMENTS

We would like to express our deepest gratitude to Oxford Community Action (OCA) for welcoming us into their ecosystem. This project marked our first introduction to community-based research, and it has been a truly formative experience. OCA's grassroots approach to research and advocacy has not only shaped the way we think about development, but importantly reaffirmed our belief that real impact starts from the ground up.

A heartfelt thank you to OCA's directors, Hassan, Mujahid, and Nigel, whose leadership, passion, and generosity have guided us throughout this journey. To the OX4 community, thank you for your time, trust, and vulnerability, your voices and stories are the heart of this work.

We are incredibly grateful to the Oxford SDG Impact Lab for making this opportunity possible. Both of us joined the Lab with a strong belief in a better, more just world, and this project has been a powerful example of how development can be approached ethically, inclusively and concretely. Special thanks to Aanchal and Ashley for their guidance, encouragement, and thoughtful supervision throughout the process.

This project has been more than just a research experience. It has been a lesson in the power of collaboration in advancing the Sustainable Development Goals.