

Migrant Workers

Another year, another Christmas, another Learning Theme! Yes, whilst you are preparing to party, party, party, we here at SLIM are quietly and soberly preparing for our forthcoming Learning Theme, on the very hot topic of migrant workers.

The issues of migrant workers, immigration, refugees and asylum seekers are inextricably linked in the minds of many, particularly certain quarters of the British press. Prejudice, misinformation and myth surround this issue and mask the realities of these very different groups.

Britain, of course, is a country with a long history of immigration and emigration. A relatively open country, our population reflects successive waves of migration. It is also reasonably clear, if difficult to quantify, that Britain has benefited considerably, as a result of this migration. Yet there is an image, sometimes presented in the press and public debate, of a "flood" of immigrants, taking jobs away from the indigenous population or living on benefits.

As our lead article will highlight, migrant workers make an important contribution to our economy. During 2005, for instance, the Chartered Institute of Personnel and Development reported that 85% of employers had experienced recruitment difficulties, with 38% turning to migrants to fill these vacancies. Many employers predict that this demand for migrant workers will continue. In the longer term of course, an ageing population in the UK, is likely to reinforce this trend.

Yet despite the significant contribution made by migrant workers, they are often victims of exploitation and discrimination by their employers and the wider community. Much of this can be linked to misleading information about migrant workers, their right to work and the contribution they make to economies.

And, just as the need for migrant workers is rising, so is the demand from some quarters to keep them out. However, as Denis Turner, Chief Economist at HSBC pointed out recently, "... the message is simple. If the people are not allowed to come to the work, the work will go to them, with the obvious consequences for growth and living standards".

In this Bulletin we look at the contribution of migrant workers and the challenges that they face. Our Learning Theme supports the work of the South West Enterprise and Skills Alliance (SWESA), which has set up a Task and Finish Group on migrant workers, chaired by Nigel Costely, South West TUC Regional Officer. In our interview, we talk to Nigel about the TUC's work in this field.

This Learning Theme will bring together policy makers and practitioners in the region, to better understand the issue of migrant workers. The Learning Theme will produce up to date research reviews, good practice, online debates and a workshop. Through this you'll be able to share ideas, develop recommendations, and of course indulge in a good dose of networking.

So if you have something to say about migrant workers in the South West then please do take this opportunity to get involved, have your say and hopefully influence policy in the region. All you have to do is complete the attached form and send it back to us. Hope you'll be joining us for what promises to be a stimulating and timely discussion.

**Skills & Learning Intelligence Module
The Marchmont Observatory, University of Exeter,
St. Luke's Campus, Exeter EX1 2LU**

Migrant Workers: Issues for the South West

This article is based on an article by SW TUC, "Migrant Working in the South West", and edited by Chris Evans, Director, SLIM

Introduction

The issue of immigration is high on the public agenda. An opinion poll carried out earlier this year by MORI¹ showed that 23% of the public see immigration and race relations as the most important issue facing Britain today, with 40% listing it as one of the most important issues. Much of the public's concern about immigration seems to be based on an exaggeration of the scale of immigration and a belief that immigrants are a drain on the public purse.

So let's look at migrant workers. How many are there? Where are they from and what contribution do they make?

Recent Government statistics estimate that migrant workers make up around 4% of the UK workforce. This is not a new phenomenon. Many high growth economies around the world rely upon attracting migrant workers. Indeed, more than 200,000 migrant workers, mostly highly skilled professionals, enter the UK every year. Few of these settle in the UK, with only around one in ten of those obtaining work permits each year applying to settle.

It is hard to establish how many intend to stay in the country, or how many are students trying to gain work and language skills during the summer vacations. Those that have been employed via agencies and over which we have little monitoring, are anticipated to stay as they are on long-term contracts, usually with accommodation provided.

Migrants – definition

The terms 'migrant' and 'migrant worker' can be defined in many ways depending on the data source being used. The International Passenger Survey (IPS) defines a migrant as 'a person who has resided abroad for a year or more, and who states on arrival the intention to stay in the UK for a year or more'. There is no one definition for a migrant worker in the Labour Force Survey (LFS), but it identifies migrants in UK households by their nationality or their country of birth.

Migrants are not the same as ethnic minorities. The majority of migrants are white, and the majority of ethnic minorities are not migrants as they were born in the UK.

Migration to the UK has recently increased. This rise appears to be largely driven by economic forces, and is occurring across all categories of migrants, from people entering with work permits to asylum seekers. It reflects a number of factors:

- the current strength of the UK labour market
- economic globalisation
- increasing economic integration and labour mobility within the EU
- increased political instability around the world.

Most official government reports have concluded that, over the medium to longer term, migration pressures will intensify across Europe as a whole as a result of demographic changes.

Where are they located?

Migrant workers are most likely to be located in urban areas and where they have contact with established communities. The current migrant population mainly lives in London and the South East. But this picture is changing and rural areas and small towns, especially where there is low unemployment, are seeing a growth in migrant labour. The South West migrant population is relatively small, but as the regional economy grows and develops, employers will need to attract workers from around the world. These workers fall into a number of categories including the following:

- Seasonal agricultural workers
- Student workers (tourism and hospitality)
- Skilled workers in the public sector (teachers, health workers, etc.)
- Skilled workers in the private sector (IT specialists etc.)
- General labour (food and drink, construction, agriculture, etc.)
- Undocumented workers (food and drink, agriculture, hospitality, sex trade)

What employers say about migrant workers

A recent report by CIPD² showed that:

- A quarter of employers intend to hire migrant workers this winter. Public sector employers (26%) are those most likely to recruit migrants.
- EU accession countries such as Poland have become a more popular source of migrant labour than the old European Union, commonwealth countries and the rest of the world. This represents a shift when compared with corresponding figures from last year.
- 13% of employers expect to target vacancies at migrants in the coming year. Only a minority of employers (8%) have been deterred from hiring migrants because of concern about issues of security.
- Few employers hire migrant workers mainly to lower wage costs. However, this objective is almost five times more important for employers hiring less skilled (9%) than skilled (2%) migrants.
- Almost 2 in 5 employers (39%) expect the Government's proposed new points system for managing migration to be a 'bureaucratic barrier to actively recruiting migrant workers'.
- Employers generally rate migrant workers more highly than long-term benefit claimants.

Measuring the migrant worker population in the South West

Jobcentre Plus is able to review the developments of the migrant workforce within the South West by the applications it receives for National Insurance numbers. Before a migrant worker can start employment they must be allocated a National Insurance Number (NINO). Jobcentre Plus conducts this work across the region at specialist sites. Although not all allocations are for work purposes, those that are for non-work reasons are very few and would not affect analysis of the figures.

The South West has seen a significant increase in the level of its migrant workforce compared to the same period in the previous year. This trend is consistent across the region. The only exception to this is Wiltshire, which has shown a decline recently in its allocations compared to last year. The other notable feature of this exercise is that Gloucestershire where, although recording increased numbers, they are considerably lower than those experienced elsewhere in the Region. The next Learning Theme Briefing will cover this in some detail.

Where do migrant workers come from?

There is a wide diversity of migrant workers, with over 200 nationalities represented amongst this population. The largest migrant population is from Europe with the largest proportion of these from the EU. After this are migrants from Asia and the Middle East, followed by Africa, the Americas and Australia.

EU Accession

May 1st 2004 saw the accession of eight new member countries to the European Union: Poland, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia and Slovenia. This was perceived to be a key point in the expansion of the migrant workforce entering the United Kingdom. Migrants from the new Accession Countries are strictly controlled and are in small numbers. They need to register following media scare stories about a large influx of benefit scroungers. All workers registering receive a guide in their language, written by the TUC, advising them of their rights and how to join a trade union.

The Worker Registration Scheme figures show that:

- Just over 24,000 applicants applied to register in May and June;
- Just over 8,000 applicants to the scheme have arrived in the UK since 1 May; at least 14,400 were here before 1 May, choosing to work legally and contribute to the economy, and not exploiting the benefits system;
- Since 1 May, we estimate registered workers are contributing over £4 million a week to UK GDP and paying over £0.5 million a week in tax and National Insurance.

There is no evidence that accession workers are exploiting the benefits system or are a drain on social housing. Nearly all (94%) of those who have registered so far have no dependants. Negligible numbers (around 240) have attempted to claim out of work benefits, and all but 6 of these have been refused immediately. 102 applications for homelessness assistance have been made - of which only 21 were successful - and all of the recipients were in the UK before 1 May. 190 claims by accession state nationals for child benefit have been approved since 1 May - out of a total of seven million people receiving child benefit nationwide.

Poland accounts for 57.5% of the total migrant workers coming to the South West from these countries since accession. This is also a very young group of people. The age range 18-34 makes up 88% of the total incoming workforce.

Skill and income levels of migrant workers

It is important also to emphasise that when we talk of migrant workers we are not talking about a homogenous group.

One area where polarisation exists is in education and skill levels³. Amongst the migrant worker population proportionately, there are both more highly educated people, and more relatively unskilled. To some extent, this reflects the functioning of the immigration system. Migrants are more likely to be highly qualified, with 19% of working age people holding degrees, compared to 15% among the UK-born population. However, a greater proportion among the migrants also have no qualifications (19% compared to 16%), while fewer among the migrants also have intermediate levels of qualifications such as GCSEs or A levels. Notably, a much greater proportion among migrants have other qualifications (32% compared to 12% among the UK-born).

This polarisation between high and low-skilled migration also appears to be a general European-wide phenomenon, suggesting that it reflects general economic and market trends more than country-specific policies.

Migrant workers are also concentrated at both the top and the bottom of the income distribution. Here, education and English language fluency are key determinants of labour market success, and interact in complex ways.⁴

Fiscal contribution of migrants

Analysis undertaken by the Institute of Public Policy Research⁵ suggests that the contribution of immigrants to public finances is growing and is likely to continue to grow in the near future. The study found that far from being a drain on the public purse, immigrants actually contribute more than their share fiscally. It may also suggest that many recent immigrants (especially those arriving on the various labour migration programmes and from the new members of the EU) are making relatively large contributions to the public purse.

For instance, in 1999-2000, immigrants accounted for 8.8% of government tax receipts (and 8.4% of government spending). By 2003-04, immigrants accounted for 10.0% of government tax receipts (and 9.1% of government spending). This analysis suggests that the relative net fiscal contribution of immigrants is stronger than that of the UK-born, and has been getting even stronger in recent years.

Migrants have little overall effect on domestic wages or employment⁶. That is because migrant workers tend to be concentrated in employment sectors where there are unfilled vacancies.

Research has shown that migrants might help to raise output by expanding the supply of labour and by filling recruitment difficulties. Whether migrants compete with the existing population for the same jobs depends partly on the existence and scale of any recruitment difficulties, and partly on whether migrants bring skills that complement those of the existing workforce rather than acting as substitutes. A combination of skill shortages and a complementary skills mix can enable sectors to expand and make more efficient use of assets.

At the higher skilled end, migrants play a particularly important role in certain specific professions, accounting for 27% of health professionals and 9% of teaching professionals in 2000.

The key determinant of migrant impacts is the degree of flexibility in the UK economy. Migrants can indirectly generate economic activity elsewhere (through knock-on effects), create jobs by employing people, and also help to develop new sectors and new ideas, resulting in some restructuring of the economy.

Treatment of Migrants

But just as migrant workers contribute to the economy, they cannot always expect to enjoy good conditions of employment. The Citizens Advice Bureaux recently produced a report called "Nowhere to Turn"⁷ which listed common themes that apply to migrant workers:

- Misleading recruitment of workers in their own country, with false promises of good pay, conditions and housing
- A reality of extremely long hours, low gross rates of pay and poor accommodation
- Excessive deductions from pay in respect of accommodation, transport, and utilities
- Failure to provide a contract of employment and/or proper pay slips
- Denial of basic employment rights, such as paid holiday, maternity leave and pay, Statutory Sick Pay, etc.
- Confusion over who is actually the employer
- Frequent failure to ensure the work has a National Insurance Number, with the apparent non-payment - by the employer - of tax and National Insurance contributions
- Summary dismissal and immediate eviction from any associated accommodation of workers who assert their legal rights or otherwise 'rock the boat'.

The changing nature of client problems

Another recent report by CAB which looked at migrant workers in rural areas⁸ shows that the migrant worker population has not only increased numerically in recent years but the nature of the issues being brought to Citizens Advice Bureaux is also changing. In some areas, changing recruitment strategies by employment agencies, gangmasters and employers introduce new migrant labour with different languages, cultures and family structures.

The impact of EU enlargement in May 2004 and evolving immigration rules and procedures are identified by some bureaux as a further challenge. Approximately 58% of bureaux identified immigration as one of the key issues on which migrant workers seek advice.

In that context, it is worth noting that whilst employment issues remain a major concern for migrant workers, problems surrounding housing, benefits and immigration are identified by bureaux as being equally prevalent on the list of issues referred for advice.

Recruiting Migrant workers

Most migrant workers are recruited and employed by agencies. As such they can be paid less and treated less well than the existing workers who are employed by the company where they are working. As they are different employers, the race discrimination or equal pay legislation does not apply in the usual way.

The TUC has been pressing for changes in law concerning agency workers so that they have to be treated equally to the 'employed' staff. The Government has agreed to accommodate this within the European Directive on Agency Workers.

Parliament recently passed a new law requiring the licensing and registration of all gangmasters. The Gangmasters Licensing Act (2004), will mean the beginning of the end of exploitation for at least 60,000 workers in the UK who are paid below poverty wages, forced to pay charges for accommodation and can even be made to pay for basic safety equipment.

The Gangmasters Licensing Act (2004) will make it an offence to operate as a gangmaster without a licence, and the Act creates a new regulatory body tasked with enforcing the new law. The Act applies to the whole of the UK and covers agricultural and horticultural work, shellfish gathering and the processing or packaging of any products derived from these industries. It

extends the full protection of the law, including minimum wage and health and safety legislation, to any individual worker undertaking work to which its provisions apply. It is estimated that at least 3,000 gangmasters operate in these sectors.

EURES

EURES is a European wide network of advisers who help employers and individuals find work in other European countries to their own. The EURES adviser for the South West is Helen Giles. EURES organise recruitment events such as the very successful jobs fair held in Łódź, Poland, in April, to which UK EURES advisers took over 30 employers, although not from the South West. To date, over 700 employees have been recruited from this, both at the time, and also subsequently once links were established. There is to be a smaller event in Katowice, in September, another in Warsaw in October, to both of which EURES advisers will take employers. Similar events will be held in Hamburg in September and there are also events in Norway and Sweden. The willingness of employers to take part in these (normally at their own cost), and the number of approaches made to EURES advisers, shows the high level of interest in recruiting staff from outside the country.

Key Issues

Employer Support

There is no doubt that the South West economy needs migrant workers for their specialist skills and to solve acute recruitment problems. Employers need access to advice on legitimate ways to recruit workers from overseas. Advice is required on how to engage migrant workers to ensure they have their employment rights guaranteed, as well as adequate accommodation. Employers may require assistance with language training for both migrant and existing workforce. There may also be issues raised over the recognition of qualifications.

Partners in the region will need to work together to deliver on the above and to provide advice and support to employers.

Recruitment Agencies

Legitimate recruitment agencies do not want to be undermined by the bad practices of others. There are minimum standards that should be applied. Partners should consider ways to support a regional network of recruitment agencies involved in migrant workers.

Migrant Support

There is a clear need to tackle the exploitation and abuse of migrant workers. They are vulnerable because they fear dismissal, eviction and deportation, even in circumstances where this would be unlawful. They lack access to advice and representation.

Partners need to consider how to provide advice and support to migrant workers.

Skills

Many migrants are already skilled workers. They may require additional language skills. Sometimes their qualifications are not recognized in the UK and they need additional training and accreditation to gain UK qualifications. They may require UK specific training, such as on regulations for drivers or health and safety. It will be important to consider what gaps there are in training provision for migrant workers and to consider the promotion of a network of ESOL providers aimed at migrant workers.

For a copy of the full TUC report see:

www.swslim.org.uk/downloads/sl2289.doc

Abstracts/Reports on Migrant workers

Mapping of ethnic minority communities in England South West Region

Sport Structures Ltd (September 2005)

www.cre.gov.uk/downloads/

[Sport_Structures_mapping_southwest.pdf](http://www.cre.gov.uk/downloads/Sport_Structures_mapping_southwest.pdf)

This paper is the output of a project identifying the nature of ethnic minority populations within England through national census demographics (2001) and secondary research documents. Data has been geographically mapped by regional breakdown and by standard ethnic minority categories.

Identification of migrant, refugee and asylum seeker communities within England

Sport Structures Ltd (September 2005)

www.cre.gov.uk/downloads/Sport_Structures_identification.pdf

This document is the output from a project seeking to identify specific pockets of migrant, refugee and asylum seeker communities within England to offer a broad range of options for the Management Board to make effective decisions. The paper is intended to be compared and contrasted with the data collected in the "Mapping of Ethnic Minority Communities in England" research.

Paying their way - the fiscal contribution of immigrants in the UK

Institute for Public Policy Research (April 2005)

www.swslim.org.uk/downloads/sl2265.pdf

This paper seeks to fill a gap in the public understanding of the actual impact of immigration on public finances, by estimating the scale of, and changes in, the contributions made by immigrants to government revenue and expenditure. As well as addressing public concerns, work to calculate the fiscal impact of immigration is needed to generate the evidence upon which policy makers can devise better migration policies. Understanding the fiscal impact of migration is also part of the wider challenge of understanding the dynamics of migration.

Nowhere to turn - CAB evidence on the exploitation of migrant workers

February 2005

Citizens Advice Bureau

www.citizensadvice.org.uk/winnn6/nowhere-to-turn

This report sets out the evidence from the advice work of Citizens Advice Bureaux (CABx) relating to employers' exploitation of migrant workers. Includes evidence in relation to the apparent exploitation of migrant workers – both legal and illegal – in the care home, cleaning, hospitality, agriculture and food processing sectors - submitted to the CAB since Jan 2003

Forced Labour and Migration to the UK

TUC (February 2005)

www.tuc.org.uk/h_and_s/tuc-9361-f0.cfm#u2

This study examines the extent to which coercive practices of recruitment and employment (encapsulated by the term forced labour) are being used to exercise control over migrant workers and also to derive unfair advantage from their labour exploitation. It also examines how a focus on forced labour can lead to improved law enforcement against offenders, and also better protection of the victims against abusive treatment.

Further resources can be found in the Resources section of the Learning Theme on SLIM's website at

www.swslim.org.uk/themes/resources-details.asp?theme_ID=21

¹ MORI (2005) MORI Political Monitor February: Topline Results MORI, www.mori.com/polls/2005/mpm050221.shtml

² CIPD's Quarterly Labour Market Outlook, Nov 16th 2005

³ From research studies by R Haque, DWP; C Dustmann, F Fabbri, I Preston and J Wadsworth, University College, London; M Shields and S Wheatley Price, University of Leicester, Summary document compiled by Jeremy Kempton, Home Office. *Migrants in the UK: their characteristics and labour market outcomes and impacts*. December 2002

⁴ S Glover, C Gott, A Loizillon, J Portes, R Price, S Spencer, V Srinivasan and C Willis, *Migration: an economic and social analysis*, Home Office. RDS Occasional Paper no 67. 2001

⁵ D Sriskandarajah, L Cooley and H Reed, *Paying their way: The fiscal contribution of immigrants in the UK*, IPPR, April 2005

⁶ S Glover, C Gott, A Loizillon, J Portes, R Price, S Spencer, V Srinivasan and C Willis, *Migration: an economic and social analysis*,

⁷ *Nowhere to Turn*, CAB, Feb 2004

⁸ *Supporting Migrant Workers in Rural Areas*, CAB, Sept 2005

Interview ...

Here we talk to Nigel Costley, SW TUC Regional Secretary and member of the SWESA Board.

1. Hello Nigel, could you first tell us a little about yourself and your background?

I started as an apprentice compositor in the printing trade. A revolution was sweeping through the industry and I soon learnt how important it was to have the support of the union. At just 24 I was elected a full-time union officer, a job I did for 15 years before gaining the position of South Regional Secretary of the TUC. Re-training was vital for me and I have sought to champion the role of unions in giving workers new life chances through learning opportunities. Having left school at 16, I took up many courses leading to a Master of Science degree in Training and Human Resource Management.

2. What is the TUC's interest in the topic of Migrant Workers?

Trade unions seek to represent and protect all workers, especially those being exploited and ripped-off. The South West economy needs to attract a variety of skills from around the world, to fill gaps and do jobs that locals don't want to do. This does not lessen our resolve to raise pay and conditions in the low paid sectors of the labour market.

But the experience of the South West for many international workers is not a good one. They find that the promises made when they applied for work are soon broken. The low wages are cut by a series of unfair deductions, hours are long, rights are denied.

3. Is the position of migrant workers different within the South West Region to the rest of the UK?

Most migrants come to London. The South West has a much lower proportion than other regions but the picture is different from the past. Previous immigration tended to concentrate in our cities, brought to support our health service, textile trade and transport system. Now, foreign workers are recruited into the tourism, care, construction, food and drink sectors that are key employers in rural communities as well as urban ones.

Most of the South West is 99% white British so for many the issues raised at work because of language barriers, cultural differences and the problems of regulations are new. We need to raise awareness amongst the local workforce. That includes managers, union reps and advice workers.

Accommodation is expensive for all low paid workers but it is even harder to find if you are working here from abroad. Migrants are being housed in some terrible conditions, often hidden in overcrowded caravans and poor quality accommodation.

4. The TUC have recently carried out research into this topic. What, in your opinion, were the key findings and did your work help to lay any myths to rest?



International research has proved that migrants give more than they take to an economy. They tend to be young adults, already well educated but a long way from retirement. So they contribute in taxes but draw little in services and benefits. According to official figures just 43 claims for benefits were made by the new Eastern European migrants last year. It is calculated that without migration our taxes would have to rise by at least 1p in the £.

5. Do we have enough information and data on Migrant Workers in the region? If no, what should we be collating?

Measuring population movements is always difficult. Parts of the South West see their population double in the summer months due to the influx of tourists, many from abroad. Some workers come to harvest our crops. Others are here to study or to do highly specialist jobs. The current influx of migrants is mostly employed by agencies that constantly move workers around. Many don't stay long when they realise that the promises made to them are false. So measuring entrants to the country only gives a very limited picture. We need a clearer idea of the scale of migration so we can provide services such as English courses, advice facilities and the like. This means combining a range of evidence from National Insurance applications to local council and health information.

6. What do you feel we could be doing, as a region, to support Migrant Workers and their communities? How could we raise awareness among a wide audience of the importance of migrant workers to the health of the economy?

We need to help employers recruit and treat migrant workers fairly. We need to promote the good recruitment agencies so that they are not undermined by the bad ones. We need to ensure that migrant workers can get independent advice about their rights and responsibilities. We need to provide easier access to English courses and help workers transfer qualifications so that their valuable skills can be used here.

7. This seems to be a field where activities tend to be short-term funded. Is this also your understanding and is this a problem?

Support for a properly managed, fair migration system is important to almost all public bodies and support agencies. It is primarily driven by economic factors and our response should be led by the Regional Development Agency.

Register your interest here:

Please use this form to indicate how you would like to participate in the **SLIM Learning Theme** -

Migrant Workers

The form can be returned to SLIM by fax or post.

Workshop details

Dillington House, Ilminster,
Wednesday 22 February 2006
10am - 4pm
(lunch included)

Please Note

There is a charge of £50 per person for those attending the workshop. The research brief, report and on-line discussions are all free of charge.

We will invoice in advance for those registering to attend the Workshop.

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