Migrant Workers in the South East Regional Economy

Final Report

July 2008

Anne E. Green, David Owen and Paul Jones

Institute for Employment Research, University of Warwick

with

Chris Owen, Jayne Francis and Richard Proud

BMG Research

ISBN: 978-0-9560025-0-1

Contents

Acknowledgements

This report presents the main findings of a research project on migrant workers and their impact on the regional economy and labour market. It is designed to be read as a stand alone document, although it draws on more detailed data analyses and a Technical Report (to which readers are referred for supporting information).

The project was conducted by the Institute for Employment Research (IER) at the University of Warwick and BMG Research. The work was commissioned and managed by a partnership involving the South East England Development Agency (SEEDA), the South East England Regional Assembly, the Government Office for the South East (GOSE), the South East Learning and Skills Council (LSC) and the South East Economic Partnerships.

The authors are grateful to members of the Steering Group who provided input and comments at various stages of the project:

- Sajid Butt - formerly Economic Inclusion Research Manager (SEEDA)
- Claire Hann - Skills and Labour Market Economist (SEEDA)
- Ivan Perkovic - Head of Economic Research (SEEDA)
- Barbara Hammond - Strategy Director (SEEDA)
- Claire Hamilton - Policy Advisor (South East England Regional Assembly)
- Nick Woolfenden - Head of Policy (South East England Regional Assembly)
- Tony Daniels – Head of Regional Intelligence (GOSE)
- Jan Jackson - Research Adviser (SE LSC)
- Alastair Reid - Economic Support Manager (South East Economic Partnerships)

Glossary

A2	'Accession 2' countries which entered the EU in January 2007 - Bulgaria and Romania
A8	'Accession 8' – the central and eastern European countries which joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia
APS	Annual Population Survey
DCLG	Department for Communities and Local Government
DEFRA	Department for Environment, Food and Rural Affairs
DIUS	Department for Innovation, Universities and Skills
DWP	Department for Work and Pensions
(employment) displacement	Defined here as a situation where the employment trend for migrant workers is positive and the employment trend for UK nationals is negative
EAL	English as an Additional Language
EEA	European Economic Area
ESOL	English for Speakers of Other Languages
EU	European Union
EU15	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Sweden, Spain, United Kingdom
FE	Further Education
FoI	Freedom of Information
GOSE	Government Office for the South East
GP	General Practitioner
GVA	Gross Value Added
HMRC	HM Revenue and Customs
HTF	Hard-to-fill (used in relation to vacancies)
ID	Identity
ILO	International Labour Organisation
ILR	The Individualised Learner Record is a collection of data detailing the characteristics of learners and the courses they are undertaking
IPS	International Passenger Survey
IT	Information Technology
LFS	Labour Force Survey
LSC	Learning and Skills Council
MAC	Migration Advisory Committee - with a membership of independent experts, its role is to advise Ministers on where migration might sensibly fill gaps in the labour market
MD	Migrant Dense
MD industries	Industries where migrant workers have a greater propensity to be employed than their UK national counterparts
MD occupations	Occupations where migrant workers have a greater propensity to be employed than their UK-national counterparts

MIF	Migration Impacts Forum - its role is to provide information on the wider impacts of migration on local communities and how best to ensure public services can respond and community cohesion be safeguarded
MYE	ONS Mid Year (30^{th} June each year) Estimates of the population of local authority districts and regions
NARIC	National Academic Recognition Information Centre
NESS	National Employer Skills Survey
Net migration	Excess of in-migrants over out-migrants
New Commonwealth	Commonwealth countries other than those in the 'Old Commonwealth' (including the Caribbean, India and Pakistan, Hong Kong and many countries in Africa south of the Sahara)
NINo	National Insurance number
NIRS	National Insurance Recording System
NMW	National Minimum Wage
Nomis	National On-line Manpower Information System
Old Commonwealth	Canada, Australia, New Zealand
ONS	Office for National Statistics
PBS	Points-Based System
RES	Regional Economic Strategy
RES geography 'economic contours'	Defined for the Regional Economic Strategy: - the Inner South East - the Rural South East - the Coastal South East
SAWS	Seasonal Agricultural Workers Scheme
SBS	Sector Based Scheme
SEEDA	South East England Development Agency
SIC	Standard Industrial Classification
SOC	Standard Occupational Classification
TIM	Total International Migration
TUC	Trades Union Congress
UN	United Nations
WRS	Worker Registration Scheme

Summary

Introduction *(Chapter 1)*

This report is concerned with the impact of economic migration to South East England from the central and eastern European Member States of the European Union (EU), although analysis in some parts of the report relates to a broader group of migrants. It is intended to contribute to improving the evidence base on migration, providing a balanced regional perspective to complement existing local migration studies.

Objectives

The objectives for the research were:

- To provide SEEDA and its partners with a detailed and robust profile of the migrant worker population in the South East.
- To provide a snapshot of migrant worker flows to the South East.
- To assess the impact of migrant worker activities on labour markets in the South East and on the regional economy.
- To assess the range of skills that migrant workers bring to the South East region.
- To highlight key issues and help develop an understanding of the social impacts of economic migration and associated service provision issues in the South East. Whilst there are some roles for regional partners, we recognise that these issues are often best addressed at the local level.

Methodology

The study involved:

- A *review of existing studies* on international labour migration to the UK.
  An *analysis of available secondary data sources* on migration.
- *Primary data collection* focusing on migrants from the Accession 8' (A8) countries (Poland, Slovakia, the Czech Republic, Slovenia, Hungary, Latvia, Lithuania and Estonia) and the 'Accession 2' (A2) countries (Bulgaria and Romania). This involved:
  - A quantitative survey of 726 migrant workers conducted in seven local areas across the region in early 2008.
  - Focus groups with migrant workers.
  - A telephone survey of 70 employers.
  - A qualitative survey of 53 representatives of third party organisations.
  - Two policy workshop sessions involving a wide range of partners – to inform and help shape the final drafting of the report.

Though the resources available for this work meant that it was not possible to undertake a fully comprehensive survey, the findings obtained are consistent with other recent research, leading us to conclude that the survey findings are broadly representative of the A8 and A2 migrant worker population in the region.

Implications for 'adaptive capacity'

The report is unified by the cross-cutting theme of 'adaptive capacity'. The term 'adaptive capacity' refers to the capacity of the region's economy, labour market, institutions, communities and service providers to build their capability to adapt positively to a range of important economic, demographic, social, technological and environmental factors impacting on the region. It is about being receptive to change and the opportunities and challenges that change brings. The greater the ability to deal positively with change, the more likely it is that regional competitiveness and well-being will be maintained or enhanced.

Migration Trends *(Chapter 2)*

The first stage of the project involved a review of other recent studies of international migration and analysis of official statistics and administrative data on international migration, in order to place the findings of the survey into the wider context. These quantitative data sources have the advantage of comprehensive spatial coverage and availability over successive time periods.

Some of the key findings of this part of the project were as follows:

Key features of migration flows and of migrant workers

- International migration to the region is not a new phenomenon but the substantial inflow of migrants from A8 countries since 2004 has been the key feature of recent population change in the South East. There have been similar inflows in other parts of the UK. However, migration flows from other parts of the world remain an important component of overall migration flows. In the South East (as in London) flows from countries outside central and eastern Europe account for a greater share of overall migration flows than the UK average. Likewise, within the region, migration flows from other parts of the world comprise a larger share of total migration flows in the Inner South East (i.e. those closest to London) than in Rural and Coastal areas.
- All parts of the region have seen an increase in migrant workers over recent years. The speed and scale of increase varies across local areas. Poles are by far the largest group amongst migrant workers from central and eastern Europe. However, the representation of different national groups varies between local areas. Migrant workers are drawn overwhelmingly from the younger working age groups. Most have not brought dependants to the UK.

Challenges in generating migration estimates

- There is no single data source that provides comprehensive information on migration at national, regional and local levels. In particular, there is a lack of information on people leaving the UK. Inadequacies in data sources have been recognised by Government as a key barrier in generating population counts and estimates of migration. Lack of comprehensive data makes service and policy planning difficult.

Understanding the motivations and intentions of migrant workers and dealing with uncertainty

- Economic motivations are the dominant reasons for migration amongst migrant workers from A8 and A2 countries. Social and cultural factors are also influential in the migration decisions of some individuals, but generally are of secondary importance. Looking ahead it is important to enhance understanding of the drivers of migration and the motivations and aspirations of migrant workers in order to help inform workforce, service and policy planning.
- There is considerable uncertainty amongst A8 and A2 migrant workers surrounding their intentions about length of stay in the UK, although there is a tendency for migrant workers to stay for longer than they originally intended. This uncertainty poses challenges for adaptive capacity because it affects the ability of service providers to plan appropriately for the future. At the same time such uncertainty increases the importance of employers, service providers and institutions in the region enhancing their capability to cope with a range of alternative possible futures. Investing in the indigenous workforce is one way to make them less vulnerable to change.

The labour market *(Chapter 3)*

This section focuses primarily on the labour market impacts of migrant workers and the employment conditions and experiences of A8 and A2 migrants.

Recruitment channels and the employment profile of migrant workers

- The overwhelming majority of A8 and A2 migrants surveyed were in employment. A smaller percentage was working before moving to the UK. For many, working in the UK was their first experience of employment.
- Agencies play a key role in helping migrant workers find their first job when they come to the UK, though employers use a range of channels to recruit migrant workers. Social networks of friends and family also have an important role to play in helping migrants to obtain work.
- Migrant workers are not evenly distributed across sectors and occupations. Statistical analysis shows that over time the concentration of migrant workers in sectors and occupations which display high proportions of migrant workers (i.e. which may be characterised as ‘migrant dense’) has increased. Sectors with a relatively high concentration of migrant workers relative to UK-born workers include manufacturing, hotels & restaurants and health & social work. Occupationally, migrant workers are concentrated in lower skilled occupations – notably in elementary occupations. This may be explained (at least in part) by the fact that these jobs are often hard-to-fill, and because barriers to entry are lower than in many other occupations. These ‘migrant dense’ sectors and occupations are likely to be particularly vulnerable to any future reduction in the number of migrant workers.

Migrant workers' experience of employment

- Some migrants work in jobs below their skills levels. A key reason for this is their lack of proficiency in the English language. This highlights a need to explore options for how the provision of English language training could be improved.
- While some A8 and A2 migrant workers indicated that they were keen to maximise their hours of work for financial gains, it is also the case that migrant workers are potentially vulnerable to exploitation (e.g. being expected to work for very long hours for low pay).
- On the other hand, A8 and A2 migrant workers expressed high levels of satisfaction with their jobs at the time of interview. It is possible that on reflection the current perceptions may change in the light of other experiences.

Employers' attitudes to migrant workers … and implications for indigenous workers

- Employers do not necessarily seek to employ migrant workers as opposed to indigenous workers. However, they cite a range of attributes such as enthusiasm, punctuality and a willingness to work hard as positive features of employing migrant workers.
- A ready supply of migrant workers willing to fill available jobs can mean that there is no impetus for employers to change current working practices.
- The experience of migrant workers in the UK labour market suggests that lower skilled indigenous workers who are currently not in employment would be likely to benefit from development of employability and soft skills. They would also gain from more positive employer perceptions of the potential benefits of recruitment from amongst those people who are not in employment currently. However, the financial incentives to work in a low paid job in a high cost region, such as the South East, are less attractive to the indigenous population than to many migrant workers who are likely to compare wages available in the UK to those that they could obtain in their country of origin.

Economic Impact *(Chapter 4)*

It is possible for migration to have positive economic impacts, including the mitigation of labour and skills shortages, boosting employment, output and productivity growth and increasing demand for goods and services. However, it is also possible for it to have negative impacts, such as a reduction in the employment rate, increased unemployment and economic inactivity amongst the existing population, and depression of prevailing wage rates. Previous studies have not demonstrated statistically significant negative economic impacts of economic migration. Using data relating to migrant workers from all parts of the world this study found that:

Migrant workers have a positive impact on economic outputs

- Generally, migrant workers are addressing labour and skill shortages, and so have a positive economic impact.
- Employers in the South East Migrant Worker Employer Survey (covering migrants from all parts of the world) were overwhelmingly positive about the impact of migrant workers on their overall business performance.

- Migrant workers have made an important and growing contribution to regional economic output over the period covered in analyses from 2002 to 2007.
- Hence, a possible downturn in flows of migrant workers could lead to labour and skill shortages in some sectors and occupations.

Impacts on UK-born workers

- There are clear trends at regional level for either decreases or slower growth in employment for UK-born workers than for migrant workers in most migrant dense sectors and occupations.
- Statistical analyses and insights from employers and third party interviewees suggest that the 'displacement' of UK-born workers by migrant workers in such sectors and occupations occurs predominantly through processes of natural turnover in the workforce (i.e. movements between jobs and in and out of employment).
- There is no statistically significant evidence of an 'unemployment penalty' for UK-born workers associated with increased employment amongst migrant workers. Nor is there any statistically significant evidence for unemployment rates to have increased at local level due to an increase in migrant workers.
- There is no clear statistical evidence that growth in migrant employment has been associated with a suppression of earnings. However, some stakeholders felt that migrant workers were contributing to maintenance of low wage levels in some sectors and occupations.
- Concerns remain amongst some third party interviewees about actual or potential negative impacts amongst those elements of the UK-born population (and the migrant worker population) who are in the most vulnerable positions within, or at the margins of, the labour market.

Implications for regional economic development

- Some employers might be tempted to rely on migrant workers to address labour and skill shortages. They may achieve individual business gains from such a strategy in the short term. But such a strategy may not be in the interests of the regional economy. In the longer-term at the level of the regional economy, it may be more advantageous to ensure ongoing investment in alternative strategic options – such as investing in development of the existing workforce, reforming labour processes or substituting capital for labour.

Skills and training *(Chapter 5)*

Migrant workers provide a key source of labour for the economy, helping meet the demand for labour resulting from economic growth, sectoral and occupational mobility and the retirement of existing workers. To ensure it is not to the detriment of other groups, the skills development and training needs of migrant workers must be considered alongside those of the indigenous population.

The importance of proficiency in English

- English language skills are fundamental to advancement in the labour market and integration into society. Those migrant workers with weak English language skills are most vulnerable to exploitation. This is because they may lack understanding of their rights, while their poor English language skills may confine them to the most unattractive jobs.
- While employers perceive English language skills to be very important when recruiting migrant workers, two-thirds of the employers surveyed did nothing to develop the English language skills of those migrant workers whose English needed further development.
- Some migrant workers were highly motivated to improve their English language and enrolled in local courses, but both migrant workers and third party interviewees were concerned about the impact of charges levied on ESOL (English for Speakers of Other Languages) courses from 2007 on enrolment in classes for those in the lowest paid jobs.

Barriers to skills utilisation faced by migrant workers

- Development of English language skills, absence of UK work experience and references, non-recognition of foreign qualifications, lack of skills recognition and of advice and guidance are amongst the key barriers to skills utilisation and development faced by migrant workers.
- In aggregate, it is difficult to establish the qualifications profile of migrant workers (as recorded in surveys) with a high degree of precision because of the difficulty of mapping some foreign qualifications onto the English qualification system. However, there are sources of information and advice to which migrant workers and employers may turn to see how specific qualifications from other parts of the world relate to English/UK qualifications.

Other training

- The bulk of training received by migrant workers was concerned with health and safety, induction and basic training. Further training and skills development needs of migrant workers are likely to be linked to their reasons for migration and their intended length of stay in the UK.
- There are challenges in trying to build adaptive capacity in respect of training because of such uncertainties, but this should not be an excuse for doing nothing. It is important that employers and Government take action to address the training needs of the entire workforce.

Access to and impact on services *(Chapter 6)*

The substantial increase in international migration in recent years has presented challenges for the provision, funding and delivery of public services at the local level, where the resources to respond fully might not be available. While there is growing recognition by Government of the costs faced by public service providers in dealing with the impacts of migration, different types of migration flows pose different demands. National funding formulae for public services may not fully recognise the costs involved, since they tend to be based on stocks, whereas service providers are also dealing with flows of migrants. The survey of migrants and interviews with key informants undertaken for this study highlighted the following issues:

Dealing with change – including transience and continuing migrant flows

- Service providers deal with flows as well as stocks of migrants. There are different cost implications in dealing with flows, as opposed to stocks.
- Time lags in funding exacerbate challenges in dealing with impacts of migration.
- In all service domains, dealing with transience poses particular difficulties for service and policy planning.
- There may be a case for concentrating resources for migrant workers in 'gateway' areas – i.e. those areas that act as reception areas for large numbers of migrants before some of them move on to other areas.
- A downturn or unexpected increase in migrant flows would also pose challenges for service planning and delivery.

Impacts on housing, health and education

- The impacts of migrants on services tend to be quite localised.
- The majority of migrant workers are housed in the private rented sector, although the impacts of migrant workers are felt more broadly throughout the housing market. Reflecting their youthful age structure, many migrant workers live with friends – partly with a view to sharing housing costs. However, there are concerns from stakeholders that some migrant workers are living in sub-standard housing conditions.
- It is likely that migrant workers with the greatest needs have fewest options for employment and housing available to them and so will tend to gravitate to lower cost housing in relatively deprived areas, where there are already particular pressures on service provision.
- The age profile of migrant workers is such that they may be expected to make relatively few demands on the health service. However, changes in the profile of migrant workers may mean that demands for certain services (e.g. maternity services and children's services) may increase.
- The impacts of migration on education tend to be highly localised, affecting individual schools in particular areas and may be exacerbated by a lack of resources.

Integration and community cohesion *(Chapter 7)*

Community cohesion is about what must happen in all communities to enable different groups of people to get on well together and ensure that no section of the community is marginalised. All types of migration raise issues for achieving cohesion, due to the need to build social networks and integrate newcomers. There are risks inherent in the development of 'parallel lives' when different communities are segregated with little understanding of one another.

- The analyses of the experience of migrant workers in the labour market highlighted a tendency for migrant workers to become concentrated in different labour market segments where they associate with co-nationals. This demonstrates how economic factors may have community impacts, because in such instances migrant workers may feel less need to integrate with the host community.
- The majority of migrant workers surveyed for this study had found it easy to adapt to life in the UK. Finding work and learning English generally eased integration.

Adaptive capacity *(Chapter 8)*

In conclusion, the report considers the importance of the development of adaptive capacity in the region in order to respond effectively to international migration, as one of a number of factors affecting the regional economy.

A range of possible futures: illustrative scenarios

- Adapting to the challenges posed by increased international migration in an era of globalisation and increased economic integration across the EU is a key issue for the continued economic success, well-being and social cohesion of the South East.
- Key factors which are likely to play a role in determining future outcomes are:
  - changes in the supply of migrant workers – the size, nature and origins of flows and the characteristics of migrant workers
  - the state of the economy – in the UK, in origin countries and other possible destination countries
  - developments in migration policy – in the UK, other EU countries and elsewhere.
- Four possible 'scenarios' are presented to inform strategic thinking by providing an illustrative framework of what the future might bring:
  - Scenario 1: A8 and A2 migrant flows continue to develop and mature as over the last two years
  - Scenario 2: The UK becomes a less attractive destination for A8 and A2 migrants
  - Scenario 3: Increased transience in migration flows with short-term 'discovery migration' predominating
  - Scenario 4: Greater reliance on migrant workers from outside the current EU.

  If the current pattern of migration is not maintained or reverses, employers will have to compete with other parts of the EU for 'desirable' migrants. Though they may seek to recruit migrants from outside the EU, this might conflict with migration policy, so inducing employers to make greater efforts to use indigenous labour. Of course, this should be encouraged, irrespective of changing migration patterns, to increase the employment rate of those individuals least well attached to the labour market.

Reliance on migrant workers

- A8 and A2 migrant workers have become very important to certain sectors – such as manufacturing, hospitality and health & social care. They also play an important role in addressing labour shortages in lower skilled occupations. A reduction or reversal in migrant flows from central and eastern Europe could make it difficult for employers in migrant dense sectors to address labour and skills shortages. This is significant as it affects the longer-term sustainability of these sectors.

Implications for policy

- *Policy responses to migration will need to occur at different geographical scales*.
  Although migrants are resident across the region, there are local concentrations where the impacts on services and community cohesion are likely to be felt most keenly. This is particularly the case in localities which have seen a rapid influx of migrant workers and in areas where demands on public services are already pronounced. There may be a case for concentrating information and support services for migrants in locations which act as key reception areas for migrant workers.
- *Whatever happens in the future, there is a need to invest in the existing workforce.*
  The evidence suggests that employing migrant workers has a positive effect on individual business performance. However, a reliance on migrant labour may not be in the best interests of the regional economy in the long-term. Recruitment of migrant workers may occur at the expense of investing in development of the existing workforce, investing in capital or reforming labour processes – which may result in more beneficial medium- and long-term outcomes.
- *Employability and soft skills are important.*
  There is little evidence of negative impacts of migration on UK-born workers in aggregate. Nevertheless, some third party interviewees are concerned about actual or potential negative impacts on groups within the UK-born population who are in the most vulnerable positions in the labour market – notably those with low or no qualifications. Many employers cited migrants' attributes and 'soft' skills, such as motivation and flexibility, as being key reasons why they choose to employ migrant workers. This suggests that further investment in employability and soft skills development for lower-skilled and/or unemployed UK-born workers could be beneficial to the region.
- *English language skills are crucial and ongoing challenges in provision need to be addressed.*
  The research showed that English language skills are crucial for migrants' progression in the labour market and integration into the community. However, relatively few employers make provision for English language training for their employees. At the same time, charges levied on ESOL courses from 2007 appear to have impacted on enrolment in classes amongst the lower paid migrants.

- *There is a case for making better use of migrants' skills for regional economic benefit.* Non-recognition of foreign qualifications emerged as a significant barrier to migrants' progression in the labour market. It is important to make better use of migrants' skills, for the benefit of the regional economy, especially as there is evidence that some migrants are over-qualified for the current jobs they hold. If more qualified migrants could be helped to better utilise their skills, this may lead to enhancements in regional productivity and more openings at the lower end of the labour market which could be taken up by individuals with lower skills – including some of those who are currently unemployed.
- *There is a need for flexibility in funding to respond to migration flows.* Formulating policy responses is made more difficult by the transient nature of the migrant worker population and the fact that migrants tend to be uncertain about how long they will stay in the region and the country. The lack of flexibility in national funding models for mainstream services makes it difficult for them to respond to 'flows' of migrants rather than 'stocks' of population; this issue and associated challenges needs to be addressed.
- *It is imperative that the region enhances its adaptive capacity.* This uncertainty makes it imperative for the region to enhance its 'adaptive capacity' – that is, the ability of the economy, labour market, institutions, communities and service providers to be flexible enough to respond to the changing nature of migrant flows, destinations of migrants, and their characteristics and behaviour.
- *There is an ongoing need for intelligence and analysis.* This also emphasises the need for strong intelligence and analysis of these issues to inform policy development and service delivery.

1. Introduction

1.1 Background

Economic migration to the UK has increased markedly over the last decade. It is a reality in the South East that poses opportunities and challenges for the economy, labour market, institutions, communities and service providers at all geographical levels.

Economic migration is a key issue for the region. It is a phenomenon that is subject to change. This study on *Migrant workers in the South East regional economy* was designed to progress work on economic migration and to develop greater understanding of the subject as part of a longer-term process to inform policy development and implementation. Currently there is a limited evidence base on, and understanding of, this important issue. In 2007 BMG Research in partnership with the Institute for Employment Research, University of Warwick, were commissioned to undertake the research reported here. The study was commissioned by the South East England Development Agency (SEEDA), in partnership with the South East England Regional Assembly, the South East Learning and Skills Council (LSC), the Government Office for the South East (GOSE) and the South East Economic Partnerships. This report presents the findings from that study.

It is recognised that the important local work that has been and is being undertaken by other partners in the region, including local authorities, is doing much to develop understanding of migration and its impact at the micro level. This report is intended to complement such local studies by adopting a consistent approach to developing a strategic picture for the South East.

1.2 Objectives

The objectives for the research were:

- To provide SEEDA and its partners with a detailed and robust profile on the migrant worker population in the South East.
- To provide a snapshot of migrant worker flows to the South East.
- To assess the impact of migrant worker activities on labour markets in the South East and on the regional economy.
- To assess the range of skills that migrant workers bring to the South East region.
- To highlight key issues and help develop an understanding of the social impacts of economic migration and associated service provision issues, whilst recognising that generally these issues are best understood and addressed at the local level.

1.3 Methodology

The project involved several inter-related elements, including a review of existing studies, an analysis of secondary data sources and primary data collection.

Review of existing studies

The review of existing studies on international labour migration to the UK included academic and policy studies highlighting the impact of migrant workers on the economy and the labour market. It also encompassed local studies undertaken in various areas in the South East.

Analysis of secondary data

An analysis of available secondary data sources on migration drew on administrative statistics which count the great majority (but not all) migrant workers and survey sources (collected using a sample design intended to be representative of the population as a whole). Key sources referred to in the study include:

- Official estimates of Total International Migration (TIM)
- National Insurance number (NINo) allocations to overseas nationals
- Worker Registration Scheme (WRS) registrations
- Work permit (WP) applications
- Seasonal Agricultural Workers Scheme (SAWS) data
- Labour Force Survey (LFS) data
- Individual Learner Record (ILR) data (from the LSC).

It is important to keep in mind that each data source has some limitations and no single data source provides a comprehensive picture at local, regional or national level. Some analyses of administrative sources covered all migrant workers, while others focused on particular sub-groups; the scope of specific analyses reported is made clear in the text.

Primary data collection

Primary data collection focused on migrants from the 'Accession 8' (A8) countries (Poland, Slovakia, the Czech Republic, Slovenia, Hungary, Latvia, Lithuania and Estonia) and the 'Accession 2' (A2) countries (Bulgaria and Romania). It should be noted that A8 and A2 migrants form a subset of total migrant workers from many parts of the world to the South East, but they have contributed significantly to a step change in the number of migrant workers in the region since 2004 (as outlined in Chapter 2) and that is why they are the focus of attention here. Primary data were collected via:

- A *quantitative survey of 726 migrant workers* (hereafter termed the South East Migrant Worker Survey) drawn from seven local areas across the region (with at least 100 migrants in each) in the South East undertaken in early 2008:
    - Milton Keynes
    - Elmbridge / Guildford
    - Wokingham / Reading
    - Southampton
    - Crawley
    - Swale / Medway
    - Hastings.

  These areas were chosen on the basis of secondary data analysis at local authority area scale which showed these areas to have significant numbers of migrant workers and to be representative (in broad terms) of the different sub-regions and urban-rural complexion of the region. In three instances neighbouring local authority areas where there were significant cross-boundary flows of migrant workers were treated as a single local area. This approach of focusing on seven local areas was selected to derive a robust and representative sample at regional level, rather than in order to provide a basis for detailed comparisons across the case study areas. Results are not systematically reported by case study area in this report, but reference is made to key differences between local areas where they are evident. Quotas were set for different national groups.

The quantitative survey was designed to be suitable for self-completion, with guidance being provided in some cases, but most were completed as face-to-face interviews. The questionnaire was available in English and was translated into Polish. Covering letters were provided in Polish, Czech, Latvian and Lithuanian and an introduction was provided in each of these languages. The survey covered economic position, job details, skills and training, migration intentions and some limited information on services. (More details of the methodology and copies of the questionnaires are available in a separate technical report.)

- *Five focus groups with migrant workers from A8 and A2 countries*, with around 6 participants per group. These were conducted in different parts of the region. The focus group discussion was informed by an aide memoire and focused on the experience of migrant workers in the UK (both in employment and more generally), motivations for migration and future intentions.
- *A survey of 70 employers* (hereafter termed the South East Migrant Worker Employer Survey) employing migrant workers of any nationality, conducted by telephone. The survey focused on issues of employment profile (by size, sector and occupation), recruitment – with a particular focus on migrant workers, and training activity.
- *A qualitative survey of 53 representatives of third party organisations* in the South East – including regional and local partners, private and voluntary sector representatives, etc. These interviews were conducted either by telephone or face-to-face. They were designed to highlight opportunities and challenges posed by migrant workers, to gain insights into responses ‘on the ground’ and to yield intelligence to inform other elements of the project.
- Two *policy workshop sessions* convened to engage regional policy makers and other key partners in the process of understanding emerging messages and evaluating their policy implications, in order for the final report to reflect regional policy issues and interests.

While this report is intended to provide a strategic picture for the South East by marshalling available information from secondary data sources and presenting the findings from primary research, it is important for readers to keep in mind the limitations associated with research of this nature. Within the resources available for this project, it was possible to survey only a small fraction of the (unknown) migrant population and of employers employing migrant workers in the region. The absence of comprehensive information on migrant workers or employers of migrant workers meant that it was not possible to undertake a random sample survey which could be used to generate estimates for the population as a whole from the survey results. However, the survey design was informed by analysis of a range of secondary data sources, in order that the survey was targeted as accurately as possible on the migrant population. While statistical theory tells us that the smaller the sample, the less confident we can be that the results obtained are an accurate picture of the true characteristics of the population studied, the findings of the migrant survey are consistent with those of both secondary data sources and other surveys of migrant workers. This leads us to believe that the findings of the survey are (broadly) representative of A8 and A2 migrant workers in the region.

It should also be borne in mind that the material from primary data collection represents a snapshot at a particular point in time (i.e. winter 2007/8). This means that seasonal migrant workers working in agriculture were largely absent from the South East Migrant Worker Survey, although employers in agriculture were interviewed and growers were represented in the third party interviews. More generally, the research took place at a time of concerns about economic slowdown in the macro economy and of evidence emerging of a slowdown in A8 migration to the UK. It also took place in the context of uncertainty about how the new Points-Based System (PBS) for managing migration from outside the European Economic Area (EEA) would operate in practice (see Chapter 2 for further details).

The research has a destination region perspective; complementary research has not been undertaken in origin countries. It is possible that if/when migrant workers return home they may view their experience in the UK somewhat differently from how they viewed it at the time they were surveyed or participated in focus groups for this research.

This report is the main output from the project and is designed to be read as a stand alone document. It draws on other elements of the project and readers are referred to a technical report (for details of primary data collection) and to papers (available from SEEDA) reporting analyses of specific data sources for further information.

1.4 *Structure of the report*

The report has six thematic chapters, drawing together findings from the different methodological elements of the project. ‘Adaptive capacity’ (see section 1.5) is used as a cross-cutting theme to draw together the evidence across all themes.

Chapter 2 is concerned with migration trends. This chapter starts with a discussion of definitional issues and sets ‘migration’ within the broader concept of ‘mobilities’. Also drawing on the literature and policy review, it sets out the changing legislative and policy framework for migration in the UK. It goes on to provide an overview of data sources on migration, highlighting shortcomings and gaps in the information base. The need for improvements to the information base is highlighted. Drawing on a range of secondary data sources, it presents information on migration trends and volumes and on the spatial distribution and key demographic characteristics of migrants. Using information from the quantitative and qualitative surveys of migrant workers, the motivations, aspirations and intentions of migrant workers are explored. There is a particular focus on how aspirations and intentions have changed and are changing in the light of their experiences. The final section of the chapter discusses the implications of the evidence presented.

Chapter 3 focuses on the labour market. It describes the economic position of migrants in the UK. It draws on findings from the South East Migrant Worker Survey, the focus groups with migrant workers and the South East Migrant Worker Employer Survey to outline recruitment channels into employment. The sectoral and occupational profile of employment of migrant workers in the South East is presented, using information from secondary data sources and the South East Migrant Worker Survey. Issues of hours of work and pay are discussed, drawing on evidence from secondary data sources and the primary data collection undertaken for this project. Some of the data sources used relate to migrant workers from A8 and A2 countries, while others relate to a broader group of migrants from a range of origin countries. The findings for the South East are discussed in the context of the wider literature.

The focus of Chapter 4 is on the economic impact of migrant workers. This is a key chapter in the report. The first section of this chapter discusses changes in employment, unemployment and inactivity of the UK-born population drawing primarily on analysis of secondary data sources relating to migrant workers from all parts of the world. The next section on employers' satisfaction with migrant workers places the findings from the South East Migrant Worker Employer Survey within the context of the broader literature. Estimates derived from secondary data sources on the contribution of migrant workers from all parts of the world to regional output are presented, alongside findings from the South East Migrant Worker Employer Survey and from interviews with third party organisations. The implications of the evidence presented for regional economic development are discussed.

Chapter 5 discusses skills and training. This chapter outlines how migrants' aspirations and intentions to stay help shape their attitudes towards skills and training. A primary focus here is on English language skills, but other training is also considered. Barriers to skills utilisation and development are discussed, as are migrant workers' assessments of the training that they need to utilise their skills. Information on employers' attitudes to training and on training that they provide is presented also. Hence, the discussion draws on the results of the South East Migrant Worker Survey, focus groups with migrant workers, the South East Migrant Worker Employer Survey and interviews with third party organisations. Information on qualifications of migrant workers and UK-born workers from secondary data sources is also presented. Implications of the findings are discussed in the final section of the chapter.

Chapter 6 is concerned economic migrants' access to and impact on services – in this report the specific focus is on housing, health and education. This is an important topic, but one which is covered in less detail in this report than the economic factors. The evidence collected on service impacts was more limited than that on the economy, labour market and skills issues. This reflects the balance of the objectives of the project as set out in section 1.2, which were in turn shaped by the resources available at the time of commissioning to support different aspects of the study. However, it is recognised that service issues are very important and are worthy of more detailed consideration in a separate study. The evidence presented in this chapter draws primarily on the third party interviews, the South East Migrant Worker Survey and migrant worker focus groups. The analyses of secondary data sources provide contextual background for this chapter.

Chapter 7 is concerned with integration and cohesion. This short chapter discusses migrants' ease of integration, drawing on the findings pertinent to these issues that are available from the South East Migrant Worker Survey, migrant worker focus groups and information from third party interviews. Information from these latter sources is also used to identify where tensions exist.

Chapter 8 concludes with an overview of key findings from the research and what they mean for the 'adaptive capacity' of the region. Policy implications are identified also.

1.5 *Adaptive capacity*

The cross-cutting theme of 'adaptive capacity' is used as a framework for discussing the findings presented in this report and associated implications for policy.

Adaptive capacity is about the capacity of the region's economy, labour market, institutions, communities and service providers to build their capability to adapt positively to a range of important economic, demographic, social, technological and environmental factors impacting on the region. It is about being receptive to change and the opportunities and challenges that change brings (Martin, 2005).

The key focus here is economic migration and changes in such migration. Hence the specific concern in this report is the ability to adapt to the evolution and volatility of migrant flows (as shaped by economic, social and cultural practices), the destinations of migrants and the characteristics and behaviour of migrants. The greater the ability of the region's economy, labour market, institutions, communities and service providers to adapt positively to change, the more likely it is that regional competitiveness and well-being will be maintained or enhanced.

The key question from a policy perspective is:

- *How can the gains of migration be maximised and the pressures from migration be minimised or its impacts be managed?*

As indicated above, migration is only one of the factors that the South East economy needs to respond to if it is to be resilient to the effects of globalisation and both the economic opportunities and challenges that it brings. Therefore, building the adaptive capacity (and capability) of stakeholders in the South East is critical in order to respond to change and the socio-economic impacts being generated by migration and other factors associated with globalisation. It is important to note here that what might be rational for the individual migrant in the short-term and for the employer in the short-term is not necessarily in the best interests of the regional economy in the medium and longer-term (and vice versa). The possibility of such contradictions between the short-term interests of some employers and the longer-term interests of other stakeholders in the South East poses additional challenges in building adaptive capacity.

Key questions considered in discussion in various sections of the report include:

- What are the short-, medium- and long-term implications of the trends/ changes outlined? Where are they felt?
- What are the implications for adaptive capacity (at strategic and operational levels) of the trends and changes identified?
- Which local areas/ sectors/ occupations are particularly affected?
- Going forward, what are the resource and/or knowledge gaps? How could these be addressed?

2. *Migration trends*

Summary of key points

Definitional issues: migration and mobility

- The term 'migration' is used in different ways in different studies. The focus here is on movement across international boundaries for work purposes.
- There is a trend towards shorter-term moves. Such short-term moves are not well captured by existing data sources. From an adaptive capacity perspective, it is important to focus on a range of 'mobility' processes, rather than solely on long-term migration or permanent relocation. The increased transience in migration flows poses challenges for adaptive capacity.

The legislative and policy framework

- The legislative and policy framework shapes migration flows. Freedom of movement within the EU contrasts with managed migration flows from outside the European Economic Area. In the latter instance a new points-based system (rolled out from 2008) is being used to manage migration. There is considerable uncertainty about likely future flows of A8 and A2 migrants and also about migrant flows from elsewhere under the new points-based system being implemented in the UK.

Data sources and information gaps

- There is no single data source that provides comprehensive information on migration at national, regional and local levels. In particular, there is a lack of information on people leaving the UK. Inadequacies in data sources have been recognised as a key barrier in generating population counts and estimates of migration. Despite some inherent limitations, both survey and administrative sources are valuable in generating a picture of migration.

Patterns of migration and characteristics of migrant workers

- Migration is not a new phenomenon but the inflow of migrants from A8 countries since 2004 has been the key feature of recent migration flows to the South East (and other parts of the UK). However, migration flows from other countries remain an important component of overall migration flows. This is even more so the case in the South East and in London vis-à-vis other regions of the UK. Likewise, migration from non A8 countries represents a larger share of total migration in the Inner areas of the South East region than in Rural or Coastal areas.
- All parts of the region have seen an increase in migrant workers over recent years. However, the speed and scale of such increases varies across local areas.
- Migrant workers are drawn overwhelmingly from the younger working age groups. Most have not brought dependants to the UK. Poles are by far the largest group amongst migrant workers from central and eastern Europe.

Migrants' motivations and intentions: the challenge of dealing with uncertainty

- Economic motivations for migration dominate amongst migrant workers from A8 and A2 countries. Social and cultural factors are also influential in migration decisions of some individuals, but are of secondary importance. There is considerable uncertainty surrounding migrants' intentions about length of stay in the UK. There is a tendency for migrant workers to stay for longer than they originally intended. However, 'fluidity' in plans and the ease of movement means that A8 and A2 migrants can come and go from the UK relatively quickly. This uncertainty poses challenges for adaptive capacity, but at the same time enhances the importance of employers, service providers and institutions in the region building their capability to cope with a range of alternative possible futures.

2.1 *Introduction*

This chapter sets out definitional issues associated with 'migration' and introduces the broader concept of 'mobilities' (2.2). The evolving legislative and policy framework which shapes migration flows is described (2.3). The features, strengths and weaknesses of key data sources on migration are discussed (2.4) and the key features of recent migration trends and the spatial distribution of migrant workers are outlined (2.5). The focus then shifts to the demographic characteristics of migrant workers (2.6). Information is presented on the motivations, aspirations and intentions of migrant workers (2.7). Finally, the implications of the migration trends outlined are discussed.

2.2 *Definitional issues*

2.2.1 Migration and 'mobilities'

'Migration' is a term that is in widespread use, but one that is rarely defined. It is used to describe both:

- changes of residence from one part of a region to another (e.g. from Canterbury to Oxford) and from one region to another (e.g. from the North East to the South East) within the same country (i.e. *internal migration*);
- moves between countries (e.g. from Poland to the UK) and continents (e.g. from Africa to Europe) (i.e. *international migration*).

Our concern here is solely with international migration to the South East for the purposes of work (i.e. *economic* or *labour migration*). However, it should be noted that migration may be motivated by a variety of different reasons and that migrants who come to the UK primarily for a non work-related reason may end up working in the UK. We use the terms 'migrant' and 'migration' as short hand to refer to people/moves across international boundaries.

Different definitions of 'migration' are adopted in different data sets, thus posing problems for comparability between sources/data sets (see section 2.3). The United Nations *(UN) definition of a migrant* is someone who changes his or her country of usual residence for at least a year. Migrants who move (or intend to move) from their country of usual residence for less than a year (i.e. *short-term migrants*) are excluded from the UN definition. However, such movers may nevertheless have important labour market and socio-economic impacts on destinations and on origin countries.

The literature on migration points towards more temporary and short-term *mobility* (as opposed to permanent moves) and increasing numbers of flows which are 'circulatory' in nature. Hence, there is an increasing interest in the broader concept of 'mobilities' (Sheller and Urry, 2006; Cresswell, 2006). This concept highlights the existence of a portfolio of mobility types, incorporating permanent migration, short-term assignments, extended commuting and (conventional) daily commuting (as illustrated in Figure 2.1). In practice, the boundaries between these categories of mobility may be fuzzy, as different types of mobility blur into one another, rather than clear cut. This ‘blurring’ poses a significant challenge to attempts to delineate and apply definitions to dynamic concepts. Moreover, some types of mobility are more easily measured than others. One key gap in the evidence base is a lack of information on short-term mobility.

Figure 2.1: Mobilities

Short-term moves and circulation are not entirely new phenomena; for example, ‘harvest trails’ in agriculture represent one long-standing kind of circulation. However, greater ease of movement, especially through low cost air travel, and communication via electronic media, has had implications for the volume of movement and the map of accessibility. Some of the moves that previously occurred inter-regionally within the UK may now occur at an international scale.

In terms of adaptive capacity, the challenge faced is one of increased scope for transience in migrant flows. This means that the impacts of changing migrant behaviour may occur and impact more quickly than was the case in the past.

2.2.2 Country of birth and nationality

Both ‘country of birth’ and ‘nationality’ have been used in migration studies to identify international migrants. There are pros and cons relating to each. ‘Country of birth’ remains constant for each individual (even though country names [and sometimes boundaries] may change over time). ‘Nationality’ is more fluid: individuals can change their nationality and hold more than one nationality. Some UK nationals are born abroad, while some people born in the UK are foreign nationals. Where possible we use ‘country of birth’ as a basis for defining migrant workers in this report on the basis that it is less ambiguous than ‘nationality’ However, in instances where country of birth is not available we use data on nationality; (the definition used for each particular data set is set out in section 2.4).

In comparing the results from different data sources and studies it is important to be mindful that different definitions may be used.

2.3 *The legislative and policy framework*

2.3.1 Introduction

The legislative and policy framework sets the context for legal migration to the UK and for policy responses at regional and local scales. Currently, the policy framework at European Union (EU) and UK level is particularly important for the South East. However, developments at a global level in a more interconnected world economy are relevant also.

Within the EU there are simultaneous trends towards internal liberalisation of cross-border labour mobility for EU citizens, combined with tightening of controls and management efforts at the external borders. Both these trends are of relevance in considering the impact of migration on the South East region and for building the region's adaptive capacity. Given freedom of movement rights, the UK government has much less scope for control of movements within the EU than for migrant flows from elsewhere in the world.

2.3.2 Migration within the EU

The emphasis of the primary research here is on intra-EU movement of those from A8 and A2 countries to the UK; (these New Member States joined the EU in May 2004 and January 2007, respectively). It is important to note here that the UK was one of only three EU Member States (along with Ireland and Sweden) that chose not to impose time-limited transitional measures restricting migration from A8 countries on their accession to the EU in 2004. Hence, the UK was the only large EU economy allowing free movement of A8 migrants; (however, greater restrictions were placed on A2 migrants when Bulgaria and Romania joined the European Union in January 2007).

The restrictions imposed by other EU Member States to A8 migrants are now being lifted. This means that a greater number of 'competing destinations' are now open to A8 nationals – including large economies (such as Germany) which are geographically closer than the UK to central and eastern Europe and which have historically been important migrant destinations.

2.3.3 Managed migration

Historically, there has been a variety of schemes to manage migration to the UK to meet specific economic and sectoral requirements. Over time the schemes have evolved in such a way that the Government now considers them to have become unduly complex, unclear, bureaucratic and inefficient. Foremost amongst these schemes are the Work Permit system for non European Economic Area (EEA) migrants filling specific vacancies, the Highly Skilled Migrant Programme and a number of special schemes focusing on specific sectors at the lower end of the labour market where posts were difficult to fill in the UK. In 2005 the Home Secretary announced that the Government intended to phase out all low-skilled immigration routes, although subsequently it was agreed that Sector Based Schemes (SBS) would be retained for Bulgarian and Romanian nationals. Likewise, from 2008 the Seasonal Agricultural Workers Scheme (SAWS), which has existed since the late 1940s to provide cheap seasonal labour (in the form of foreign students) for farmers, moved to recruitment exclusively from Bulgaria and Romania.

2.3.4 The points-based system

The introduction of a new points-based system (PBS) in 2008 exemplifies the trend towards greater selectivity in the management of those migration flows where such control is possible (i.e. from outside the EU). Although this study looks primarily at A8 and A2 migrants, changes in migration flows to the UK from outside the EU could impact on migration flows from EU Member States to the UK. The PBS assessment is used to ascertain who qualifies to come to work, train or study in the UK (Table 2.1) in accordance with UK labour market needs. A Migration Advisory Committee (MAC) has been established to advise ministers on where migration might sensibly fill gaps in the labour market.

At the time of writing, the five-tier PBS is in the process of being implemented. The implications of the roll-out of the PBS for the supply of migrant workers and associated economic and detailed sectoral and occupational implications are uncertain; so emphasising the need for the South East region to build adaptive capacity to cope with different possible outcomes.

Table 2.1: Tiers in the points-based system

Tier	Description	Timetable
1	Highly skilled individuals to contribute to growth and productivity	Implementation underway
2	Skilled workers with a job offer to fill gaps in UK labour force	autumn 2008
3	Limited numbers of low skilled workers needed to fill temporary labour shortages	Currently suspended
4	Students	spring 2009
5	Youth mobility and temporary workers: people allowed to work in the UK for a limited period of time to satisfy primarily non-economic objectives	autumn 2008

2.3.5 Illegal migration

By definition, illegal migration occurs outside this legislative and policy framework. A small minority of the migrant workers included in the South East Migrant Worker Survey and in focus groups admitted that initially they entered the UK illegally, although subsequently their status was legalised – as a migrant worker who came to the UK from eastern Europe prior to 2004 explained:

> *"Before we joined the European Union, people were working illegally. A lot of people connected me to Mafias so the joining of eastern Europe to the European Union was a good thing because a lot of people can work legally now."*

No attempt is made in this project to ascertain the size of, or gather information specifically on illegal migrants – such an exercise is a large and complex project in its own right (as indicated by an attempt to estimate illegal migration at national level (Home Office, 2005).

2.3.6 Other migration flows

Migration for geopolitical and environmental reasons is not of foremost consideration here, although it is salient to note that in the late 1990s and the early years of the 21st century asylum flows were a key component of immigration to the UK (as outlined in section 2.3), with marked local impacts on some parts of the region (notably Kent). Migrant flows that are prompted by non-economic causes subsequently may have labour market impacts.

2.4 *Data sources*

2.4.1 Introductory remarks

The objectives of providing a robust and detailed snapshot of migrant workers in the South East is hampered by the limitations of the evidence base on migration – at national, as well as at regional and sub-regional levels (see Table A2.1 in the Annex for an overview of the coverage and information available from key data sources). In a report on the 'Economic Impact of Immigration' published in April 2008 the House of Lords Select Committee on Economic Affairs emphasised that there are significant unknowns and uncertainties in the existing data on immigration and migrants in the UK. In particular, the report highlighted that there is insufficient data about people leaving the UK (i.e. emigration) and about short-term migration in the UK. Shortcomings in existing data and gaps in the information base on migration data create significant difficulties for the conduct of macroeconomic policy (a point that has been highlighted by the Governor of the Bank of England). They also pose problems for analysis of migration and its labour market and economic impacts at national, regional and local levels; for provision of public services and for a wide range of other public policies. Concerns about generating robust counts of highly mobile populations and measuring international migration accurately have been reiterated by the House of Commons Treasury Committee report in May 2008 on 'Counting the population'.

Available secondary data sources provide an incomplete picture of the migrant population and it is difficult to bring them together to provide a composite overview. Much of the qualitative evidence that is available is anecdotal in nature. Differences in what is measured by key data sets and the complexity of the migration process further hamper attempts to quantify migration and to measure migrant impacts. It is not possible to produce a single definitive count of the number of migrant workers with available data sources. Only continuous tracking would enable an accurate count. Hence, in interpreting the findings presented in this report it is important to keep in mind these data deficiencies.

Despite their shortcomings, secondary data sources have value in providing a comparative overview on a more consistent basis than is possible by looking at local studies only. However, it is important to use local intelligence to complement and supplement such sources and to highlight real time and emerging trends. In order to provide as complete a picture as possible, in this report we bring together data from different secondary data sources and from the primary data collection activities outlined in section 1.3. In so doing, we are able to provide a more comprehensive overview than would be possible by relying on one data source alone.

2.4.2 'Official' statistics on migration

Introduction

Official statistics identify migrants in two ways:

- through surveys of residents (i.e. stocks); or
- through direct surveys of people as they move (i.e. flows).

The two most important surveys of *residents* in the UK are the decennial Census of Population and the Labour Force Survey (LFS)/Annual Population Survey (APS) (hereafter referred to as ‘LFS’ for shorthand). Neither the Census nor the LFS provide information on persons leaving the UK.

The Census of Population

The Census of Population collects information on country of birth and location one year before the Census. Within the latter, it is possible to identify residents who were living outside the UK one year before the Census. The Census provides information at a micro area level but since data is collected decennially (the last Census was conducted in 2001), it cannot provide a regularly updated picture. Hence, for current purposes of providing an up-to-date snapshot of migrant workers in the South East it is not an appropriate data source.

The Labour Force Survey

The *LFS* is a sample survey of households in the UK. The key purpose of the LFS is to collect and provide information on the UK labour market. For a study of migrant workers it is appropriate to note that the LFS collects information on the country of birth (and nationality) of respondents and for those born elsewhere, on the year of entry to the UK.

The main LFS sampling frame covers all private households but excludes most communal establishments (and may miss many migrants in temporary accommodation provided by employers). The survey is organised on a rolling cohort basis: an individual entering the survey is tracked for five successive quarters and then leaves (in this way one fifth of the LFS sample leaves the survey each quarter and the sample is replenished by incorporating a new wave of people).

There are approximately 60,000 households in the LFS each quarter. In order to derive a larger dataset to generate more robust analyses for the South East region, a merged dataset was created from successive quarterly LFS datasets from 2002 quarter 2 to 2007 quarter 2. Even with this pooled data set sample size constraints mean that in the LFS analyses presented in this report the emphasis is on a broader group of migrant workers than those from A8 and A2 countries and on migrants who have been in the UK for an extended period as well as more recent arrivals. For the purposes of the analyses presented in this report, migrants are divided into broad categories based on year of arrival into the UK:

- migrant workers (born outside the UK) arriving from 2002 onwards [referred to as *post 2001*]
- migrant workers (born outside the UK) arriving from 1991 onwards [referred to as *post 1990*]
- migrant workers (born outside the UK) irrespective of year of arrival.

Surveys tend to be poorer at capturing mobile populations – including young people (particularly males) – than stable populations. Hence short-term migration may be under-estimated. Nevertheless, a key strength of the LFS data is that it permits analysis of migrant workers (as defined above) alongside the UK population across a range of labour market variables.

The International Passenger Survey

In terms of migrant flows, the International Passenger Survey (IPS) is unique in measuring out-migration as well as in-migration, but the small sample size means that it is of limited use for this study. The IPS is a continuous survey of passengers entering and leaving the UK conducted at the principal air and sea ports and the Channel Tunnel. Travellers going through passport control are randomly selected for interview. In 2002 the locations surveyed encompassed around 90% of passengers travelling to and from the UK, and 0.2% of passengers using these points of entry and departure were interviewed (around a quarter of a million people). However, the survey provides data on only around 4,000 international migrants in a given year, which means that data cannot be produced for geographical areas smaller than Government Office regions and nations of the UK. The main use of the IPS is in the production of estimates of international migration by the Office for National Statistics (ONS).

New developments in statistics

In recent years the ONS (which became the UK Statistics Authority in April 2008) has put considerable effort into improving its estimates of the population and migration (through the 'Improving Migration and Population Statistics' programme), with the production of estimates of population change and migration at local scale and regional estimates of *Total International Migration (TIM)*. The TIM estimates of the number of people intending to move for 12 months or more are derived from several data sources, including the IPS, the Census of Population, the LFS, the Irish Quarterly National Household Survey and the National Health Service Central Register, with adjustments made for visitor and migrant switchers (people who change their intentions and thus their migratory status) and asylum seekers and their dependants (who are not captured by the IPS) using Home Office data. The TIM estimates distribute the number of migrants derived from the IPS data, adjusted for asylum seekers and people who change their migration plans, to Government Office Regions and local authority districts using LFS and Census data on the geographical distribution of people born overseas.

The TIM series covers *all migrants* regardless of their reason for migration, but excludes those who stay in the UK for less than 12 months. The accuracy of the TIM estimates is determined by the degree of error in the sample surveys upon which the estimates are based and the validity of the assumptions made about certain quantities, such as the percentage of migrants who switch status. The ONS is currently experimenting with the production of short-term migration estimates.

2.4.3 Administrative sources

Introduction

Analysis of administrative data sources has been the prime method through which studies have measured recent migration to sub-regions of the UK. Administrative data hold information at local level on the nationality of individuals and their date of registration, but not date of entry to the UK. They do not cover individuals working illegally. They should be *interpreted with caution,* because they provide inflow data only – departures from the UK are not recorded, because there is no requirement for individuals to deregister from a scheme or notify the scheme when they leave the UK.

National Insurance Number allocations to overseas nationals

In this report National Insurance number (NINo) allocations to overseas nationals are used as a proxy of labour migration. A NINo is required for every individual who wishes legally to take up employment, self-employment or to claim benefits and tax credits. Overseas nationals apply to their local Jobcentre Plus office for a NINo (although in practice many employees, especially in short-term employment, are allocated temporary NINos by their employers) and once the number is allocated HMRC (HM Revenue and Customs) add the entry onto the National Insurance Recording System (NIRS).

NINo data has 100% coverage and also has the advantage of being coded by a large number of individual countries, so enabling trends in the national profile of labour migrants to be identified. The data are made available by the Department for Work and Pensions (DWP) for local authority areas. Individuals are recorded in the local authority district of their most recent address. While data on the age of, gender of and benefits claimed by applicants for NINos are available, there is no information on industry or occupation. It should also be noted that migrants may have moved from the local authority district in which they originally applied for a NINo during the tax year. Moreover, the local authority area in which a migrant worker lives may be different from that in which they work. This difference in migrant worker populations as measured on a residence-basis vis-à-vis a workplace-basis can blur lines of responsibility between local authority areas (e.g. for social housing). Hence, NINo data for local areas should be interpreted with caution.

The Worker Registration Scheme

Given the focus in this report on A8 migrants a key administrative data source is the Worker Registration Scheme (WRS). Workers from the A8 countries (excluding the self-employed) are required to register under the WRS within one month of starting a new job, otherwise employment is considered illegal; (A2 migrants are not included in the WRS). Once registered, individuals do not have to de-register should they leave a job, but they must reapply should they move to a new job. Once a person has worked in the UK for at least 12 months without interruption, then registration under the WRS is no longer required.

The WRS data analysed for this report is based on management information. The data covers inflows of migrant workers from A8 countries who register – not the stock or outflows of migrant workers. An unknown number of migrant workers do not register and the fact that payment is required may deter registration in the case of some individuals. Information reflects applicants, rather than applications (to avoid double-counting) and represents the job for which the applicant originally registered (i.e. it reflects first employment in the UK). Data are recorded under the employer’s postcode (i.e. information is workplace-based).

Hence, the WRS information provides a broad measure of in-migration of A8 nationals. While the statistics presented cover the entire population of applicants from the WRS management information, they represent an under-estimate of total inflows of A8 migrant workers because the self-employed and those who are working illegally are excluded. Disaggregations are available by age, gender, nationality, number of dependants, intended length of stay in the UK, hours of work, industry (using WRS-specific categories that do not conform to the Standard Industrial Classification [SIC]) and the ten most common occupational titles in each local area. This means that a complete occupational profile is not available.

Work permits

Work permits apply to migrants from outside the EEA and so while not of central relevance here given the primary focus on A8 and A2 migrants, analysis of information on work permits helps set the study of A8 and A2 migrants in a broader context.[1] Work permits are issued for a specific individual to do a specific job at a specific location. The work permit scheme is employer driven, and with some exceptions, the employer must show that the vacancy was advertised widely and there were no suitable resident workers to fill the vacancy.

A Freedom of Information request to Work Permits UK for work permit data yielded information on the number of work permit applications in each local authority in the South East region and the year in which they were made. Our understanding is that this data refers to work permits currently active, and thus measures the number of people working in the South East on the basis of having a work permit. The work permit data are disaggregated by industry (but not by the SIC), and by the 'top 10' occupations and nationalities within each district (i.e. data for all occupations and all nationalities was not made available).

The Seasonal Agricultural Workers Scheme

The Seasonal Agricultural Workers Scheme (SAWS) allows farmers and growers to bring foreign workers to the UK for seasonal and agricultural work. It was designed in the late 1940s to address labour shortages within the UK. The work concerned is short-term (up to six months) and low-skilled. Originally SAWS was intended for persons from outside the EEA. It was aimed at students in full-time education, aged over 18 years. According to the Association of Labour Providers in 2006, SAWS provides around 25,000 agricultural workers per annum, in addition to the 100,000 supplied by labour providers. The annual quota for the schemes is fixed.

SAWS data is provided only for small numbers of postcode districts; hence data was requested from Work Permits UK under the Freedom of Information Act for selected local authority districts (defined in terms of postcode districts) which had amongst the largest numbers of people engaged in agricultural activities according to the WRS, in order to provide an indication of the number of migrants entering via this route in rural labour markets. Data was made available by nationality for each year from 2004 to 2007 (up to November 2007 only) for Swale, Chichester, Maidstone, Wokingham, Tunbridge Wells, Canterbury, Medway, Tonbridge & Malling, Arun and Dover.

[1] The implementation of the PBS has implications for the operation of previous migration schemes for migrants from outside the EEA. The analysis presented here pre-dates the implementation of Tier 1 of the PBS on 30th June 2008.

2.4.4 Regional and local surveys

To address the information gaps in 'official sources' in some local areas surveys/local studies have been undertaken - for example in Slough, Arun, Chichester, Southampton, Portsmouth, Surrey and Kent (Slough Borough Council, 2006a, 2006b; Gaine, 2006; Winkworth *et al*., 2007; Sangarde-Brown, 2007). These studies provide more in-depth information on the demographic characteristics, skills, learning needs and aspirations, duration of stay, future intentions, etc, of migrant workers and the impact of recent migration on these local areas. The findings of these studies are not reviewed in depth here – since the primary focus of this study is to provide a regional overview of the impact of A8 and A2 migration.

In order to provide this regional level information for this research a quantitative migrant survey (the South East Migrant Worker Survey) was undertaken. The findings of this survey are discussed in the remainder of this report. When reading the results, it should be remembered that the results of regional and local surveys should be interpreted with caution because none of these can be regarded as providing information representative of the whole population (such as that yielded by the LFS). This is because:

(i) there is no comprehensive sampling frame from which to draw a sample of migrant workers;

(ii) the sampling method and questionnaire design differs from survey to survey; and

(iii) the samples are often small and hence subject to considerable sampling error.

Moreover, these surveys are undertaken at different dates and the information gathered may date quickly, since the patterns and tendencies shown are liable to change over time.

2.5 *Migration trends, volumes and spatial distribution of migrant workers*

2.5.1 Introduction

As outlined in section 2.4, the shifting nature and composition of the migrant population, uncertainty about length of stay in the UK and a lack of information about those leaving the UK are indicative of uncertainty surrounding the numbers of migrant workers in the UK. Coupled with factors relating to the scope, incompleteness and time lag between collection and publication of statistics, such uncertainty renders estimation of the size of the migrant population at national, regional and sub-regional level very difficult. Even where broad estimates are made, they may be misleading.

In this section migration trends, volumes and information on the spatial distribution of migrant workers are considered for a number of the secondary data sources outlined above in turn. This approach is taken because differences in the scope and coverage of the various data sources means that direct comparisons between sources are not possible. However, reference is made to similarities and differences in key findings between the sources considered. Some migrants will be included in two or more data sources, whereas others have non-overlapping coverage (e.g. the WRS and Work Permits). However, it is not possible to identify such overlaps at the level of specific individuals.

In assessing trends and volumes of migration flows at one point in time, a key consideration is how similar/ different they are from previous migration flows and how they might change in the future. This is a question that we return to at various points in this report. However, at the outset it is informative to consider recent migration flows in a broader historical context. The following sub-section sets out this context as a prelude to the discussion of more recent trends as revealed by different secondary data sources in subsequent sub-sections.

2.5.2 Recent migration trends in the UK in historical perspective

In the immediate aftermath of World War II migrants were recruited from western and eastern Europe to assist with reconstruction. With the start of the 'Cold War' and rapid economic growth in western Europe, many employers recruited cheap and flexible labour from Ireland and the New Commonwealth during the 1950s and early 1960s. New Commonwealth immigration reached a peak just before the first Commonwealth Immigration Act was passed in 1962 to try to limit such migration. This largely curtailed primary immigration from the West Indies, but migration from the Indian sub-continent for work and family reunification continued at a rapid rate until the early 1970s.

After the early 1970s there was a decline in Commonwealth immigration, except for the large-scale migration of Ugandan Asian refugees. From the mid 1970s and throughout the 1980s New Commonwealth immigration continued at a slower pace, dominated by Bangladeshi and Chinese people, and later by African people. Nevertheless, over the period from the end of World War II to the early 1980s, the UK lost population each year through net migration (because of the number of emigrants to the Old Commonwealth and USA). Since then, the UK has gained population through international migration in nearly every year.

International migration steadily increased during the 1990s, with a much more diverse range of national origins. The UK gained population at an increasing rate due to net immigration; with the numbers arriving exceeding the number leaving in each year since 1992. Asylum flows became a major component of immigration during the late 1990s (in part because controls on labour migration remained strict, but also driven by the number of civil conflicts around the world). This had particular impacts on some parts of the South East which act as 'gateways' to the UK (notably parts of Kent). Since 2003 the number of asylum seekers has fallen considerably. This is a result of the reduced number of civil conflicts, greater opportunities for legal economic migration and increased employment in some developing countries.

While migration from the New Commonwealth, the Old Commonwealth and EU15 countries has continued (and it is notable here that the majority of migration from EU15 countries to the UK is concentrated in London and the South East), the key 'new' feature of migration flows since 2004 has been the increase in migration from A8 (and subsequently A2) countries. As outlined in section 2.3, the UK was one of only three EU Member States to open its labour market fully to migration from the A8 countries in 2004. The volume of migration from A8 countries has been more than ten times greater than the Government anticipated. Some of the reasons for this are set out in Table 2.2. Ways in which these factors are developing and associated implications for future migration flows are identified also.

Table 2.2: Reasons for a higher than anticipated influx of A8 migrants to the UK

Initial reason	*Changing circumstances*	*Implications for future migration flows*
Initial restrictions in other EU Member States, so curtailing opportunities for employment in other major EU economies.	Initial restrictions were time-limited and are now being lifted.	There are more alternative destinations available to migrant workers – so a smaller proportion of the total number of migrants may choose to come to the UK.
Registration of migrants from A8 countries who had entered the country illegally before 2004.	Such illegal migrants will have registered by now.	This is a time-specific factor which is no longer applicable.
The large gap in earnings between the UK and central and eastern Europe.	The earnings gap is subject to change and has narrowed considerably during 2007/8 as Sterling has weakened and wages in central and eastern Europe have risen.	The reduction in the earnings gap may make the UK less attractive a destination than formerly.
High unemployment in central and eastern Europe.	Unemployment has fallen in central and eastern Europe since 2004 – but remains higher than in the UK. There is a downturn in the UK economy.	With more employment opportunities in 'origin' countries, migration to the UK may be a less attractive proposition than was formerly the case.
Active recruitment in central and eastern Europe by UK employers.	This may continue.	Active recruitment is likely to lead to targeting of specific vacancies at migrant workers.
Attraction of English as a global language.	English remains a global language.	The UK will remain an attractive destination for migrant workers who wish to develop their English language skills.

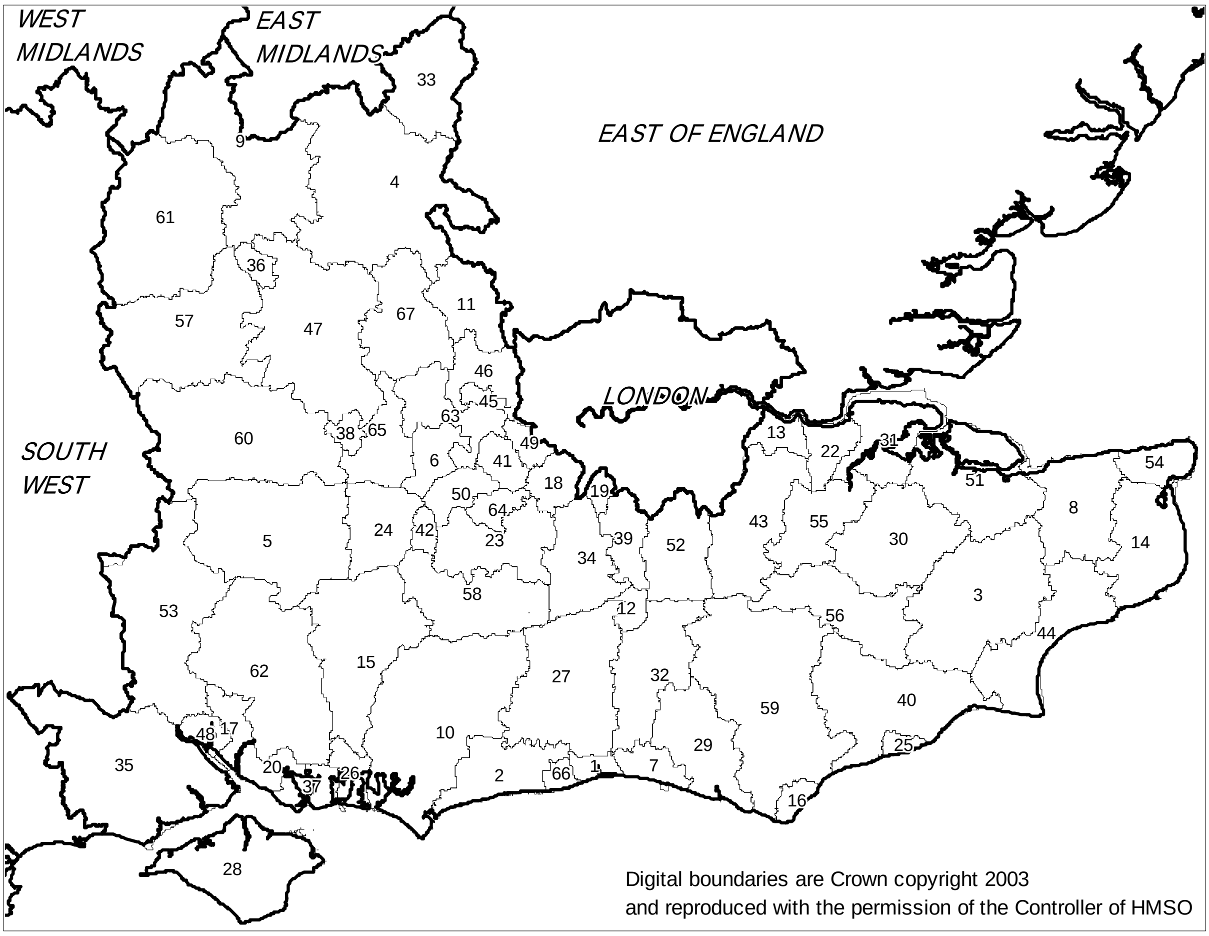
Together these factors strained the adaptive capacity of regional economies and service delivery. Looking forward, the strength of these factors may shift (as highlighted in Table 2.2), so posing new challenges. At the time of writing in 2008, there is a greater range of alternative opportunities within the EU other than the UK for A8 and A2 migrants. Economic growth in central and eastern Europe has led to employment growth (and skill shortages in some sectors) and the relative earnings gap has diminished, although it remains sizeable in absolute terms and unemployment remains relatively high in some areas. The pull of English as a global language remains.

2.5.3 *Introduction to recent migration trends and the spatial distribution of migrants*

The focus of attention now shifts to measuring recent migration flows using the data sources outlined in section 2.4. Some of the information is presented at local authority area level (see Figure 2.2 for a base map and key).

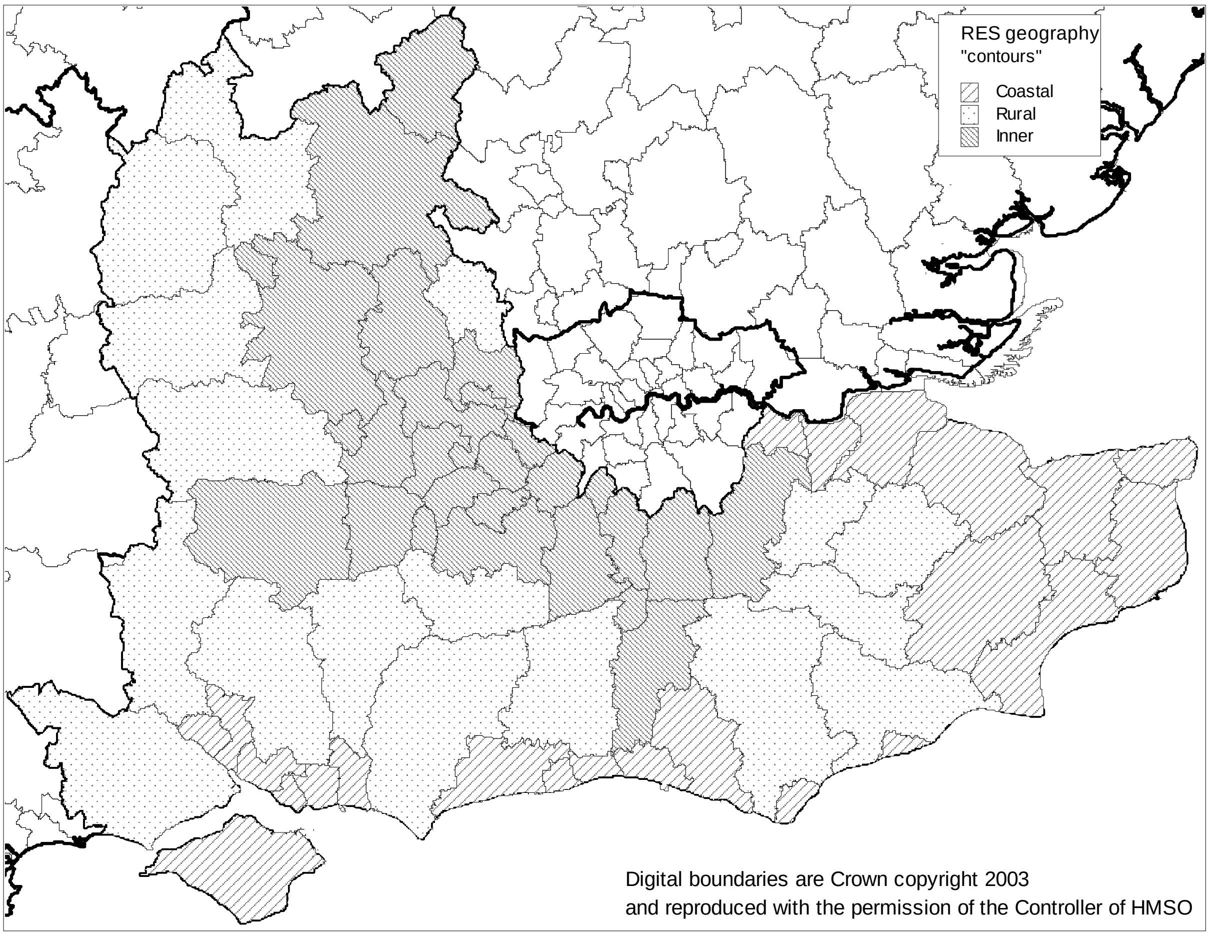
In some instances reference is made to the broad 'economic contours' of the region, defined in the South East Regional Economic Strategy (RES), sometimes referred to as 'RES geographies. Here the 'Inner South East' represents the generally wealthy 'core area' adjacent to Greater London, the 'Rural South East' contains 80% of the land area and around a quarter of the population of the region, while the 'Coastal South East' contains diverse cities and towns with unique environmental assets, but has experienced continued economic and social decline (see Figure 2.3).

Figure 2.2: Local authority areas in the South East region



District	*No.*	*District*	*No.*	*District*	*No.*
Adur	1	Hart	24	South Oxfordshire	47
Arun	2	Hastings	25	Southampton	48
Ashford	3	Havant	26	Spelthorne	49
Aylesbury Vale	4	Horsham	27	Surrey Heath	50
Basingstoke & Deane	5	Isle of Wight	28	Swale	51
Bracknell Forest	6	Lewes	29	Tandridge	52
Brighton & Hove	7	Maidstone	30	Test Valley	53
Canterbury	8	Medway Towns	31	Thanet	54
Cherwell	9	Mid Sussex	32	Tonbridge & Malling	55
Chichester	10	Milton Keynes	33	Tunbridge Wells	56
Chiltern	11	Mole Valley	34	Vale of White Horse	57
Crawley	12	New Forest	35	Waverley	58
Dartford	13	Oxford	36	Wealden	59
Dover	14	Portsmouth	37	West Berkshire	60
East Hampshire	15	Reading	38	West Oxfordshire	61
Eastbourne	16	Reigate and Banstead	39	Winchester	62
Eastleigh	17	Rother	40	Windsor and Maidenhead	63
Elmbridge	18	Runnymede	41	Woking	64
Epsom & Ewell	19	Rushmoor	42	Wokingham	65
Fareham	20	Sevenoaks	43	Worthing	66
Gosport	21	Shepway	44	Wycombe	67
Gravesham	22	Slough	45		
Guildford	23	South Buckinghamshire	46		

Figure 2.3: RES geography 'economic contours'

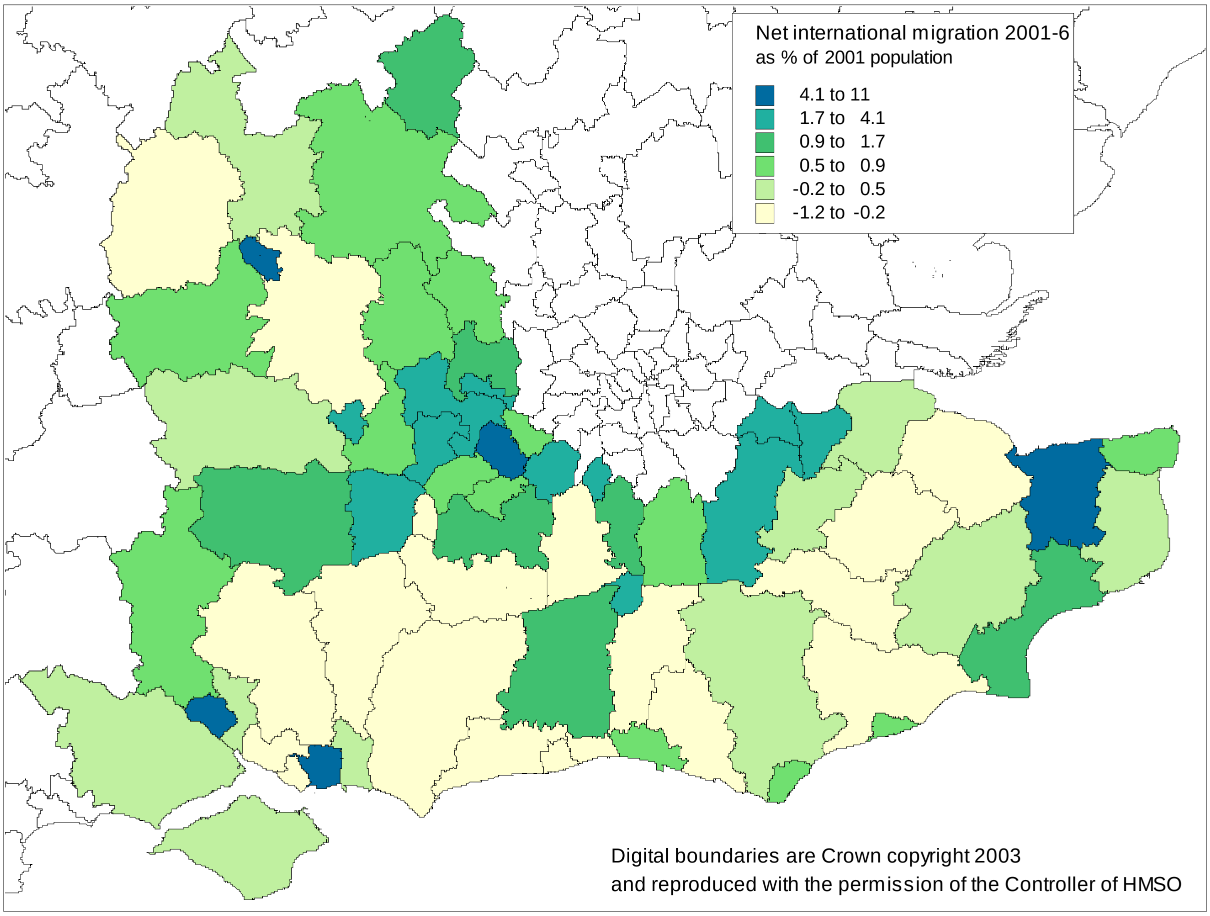


2.5.4 Estimates of Total International Migration (TIM)

Population change in an area is made up of a number of components: the difference between births and deaths, the difference between migration to and from other parts of the UK and the difference between migration to and from other countries. In 2007, the Office for National Statistics released revised estimates of Total International Migration (TIM) for government office regions and local authorities based on data from a number of sources (using a new methodology which more accurately estimates the local impact of international migration). These estimates reveal that international migration (of people intending to move for 12 months or more) is an increasingly important component of net population change. In the early 1990s net international migration represented a very small percentage of change in the population of the South East, but by 2005/6 it accounted for nearly two-thirds of regional population change.

At local level net international migration has had a particularly strong influence on population change in local authorities to the south and west of London and in parts of Kent (see Figure 2.4). Ports such as Dover have proved attractive to migrants (in particular asylum seekers and refugees arriving during the 1990s). The health care, financial services and IT industries have recruited migrants through the work permit system to jobs located in the high-tech industries in the M4/M3 corridors. The 'Inner South East' has also attracted migrants of this type while offering attractive residential locations for highly-skilled migrants working in London. International migration is particularly important in larger urban areas such as Oxford (attracted by higher education and high-tech employment opportunities), Portsmouth and Southampton (which have attracted migrants to job opportunities in the distribution sector). These estimates also suggest that much of the rural south of the region has lost population due to international net emigration (but since these areas have smaller populations, a relatively small number of people will be involved). This probably reflects the relatively high mobility of international migrants and the military.

Figure 2.4: Percentage population change by local authority district due to net international migration, 2001-06



Source: ONS mid-year population estimates and migration estimates.
Note: The shading intervals for this map are derived from sextiles of the distribution of population change rates by local authority district.

2.5.5 Estimates of migrant employment from the Labour Force Survey

Table 2.3 presents estimates of migrant employment in the South East region based on quarterly LFS data for 2002 to 2007. Over this period, the percentage of employees who were international migrants (i.e. who had been born outside the UK) increased from 8.9% to 12%. Over half of these migrant workers (approximately 274,000 or 7% of employment in the South East in 2007) entered the UK from 1991 onwards. Of these post 1990 migrants, 153,000 (representing 3.9% of all employees in the South East in 2007) entered the UK during or after 2002. This percentage increased steadily over this period. The estimates presented here are based on a small sample of the population (and are therefore subject to sampling error), but probably understate the migrant population, since the design of the LFS means it tends to miss people who move residence frequently.

Table 2.3: Migrant workers in the South East region

Labour Force Survey Quarter	Total Employment	Migrant Cohort and percentage share of employees					
		All Migrants		Post 1990		Post 2001	
Apr – Jun, 2002	3,823,000	338,000	8.9%	125,000	3.3%	3,000	0.1%
Jun – Aug, 2003	3,868,100	381,000	9.8%	158,000	4.1%	41,000	1.1%
Oct – Dec, 2004	3,895,600	399,000	10.3%	179,000	4.6%	60,000	1.6%
Jan – Mar, 2006	3,928,700	421,000	10.7%	214,000	5.5%	93,000	2.4%
Apr – Jun, 2007	3,911,300	470,000	12.0%	274,000	7.0%	153,000	3.9%

Source: Merged LFS Sample 2002-07, weighted estimates of workforce
Notes: Data relate to workplaces in the South East. Migrant workers are defined as those of working age (i.e. 16-59/64) born outside the UK.

Since the LFS provides information by both residence and workplace, it is possible to generate information on inter-regional commuting flows. The LFS was used to create a database encompassing both the residents of the region and people working in the region who commute from elsewhere. Of the UK-born workforce in the South East estimates using pooled LFS data for the period from 2002 to 2007 suggest that 81.8% live and work in the region, 11.5% live in the region but work in a different region and 6.7% work in the South East but live elsewhere.

The analyses suggest that migrant workers are more likely to be involved in inter-regional commuting than the UK-born population: 74.7% live and work in the region, 11.8% live in the region and work elsewhere and 13.5% (double the proportion of the UK-born) work in the South East and live elsewhere. After the South East region, the most important workplaces for UK-born workers and migrant workers resident in the South East are Outer London, Central London and Inner London. Migrant workers are more likely to live in London (both Outer and Inner London) and work in the South East region than are UK-born workers. This may reflect the role of London as a key ‘gateway’ for international migrants and also the role of social networks in attracting migrants to pre-existing areas of migrant settlement.

None of the other secondary data sources reviewed here provide information on commuting flows. Comments from some of the third party stakeholders interviewed for this research endorse the point from the LFS analysis about flows to and from London – especially from local authority areas close to London, such as Slough. One respondent highlighted migrant workers living in Southampton but working in Dorset, while in Milton Keynes it was reported that some migrant workers were bussed in from Luton and Bedford.

2.5.6 NINo registrations of overseas nationals

There has been a large increase in the number of NINo registrations of overseas nationals both regionally and nationally over the five financial years 2002/3 to 2006/7 (see Table 2.4). In 2006/7 there were just over 80,000 NINo registrations of non-UK nationals in the South East, compared with 37,000 in 2002/3. The UK total increased from 349,000 to 713,000 over this period. (Note that the NINo registrations of overseas nationals represent a net increment to the migrant stock in employment over the period in question.)

Table 2.4: Trends in NINo allocations to overseas nationals in the UK and the South East, 2002/3 to 2006/7

Year	UK			South East		
	All	**A8**	**A2**	**All**	**A8**	**A2**
2002/3	349,240	10,930	5,880	37,480	1,000	530
2003/4	370,750	19,050	8,330	42,490	1,760	920
2004/5	439,730	107,760	7,780	50,690	14,260	1,030
2005/6	662,390	266,980	5,670	79,910	33,540	1,000
2006/7	713,450	31,2020	7,440	80,130	34,740	880
				South East share of UK (%)		
2002/3				10.7	9.1	9.0
2003/4				11.5	9.2	11.0
2004/5				11.5	13.2	13.2
2005/6				12.1	12.6	17.6
2006/7				11.2	11.1	11.8

Source: DWP

The South East accounted for 10.7% of the UK total of NINo allocations to overseas nationals in 2002/3 and 11.2% in 2006/7. Since 2004/5 the South East has accounted for a declining proportion of all people from the A8 countries allocated NI numbers in a given year; (the East Midlands, the West Midlands and the East of England have been relatively more attractive destinations for migrants from A8 and A2 countries than the South East). It is possible that this reflects a lower cost of living than in the South East, as well as activities of recruitment agencies and the existence of direct transport links between these regions and locations in eastern Europe.

The number of NINos allocated to workers from EU Accession countries increased markedly over this period, largely accounting for the overall increase in overseas NINo allocations. The number of NINos allocated to the A2 countries in the run-up to their accession did not increase very much in either the South East or the UK, but there was an immediate 7-fold increase for A8 countries after their accession in 2004 in the South East. By 2006/7, their numbers had increased two-and-a-half times on the 2004/5 total. However, in absolute terms the largest increase for NINo allocations to A8 nationals was between 2004/5 and 2005/6. Thereafter the numbers stabilised.

Table 2.5 shows NINo allocations to all overseas nationals and to those from A8 and A2 countries over the period for the RES geographies of Coastal, Rural and Inner areas. The Inner areas account for the largest concentrations of NINo allocations to overseas nationals. Migrants are more concentrated in the Inner areas than is the working age population as a whole. NINo allocations to overseas nationals as a whole have tended to be relatively concentrated in larger local authority districts.

In general, similar temporal trends are evident across all three geographies, although it is interesting to note that there was a slight decrease in numbers in Coastal areas between 2005/6 and 2006/7, compared with a slightly increasing trends in Rural and Inner areas. From 2004/5 (i.e. the year in which the large influx of A8 migrants was recorded) the balance in the spatial distribution of allocations shifted away from Inner areas towards Coastal and Rural areas. This reflects the greater spatial dispersion of A8 migrants relative to previous waves of migrants. However, in the most recent period there appears to have been a relative shift away from Coastal areas. Until more data becomes available it is unclear whether this is an anomaly or whether it presages a continuing trend.

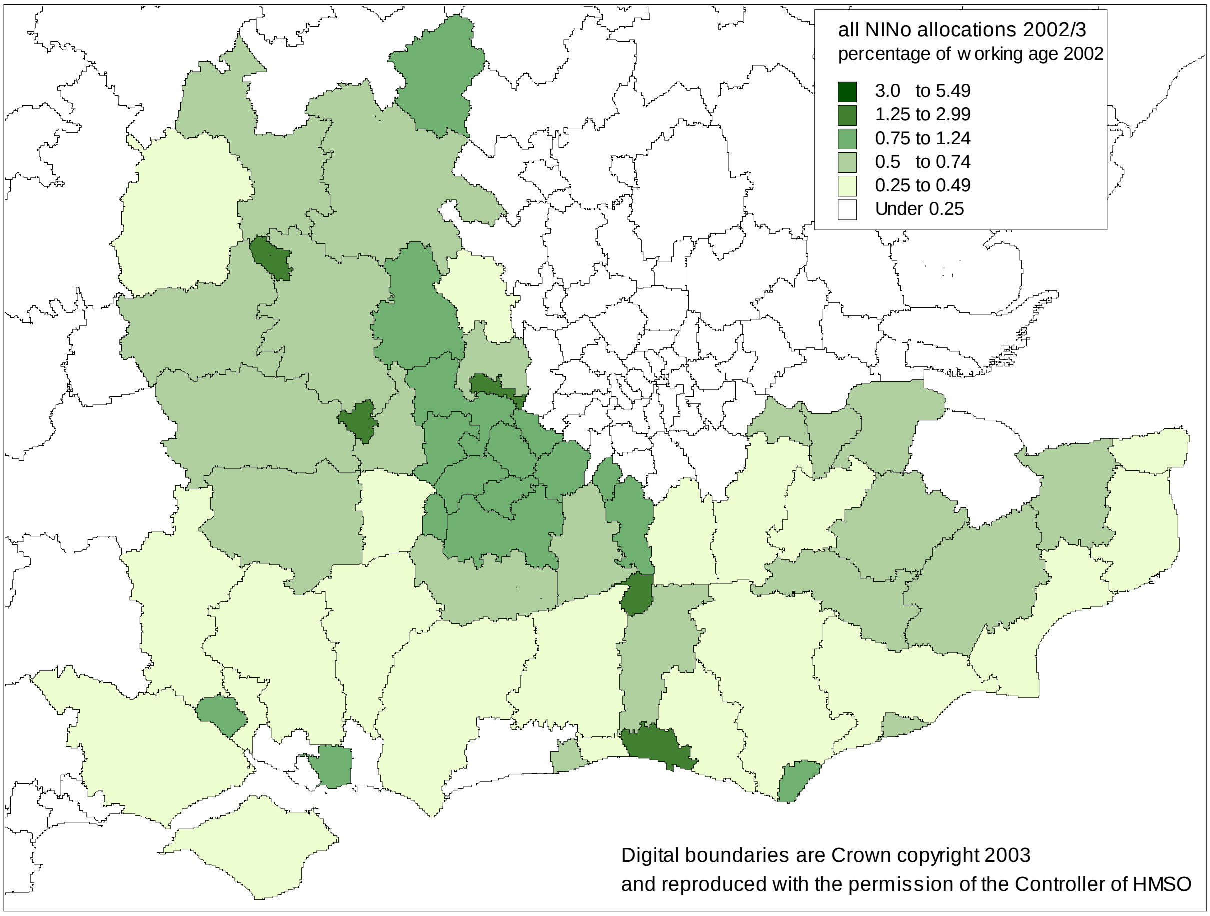
Table 2.5: NINo allocations to overseas nationals by South East RES geographies, 2002/3 to 2006/7

Year	Group	Coastal		Rural		Inner	
		count	% of SE total	count	% of SE total	count	% of SE total
2002/3	All	11280	30.1	5470	14.6	20700	55.3
	A8	190	19.0	150	15.0	660	66.0
	A2	190	35.8	100	18.9	240	45.3
2003/4	All	13530	31.8	6230	14.7	22750	53.5
	A8	480	27.3	220	12.5	1060	60.2
	A2	330	35.9	200	21.7	390	42.4
2004/5	All	17510	34.5	8220	16.2	24960	49.2
	A8	6200	43.5	2690	18.9	5370	37.7
	A2	420	40.8	250	24.3	360	35.0
2005/6	All	27420	34.3	13100	16.4	39410	49.3
	A8	13600	40.5	6180	18.4	13760	41.0
	A2	460	46.0	180	18.0	360	36.0
2006/7	All	25800	32.2	13210	16.5	41170	51.3
	A8	12600	36.3	6540	18.8	15600	44.9
	A2	270	30.7	220	25.0	390	44.3
Economically active people of working age in January to March each year							
2005		1,409,300	34.8	1,013,000	25.0	1,631,000	40.2
2006		1,411,200	34.5	1,016,000	24.9	1,660,900	40.6
2007		1,421,000	34.7	1,019,700	24.9	1,659,600	40.5

Source: DWP and Annual Population Survey (via Nomis)

Figures 2.5 and 2.6 present NINo registrations of overseas nationals in 2002/3 and 2006/7 as a percentage of working age people. These maps highlight the increase in NINo registrations of overseas nationals across the region referred to above.

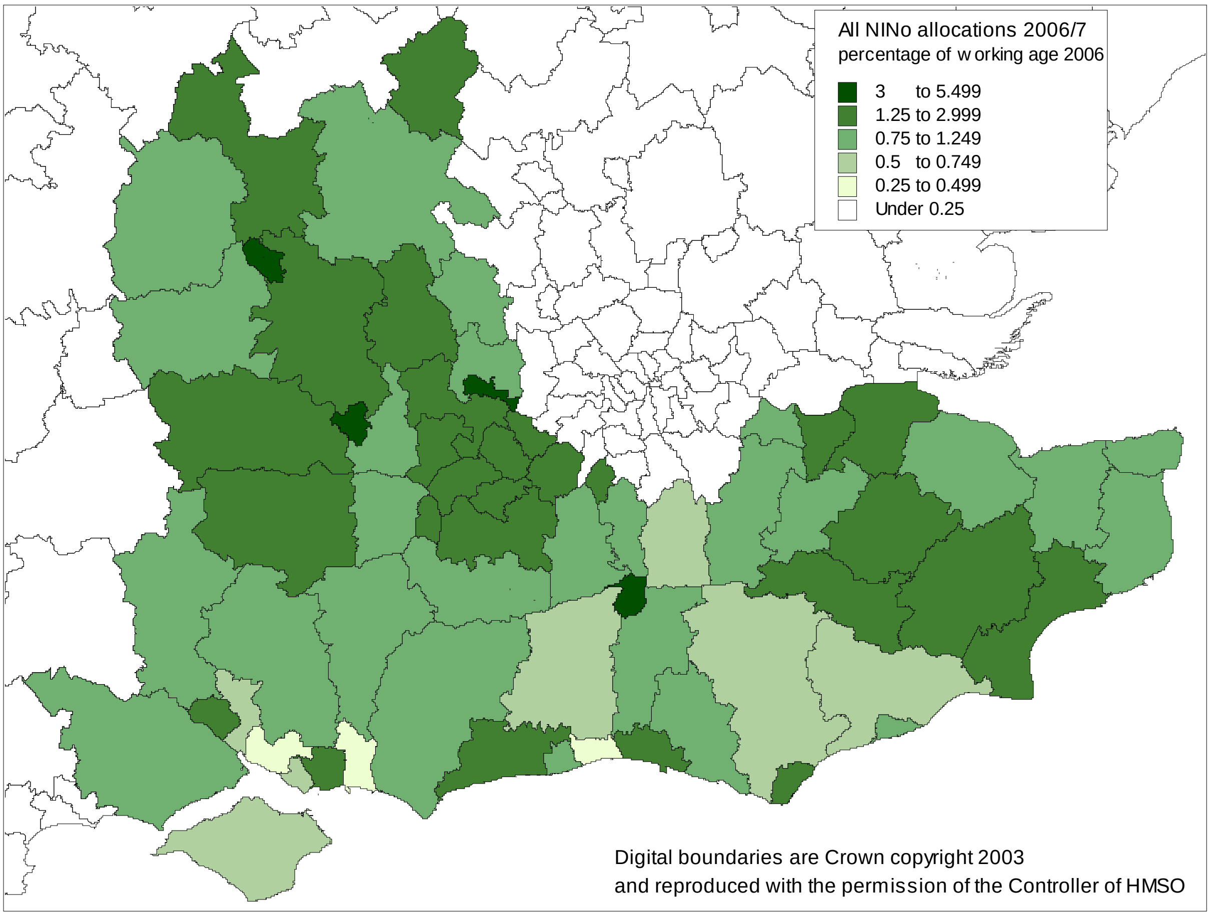
Figure 2.5: All NINo allocations to overseas nationals 2002/3 as a percentage of working age people, 2002



Source: DWP and Mid Year Estimates

Note: Figures 2.5, 2.6 and 2.7 use common shading intervals in order to demonstrate the increase in overseas and A8 and A2 migrants as a percentage of the working age population. The width of the intervals increases progressively from 0.25 to 2 until the top shading category which is set to include the maximum value over the three maps presented.

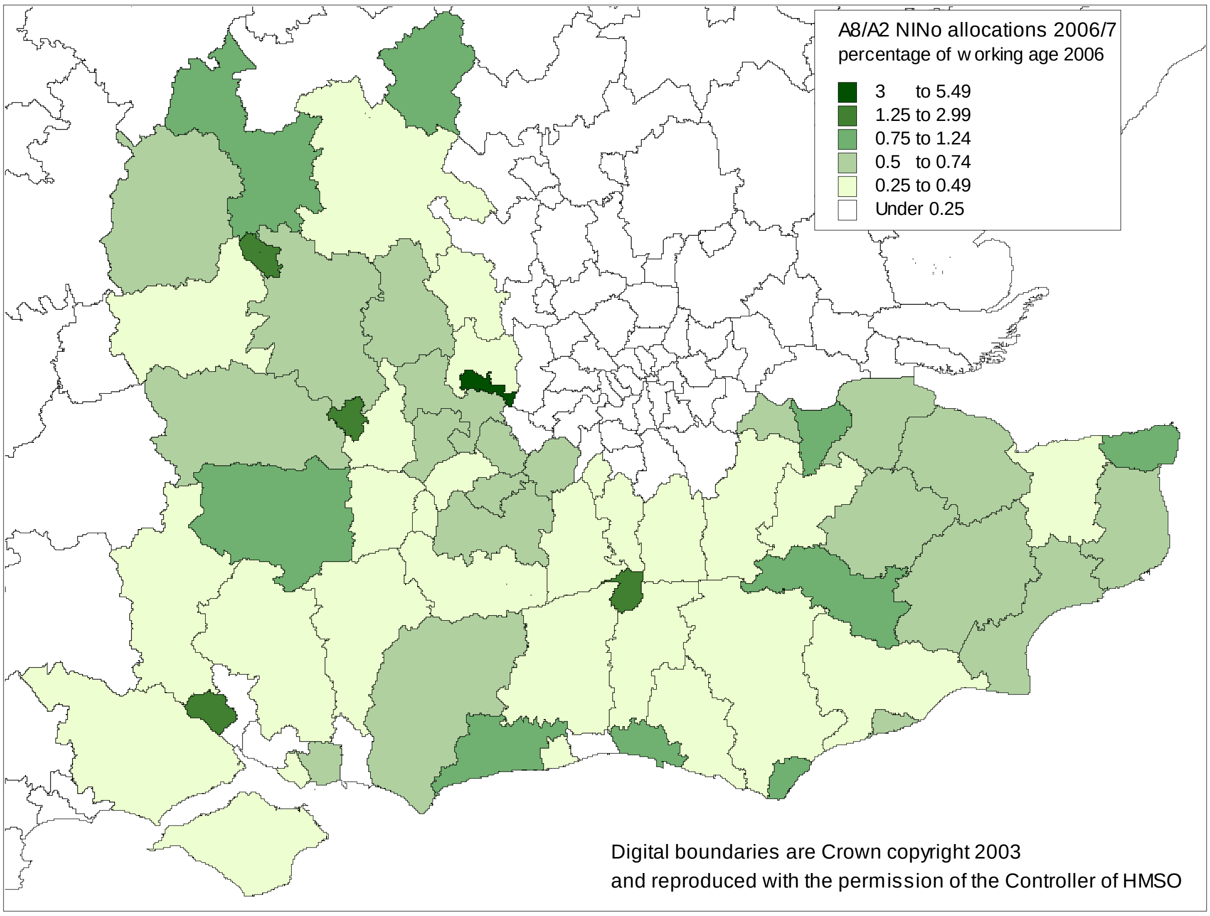
Figure 2.6: All NINo allocations to overseas nationals 2006/7 as a percentage of people of working age, 2006



Source: DWP and Mid Year Estimates.

A8 and A2 nationals display an uneven spatial distribution at local level, as illustrated in Figure 2.7 which shows NINo allocations in 2006/7 as a percentage of the population of working age (see Table A2.2 in the Annex for the underlying data). Large urban areas such as Slough and Southampton display some of the largest shares of NINo allocations, but it is clear that there are also concentrations in some rural and coastal areas. Nationally, A8 migrants display a more spatially dispersed distribution than earlier migrant groups (Stenning *et al*., 2006; Commission for Rural Communities, 2007; Bauere *et al*., 2007), although some local areas which have traditionally acted as migrant destinations continue to do so. This national pattern is replicated in the South East.

Figure 2.7: A8 andA2 NINo allocations 2006/7 as a percentage of people of working age, 2006



Source: DWP and Mid Year Estimates

2.5.7 WRS registrations of A8 nationals

Over the period between May 2004 and September 2007 there were just over 90,000 WRS registrations in the South East. This represents 13.5% of all WRS registrations in the UK (i.e. a similar proportion to the South East's share of the UK working age population). The local authority areas with the largest counts of A8 migrants were Southampton (5,640), Arun (3,790) and Slough (3,645). Together these three areas account for nearly 15% of all A8 migrants recorded in the WRS in the region over the period. (Note that this is not a current count of migrants because migrants leaving the area are not deleted from the count. Moreover, there will be local variations in the duration of stay of migrants, with migrants working in jobs related to agriculture in rural areas likely to be characterised by shorter durations of stay than their counterparts in other industries in urban areas).

Analysis by RES geographies reveals greater seasonality in registrations in Rural areas and Coastal areas than the Inner areas. Local authority areas with the next largest counts of A8 migrants recorded by the WRS over this period were Brighton & Hove (2,955), South Oxfordshire (2,790), Chichester (2,690), Reading (2,615), Oxford (2,555), Swale (2,555), Milton Keynes (2,450), Medway (2,350), New Forest (2,325), Windsor & Maidenhead (2,120) and Gravesham (2,000). Together these areas accounted for 42% of the South East total.

2.5.8 Work permits

Over the period from 2000 to 2006, 170,960 work permit applications were made by employers in the South East and a total of 1,033,375 applications were made for the UK as a whole. As outlined above, work permits relate to migrant workers from outside the EEA. There was a steady rise in the number of work permits issued over the period to 2004, but then there was a fall in 2005 (possibly in response to migration from the A8 countries). In the UK, the 2006 total was 74.1% higher than the 2000 total, while the number of permits applied for in the South East increased by 76.1%. The region's share of all work permits applied for in the UK was around 17%, increasing slightly over this period.

It is notable that this proportion is slightly higher than the regional share of A8 migrants as recorded by the WRS and the regional share of the population of working age. Hence, international migration from outside the EEA is relatively more important in the South East than nationally. This reflects the industrial and occupational structure of employment in the South East – notably the relatively larger share of jobs requiring higher level skills than the UK average. However, it also highlights the fact that the effective operation of the PBS is very important for the South East economy.

Between 2000 and 2006 the Inner areas accounted for around two-thirds of the work permits issued in the South East (compared with around two-fifths of WRS registrations). The remainder of work permit applications were distributed relatively evenly between Coastal and Rural areas across the period as a whole. However, this disguises the fact that more work permits were issued in Rural areas than in Coastal areas towards the end of the period, whereas at the start of the period there were more work permits issued in Coastal than in Rural areas.

Table 2.6 presents information on the spatial distribution of work permit applications across the South East region at local authority area scale. The largest numbers of applications were in Milton Keynes, Windsor and Maidenhead, Bracknell Forest and Basingstoke and Deane. The fastest rates of increase in applications over the period 2000 to 2006 occurred in areas in the western and south-western parts of the region – including Wokingham, West Berkshire, and Woking.

Table 2.6: Largest numbers of work permit applications by local authority district, 2000-2006

Local authority	Total 2000 to 2006	Annual mean	Applied 2000	Applied 2006	Change 2000 to 2006	% change 2000-2006
Milton Keynes	9285	1326	735	2225	1490	202.7
Windsor & Maidenhead	8685	1241	1450	1430	-20	-1.4
Bracknell Forest	8180	1169	1540	1050	-490	-31.8
Basingstoke & Deane	7995	1142	560	1565	1005	179.5
Wokingham	7490	1070	285	1860	1575	552.6
Oxford	6410	916	625	910	285	45.6
Slough	6310	901	1205	895	-310	-25.7
Runnymede	6005	858	525	800	275	52.4
Reading	5985	855	570	775	205	36.0
Wycombe	5975	854	1150	825	-325	-28.3
Woking	5930	847	230	1230	1000	434.8
West Berkshire	5600	800	225	1335	1110	493.3
Mole Valley	5245	749	340	715	375	110.3
Portsmouth	4350	621	290	775	485	167.2
Brighton and Hove	3830	547	385	500	115	29.9
South East	170960	24423	16030	28210	12180	76.0

Source: WorkPermitsUK, via Freedom of Information request

2.5.9 Seasonal Agricultural Workers Scheme

SAWS is subject to a strict national quota - set at 16,250 places in 2008 and 2007 (compared with 25,000 in 2004). In 2007 6,500 (40%) was reserved for citizens of Bulgaria and Romania; the remaining 9,750 (60%) was earmarked for students from non-EEA countries. From 1 January 2008 SAWS has applied to Bulgarian and Romanian nationals only, with a quota of 16,250; (other non EU workers who are already part of this Scheme and made their application in 2007 will be allowed to apply to extend their work placement up to a maximum of six months in 2008).

Table 2.7 shows the number of SAWS applications in each of the selected local authority districts for which SAWS data were obtained. The largest concentrations of SAWS applications are in Swale and Maidstone, followed by Tonbridge & Malling and Canterbury. Individuals who have come to the UK under SAWS can be a significant component of the population in some rural areas.

Table 2.7: SAWS applications for selected districts, 2004-2007

Local Authority District	2004	2005	2006	2007	Total
Arun	20	25	25	20	90
Canterbury	600	475	425	385	1,885
Chichester	430	320	210	315	1,275
Dover	235	120	160	110	625
Maidstone	645	615	770	670	2,700
Medway	345	245	280	230	1,095
Swale	1,120	785	995	950	2,845
Tonbridge and Malling	520	430	485	465	1,900
Tunbridge Wells	325	150	210	210	890
Wokingham	185	300	295	310	1,095
Total	4,425	3,465	3,855	3,665	14,400

Source: SAWS (FoI request). Data were obtained for selected areas only. The data are based on Management Information, are provisional and subject to change. Figures are rounded to the nearest 5. Figures are based on Farm address and planned start date.

2.5.10 Overview

This section has highlighted the significance of migration to the South East over the period since 2004. Owing to data shortcomings, it is not possible to provide a single definitive estimate of the number of economic migrants to the South East. What is clear is that some of the factors that led to a significant increase in migrant flows from 2004 are now subject to change. This means that future migration trends are uncertain, so posing challenges for adaptive capacity.

Economic migration has been focused on some of the larger urban centres in the region and is especially important relative to the size of the total population in the Inner areas of the region. However, Coastal and Rural areas both saw an increase in the proportion of migrants from 2004 in a trend indicative of the more general spatial dispersion of A8 migrants evident at a national scale. Despite the inflow of migrant workers from A8 and A2 countries, migration from other parts of the world is relatively more important in the South East than it is nationally.

2.6 *Demographic characteristics of migrant workers*

2.6.1 Introduction

This section profiles the characteristics of migrant workers by nationality, gender and age. Some information on numbers of dependants is presented also. As highlighted above, some secondary data sources provide information on migrants from all national groups, while others cover a restricted range of national groups. Where applicable, recent changes in the demographic profile are presented also.

2.6.2 Nationality

Information from NINos

NINo allocation data covers all national groups and so provides an overview of the changing national profile of labour migrants. In 2002/3 A8 countries accounted for 2.7% of NINo allocations to overseas nationals in the South East (compared with 3.1% across the UK). By 2006/7 A8 nationals accounted for 43.4% of the regional total compared with 43.7% nationally.

Table 2.8, showing the top 10 nationalities for NINo allocations, provides further information on this considerable shift between 2002/3 and 2006/7. At the start of the period, South Africa (9.4% of all allocations), India (6.8%) and the Philippines (5.5%) were the largest sources of overseas labour and the list was dominated by the Old and New Commonwealth and other countries of the EU15. By 2006/07, Poland was the largest single country (representing 30.5% of all allocations) followed by India (6.7%). The other largest A8 countries were the Slovak Republic (4.4%) and Lithuania (2.4%). Poles were the largest nationality in 2006/7 in all local authority areas (except Rushmoor, where Nepalis were the largest national group - probably reflecting the presence of the Armed Forces). People from India and the Slovak Republic tend to be the second or third largest nationalities in most districts.

Table 2.8: NINo allocations to overseas nationals in the South East, 2002/3 and 2006/7

2002/3	% of total	2006/7	% of total
All	*37480*	*All*	*80130*
South Africa	9.4	Poland	30.5
India	6.8	India	6.7
Philippines	5.5	Slovak Rep	4.4
Australia	5.0	South Africa	3.6
Zimbabwe	4.7	Nepal	3.6
France	4.0	France	2.7
Spain	3.4	Pakistan	2.6
Pakistan	3.3	Australia	2.6
China Peoples Rep	2.9	Germany	2.5
Germany	2.7	Rep of Lithuania	2.4
Portugal	2.6	Czech Rep	2.0

Source: DWP.

Information from the WRS

The *WRS* data cover A8 migrants (excluding the self-employed) only. Over the period from May 2004 to September 2007 Poles easily accounted for the largest number of WRS registrations, forming nearly two-thirds (66.2%) of all registrations in the UK (see Table 2.9). The percentage for the South East was slightly lower, at 64.5%, but they were still overwhelmingly the dominant group. Just over 58,000 of 90,000 WRS registrations in the region over the period from May 2004 to September 2007 were Poles. The dominance of Poles in terms of sheer numbers is evident across all RES geographies, as shown in Figure 2.8.

The next largest national group, both regionally and nationally, was the Slovakians, accounting for 12.5% of the cumulative total in the South East. This group of migrants was relatively more concentrated in Inner areas than elsewhere.

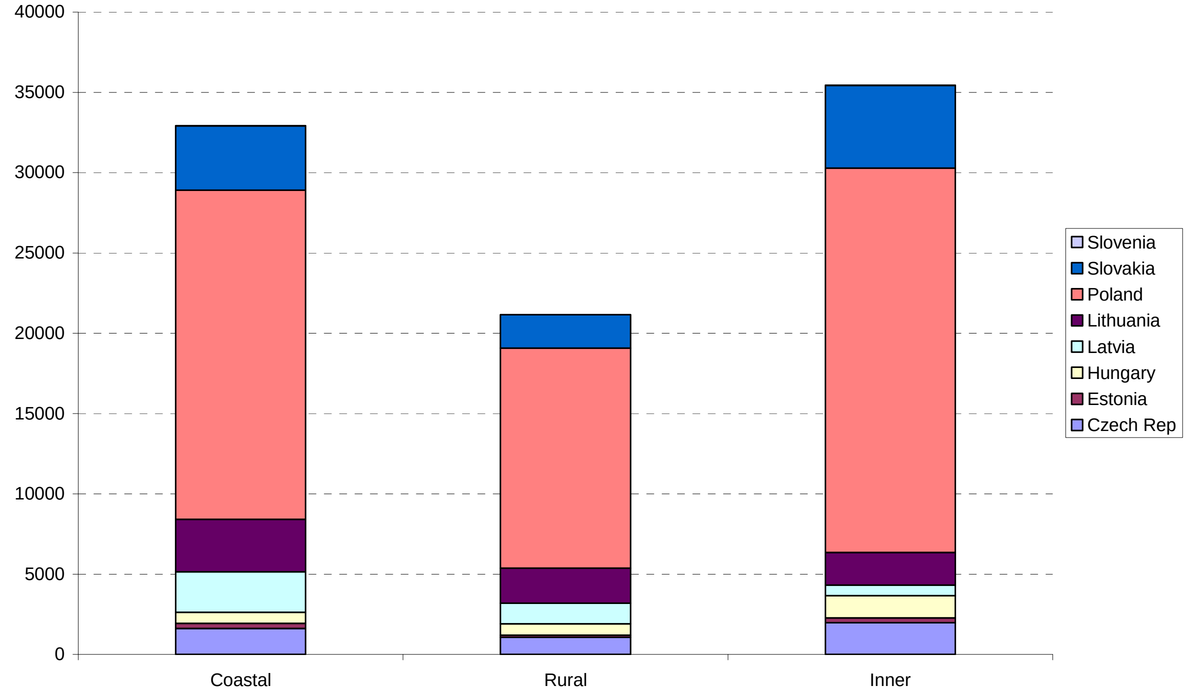
WRS registrants are slightly more likely to come from the Czech Republic and Slovakia in the South East than in the UK as a whole, and Lithuanians are under-represented relative to the national average. However, Lithuanians (and other Baltic State nationals) account for a relatively larger share of A8 migrants in Coastal and Rural areas than across the region as a whole.

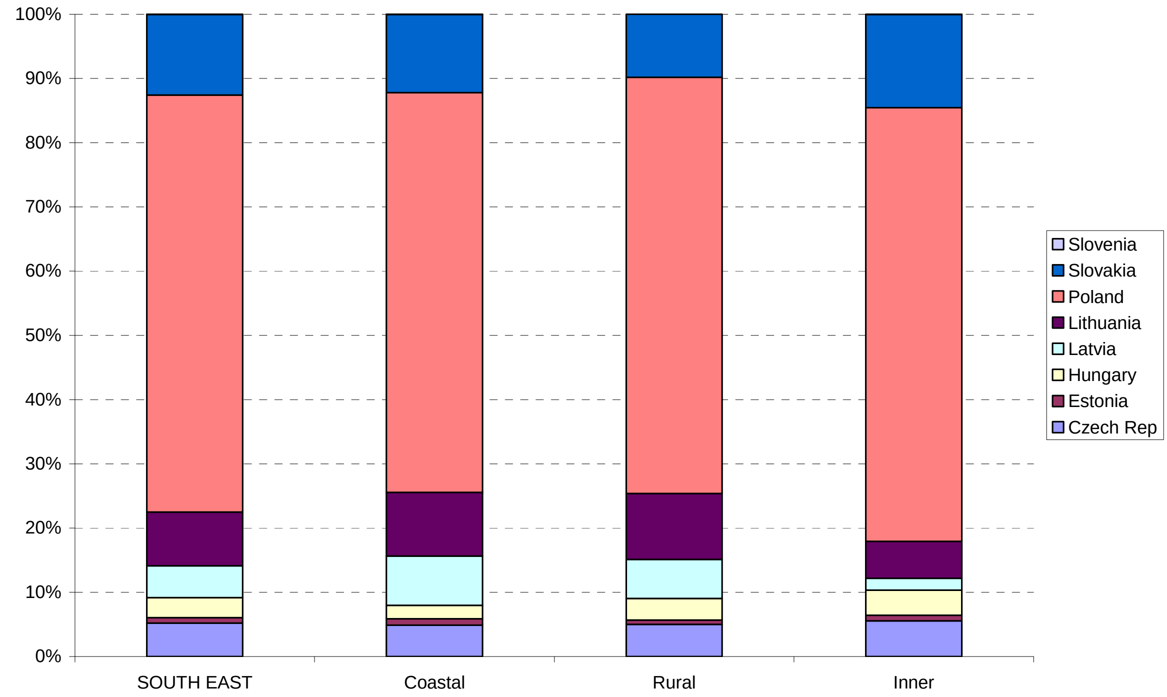
Table 2.9: Total WRS registrations in the South East and the UK, May 2004 to September 2007

	South East			UK	
	Number	**Percent of total**	**Share of UK**	**Number**	**Percent of total**
Czech Republic	4725	5.2	15.7	30090	4.5
Estonia	890	1.0	14.5	6135	0.9
Hungary	2885	3.2	13.6	21255	3.2
Latvia	4530	5.0	13.5	33660	5.1
Lithuania	7570	8.4	11.6	65390	9.8
Poland	58125	64.5	13.2	440975	66.2
Slovakia	11270	12.5	16.7	67680	10.2
Slovenia	85	0.1	14.4	590	0.1
A8 countries	90065	100.0	13.5	665805	100.0

Source: WorkPermitsUK, via Freedom of Information request

Figure 2.8: Nationality profile of WRS registrations in the South East by RES geographies, May 2004 to September 2007





Source: WorkPermitsUK, via Freedom of Information request

Information from work permits

Work permit data cover non-EEA nationals only. The national origins of labour migrants on work permits are diverse. The 16 countries from which more than 1,000 work permit applications were made over the period 2000 to 2006 represented 76.3% of all work permit applications. India alone accounted for more than a third of these, with nearly four times the number of applications coming from the second largest source of workers, the United States. The Philippines, South Africa, Australia and China were the other major origin countries (see Table 2.10).

Table 2.10: South East – most frequent nationalities among work permit applications (all with more than 1000 in total) 2000-2006

Nationality	*2000*	*2001*	*2002*	*2003*	*2004*	*2005*	*2006*	*2000 to 2006*	*Percent of total*
INDIA	5175	6005	6015	7740	10535	10405	12445	58320	34.1
UNITED STATES	2325	2435	2180	2000	2205	2030	2090	15265	8.9
PHILIPPINES	1395	2160	2485	2440	2420	1490	1660	14050	8.2
SOUTH AFRICA	1025	1880	2405	2150	1940	1490	1260	12150	7.1
AUSTRALIA	600	1020	1035	970	780	730	780	5915	3.5
CHINA (PR)	265	360	525	630	785	1010	1135	4710	2.8
JAPAN	435	450	555	430	385	440	385	3080	1.8
ZIMBABWE	160	355	500	565	590	460	360	2990	1.7
BULGARIA	60	310	465	385	545	685	250	2700	1.6
CANADA	365	315	310	245	295	290	260	2080	1.2
MALAYSIA	105	240	340	305	275	205	300	1770	1.0
PAKISTAN	110	230	390	260	320	200	205	1715	1.0
ROMANIA	25	50	95	190	420	455	325	1560	0.9
ARGENTINA	30	85	170	210	245	320	380	1440	0.8
MOLDOVA	30	35	30	390	125	255	515	1380	0.8
BANGLADESH	0	15	70	305	825	30	40	1285	0.8
All countries	16045	21730	23715	25570	29560	26145	28225	170990	100.0

Source: WorkPermitsUK, via Freedom of Information request

Overview

These different secondary data sources show that there have been important changes in the profile of migrant workers by nationality in recent years. Poland has risen dramatically to become easily the largest supplier of migrant workers since 2005, with other A8 countries also increasing in importance. This highlights why a concern with A8 migrants has dominated in recent debates on labour migration. However, despite the focus in primary data collection for this study on A8 and A2 countries it is important to keep in mind the importance of other migrant flows – notably from India, but also from countries such as the USA, South Africa, China and the original 15 Member States of the EU.

Information from the South East Migrant Worker Survey

As highlighted above, there is no sampling frame for undertaking a survey of migrant workers at regional level. The *South East Migrant Worker Survey* focused on A8 and A2 migrants only and quotas were set by nationality with reference to secondary data sources in order to ensure coverage of the national groups thought to be most significant in the region. The quotas by nationality were established for guidance in securing a broad sample and not as a rigid structure.

Table 2.11 shows the nationality profile of the sample obtained across the region and in each of the seven case study areas. Approximately two in three respondents were Polish, although across the case study areas the proportions of Polish respondents ranged from just over 40% in Hastings to nearly 85% in Milton Keynes. The next largest national groups were Slovakians (nearly 9% of the regional total) and Lithuanians (just over 7% of the regional total). When interpreting the results of the South East Migrant Worker Survey it is important to remember that they relate to the sample of migrants surveyed, and do not necessarily represent the experiences of all migrant workers in the region.

Table 2.11: Breakdown of migrant survey interviews

	Total	Milton Keynes	Elmbridge\ Guildford	Wokingham\ Reading	Southampton	Crawley	Swale\ Medway	Hastings
Polish	477	90	52	77	84	66	62	46
Czech	29	4	6	2	2	0	4	11
Slovak	64	4	14	6	6	7	10	17
Lithuanian	52	3	6	8	3	12	7	13
Latvian	42	1	2	2	9	6	11	11
Estonian	6	1	2	0	0	1	1	1
Hungarian	16	1	8	0	0	0	1	6
Slovenian	3	0	1	1	1	0	0	0
Bulgarian	23	1	3	2	0	13	2	2
Romanian	14	1	5	1	0	4	2	1
Total sample	726	106	99	99	105	109	100	108

Source: South East Migrant Worker Survey

2.6.3 Gender

In recent years males have outnumbered females amongst labour migrants. Data on NINo allocations to overseas nationals shows that in the South East region males accounted for around 52% of total allocations in 2005/6, compared with 48% in 2003/4. It is notable that males account for a slightly lower share of the total than the UK average. The picture of males outnumbering females is also evident from the WRS registration data with males accounting for around 55% of the total.

In the South East Migrant Worker Survey 62% of respondents were males and 38% were females. Hence, the dominance of males in the survey is slightly greater than revealed in the secondary data sources.

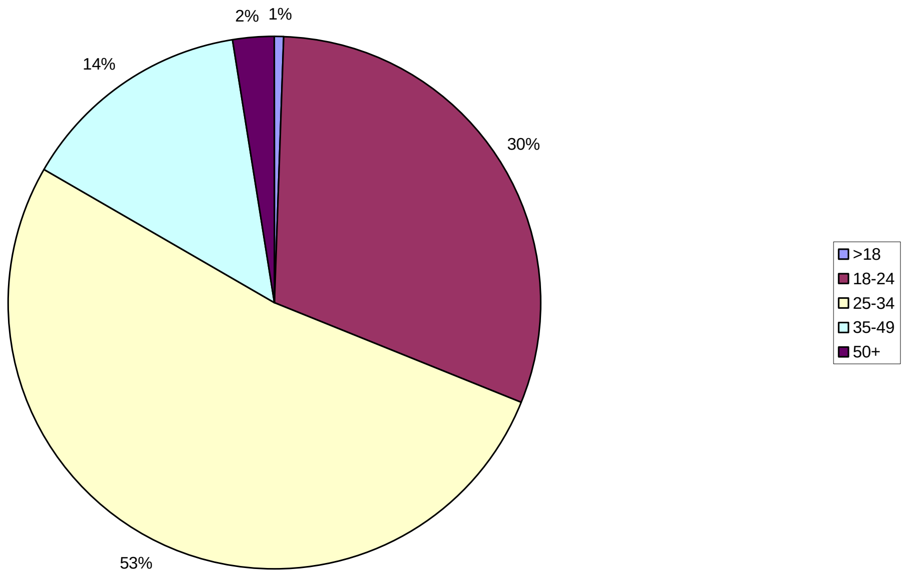
2.6.4 Age

A consistent finding from national and local studies of migrants is that migrants are predominantly young adults. Analyses of both secondary data sources and of the South East Migrant Worker Survey agree on this point. Analysis of the age breakdown of NINo registrations of overseas nationals (across all countries of origin) in 2006/7 shows that around 37% were to people aged under 25 years and a further 43% to individuals aged 25 to 34. In excess of 80% of WRS registrations of A8 nationals are for individuals aged 18-34 years – 46% were aged 18-24 years and 39% were aged 25-34 years. The regional age structure of overseas NINo applicants was slightly older than the national average, while that of registrants on the WRS scheme was slightly younger than the national average. The higher than average percentage of international migrants from outside the EU in the South East will increase the average age of all migrants, as many of these are in professional occupations. The relative youth of A8 migrants to the South East may reflect the larger number of jobs in industries such as hospitality and catering (relative to other regions). These industries are characterised by employment of younger staff.

Figure 2.9 shows the age breakdown of respondents to the South East Migrant Worker Survey. The mean age of respondents was 29 years but the modal age groups are the mid 20s. Although the respondents are slightly older than A8 migrants (as highlighted in the WRS [which includes self-employed people, who are likely to be slightly older]) the key message emerging is that migrants are overwhelmingly young(er) people. This is in accordance with the general propensity for higher rates of mobility amongst young adults than people at other life course stages.

The age profile of migrants has implications for living arrangements (in terms of household structure and housing preferences), service provision and (to some extent) for labour market flexibility and migrants' aspirations.

Figure 2.9: Age profile of respondents in the South East Migrant Worker Survey



Source: South East Migrant Worker Survey

2.6.5 Families and households

Introduction

The age profile of migrant workers outlined above suggests that a substantial number of migrant workers – particularly those at the young end of the age range – are single or forming partnerships. Some may have dependants, but may not necessarily bring those dependants with them to the UK. Whether or not migrant workers bring dependants with them to the UK or acquire dependants once in the UK has considerable implications for the amount and nature of demands placed on services. The majority of migrant workers from A8 and A2 countries do not have dependants in the UK currently.

Information from the WRS

Figure 2.10 shows the trend in the number of applicants with dependants as a percentage of WRS registrations, for the South East as a whole over the period from 2006 (when data on dependants are available for the first time from this source). There seems to be an upward trend, but this might be a result of relatively high percentages in October-December 2006 and January-March 2007, which was then followed by a decline in the spring and summer. The peak was greater for dependants aged under 17 (which might reflect the start of the school year).

Figure 2.10: Dependants of WRS applicants in the South East

Source: WorkPermitsUK, via Freedom of Information request.

Information from the South East Migrant Worker Survey

Results from the South East Migrant Worker Survey and from the focus groups also suggest that relatively few respondents brought dependants with them to the UK. Of the 17% of the sample who brought members of their family with them to the UK, 37% brought children; (52% brought a husband/wife and 23% brought a sibling). 21% of respondents joined other members of their family already in the UK when they arrived; but of these 23% joined a husband/wife while 52% joined siblings. This reinforces the picture of a substantial number of young people being at a pre family formation stage.

The fact that many migrant workers are at a stage of their lives where relationships and living arrangements are fluid poses challenges for adaptive capacity. Over a relatively short period, many migrant workers may have children – so placing pressures on maternity services, pre-school and school services. The impacts of such changes and associated demands for services will be localised. Conversely, it is possible that many young migrants may not stay in the UK if/when they have children.

2.7 *Migrants' motivations, aspirations and intentions*

2.7.1 Introduction

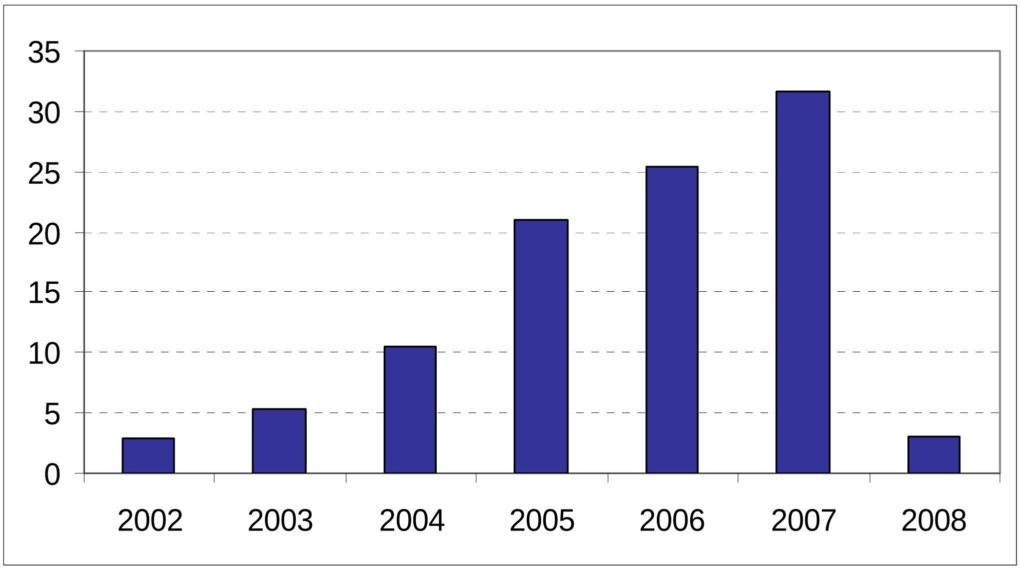
This section explores migrants' motivations, aspirations and intentions. These are important looking ahead in the short-, medium- and longer-term. Clearly, the greater the degree of certainty about these issues, the easier it is for employers, institutions and service providers in the region to plan ahead.

At individual level each migrant worker will have his/her own biography and migration story. Here the emphasis is on identifying common themes and issues, drawing largely on findings from the South East Migrant Worker Survey, although reference is made to comments of individuals who participated in focus groups and to reflections of interviewees from third party organisations. It should be kept in mind that the results relate to a particular sample of migrant workers interviewed at one snapshot in time. It is possible that different findings could emerge from a different sample and at a different point in time. However, we are confident that the results are robust within the limitations set out above and so provide valuable insights to inform the challenges partners in the region and the regional economy face in enhancing adaptive capacity.

2.7.2 Migration to the UK

The overwhelming majority (89%) of South East Migrant Worker Survey respondents arrived in the UK for their current stay after May 2004 (i.e. the date of Accession of the A8 countries) (see Figure 2.11). This was true across all case study areas, although Crawley and Swale/Medway had slightly more migrants coming to the UK in recent years and Elmbridge/Reading slightly fewer. Bulgarians and Romanians are disproportionately concentrated amongst the most recent migrants. Those who were self-employed at the time of the survey were more likely to have been in the UK longer than the sample average, probably because the self-employed were able to take advantage of migration schemes for members of the EEA, but possibly indicating that migrants may be more likely to take up business opportunities the longer they stay in the country. Those in operative and elementary occupations are also more concentrated amongst newer arrivals than the sample average, suggesting that migrants may find such jobs easiest to enter on arrival in the UK and then they may upgrade to higher level occupations later.

Figure 2.11: Percentage of sample of migrant workers arriving each year



Source: South East Migrant Worker Survey

20% of the sample had lived elsewhere in the UK or in another country apart from their home country. There were no marked differences in this proportion by case study area, nationality or gender. Those aged 40-49 years were most likely to report that they had lived elsewhere. Obviously, individuals in this age group had more scope for living elsewhere, but the findings may also suggest that those with experience of living abroad may be more likely to do so again.

2.7.3 Motivation for coming to the UK

Results from the South East Migrant Worker Survey suggest that motivations in coming to the UK are *overwhelmingly economic*:

- over 89% of respondents identified working and earning money as a key reason for coming to the UK;
- 83% of respondents indicated that their main reason for coming to the UK was to work and earn money (see Table 2.12).

However, other (often subsidiary) reasons for migration include to learn English (identified as a reason by 34% of respondents), to see and experience another country (identified as a reason by 20% of respondents), to visit/ join friends and family members and to study.

Table 2.12: Reasons for coming to the UK

Reason	A Reason (can identify more than one) (% of total)	MAIN Reason (one only) (% of total)
To work and earn money	89.4	82.7
To improve English	33.5	4.5
To study	8.1	2.3
To join a husband/wife/partner/wider family	9.4	3.9
To travel and see another country	20.1	4.3
Knew people in the UK	9.0	0.7
Other	3.0	2.1
Holiday	0.3	0.3
Better life	0.3	0.1
Not provided	0.1	0.1

Source: South East Migrant Worker Survey

The dominance of economic reasons is highlighted by some of the comments from focus group participants. Many of them mentioned *"better money"* as a key reason for coming to the UK. For some respondents the sole reason for coming to the UK was economic. For example, one older male with limited English explained (through a translator) that he had been made redundant by a steel-making company in Slovakia and owing to lack of other opportunities in Slovakia he had come to the UK and was currently working packing fruit in Kent.

A younger female respondent from Poland highlighted how economic reasons were paramount in her decision to come to the UK, but existing social links were important too:

> *"I had just finished my study and I was struggling to find a job, any job actually, it was very difficult at the time and it was at the same time when my husband lost his job. So we decided we are going to try something different. It was a good idea because my friend from college, she lives here for a few years and she suggested when you come you can have some place to stay. So we decided to come."*

A young male respondent indicated how economic reasons and a desire to improve his English had prompted his decision to come to the UK:

"I work in a hotel ... I like it because the salary is much better than at home, in our country. That was my first, or the second reason why I came here. The other one is to improve my English language. This is my first workplace. But anyway I'm studying now as well, at home, at a college."

Respondents in Swale/Medway, Crawley and Wokingham/Reading were more likely than the sample average to cite economic reasons for coming to the UK. Economic reasons also predominated across all industries and occupations, with those in skilled trades, elementary occupations and those working as operatives being more likely than the sample average to cite such reasons. Males were more likely than females to cite economic reasons for migration, while females were more likely than males to say that learning English, studying, travelling or joining family members were key reasons for migration. Polish respondents were more likely than other national groups to say that knowing people in the UK was a reason for migration. This probably reflects the scale of the Polish migration to the UK in recent years. It highlights the important role of social networks in shaping migration flows.

In considering likely future trends in migration, economic conditions in the UK, within origin countries and in other potential destinations are all important. The migrant worker has a 'dual (or triple) frame of reference'. This means he/she considers circumstances in the country of origin as well as in the current destination (and potential destinations). In economic terms, the relative attraction of the UK may be waning in the light of economic slowdown, changing exchange rates, economic growth in central and eastern European economies (although the UK remains a high income economy) and the opening up of other EU economies to A8 and A2 migrants.

However, it is important to look beyond a narrow economic view of migration to consider social, linguistic (notably the attraction of English as a global language) and other factors influencing migration decisions. Some migrants who initially come to the UK for purposes of 'exploration'/'discovery' (i.e. to travel and to experience life in the UK) may subsequently decide to settle permanently, while for others short-term migration to the UK may be a precursor to migration to other destinations (Williams, 2008). Once established, social networks may perpetuate migration even when initial triggers that first prompted flows decline in importance. Hence, decisions of individuals and households about where and whether to move or to stay are influenced by a range of economic and non-economic factors, which may change in importance over time.

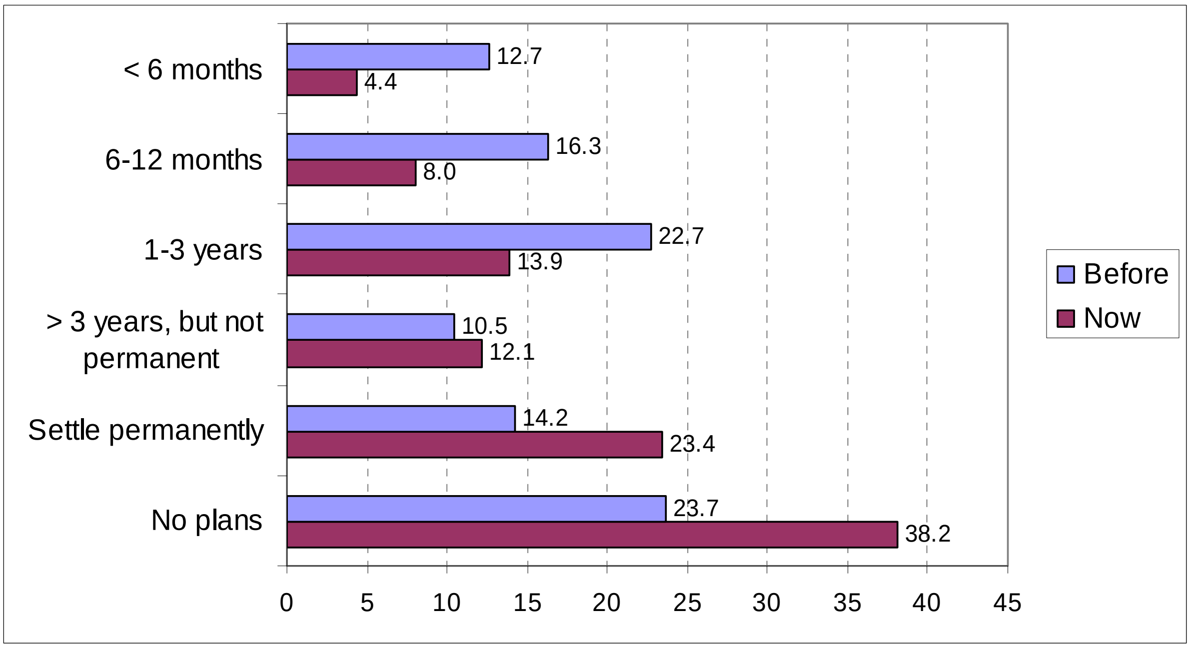
2.7.4 Intended length of stay in the UK

The academic literature on labour migration suggests that there is likely to be a diversity of migratory strategies and intended lengths of stay. Some migrants are likely to come to the UK for a fixed period, earn money and return home, whereas others come with the intention of settling permanently.

In the South East Migrant Worker Survey respondents were asked about their plans for staying in the UK both before their arrival and currently (i.e. at the time of the survey). The survey results show that A8 and A2 migrants display a considerable degree of *uncertainty about their length of stay* in the UK (as in Figure 2.12). Before they arrived in the UK 24% of interviewees in the South East Migrant Worker Survey did not have plans for how long they would stay. This proportion increased to 38% at time of interview – i.e. uncertainty about length of stay increased once in the UK.

This uncertainty is evident across all case study areas and sub-groups of respondents. It poses challenges for deriving population estimates and for service provision and highlights the need for the South East to build adaptive capacity in the face of uncertainty. While there is a tendency for migrant workers to stay for longer than first anticipated, the key finding is that there is considerable fluidity in migrants' plans. In terms of 'adaptive capacity' a situation of a constant flow of temporary workers poses rather different challenges from one of permanent settlement of migrant workers. With a constant flow of migrant workers staying for a short period there are likely to be continuing needs for information about living in the UK and introductory English language classes. As migrant workers become more settled service needs are more likely to become similar to those of the existing population.

Figure 2.12: Intended length of stay in the UK



Source: South East Migrant Worker Survey
Note: The chart shows the percentage of Survey respondents identifying each response category.

The simple comparison in Figure 2.12 shows changes in aggregate profiles of planned length of stay in the UK. To gain an insight into the dynamism of migration plans it is necessary to examine original and current plans regarding length of stay in the UK at an individual level. Such an analysis is shown in Table A2.3 in the Annex.

The analyses indicate that there is more flux in plans regarding intended duration of stay in the UK than is evident in the aggregate statistics, with some respondents intending to stay for a shorter period at the time of the survey than they originally envisaged, and some planning to stay for longer. Among those now planning to stay less than 6 months, just over half originally had this intention, while two-fifths had planned to stay longer. This suggests that the latter are those who have been disappointed in their experience of migration; however this was unusual. For example, 23% of individuals now planning to stay 1 to 3 years had originally planned to stay for less than 12 months, implying that their experience of work and living in the UK had been more favourable than they had expected. On the other hand, more than half of those now planning to settle permanently had originally intended to do so. Overall, the tendency was for people to indicate that they would stay longer than they had originally planned to, though those arriving with no definite plans remained most uncertain about how long they would stay. The survey results suggest that only a minority of A8 and A2 migrants will stay permanently, but that migration will increase the population in the short term.

The focus groups conducted for this research provided useful insights about 'being unsure' and about 'changing plans.' For example, one young respondent viewed his stay in the UK as life experience:

> *"I consider my stay in England like such, life experience. Just to get to know the society, the country."*

Another, recounting his time in the UK, indicated that he did not have plans:

> *"I'm 26. I've lived in the UK since 2003, so it's five years next week. I came here on a trip actually, so I came for like five days trip with my mates. We just said 'why not try to get a job'. We had to work illegally for the first year - as a builder, a gardener and a chef. I lived for three and a half years in London. … I don't know plan for the future. I am thinking of going somewhere else, like Canada or Australia."*

Some respondents indicated that after staying a while in England they got used to it and contemplating going home could be difficult. One young female respondent from a small town in Poland outlined:

> *"[I'm] afraid to go back to Poland to my home town. I don't know how I'm going to handle it, how I'm going to find job. I've been here two and a half years; it's quite a long time to get used to living here."*

Those with children established in schools in England might be more likely to stay:

> *"I have got children here, and they are happy going to school here. It's a different school system in Poland and if they go to Poland I think my children will be one of the working class. I realise they must stay here."*

2.7.5 Future aspirations

The South East Migrant Worker Survey included a 'closed' question which asked respondents to highlight which of various options best described what they hope will happen in the future. We do not know whether the respondents adopted a short-term or a longer-term perspective in answering this question, but it does provide us with some insights into the aspirations of migrant workers in the sample:

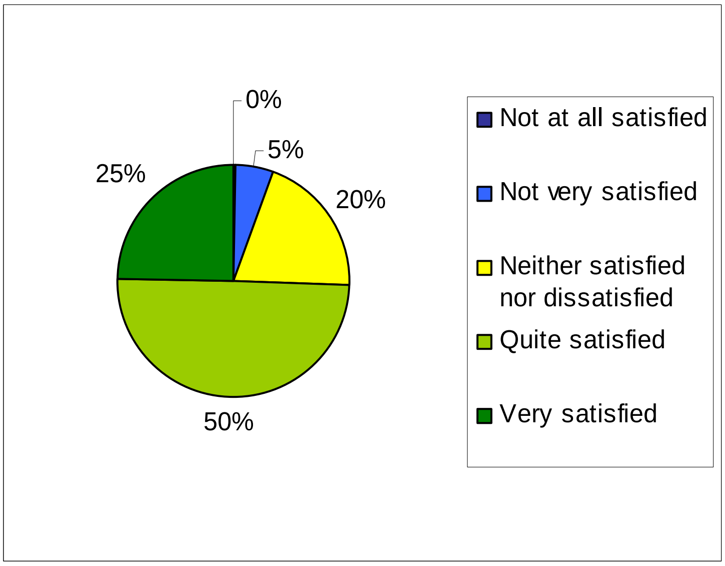
- 51% want to get a better job in the UK
- 7% want to get a job that uses their skills and training
- 5% want to become self-employed
- 22% want to go back and work in their home country
- 2% want to work in a third country
- 12% cite other reasons – with several in this category claiming that they are 'happy as they are' or 'don't know'.

Overall, the results suggest that the majority of migrant workers are aspiring and highly motivated. Indeed, their decision to come and work in the UK in the first place marks them out from their compatriots as being prepared to take positive action. It appears that at least half of the sample wants to stay in the UK (at least in the short-term) and want to get a better job – to improve their pay and/or broaden their skills and experience. Those in elementary occupations and working as operatives were more likely than average to want to get a better job. These results suggest that a majority of migrant workers are not contemplating a return to their home country in the short-term; (although as highlighted in the previous section, intentions are often uncertain). Those from Poland (i.e. the largest group) were less likely than other national groups to indicate a desire to go back to work in their home country.

2.7.6 Satisfaction levels

The South East Migrant Worker Survey included a question asking respondents to rank how satisfied they were with the way things had worked out since coming to the UK. Figure 2.13 demonstrates high levels of satisfaction overall, with 75% of respondents either 'quite satisfied' or 'very satisfied'. The majority of the remainder reported that they were neither satisfied nor dissatisfied. The minority of respondents who were unemployed/between jobs were more likely to be dissatisfied than average. Satisfaction levels were particularly high amongst the self employed.

Figure 2.13: Overall satisfaction with the way things have worked out since coming to the UK



Source: South East Migrant Worker Survey

When asked to supply reasons for being satisfied, the most frequently cited reasons relate to economic well-being and quality of life:

- Well paid job/ good pay (identified by 23% of quite satisfied/ very satisfied respondents)
- All is going well/ very settled here/ I like it here (20%)
- Good quality of life (18%)

Across the sample as a whole the primary reasons cited for dissatisfaction were that respondents had poor English/were not good at English, that they needed a job/a better job or that they were homesick.

2.8 Overview and implications for adaptive capacity

The evidence presented in this Chapter indicates a tendency for increasing transience in migration flows. Improvements in transport and communication compared to previous eras mean that it is easier for migrants to come and go more quickly than was formerly the case. The speed and potential for greater volatility in migrant flows pose challenges for the economy, labour market and for service providers. Even if consecutive snapshots measuring the number of migrants were to reveal no change in volume, a constant flow of short-term migrants poses rather different challenges for employers, regional partners and service providers from one in which the vast majority of migrants are settling permanently. Moreover, changes in the character of migration flows limit the extent to which it is possible to learn from the experiences of the past, except in general terms.

The legislative and policy framework sets the context for legal migration to the UK. The UK Government has limited control over migration from other parts of the EU given freedom of movement rights. The associated uncertainty that this lack of control engenders poses challenges for adaptive capacity. At the time of writing this uncertainty is compounded by the introduction of the new PBS designed to manage migration from outside the EEA. It is unclear whether the roll-out of the PBS will lead to more illegal migration (which is, by its very nature, difficult to measure). This makes planning for service providers very difficult.

Inadequacies in the information base mean that it is not possible to produce a single definitive count of the number of migrants at national level, let alone at the regional or local scales. A key shortcoming in most data sources is a lack of information on emigration. There is also a lack of information on movements of migrant workers within the UK. At the current time there is no survey designed to track people changing address within the UK, who are only identified through changes in GP registration (and this source is incomplete and subject to time lags) or if encountered by the LFS.

For a variety of reasons, sample surveys are less good at capturing mobile than more stable populations.[2] Unlike many continental countries, there is no population register which can be used to track migration. However, there are developments in the pipeline which, when implemented, have the potential to provide improved information on migration. For example, the Government is bringing in (from October 2008) an electronic information system – E-Borders – to count people in and out of the UK in real-time. This will collect comprehensive details on passengers; their journeys (e.g. origins, destinations, mode of travel) will be able to build up a travel history for individuals. However, at the time of writing little is known about how the data will be used to improve the information base on migration.

Furthermore, through the UK Borders Act 2007 the Government passed legislation for the introduction of compulsory Identity (ID) Cards for foreign nationals, including mandatory reporting of addresses (Home Office, 2008), preceding their introduction for the entire

[2] These reasons include: the sampling frame for the LFS/APS tends to miss houses in multiple occupation and semi-permanent buildings provided for migrant workers. Interviewers find it difficult to make contact at addresses where the occupants are often away (e.g. on shift work) are transient or have poor language ability or lack of awareness of/trust in official surveys. Moreover, migrants may come and go in the interval between surveys. Response rates to both the Census and surveys are declining and are poorest for young males, people living in houses in multiple occupation and deprived urban areas.

population (probably not before the middle of the next decade). Concerns over the security of individual data and difficulties in handling massive databases may limit the amount of information yielded for analysis by these new developments.

With the shortcomings of official population data, administrative data sources which measure migration indirectly have been used to provide additional information. In order to derive as comprehensive a picture as possible of migration it is important to make reference to different sources. However, since these are collected for specific purposes (e.g. to monitor the WRS), they are not designed to produce statistically robust estimates of the migrant population, and it is also difficult to combine them together. Furthermore, while these administrative sources provide an indication of when a migrant entered the country, they do not provide any information on whether or when they left. Administrative data is also subject to retrospective revision and may only be made available annually (work permits) or for financial years (NINo allocations). Time lags in publication pose problems in measuring and monitoring what is inherently a dynamic phenomenon.

Historically, the South East (the most populous English region) has been the main destination after London for migrant workers to the UK. The data suggests that there are some important cross-boundary commuting flows of migrant workers between the South East and London, as well as between other neighbouring regions. At local level such flows between local authority areas are likely to be even greater. Since the influx of migrant workers from central and eastern Europe in 2004 migrant flows have become more dispersed spatially within the UK. There is some evidence that the volatility in migrant flows is more pronounced in coastal areas and rural areas than in the Inner South East (i.e. those local authority areas closest to London, as defined in the RES geography 'economic contours'). In broad terms, however, migration trends in the South East have mirrored those at national level. Furthermore, international migration has become an increasingly important component of demographic change.

Recent migrant worker flows to the South East (and the rest of the UK) have been dominated by central and eastern Europeans - especially Poles. However, it is important to keep in mind that flows from other parts of the world – notably India – also make an important contribution to the volume of migration. A consistent finding from national and local migration studies is the youthful age profile of migrants. The majority of migrant workers to the South East are in their twenties and early thirties. This is a life stage when living arrangements are fluid for many people, but it is also a stage at which people form partnerships and have children. Only a minority of migrant workers brought dependants with them to the UK, but if the proportion doing so increases and more migrant workers have children in the UK this will have implications for health, education and other service provision.

For A8 and A2 migrants motivations for coming to the UK are overwhelmingly economic. This is especially the case for those working in manual and lower skilled occupations. However, people migrate for other reasons also. The desire to learn English (its global language status is a 'pull' factor), to study and to 'explore' (i.e. experience life in another country) are also important motivations for some people. However, the fact that overwhelmingly the main reason for migration is economic suggests that when the balance of economic advantage changes, so may the volume and direction of migrant flows. In the light of concerns in 2008 about economic slowdown in the UK coupled with economic growth in eastern Europe, changing exchange rate relativities and a greater range of alternative destinations in other EU countries as transitional restrictions on A8 migration are lifted, the relative attraction of the UK may be waning. This poses potential vulnerabilities for the South East economy. However, it is salient to note that there were high levels of satisfaction with life in the UK amongst the sample of migrants in the South East Migrant Worker Survey.

One thing we can be sure about on the basis of the results of the primary research conducted for this study is that migrant workers are uncertain about how long they will stay in the UK. Some migrants have no clear plans about how long they will stay and substantial numbers change their plans. This makes it difficult to derive population estimates and to make plans for service provision, but does suggest the need to plan for, and retain flexibility to respond to, a number of possibilities.

3. *The labour market*

Summary of key points

The employment profile and experience of migrant workers

- The overwhelming majority of A8 and A2 migrants in the South East are in employment. This is a considerably higher share of the total than was the case before coming to the UK.
- Migrant workers display an uneven sectoral and occupational distribution. Hence some sectors and occupations are more likely to be vulnerable to changes in flows of migrant workers than others. Sectors with a relatively high concentration of migrant workers relative to UK-born workers (i.e. that are 'migrant dense') include manufacturing, hotels & restaurants and health & social work. Occupationally, migrant workers are concentrated in lower skilled occupations at the lower end of the skills distribution – notably in elementary occupations. These are often characterised by hard-to-fill vacancies and barriers to entry are lower than in many other occupations. Over time the concentration of migrant workers in migrant dense sectors and occupations has increased.
- Some migrants work below their skills levels. A key reason for this is lack of proficiency in the English language, but many also display a willingness to work in lower skilled jobs – at least in the short-term.
- Migrant workers are concentrated in low paid jobs and many work long hours. While some migrant workers indicated that they were keen to maximise their hours of work for financial gains, it is also the case that migrant workers are potentially vulnerable to exploitation.
- Overall, migrant workers expressed high levels of satisfaction with their jobs.

Recruitment channels

- Employers use a range of channels to recruit migrant workers. Agencies play a key role in helping migrant workers find their first job when they come to the UK.
- Social networks of friends and family also play an important role in facilitating access to employment – especially for subsequent job changes once migrants are in the UK.

Employers' perspectives on migrant workers

- Employers cite a range of non skills related attributes as a positive feature of migrant workers.
- The majority of employers interviewed engaged migrant workers throughout the year. This is indicative of reliance on migrant workers to address labour shortages and highlights the potential vulnerability to changes in migrant flows and destinations.

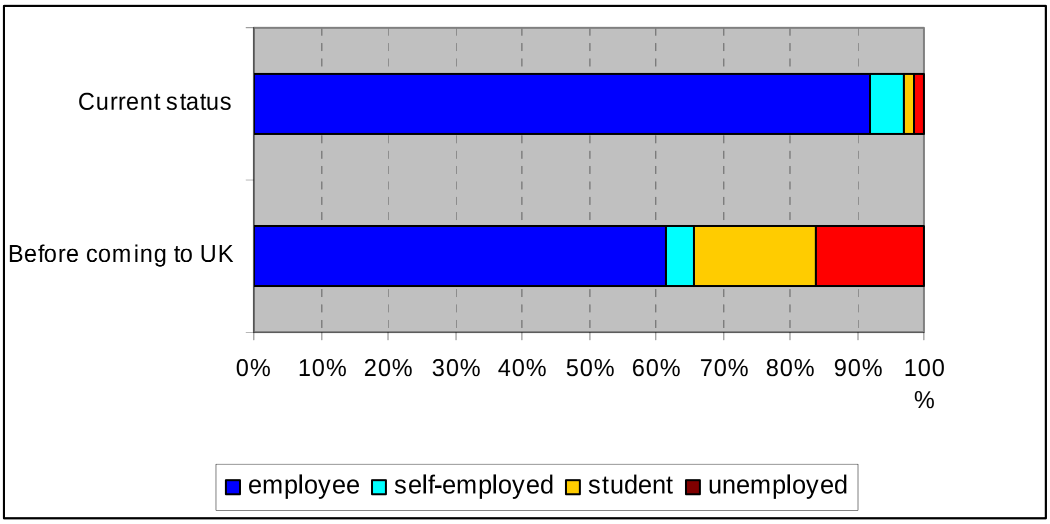
3.1 *Introduction*

This chapter provides an introduction to the position of migrant workers in the labour market. It sets the context for the assessment of the economic impact of migrant workers in Chapter 4. The first section explores the economic position of migrant workers (3.2). The focus then shifts to recruitment processes. Evidence is presented on migrant workers' and employers' perspectives (3.3). This leads into a discussion of the sectoral and occupational profile of migrant workers (3.4) and of migrant workers' hours of work and pay rates (3.5). Information on migrant workers' job satisfaction is presented also (3.6). Finally, the implications of the findings for adaptive capacity are assessed (3.7).

3.2 *Economic status of migrant workers in the UK*

The overwhelming majority of A8 and A2 labour migrants are in employment: 96% of individuals in the South East Migrant Worker Survey were in work at the time of the survey. The remainder described themselves as students (also working) or as unemployed (or between jobs). This contrasts with only two-thirds of individuals being in work prior to coming to the UK, while 18% were students and 16% were unemployed (see Figure 3.1). This highlights the employment gains for individual migrants associated with a move to the UK. It also indicates that at the time of the survey relatively few migrant workers were claiming benefits. 5% of migrant workers in the survey reported that they were currently self-employed, contrasting with 4% prior to coming to the UK.

Figure 3.1: Economic position of migrant workers at the time of the survey and before coming to the UK



Source: South East Migrant Worker Survey

Disaggregation of the survey by sub-groups of respondents reveals that:

- About half of respondents in their 20s were not in employment prior to coming to the UK. For many of these respondents their experience of employment in the UK may be their first experience of employment.
- Female respondents were less likely to have been in employment prior to coming to the UK (57%) than males (71%).

- Poles were less likely than the sample average to have been in employment prior to coming to the UK (54%), while those from the Baltic States were more likely than average to have been in employment (75%).
- Two-thirds of respondents in employment in the UK at the time of the survey who had been unemployed prior to coming to the UK were working in elementary occupations. 23% of all migrant workers in elementary occupations at the time of the survey had been unemployed prior to coming to the UK; (this was a higher proportion than in any other occupational group). This highlights the role played by elementary occupations as a 'port of entry' into the labour market for those making a transition from unemployment into employment.

3.3 *Recruitment of migrant workers*

This section explores how migrant workers reported that they had found their jobs and presents information on the recruitment channels used by employers in engaging migrant workers.

3.3.1 *Recruitment channels used by migrant workers*

The role of agencies

Agencies play a crucial role in helping migrant workers find their first job in the UK. Of the sample in the South East Migrant Worker Survey, 37% gained their first job via an employment/ recruitment agency in the UK and 10% via an employment/recruitment agency in their own country.

There was some variation in use of different recruitment channels across the case study areas and by migrant sub-group:

- Respondents in Milton Keynes and Southampton were more likely than average to report obtaining their first job via a recruitment agency in the UK.
- Those in Wokingham/Reading and Crawley were more likely than the sample average to have gained their first job via an employment agency in their home country.
- Over half of those currently working in manufacturing had gained their first job in the UK via a recruitment agency in the UK, as had more than half of those working as Operatives.
- Poles were more likely than the sample average to have gained their first job in the UK via a recruitment agency operating in their home country.

Generally, the importance of recruitment agencies as a 'relatively easy' way to find work was highlighted in focus group discussions. For example, one young female said:

> *"I just go to the employment agency. I found loads of jobs through the agency."*

Likewise another participant outlined how he had first found a job via an agency, before finding a better job for himself:

> *"I came to the UK in September 2005, so it's like two and a half years ago now. I started to work first for agency and I got a contract in [large chain retailer]."*

The consensus in focus group discussions was that, in general, it was better to find non agency work, although several individuals reported using agencies as one channel amongst several in their job search:

> *"I always went to the employment agency and I also found out by myself about factories and restaurants. I filled out a lot of application forms. It was better money like when I found work by myself, and I had a contract straight away."*

However, not all respondents had found it easy to get a job via an agency. One focus group participant's experience was related via a translator:

> *"It was arranged for her to go straight to a job but after she registered with the agency they explained to her that it was a really bad time, they had too many people registered and not enough jobs for everybody."*

Later in the same discussion the translator reported:

> *"The difficult thing is now that there are so many Polish people and they, and the agencies seem to choose to employ the Polish people."*

This highlights the importance of 'who you know' in facilitating access to employment; (a feature that is not unique to migrant workers). In order to get a job in this particular instance it appeared to be necessary to make a payment to a Polish person working on behalf of the agency. However, there were also reports of 'good practice' as well as poor practice amongst agencies.

The role of social networks

34% of the sample gained their first job via a friend or family member. Young(er) migrants were more likely to have obtained their first job in this way than old(er) respondents. Focus group discussions backed up findings from the literature that social networks are likely to be even more important in helping migrants find subsequent jobs. As one focus group participant outlined, contacts from friends/family about employment opportunities may be acted on quite quickly – so illustrating the 'fluidity' and 'short-term' nature of some migration decisions:

> *"I just asked my friend who already was here in Southampton, to try and find a job for me. I asked her if there would be anything available and to let me know. She came back to me straight away and she said actually there is a job available and so just come around. So it was quite a quick decision."*

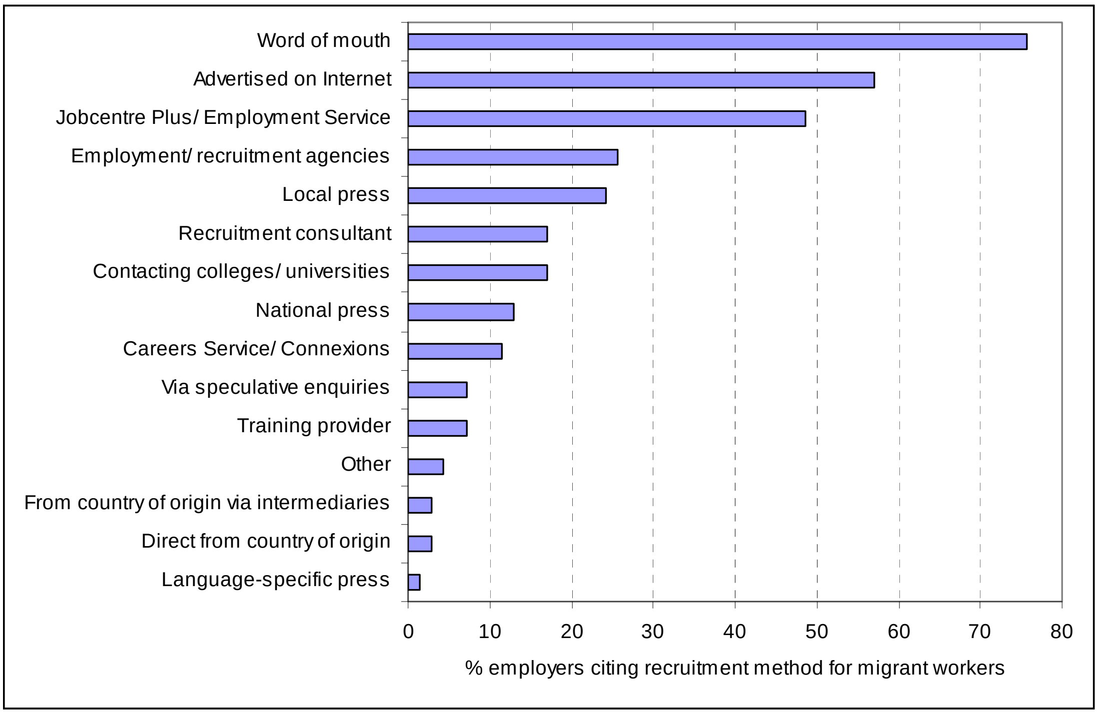
Other channels

16% of respondents contacted an employer when they had arrived in the UK and 2% contacted an employer directly whilst in their home country.

3.3.2 *Recruitment channels used by employers*

Most of the employers surveyed in the South East Migrant Worker Employer Survey cited a number of different methods for recruiting migrant workers (as illustrated in Figure 3.2).

Figure 3.2: Employers' recruitment methods



Source: South East Migrant Worker Employer Survey

Results from the South East Migrant Worker Employer Survey show that:

- *'Word of mouth'* was the most commonly cited method. It was utilised in all sectors represented in the sample except education. Employers in the hotels & restaurants sector and manufacturing were most likely to cite this method.
- *Internet advertising* was used in most sectors.
- Use of *employment/recruitment agencies* increased with employer size and was most prevalent in manufacturing (as highlighted in the results of the South East Migrant Worker Survey) and transport, storage & communication sectors.
- Small employers were least likely to use *Jobcentre Plus*.
- The only employers in the sample recruiting from the country of origin of migrant workers, either directly or via intermediaries, were from agriculture and health & social work. (It should be noted that the sample here is quite small and in reality it is likely that there will be other instances elsewhere.)

Given the importance of employment/recruitment agencies for migrant workers gaining their first jobs in the UK there would appear to be scope for targeted work with migrant workers on basic rights, legal entitlements and other support via such agencies.

3.3.3 *Why recruit migrant workers?*

In the South East Migrant Worker Employer Survey employers were asked an open-ended question: 'Why have you chosen to employ migrant workers?' A wide variety of reasons were cited:

- 22% indicated that they did not choose to employ migrant workers rather than UK workers.

- 17% cited an 'overall lack of applicants' – suggesting that migrant workers are addressing labour shortages.
- 17% indicated the fact that 'migrants work harder'.
- 13% that 'migrant workers have appropriate/better qualifications/skills'.
- 7% said that 'migrant workers have better work experience' (than UK workers).
- 7% reported that 'applicants from the UK lack basic ability to build upon'.

References to migrant workers 'working harder' and 'having appropriate skills' is indicative of the importance of 'attributes' as well as 'skills' in employers' recruitment decisions and in understanding the barriers to work faced by some of the UK-born who are not in employment currently (LSC, 2006). This suggests that if the indigenous non-employed are to be integrated successfully into the labour market it is necessary to devote attention to developing soft skills. Solely concentrating on skills-based training is unlikely to be sufficient. In focus group discussions a minority of migrant workers talked in derogatory terms about their British counterparts as "*useless*" and "*lazy*", so, in their minds, justifying employers' decisions to employ migrant workers:

> *"Of course our company wanted workers from abroad because we are good workers".*

From a policy perspective it may also be necessary, in some instances, to tackle any negative attitudes employers may have about considering recruitment from the ranks of the unemployed.

The reliance of some employers on migrant workers is illustrated by the fact that 80% of employers in the South East Migrant Worker Employer Survey reported that their employment of migrant workers was steady throughout the year. This was especially the case for employers in construction, education and public administration. However, the relatively small size of the sample means that such disaggregations should be treated with caution. 7% of employers indicated that their demand for labour was seasonal (the proportion was higher in agriculture); while 13% suggested that their demand for labour was irregular, with no clear pattern. The primary research for this study was undertaken in the winter (i.e. a time when migrant workers in agriculture are unlikely to be present in large numbers). Hence, the research does not include the specific views of migrant workers working in agriculture. This is an important issue which may merit a more focused sectoral study.

Whether demand for migrant workers is steady or seasonal, employers currently employing migrant labour are likely to be vulnerable to any downturn in supply – especially given the 'overall lack of applicants' reported by some respondents. This suggests that a longer-term solution of seeking to employ UK workers who are currently 'unattractive' or seeking to improve working conditions to make the jobs in question more attractive, may be necessary (as discussed in Chapter 4).

3.4 *Sectoral and occupational profile of employment of migrant workers*

3.4.1 *Introduction*

Migrant workers display an uneven sectoral and occupational distribution: some sectors and occupations are more reliant on migrant workers – and so are more vulnerable to changes in migrant stocks and migration flows – than others. This section presents information on the sectoral and occupational profile of migrant workers from various secondary data sources outlined in Chapter 2 and also from the South East Migrant Worker Survey.

3.4.2 Sectoral profile of migrant worker employment

Information from the WRS

The largest concentrations of *A8 migrants registering under the WRS* in the South East over the period from May 2004 to September 2007 were recorded in:

- administration, business & managerial services (a category including employment agencies) – 31%
- hospitality & catering - 22%
- agricultural activities – 15%
- health & medical services – 7%.

Despite covering around a third of the total, administration, business & managerial services accounts for a smaller share of WRS registrations in the South East than the UK average. By contrast, 'agriculture activities' and 'health & medical services' account for a greater share of total WRS registrations regionally than nationally.

Information from work permits

This sectoral profile of WRS registrants displays important contrasts with the sectoral distribution of migrants from outside the EEA entering the South East on work permits over the period from 2000 to 2006. Here the largest concentrations were in:

- computer services – 26%
- health & medical services – 25%

The comparison between the WRS and work permits highlights how different migration routes have served different sectors, so yielding insights into how different sectors may be potentially vulnerable to a fall in numbers of migrant workers from particular countries via different routes of entry.

Information from the LFS

Analyses of LFS data provide a broader perspective on the sectoral profile of migrant workers from all parts of the world vis-à-vis UK-born workers. Using LFS data *'migrant dense' (MD) sectors* (i.e. sectors where migrant workers have a greater propensity to be employed than UK-born counterparts) were identified. Key MD sectors include manufacturing, hotels & restaurants, and health & social work. In total MD sectors account for 36.5% of all migrant employment in the South East region, for 40.2% of post-1990 migrant employment and 46.0% of post-2001 migrant employment. This is compared to only 27.7% of employment of UK-born workers. The increasing proportion of employment within these MD sectors for post-1990 and post-2001 migrants indicates an increasing concentration (i.e. segmentation) of migrant employment in particular 'migrant dense' sectors.

Information from the South East Migrant Worker Survey

Respondents to the *South East Migrant Worker Survey* were concentrated in the following sectors:

- wholesale & retail trade, repair of motor vehicles and motor cycles – 22.9%
- hotels & restaurants – 20.9%
- manufacturing – 17.9%
- transport, storage & communication – 12.8%
- construction – 9.4%

The fieldwork for the survey was undertaken during winter months. Therefore, the survey was less likely to encounter seasonal workers in agriculture and tourism industries than if it had been conducted in the summer.

3.4.3 Occupational profile of migrant worker employment

Information from the WRS

The list of the ten most common job titles recorded by migrants from A8 countries registering under the *WRS* in the South East over the period from May 2004 to September 2007 were:

- process operative (other factory worker)
- packer
- kitchen & catering assistants
- cleaner, domestic staff
- warehouse operative
- farm worker/ farm hand
- care assistants & home carers
- crop harvester
- maid/ room attendant
- waiter, waitress

This list illustrates the concentration of A8 migrants at the low skill end of the labour market.

Information from work permits

By contrast, the most frequently recorded job titles for migrants coming to the South East on w*ork permits* reflect the sectoral concentrations of migrants entering the region via this route:

- nurse
- other management related occupation
- other IT related occupation
- software engineer
- other health/ medical occupation.

Again, the comparison between the WRS and Work Permits highlights how different migration routes have served different occupations.

The information presented suggests that a downturn in A8 migrants would pose a particular challenge for lower skilled occupations. It is important to note here that there is no intention to attract workers for lower skilled occupations via the PBS. However, the PBS is likely to be important as a route for filling jobs in some more highly skilled occupations.

Information from the LFS

The broader perspective that is possible from analyses of LFS data reveals that '*migrant dense' (MD) occupations* (i.e. occupations where migrant workers have a greater propensity to be employed than UK-born counterparts) display a bi-polar distribution, with migrant workers represented at both ends of the occupational spectrum, in professional and associate professional & technical occupations and elementary occupations (see Table 3.1). In total these occupations accounted for 41.9% of employment of all migrants, 48.9% of post-1990 migrant employment and 57.8% of post-2001 migrant employment, so indicating a trend towards increasing concentration of migrant workers in MD occupations. This compares with only 30.1% of employment of UK-born workers. The occupational disaggregation in Table 3.1 indicates that this increasing concentration (i.e. segmentation) of migrant workers is most apparent in elementary administration & service occupations; elementary trades, plant & storage; and caring personal service occupations.

Hence it is these occupational groups that are likely to be particularly vulnerable to any fall in numbers of migrant workers. It is also worthy of note that these particular MD occupations are associated with low pay and so may be (and often are) unattractive to UK workers.

Table 3.1: Migrant dense occupational groups (% of employment by occupation group) in the South East

Sub-Major Group of the Standard Occupational Classification, 2000		UK-born	All Migrants	Post 1990 Migrants	Post 2001 Migrants
21	Science and Technology Professionals	4.4	6.7	7.7	7.4
22	Health Professionals	0.8	2.9	2.8	1.9
31	Science and Technology Associate Profs.	1.9	2.0	2.1	2.1
32	Health and Social Welfare Associate Profs.	3.0	5.3	5.4	4.4
54	Textiles, Printing and Other Skilled Trades	1.7	2.9	3.2	2.7
61	Caring Personal Service Occupations	5.6	7.0	8.6	12.8
81	Process, Plant and Machine Operatives	2.4	2.6	2.4	3.0
91	Elementary Trades, Plant, Storage Related	2.9	3.0	3.7	5.9
92	Elementary Administration and Service	7.5	9.5	12.9	17.6
All MD 2-digit Occupations		**30.1**	**41.9**	**48.9**	**57.8**
All Occupations		**100**	**100**	**100**	**100**

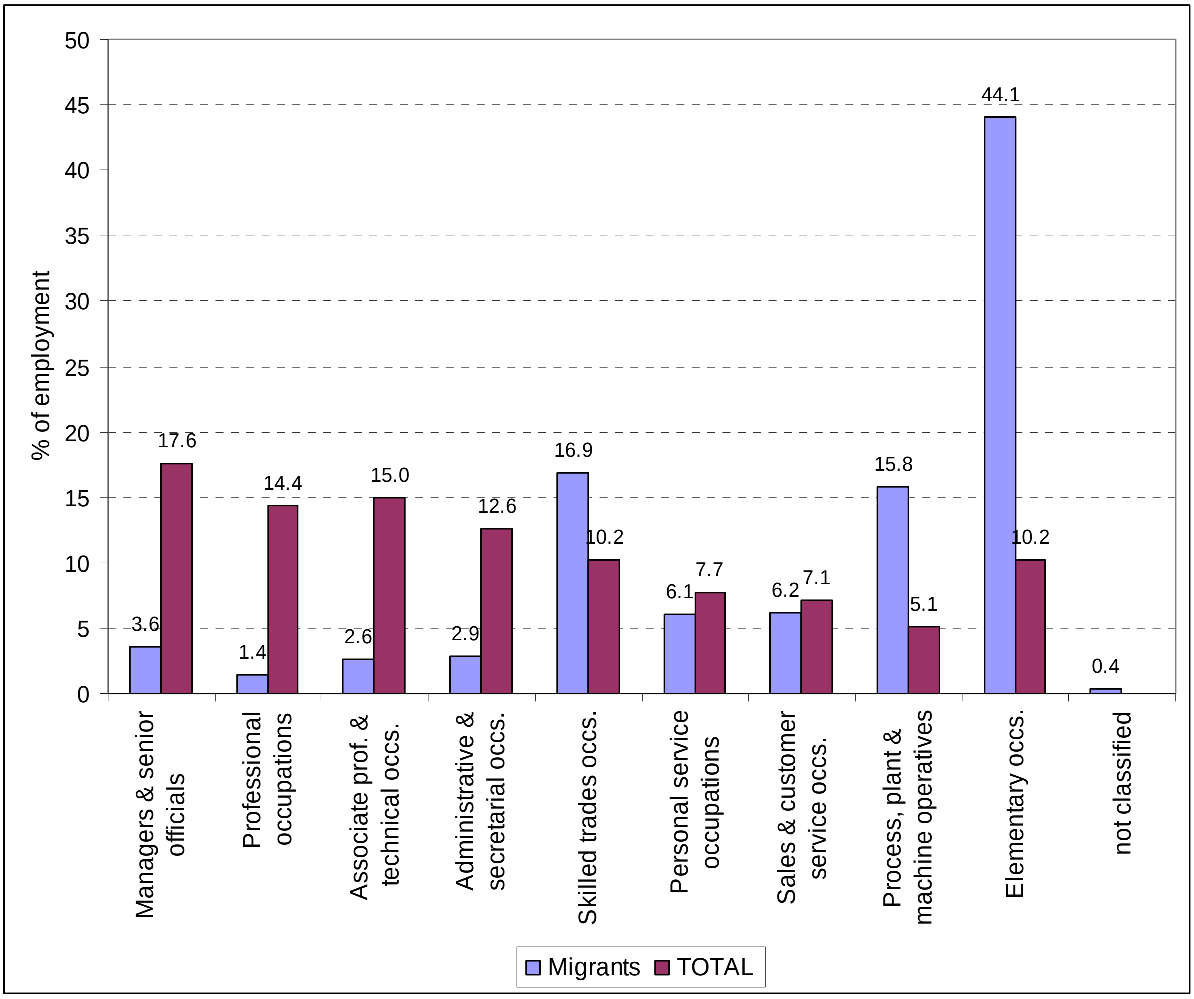
Source: Merged LFS dataset 2002–2007. *Note*: Only MD 2-digit Occupation divisions are listed.

Concentration of migrant workers in certain occupations and sectors is nothing new. Historically migrant workers have gravitated towards addressing labour shortages and hard-to-fill vacancies. Sectors and occupations with low 'barriers to entry' are particularly important for the initial employment of migrants, although the changing structure of the economy means that the identity and relative importance of these sectors and occupations may change over time. It is significant to note that the literature suggests that the latest wave of migration to the UK (i.e. of A8 and A2 workers) is more focused on the lower skilled portion of the labour market than previous migration waves (Salt and Millar, 2006). This has potential implications for the existing workforce in this portion of the labour market and for other job seekers searching for employment therein, as well as for the business strategies adopted by employers (as discussed in Chapter 4).

Information from the South East Migrant Worker Survey

Figure 3.3 compares the occupational profile of migrant workers in the South East Migrant Worker Survey with the regional occupational profile of employment. The marked concentration of the sample in elementary occupations is apparent. There is also a greater concentration of migrant workers in operatives and in skilled trades relative to the South East average.

Figure 3.3: Occupational profile of migrant workers in the South East Migrant Worker Survey compared with the regional profile of employment



Source: South East Migrant Worker Survey and Annual Population Survey, Oct. 2006 – Sept. 2007

44% of the sample of migrant workers reported that they were working in a different occupation from that which they were doing or were looking for before they came to the UK. 29% were not doing a different job and for the remaining 27% the question was not applicable because they had not had a job prior to coming to the UK. Amongst the group reporting that they did a different job in the UK the main reasons cited were:

- My English is poor / not good enough/poor English – 29.8%
- I can't find the right job / get the job I wanted – 20.4%
- It was the only job available - 9.1%

These results highlight the centrality of English skills in helping migrant workers to utilise their existing skills in the UK labour market and in maximising the economic (and social) gains for individual migrants from their experience of migration – a point discussed in Chapter 5. A participant in one of the focus groups highlighted how a lack of proficiency in English was stopping her husband from utilising his skills:

> *"My husband was a qualified electrician but with Polish qualifications. He has been here for two years. He came without any knowledge of English so obviously he can't do anything because he can't understand anything. At the moment he can*

understand a little and speak a little bit but still it's not enough to work as an electrician."

Some migrant workers accepted that their English skills meant that they could not expect to get the job they wanted in the first instance. As one focus group participant explained:

"When I came to England I wasn't very confident with English. … So I knew that I would have to start something from the very beginning."

Some did manage to work their way up – one individual highlighted how she had come to England as an au pair with no English, but six years later she was in a management position.

3.5 *Hours of work and pay*

3.5.1 *Long hours and low pay*

Analyses of the South East Migrant Worker Survey suggest a picture of longer than average hours of work for migrant workers at lower than average pay levels. The mean number of hours worked by migrant workers in the survey was 41 hours per week and the mean hourly pay was about £6 (i.e. close to the National Minimum Wage [NMW]). This highlights the importance of the NMW in setting the legal minimum framework at the low end of the labour market.

This picture is fairly similar to that revealed by analyses of WRS data. The regional and national median number of 'normal hours' worked is around 37 hours per week; (although it should be noted that actual hours worked may vary from this 'norm'). In the first two years of the WRS, about a fifth of registered workers in the South East worked more than 40 hours per week, somewhat higher than the corresponding percentage for all on the WRS in the UK. Since then, this percentage has fallen for both the South East and the UK, but the percentage working longer hours continues to be above the UK average in the South East. According to the WRS, pay levels are clustered around the NMW.

Evidence from focus groups with migrant workers indicates that some individuals are eager to work long hours in order to maximise their earnings, citing the fact that they came to the UK to work and do not have family commitments. Others explained their long hours as a function of their low pay rates (i.e. they needed to work long hours because their rate of pay was low). One Polish migrant explained:

"Lots of people want to work all the time, to get more, because we don't earn so much money. Usually we are in work below our qualifications; usually we do the worst jobs. They are low paid so we have to work round the clock."

Some considered that employers expected eastern European migrants to work longer hours and that the migrants themselves were not necessarily averse to this. As one focus group participant observed:

"It was kind of expected from us, to do more work. We didn't really object to it. It wasn't that bad you know."

The survey results and findings emerging from focus groups suggest that migrants are willing to be more 'cost effective' than UK-born workers. Migrant workers' willingness to tolerate poor employment conditions may be greater than UK workers'. However, while for some migrant workers such 'cost effectiveness' may represent a rational choice (given circumstances of living away from their country of origin for a time-limited period and with an objective to maximise economic returns), there is also a danger that they are vulnerable to exploitation (see also Citizens Advice, 2005). As one focus group respondent from Romania explained:

> *"They [the agencies and employers] take advantage of Romanian people because they know in Romania we are paid a hell of a lot less than here and we want to work here and then they take advantage."*

Some focus group participants reported that they received lower wages than their UK counterparts doing the same job - although it was not always clear whether this was because migrant workers were working for agencies and others were not. However, other migrant workers appreciated that they were treated on an equal basis with UK workers:

> *"I think that, what I appreciate, we are paid the same as the English. There is no difference. It's a very fair, and the people who were born here get the same money like us."*

There was some discussion of illegal working in the focus groups conducted for this research, with a few participants admitting to having worked illegally in the past. However, there was general agreement that it was better to work within legal frameworks in the medium-/longer-term.

Several third party interviewees (from trade unions, the public sector and the voluntary and community sector) raised concerns about:

- whether or not working long hours represents a 'choice' on the part of the migrant worker, and associated links with exploitation – for example, with respect to conditions facing some migrant workers in agriculture:

  > *"You know, there's no choice, living in caravans and this collective thing about you will work 18 hours a day during the season. You won't be employed next year if you don't - and that's the understood thing. So exploitation does go on in that respect."*

- a lack of understanding (amongst some migrant workers) of employment rights and responsibilities and the culture of the UK workplace;
- exploitation of some migrant workers by unscrupulous employers and employment agencies;
- discrimination by employers choosing to employ migrant workers over others based on stereotypes of migrant workers wanting to work more hours/being willing to put up with poorer working conditions than UK workers would tolerate;
- the concentration of migrant workers in certain low-paid sectors and occupations, often with few opportunities for individual progression into more highly-paid employment with better prospects.

This suggests that migrant workers are potentially vulnerable to exploitation. Hence there is a need to set a clear benchmark/set of standards to be enforced which should apply to all workers – not just migrants.

3.5.2 *Deductions from pay*

77% of respondents to the South East Migrant Worker Survey were paid directly by their employer and 19% reported being paid via a labour provider/agency; (4% of respondents did not provide an answer). Those working in manufacturing were more likely than average to be paid via a labour provider/agency. The literature suggests that migrant workers in agriculture would also be more likely to be paid via a labour provider/agency, but given that the survey was conducted in the winter months there were few seasonal migrants working in agriculture present. Migrant workers in operative and elementary occupations were also more likely than average to be paid via a labour provider/agency.

Respondents were also asked whether deductions were made from their pay for various pre-specified items. The percentage of respondents reporting such deductions were as follows:

- Housing or other accommodation – 18%
  - respondents working in sales & customer service occupations were more likely than average to report such deductions.
- Transport – 14%
  - respondents working as process, plant & machine operatives were more likely than average to report such deductions.
- Food and meals – 20%
  - respondents working in hotels & restaurants and sales & customer service occupations were more likely than average to report such deductions.
- Clothing or other equipment required for the job – 13%
  - respondents working in construction and skilled trades were more likely than average to report such deductions.

A question was also asked about deductions for Tax and National Insurance (NI). 81% of the sample reported such deductions; the remainder either did not know or indicated that they had no deductions. The proportions of respondents citing deductions for Tax and NI were slightly lower than average in construction and in associate professional & technical occupations, skilled trades and elementary occupations.

3.6 *Job satisfaction*

In the South East Migrant Worker Survey respondents were asked about their satisfaction with different aspects of their current jobs. Table 3.2 provides details of responses; the different aspects are ranked in descending order on mean satisfaction scores.

Table 3.2: Satisfaction levels (per cent) with different aspects of migrants' current jobs

Aspect of current job	1: Not at all satisfied	2: Not very satisfied	3: Neither satisfied nor dissatisfied	4: Quite satisfied	5: Very Satisfied	Don't know	*Mean Score*
General way treated by work colleagues	0.7	1.5	9.6	43.5	44.6	1.3	*4.30*
General way treated by employer	1.7	2.9	9.9	44.8	40.8	1.0	*4.20*
Terms and conditions	1.8	5.0	12.8	50.0	30.4	0.8	*4.02*
Hours of work	3.2	6.0	13.7	49.7	27.4	0.6	*3.92*
Level at which employed	3.3	6.6	16.9	42.8	30.4	1.3	*3.90*
Rate of pay	7.1	13.6	18.8	40.4	20.1	0.6	*3.53*

Source: South East Migrant Worker Survey

It is clear that satisfaction levels with current jobs are generally high across all aspects. Satisfaction levels are highest for the way migrant workers are treated by work colleagues and the way they are treated by their employer. Lowest levels of satisfaction were reported for rate of pay. The next lowest levels of satisfaction were reported for the level at which the migrant worker is employed and hours of work.

Generally, the self-employed reported higher than average levels of satisfaction across all aspects of their jobs. On each dimension, the following variations by sub-group were apparent:

- Satisfaction with *the general way treated by work colleagues* – those in administrative & secretarial occupations; process, plant & machine operatives and in elementary occupations reported lower than average satisfaction scores
- Satisfaction with *the general way treated by the employer* – lower than average mean satisfaction scores were evident for those in elementary occupations and those working as process, plant & machine operatives
- Satisfaction with *terms and conditions* – those in professional occupations and sales & customer service occupations reported highest levels of satisfaction, while those in elementary occupations reported lowest satisfaction levels
- Satisfaction with *hours of work* – few marked variations by sub-group were evident
- Satisfaction with *the level at which employed* – a positive association was apparent, with those employed in higher level occupations reporting higher levels of satisfaction than those in lower level occupations
- Satisfaction with *level of pay* - higher than average satisfaction levels were reported by those in construction and lowest levels for those in elementary occupations.

3.7 *Overview and implications for adaptive capacity*

The overwhelming majority of migrant workers are in employment in the UK. Prior to coming to the UK only around two-thirds of the sample in the South East Migrant Worker Survey were in employment; hence, there are individual gains from migration and, in most instances, migrants were making a contribution to the UK labour market and economy. For some (younger) migrants their first experience of employment was in the UK.

Agencies and social networks (of friends and, to a lesser extent, family members) are key routes into the labour market for migrant workers. Many of the employers surveyed also highlighted the importance of recruitment by 'word of mouth' – again emphasising the role of social networks. Agencies play a particularly important role in manufacturing and for operative roles. Given that many of those making a transition from unemployment to employment are recruited by agencies and are working in lower skilled jobs, there would appear to be scope for work with agencies to improve workers' knowledge of labour market rights and responsibilities.

There are several reasons why employers may opt to recruit migrant workers. Some referred to an overall lack of applicants, so indicating that migrant workers played an important role in addressing labour shortages. The majority of respondents to the South East Migrant Worker Employer Survey reported a steady demand for migrant workers throughout the year, so indicating that migrant workers are an important component of the labour force, particularly in low skilled and low paid occupations in some sectors (for example, see James and Lloyd, 2008). Hence, there is a degree of reliance on migrant workers such that employers would be vulnerable in the face of a reduction in the number of migrant workers available.

Employers also spoke favourably about the 'work ethic' of migrant workers (notably that 'migrants work hard[er]'). The fact that migrant workers were prized for their attributes indicates that if unemployed people in the UK are to enter employment considerable emphasis needs to be placed on developing soft skills, (as well as addressing issues surrounding low pay and a possible 'benefits trap' for some individuals).

Migrant workers display an uneven sectoral and occupational distribution. Agriculture, manufacturing, construction, hotels & restaurants and some parts of health & social care are amongst the sectors where migrant workers are disproportionately represented. However, different migration routes have tended to feed different sectors, indicating that a suspension or curtailment of certain migration routes would be likely to have specific sectoral impacts. A8 and A2 migrants are disproportionately concentrated in lower skilled occupations. Some end up taking such jobs because they are unable to find the jobs they want or because their English language skills limit the openings available to them.

In aggregate there is evidence that migrant workers are becoming increasingly segregated in particular 'migrant dense' sectors and occupations over time. The PBS as currently implemented (guided by the view of the MAC on the skill needs of UK employers) does not allow for non-EEA migration to fill lower skilled occupations. Hence, employers will not have the option of seeking workers from beyond the EEA to fill recruitment gaps if A8 and A2 workers return home or seek more highly skilled employment. This suggests a need to enhance the adaptability of employers/sectors particularly reliant on migrant workers to fill lower skilled roles by recruiting labour from the UK, since they are most vulnerable to the economic risk of a downturn in A8 and A2 migrants. This may involve making more attractive those job roles that UK workers have been reluctant to fill.

A clear picture emerges of A8 and A2 migrants working long hours for low pay. The evidence suggests that some ‘choose’ to work long hours in order to maximise economic returns at a time in their life when they have relatively few non-work distractions. In so doing they offer flexibility and cost-effectiveness to employers. This is particularly significant at a time when economic slowdown and cost pressures mean that employers may be under considerable pressure to deploy cost-effective processes to generate reasonable margins. However, for others, especially those with poor English and who are otherwise vulnerable, the ‘choice’ may be involuntary, so raising concerns about exploitation. Overall, levels of job satisfaction reported by respondents to the South East Migrant Worker Survey were high across all aspects of the job. Rates of pay, levels at which employed and hours of work were scored less favourably than average (albeit that dissatisfaction levels were low).

4. *Economic impact*

Summary of key points

Possible positive and negative economic impacts of migration

- Theoretically, possible positive economic impacts of migration include mitigation of labour and skills shortages, maintenance and increase in levels of employment, enhanced productivity, increased output and growth in demand for goods and services. The evidence here suggests that, generally, migrant workers are addressing labour and skill shortages, and so have a positive economic impact.
- Possible negative impacts include a reduction in the employment rate and increased unemployment and economic inactivity amongst the existing population, and suppression of earnings. Previous studies have found no (or only very limited) statistically significant evidence for negative economic impacts of economic migration.

Displacement of UK-born workers by migrant workers

- There are clear trends at regional level for either decreases or slower growth in employment for UK-born workers in most migrant dense sectors and occupations than for migrant workers in these sectors. Statistical analyses and insights from employers and third party interviewees suggest that 'displacement' of UK-born workers by migrant workers in such sectors and occupations is 'voluntary' (as opposed to 'involuntary'). This means that it occurs predominantly through processes of natural turnover as individuals move in and out of employment and between jobs.

Impacts on unemployment of UK-born workers

- UK-born workers with no qualifications suffer higher than average unemployment and economic inactivity rates. However, there is no statistically significant evidence of an 'unemployment penalty' for UK-born workers associated with increased employment amongst migrant workers. Nor is there any statistically significant evidence that unemployment rates have increased at local level due to an influx of migrant workers.

Impacts on earnings

- There is no clear statistical evidence that growth in migrant employment has been associated with a suppression of earnings.

Concerns about vulnerable individuals on the margins of the labour market

- Despite the lack of statistically significant evidence on negative economic impacts of migrant workers, concerns remain amongst some third party interviewees about actual or potential negative impacts amongst those elements of the UK-born population (and the migrant worker population) who are in the most vulnerable positions within, or at the margins of, the labour market. The lack of evidence from secondary data analysis for negative economic impacts at the level of the regional or local economy, or for specific sectors and occupations, does not mean that there are no instances of negative economic impacts.

Impacts on business performance and productivity

- Employers in the South East Migrant Worker Employer Survey were overwhelmingly positive about the impact of migrant workers on their overall business performance.

- There is indicative evidence from the South East Migrant Worker Employer Survey that in some instances migrant workers are helping to improve the productivity of indigenous workers.
- Migrant workers have made an important and growing contribution to regional economic output over the period to 2007.

Challenges for regional economic development

- From a regional economic development perspective there is a danger that some employers might rely on migrant workers to adopt a low cost business strategy. While there may be short-term gains from such a strategy at the level of an individual business, in the longer-term and at the level of the regional economy, it may be more advantageous to explore alternative strategic options – including investing in development of the existing workforce, reforming labour processes, substituting capital for labour, etc. Persuading businesses to consider these longer-term issues and to take action to support wider regional economic success is a key challenge.

4.1 Introduction

The economic and labour market impacts of migrant workers are key issues in policy and popular debates. These impacts on the South East regional economy are considered in this chapter. Impacts on the regions/countries migrants originate from are important also, but are outside the scope of this report.

In theory economic impacts could be positive, with migrant workers:

- addressing labour and skills shortages;
- maintaining and raising levels of employment;
- enhancing productivity;
- increasing output; and
- creating additional demand for goods and services.

However, economic and labour market theory also suggests that effects could be negative. A preference for migrant workers may lead to 'displacement' of UK workers, so leading to a reduction in employment rates and increases in rates of unemployment and inactivity. Such negative impacts are likely to fall disproportionately on those in sectors and occupations where migrants are concentrated. These potentially negative impacts need to be considered in order to derive holistic policy responses that recognise that everyone resident in an area (whether or not they are in employment) is part of the economy. As highlighted in Chapter 3, there are concerns that migrant workers may be used by employers to depress or maintain wages at a low level.

Early studies of the economic and labour market impacts of A8 migration to the UK suggested that the overall impact of immigration on the UK economy and labour market was limited but positive, since migrant workers contribute more in taxes than they receive in services, and migration probably leads to slightly higher levels of employment and wages for UK indigenous workers (TUC, 2007). Analyses by the Department for Work and Pensions have found no discernible statistical evidence to suggest that migration from A8 countries has been a contributor to the rise in claimant unemployment in the UK (Portes and French, 2005; Gilpin *et al*., 2006; Wadsworth, 2007; Blanchflower *et al*., 2007; Coats, 2008; Lemos and Portes, 2008; Home Office, 2008). Rather the evidence seems to suggest that migrants are tending to go where labour demand is buoyant and are taking up the slack in the labour market and growing the economy. Likewise empirical analysis of LFS data for the UK (Dustmann *et al.*, 2007) over a longer period found no evidence that immigration had negative effects on employment, participation, unemployment or wages at aggregate level.

So, on balance, these studies suggest that migration is beneficial to the economy in addressing labour shortages and skills deficiencies and having a positive effect on output, and is also advantageous in fiscal terms. It helps meet employment and skills demand from private sector businesses and also contributes to public sector service delivery.

In April 2008 the House of Lords Select Committee on Economic Affairs (2008) described a less positive picture, suggesting that there is no evidence for the argument that net immigration generates significant economic benefits for the existing UK population. While migrants grow the size of the economy the Select Committee report disputes claims that net immigration is indispensable to fill labour and skills shortages. Acknowledging difficulties in measuring impacts on unemployment, the report concluded that the available evidence is insufficient to draw clear conclusions, while recognising that there may be adverse impacts on groups of young people. However, econometric analysis by Lemos and Portes (2008) found no negative impacts for young people. Other potential 'losers' are those in low-paid jobs and directly competing with new immigrant workers – a group which includes some ethnic minorities and a significant share of migrants already working in the UK. More generally, those UK workers whose employment opportunities may be limited by relatively poor skills are also vulnerable to any negative impacts of migrant workers.

In considering the economic and labour market impacts of migration it is important to keep in mind that migration is an inherently spatial concept. Local areas vary in their exposure to and experience of migrant workers and their impacts are likely to vary geographically and temporally. Moreover, the speed of change is variable also. Impacts are very hard to identify with any degree of certainty using available data sources. Specific local circumstances may mean that negative impacts may be felt by some people in some local areas but not in others, and not in aggregate at regional level. Moreover, anecdotal evidence from primary research may contradict results from secondary data analysis.

The analyses presented in this chapter draw largely on information from secondary data sources – particularly on analyses of a 'merged' LFS data set covering the period from 2002 to 2007. As outlined in Chapter 2, 'migrants' are defined on the basis of country of birth (i.e. born outside the UK). Owing to sample size constraints the LFS analyses presented here adopt a broader definition than A8 and A2 migrants. Relevant supporting information from the South East Migrant Worker Survey relating to A8 and A2 migrants and the South East Migrant Worker Employer Survey is presented also.

The analyses are more technical than those presented in preceding chapters. However, key points are highlighted in the summary at the beginning of this chapter and key findings are highlighted in non-technical language in the text. The first section of the chapter outlines the impact of migrant workers on the employment, unemployment and inactivity of UK-born workers (4.2). This is followed by a discussion of the impact of migrant workers on earnings (4.3). Information from the South East Migrant Worker Employer Survey is drawn upon to provide insights into employers' perspectives on the impact that migrant workers have on business performance (4.4). This is followed by an assessment of the contribution of migrant workers to the economic output of the regional economy (4.5). Turning to a broader strategic assessment of the economic impact of migrant workers and consideration of associated implications for adaptive capacity, a conceptual framework for considering the possible implications of migrant workers for regional and local economic development is presented (4.6), followed by an overview and assessment of the key findings from the analyses (4.7).

4.2 The impact of migrant workers on employment, unemployment and inactivity

4.2.1 *Employment impacts of migrant workers*

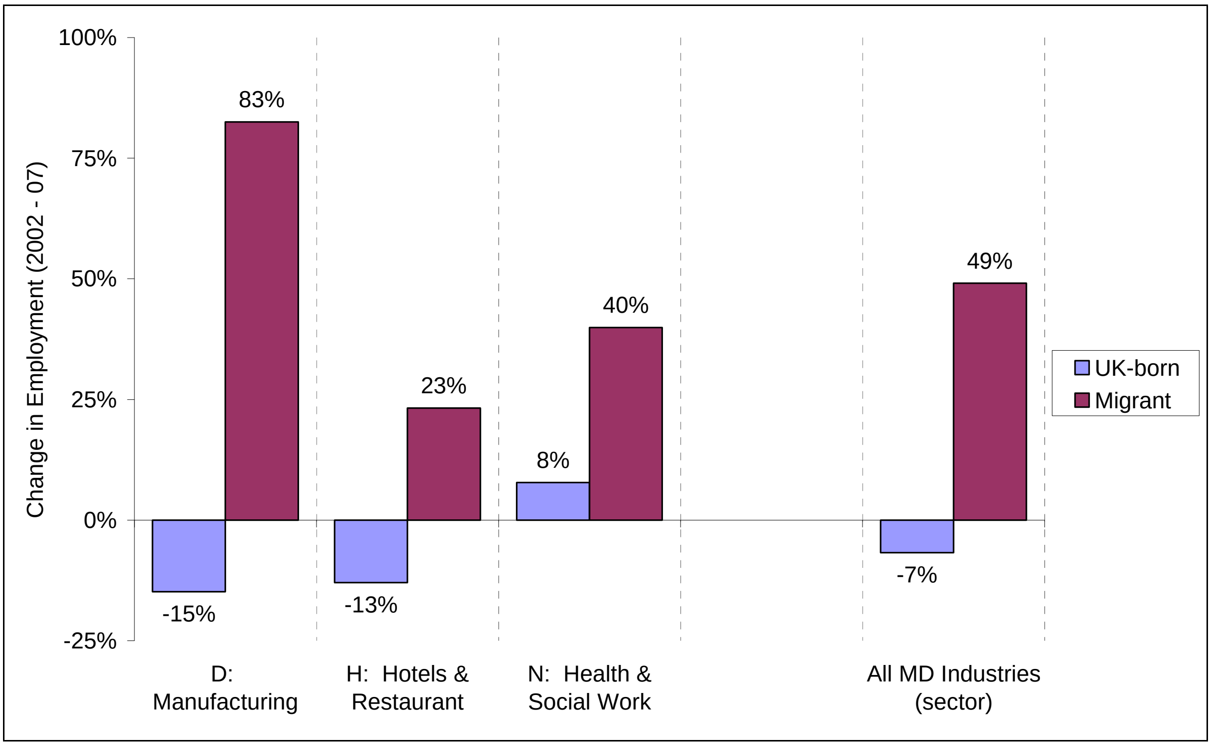
Introduction

The aim of this section is to examine the extent to which employment of migrants in certain sectors and occupations has been associated with lower probability of employment of UK-born workers. The LFS provides estimates of employment by industry and occupation for migrants *from all parts of the world* (not just A8 and A2 migrants) and the UK-born. This is important since a useful test of the employment impact of inward economic migration is whether or not there is evidence of decreasing employment of UK-born workers in 'migrant dense' (MD) sectors and occupations (i.e. industries and occupations where migrant workers are more strongly represented than average). This is done here by measuring the percentage change in employment by MD industry and occupation over the period 2002–2007 from the LFS.

Recent employment change in migrant dense sectors

Figure 4.1 shows patterns of employment change in MD *sectors* (adopting a broad industrial categorisation) in the South East region for migrants and UK-born workers. This change in employment is calculated by industry over the entire 5-year period from 2002 to 2007. The analysis is based on *all* migrants, irrespective of year of arrival in the UK. The chart shows the expansion of migrant employment across all of the MD sectors. Overall, migrant employment has expanded by approximately 50% in MD industries over this period. In contrast, employment of UK-born workers in these sectors has fallen significantly; by 7% for all MD industry sectors. In actual employment terms, based on this analysis, this equates to a decrease of approximately 67,000 in employment of UK-born workers accompanied by an increase in employment of 55,000 migrant workers. The fastest decline in employment of UK-born workers was in the manufacturing sector, where employment of UK-born workers decreased by 15% over the period, despite an 83% rise in migrant employment. A fall in employment was also recorded for UK-born workers in hotels & restaurants, while in health & social work there were increases for both UK-born and migrant workers.

Figure 4.1: Average rate of change in employment by migrant dense sectors



Industry (Sector)	**UK-born**		**Migrants**	
	2002	**2007**	**2002**	**2007**
D: Manufacturing	488,000	415,000	35,000	63,000
H: Hotels & Restaurant	146,000	127,000	28,000	35,000
N: Health & Social Work	334,000	360,000	45,000	63,000
All MD Industries (sector)	**998,000**	**931,000**	**112,000**	**167,000**
Net Displacement (Industry sectors)	**- 67,000**		**+ 55,000**	

Source: Merged LFS dataset 2002 - 2007

Note: (1) The analysis is based on all migrants; (2) This is not an exhaustive list of MD industry sectors. The analysis is restricted to industries where the underlying merged LFS sample size is greater than 50 by industry. This is the equivalent of 10 observations per survey; (3) The 'All MD industries' figures are exhaustive of MD industry sectors; (4) Figures are presented to the nearest thousand.

The trends shown in Figure 4.1 are indicative of labour market *segmentation* of migrant and UK-born workers. As a consequence, certain sectors may become associated with employment of migrant workers and this may make such segments unattractive for UK-born workers.

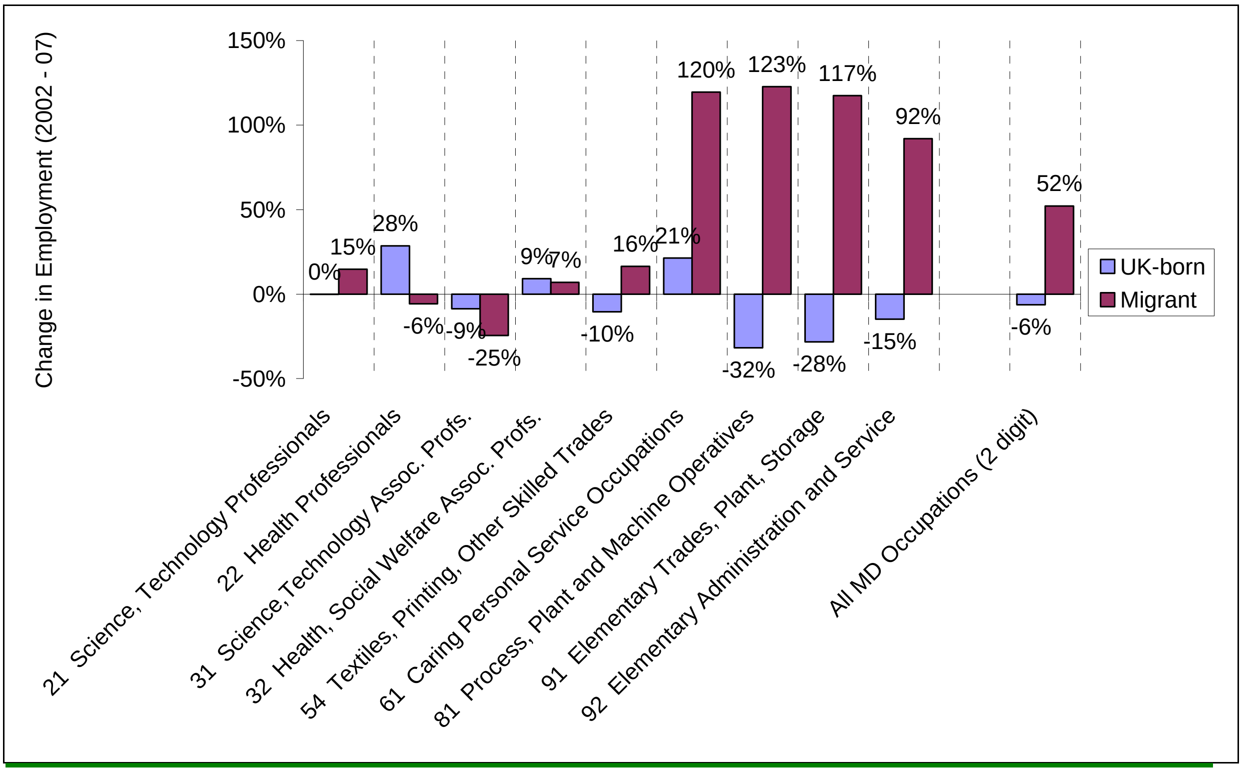
This analysis provides clear evidence of displacement of UK workers as they are replaced by migrant workers in particular sectors. It is unclear, however, based on this evidence whether this process is 'voluntary' or 'involuntary' on the part of UK-born workers.

'Voluntary' implies that the UK-born are choosing other employment opportunities and are being replaced by migrant workers, perhaps facilitated by natural job turnover. It may be the case, for example, that UK-born workers are shunning particular types of work as a consequence of unattractive working conditions or because of the low cultural value placed on particular job roles. 'Involuntary' movement implies that UK-born workers are having their contracts of employment terminated by their employers and are being replaced by migrant workers. (This issue of 'voluntary' vis-à-vis 'involuntary' movement is explored further later in this chapter.) Whether or not displacement is 'voluntary' or 'involuntary', increasing segregation of migrant workers in particular sectors enhances the economic risk posed in MD sectors by a downturn in the number of migrant workers available.

Recent employment change in migrant dense occupations

The same analysis is repeated for MD occupations (defined by the 2-digit Standard Occupational Classification [SOC]) in Figure 4.2. The results show significant growth in migrant employment across the vast majority of MD occupations. Overall the employment of migrants has expanded over the period by 52%, contrasting with a 6% decline in employment of UK-born workers.

Figure 4.2: Average rate of change in employment by migrant dense 2-digit occupations



Occupation (2-digit)	**UK-born**		**Migrants**	
	2002	**2007**	**2002**	**2007**
21 Science, Technology Professionals	154,000	154,000	24,000	27,000
22 Health Professionals	25,000	32,000	10,000	10,000
31 Science, Technology Assoc. Profs.	70,000	64,000	8,000	6,000
32 Health, Social Welfare Assoc. Profs.	92,000	100,000	19,000	21,000
54 Textiles, Printing, Other Skilled Trades	64,000	58,000	10,000	12,000
61 Caring Personal Service Occupations	175,000	212,000	15,000	34,000
81 Process, Plant and Machine Operatives	101,000	69,000	7,000	15,000
91 Elementary Trades, Plant, Storage	117,000	84,000	11,000	23,000
92 Elementary Administration and Service	286,000	244,000	28,000	54,000
All MD Occupations (2 digit)	**1,084,000**	**1,016,000**	**133,000**	**202,000**
Net Displacement (2 digit occupations)	**- 68,000**		**+ 69,000**	

Source: Merged LFS dataset 2002 - 2007

Note: (1) The analysis is based on all migrants; (2) This is not an exhaustive list of MD occupations. The analysis is restricted to industries where the underling merged LFS sample size is greater than 50 by industry. This is the equivalent of 10 observations per survey; (3) The 'All MD occupations' figures are exhaustive of MD occupations; (4) Figures are presented to the nearest thousand.

Again, this provides strong evidence of displacement of UK workers by migrant workers in particular job roles. Evidence of displacement of UK workers is strongest in lower skilled occupations. Amongst process, plant & machine operatives; elementary trades, plant, storage; and elementary administration & service occupations there have been sharp declines in the numbers of UK-born workers. At the same time numbers of migrant workers working in these occupations have in most cases more than doubled.

The analysis shows increasing levels of employment amongst UK-born workers in health and caring related MD occupations, which has accompanied the expansion of the health sector over recent years. There is also an increase in the employment of UK-born IT professionals. However, where there are increases in employment of UK-born workers there are generally faster *rates* of growth in migrant employment, although from a lower base.

Once again, on the basis of the analyses there is evidence for displacement of the UK-born by migrants in MD occupations. However, it is unclear whether this process is 'voluntary' or 'involuntary' on the part of UK-born workers.

Insights from employers concerning displacement of UK-born workers by migrant workers

Evidence from the South East Migrant Worker Employer Survey and interviews with third party organisations indicates that there are certain jobs that many UK-born people are not prepared to do, so resulting in a shortage of applicants for vacancies. In this case migrant workers appear to be playing an important labour market function of filling 'gaps' in labour demand in sectors and occupations where employers would find it difficult to fill jobs otherwise. For example, in providing reasons for employing migrant workers one employer commented:

> *"We struggle to find UK people in housekeeping"*

while another referred to the 'respect for the job' that migrant workers had that was not so evident amongst UK-born workers. Likewise, a third party interviewee from an employment agency outlined how migrant workers with professional qualifications did not see non-professional jobs as being 'beneath' them:

> *"… a lot of the guys that come in are qualified accountants or lawyers or whatever, and suddenly they are cleaning or they are serving coffee, but they don't seem to see that as a problem"*

The same interviewee felt that UK-born workers wanted 'middle class' jobs.

Another employer highlighted that because of migrant workers:

> *"We have been able to fill vacancies that we have had for some time."*

Similarly, a third party interviewee highlighted how migrant workers filled jobs which UK workers were not prepared to do:

> *"It's the contract cleaning work, it's the warehousing work, particularly doing the nightshifts, it's working in the hotel and hospitality industry which isn't particularly well paid. And that's where they [i.e. migrant workers] are moving into."*

These comments indicate that migrant workers are addressing labour shortages in sectors and occupations where many UK-born workers are reluctant to work. This suggests that displacement of UK-born workers by migrant workers is most likely to be 'voluntary'. If migrant workers were not available to fill these job roles, employers would face a renewed challenge in recruiting to such vacancies. In order to enhance their adaptive capacity and reduce their reliance on migrant workers, it may be necessary for employers to either enhance the attractiveness of such job roles to the UK-born (including those individuals not currently in employment) and/or to investigate the possibility of reducing the need for labour in such functions.

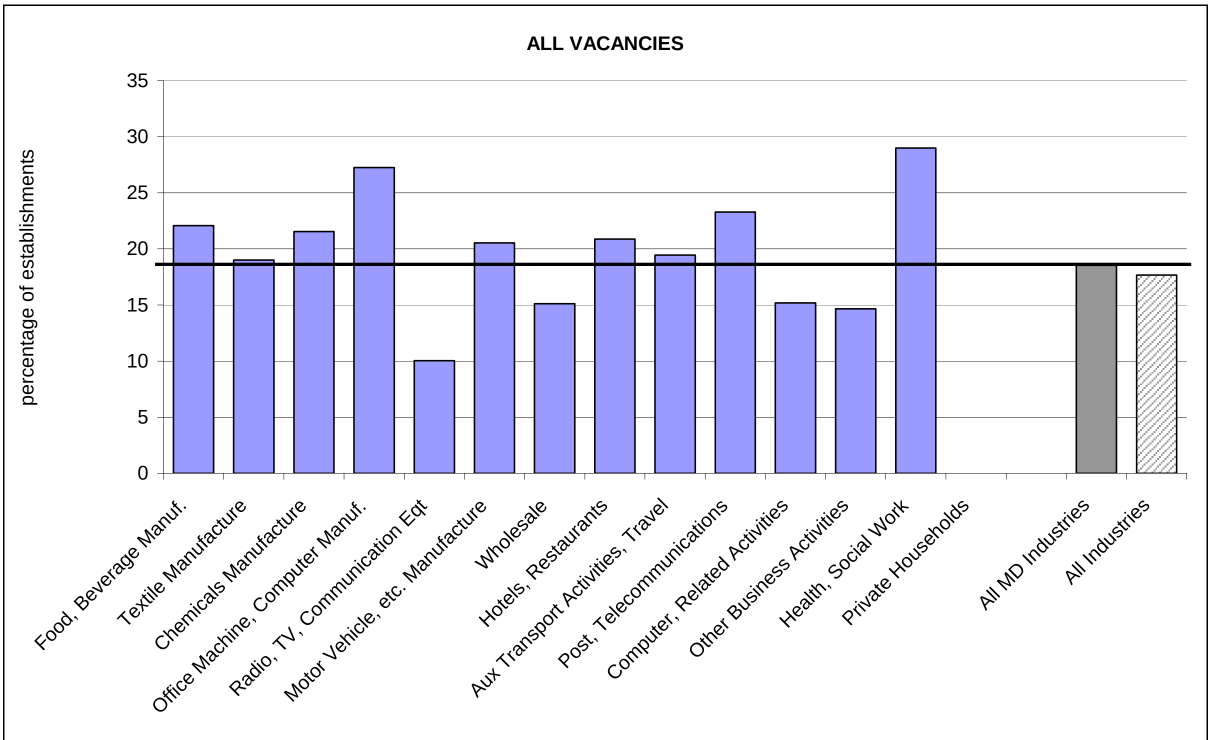
Analysis of vacancies

Further insights into whether migrant workers are addressing labour shortages may be gained through an analysis of vacancies. The National Employer Skills Survey (NESS) permits an analysis of levels of reported vacancies and so called 'hard to fill' vacancies by industry. Figures 4.3 and 4.4 show reported vacancy and hard-to-fill vacancy levels, respectively, for MD sectors compared to all industries in the region.

> The analyses suggest that migrant workers are responding to labour shortages in particular sectors.

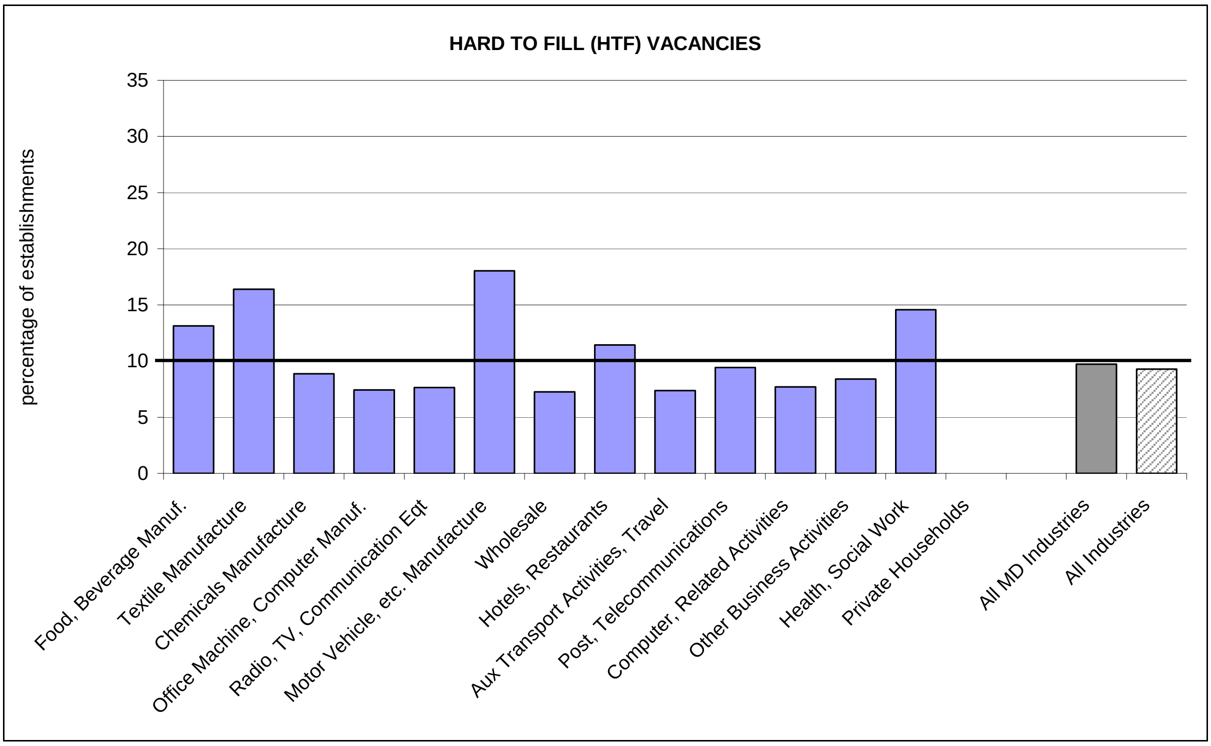
Whilst overall levels of vacancies are higher in MD sectors, the results are not statistically significant, partially due to problems of sample size. It is also noted that where MD sectors have higher levels of vacancies this might in part reflect higher levels of turnover where jobs prove difficult to fill.

Figure 4.3: NESS reported vacancies by migrant dense (MD) sector in the South East



Source: NESS 2006.
Note: The bold horizontal line shows, for comparison, the percentage of establishments across MD industries in aggregate reporting vacancies.

Figure 4.4: NESS reported 'hard to fill' vacancies by migrant dense (MD) sector in the South East



Source: NESS 2006.
Note: The bold horizontal line shows, for comparison, the percentage of establishments across MD industries in aggregate reporting 'hard to fill' vacancies.

4.2.2 *Changes in unemployment and economic inactivity*

Introduction

The previous sub-section demonstrated evidence of displacement of UK-born workers in various MD sectors and occupations, with increasing migrant employment being counterbalanced by falling numbers of UK-born workers. This sub-section focuses on the impact of migrant workers in these sectors and occupations by monitoring changes in rates of unemployment and economic inactivity (hereafter referred to as 'inactivity') amongst UK-born workers. At the start of this sub-section analysis using LFS data is restricted to those:

- resident in the South East (since the unemployed and economically inactive do not have a 'region of work');
- born in the UK (i.e. migrants are excluded);
- of working age - i.e. males 16-64 (inclusive) and females 16-59 (inclusive).

One possible consequence of an increase in migrant workers might be worsening unemployment prospects for UK-born workers. Hence, if the displacement of UK-born workers from MD areas of work is 'involuntary' (rather than 'voluntary') we might expect increased unemployment or inactivity amongst the UK-born population.

Trends in unemployment and inactivity

An analysis of trends in unemployment rates (adopting the International Labour Organisation (ILO) definition[3]) for the UK-born over the period from 2002 to 2007 reveals no discernable trend change in rates of unemployment. The regional rate of unemployment has been low throughout the period.

Over the same period there has been a gradual increase in inactivity amongst men. However, this is not necessarily attributable to an increase in migrant workers during this period. Instead it may reflect other changes in labour market composition or behaviour. There has been no discernable change in rates of female inactivity.

Since the analyses in Chapter 3 revealed that recent migrants (notably A8 and A2 migrants) have been employed disproportionately in lower skilled occupations, it is interesting to examine whether there has been any differential impact on unemployment and inactivity on lower- versus higher-skilled workers born in the UK. In order to analyse this, rates of unemployment and inactivity by level of highest qualification, were analysed. The results obtained suggest that there is some evidence for an upward trend in rates of inactivity and possibly unemployment amongst the lowest skilled, particularly those with no qualifications. At the other end of the qualifications spectrum, the trend in unemployment amongst those with highest qualifications is downwards, whilst rates of inactivity appear to be stable over time.

Trends in unemployment and inactivity amongst the UK-born from migrant dense sectors and occupations

The trends in unemployment and inactivity highlighted above are indicative of changing conditions in the labour market. It is necessary to link evidence regarding employment prospects of UK-born workers to the influx of migrant workers in a more concrete manner in order to ascertain whether there is evidence for 'involuntary' displacement of UK-born workers by migrant workers. We would expect evidence of involuntary displacement of UK-born workers to manifest itself via increased unemployment (or inactivity) of UK-born workers, particularly for those whose 'last employment' was in MD sectors and occupations.

An analysis of information from the LFS on 'industry of last job' at 3-digit Standard Industrial Classification (SIC) level shows that 43% of the UK-born unemployed in the South East last worked in one of the MD industries. This compares with a total of 37.5% of workers being employed in MD industries. If all things were equal we would expect that these two percentages would be the same. The figures indicate that proportionally more UK-born people than expected enter unemployment from MD industries. Further disaggregation by industry reveals that a number of MD industries are the source of disproportionately large numbers entering unemployment – as exemplified by the hotels & restaurants sector which accounts for 3.8% of employment of UK-born workers, but 8.3% of last industry of employment amongst the UK-born unemployed.

[3] The ILO definition of unemployment includes people who are; not in employment, want a job, have actively sought work in the previous 4 weeks and are available to start work within the next fortnight or who are out of work and have accepted a job which they are awaiting to start in the next fortnight.

A similar analysis for MD occupations (at 3-digit level Standard Occupational Classification [SOC]) reveals that 27% of the UK-born unemployed workers in the South East last worked in one of the MD occupations. Further disaggregation by occupation reveals that there is a higher than expected propensity to enter unemployment from lower skilled operative and elementary occupations in SOC Major Groups 8 and 9. This is exemplified by elementary process plant occupations, which account for only 0.6% of employment of the UK-born, but 6.9% of last occupation of employment amongst the UK-born unemployed.

A problem with interpreting these figures at face value is that MD sectors and occupations, rather than being a disproportionate source of unemployment, may be areas of higher rates of employment turnover – i.e. MD sectors or occupations may be characterised by shorter than average tenures of employment and consequently may 'churn' a greater proportion of their workforce through unemployment. Therefore, it is informative to examine trends over time to see whether MD sectors and occupations are increasingly becoming a source of unemployment for the UK-born.

A comparison of trends over the period 2002–07 reveals a notable upward trend in the share of the UK-born unemployed coming from MD occupations – from around 20%-23% in the period from 2002 to 2004 to 30% in early 2006 and 37% in spring 2007.[4] However, no such trend is apparent for MD industries. The occupational data in part supports the view of involuntary displacement of UK-born workers from MD occupations. Even if UK-born workers left their job voluntarily or through natural 'turnover' (e.g. short-term contracts) it might be the case that UK-born workers are finding it harder to get 'back in' to their chosen field of work.

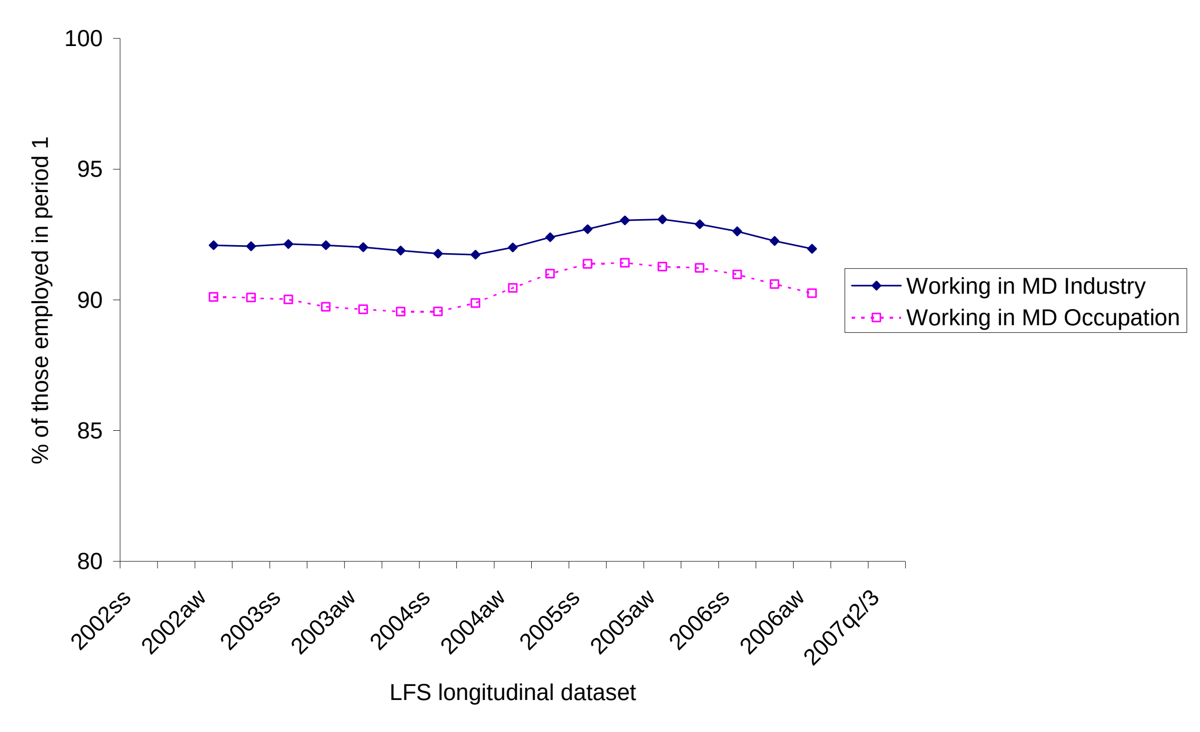
Longitudinal analyses

Further insights may be gained by analysing job transitions based on repeated observations of the same individuals in the LFS. This information permits a focus on the destinations of individuals employed in MD industries or occupations, in terms of their propensity to leave and whether or not they enter unemployment or economic inactivity.

Restricting the analysis to UK-born workers in the South East region, Figure 4.5 shows the percentage of UK-born workers who are still working in the same job in the quarter following that in which they were originally surveyed. This percentage is calculated separately for MD industries and MD occupations, shown separately on the graph. As expected, most individuals (more than 90%) of those employed in MD industries and occupations still have the same job in the next quarter. The trends are broadly flat, indicating that on the basis of this analysis there is no evidence that these transitions are changing over time.

[4] However, it should be noted that not only is this information partial but that year on year data is subject to sampling error and therefore should be interpreted cautiously.

Figure 4.5: Likelihood of the UK-born in the South East staying in MD work in the next period

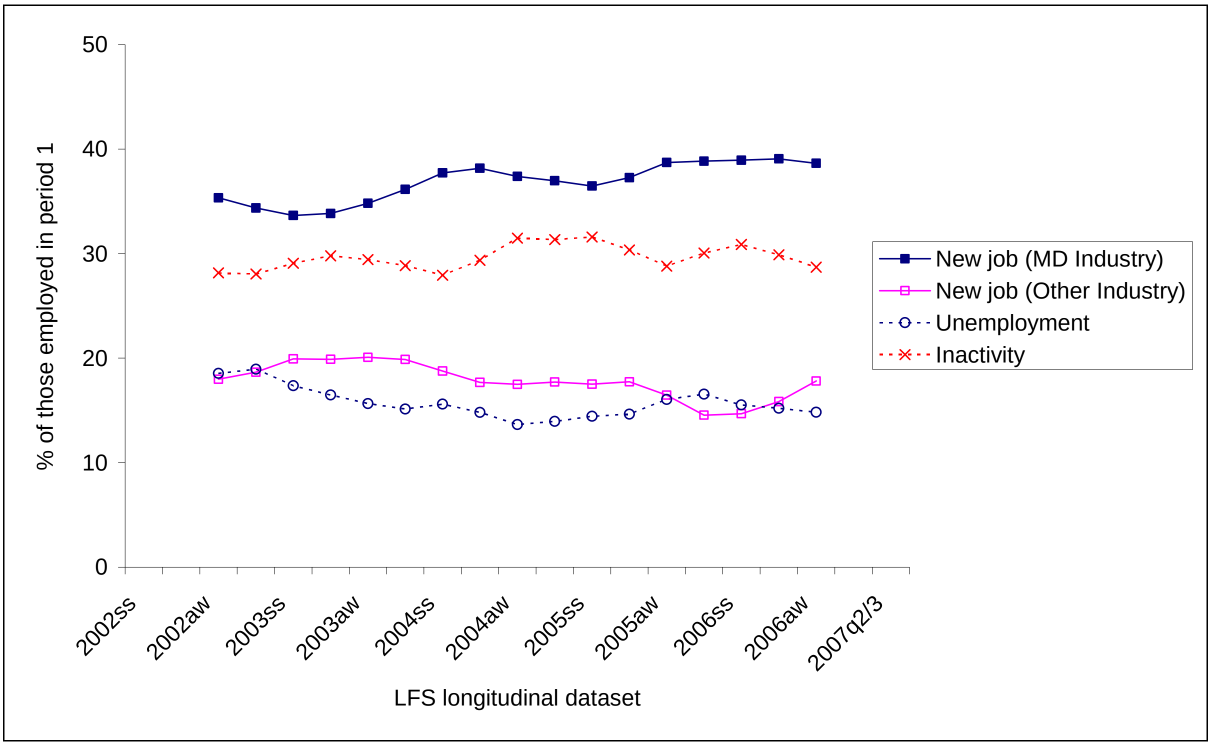


Source: LFS longitudinal data 2002-2007

Note: The data is smoothed using a 4-quarter moving average. Analysis is restricted to UK-born workers, based on the South East as region of work.

Figure 4.6 plots the destinations over time of movers who have exited a MD industry. In a similar manner, Figure 4.7 plots the destinations over time of movers who have exited a MD occupation. The results for MD industries (Figure 4.6) show an upward trend in leavers moving to jobs in other MD industries, rather than out of MD industries. Similarly, the results for MD occupations (Figure 4.7) show an upward trend in leavers moving to jobs in other MD occupations. In both cases there is a downward trend in leavers moving into unemployment, while movement into inactivity demonstrates no trend.

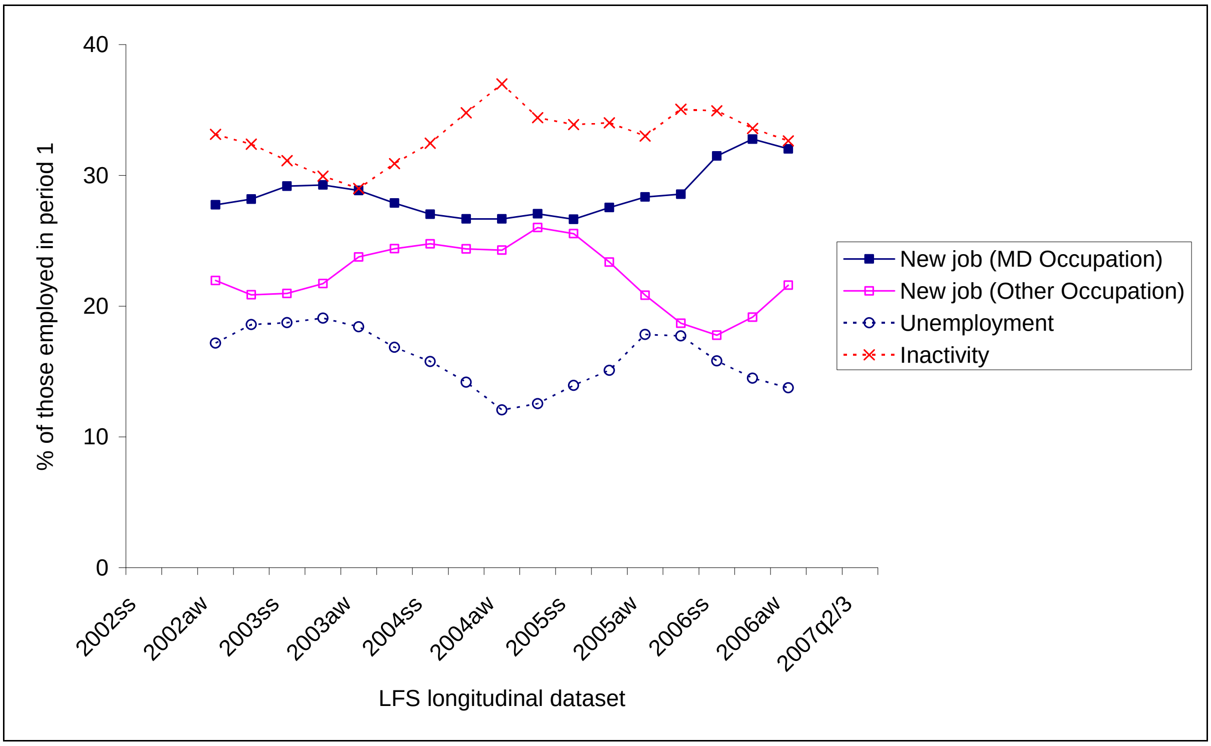
Figure 4.6: Destinations of UK-born workers moving out of MD industries



Source: LFS longitudinal data 2002-2007

Note: The data is smoothed using a 4-quarter moving average. Analysis is restricted to UK-born workers, based on the South East as region of work.

Figure 4.7: Destinations of UK-born workers moving out of MD occupations



Source: LFS longitudinal data 2002-2007

Note: The data is smoothed using a 4-quarter moving average. Analysis is restricted to UK-born workers, based on the South East as region of work.

By and large, the evidence suggests that UK-born workers are voluntarily moving out of MD areas of work, or are moving by processes of natural turnover, rather than being displaced 'involuntarily' into unemployment or inactivity. It is possible that UK-born workers at the lower end of the labour market may be restricted to particular jobs in industries and occupations which are MD, only by virtue of the fact that these are relatively low skilled areas of work. Hence, they are likely to be competing against migrant workers for available jobs.

Local level analyses

Shifting the focus from the regional to the local scale, in the analyses presented in this sub-section, the differential impacts of migrant workers on the local labour market are proxied by measuring rates of NINo registrations of overseas nationals at local authority area level as a percentage of the working population. This is then compared with changes in claimant unemployment rates.

Table 4.1 shows selected local authority areas in the South East region ranked in descending order by NINo registrations of all overseas nationals as a percentage of people of working age in 2006/7. The list is headed by the large urban areas of Slough, Oxford and Reading. The trends in claimant figures are shown for these local authority areas for the period 2002-07 and 2006-07, using the measures described above.

Table 4.1: NINo registrations and unemployment: 10 selected local areas with highest NINo registrations

Local Authority	%NINo 2006-07	Trend 2002-07 (% rate)		Relative: 2007:2002		Trend 2006-07 (% rate)		Relative: 2007:2006	
Slough	5.5	-0.4		0.71		-0.4		0.77	
Oxford	4.5	-0.1		0.86		-0.3		0.80	
Reading	4.3	0.1		0.87		-0.5		0.82	†
Crawley	3.2	0.1		0.97	†	-0.5		0.76	
Southampton	2.8	0.0		0.93	†	-0.4		0.93	†
Rushmoor	2.6	0.2	*	1.01	†	-0.2	*	0.85	†
Brighton & Hove	2.6	-0.2		0.83		-0.7		0.83	†
Woking	2.1	0.1		0.93	†	-0.2	*	0.76	
Milton Keynes	2.1	0.5	*	1.21	†	-0.2	*	0.90	†
Guildford	2.0	-0.1		0.84		-0.2	*	0.81	
SE Region	**1.5**	**0.0**		**0.89**		**-0.4**		**0.81**	

Notes: * Indicates an instance where the unemployment trend at LAD level is significantly above (more positive or less negative) than that of the South East region as a whole; † Indicates an instance where the relative unemployment comparison is above (more positive or less negative) than that of the South East region as a whole.
The annual percentage rate of NINo registrations of overseas nationals is calculated based on the number of registrations by local area in 2006/7 as a percentage of the working age resident-based population in that area (from the ONS mid-year estimates of the population).
Trend change in unemployment rate (2002-07) is calculated by fitting a trend line through the monthly observations over the period from January 2002 to November 2007.
Relative unemployment (2007:2002) is calculated by dividing the claimant rate in November 2007 by the claimant rate in November 2002.
Trend change in unemployment rate (2006-07) is calculated by fitting a trend line through the monthly observations over the period May 2006 to November 2007.
Relative unemployment (2007:2006) - calculated by dividing the unemployment rate in November 2007 by the unemployment rate in May 2006.

Assuming a hypothesis that greater migrant concentration in a local area would make the local labour market situation less favourable for other workers, claimant trends at local authority area level would be expected to be significantly 'above' (i.e. more positive or less negative) than that of the South East region as a whole. This is indicated in the table when it is found to be the case.

The evidence suggests a mixed picture and in any case it should be remembered that there are a wide range of economic factors impacting on local unemployment. Of the local authority areas listed only Milton Keynes and Rushmoor show convincing evidence of a possible migrant effect. In these two areas the unemployment rate has trended upwards since 2002 and has shown a slower rate of decrease since 2006 compared to the region as a whole. However, this evidence is not compelling since the reverse is true for Slough in particular, but also for Oxford and Reading, where unemployment has fallen markedly over recent years and months.

An additional exercise plotting the association between NINo registrations of overseas nationals and the claimant rate for all local authority areas in the South East region revealed no statistically significant correlation.

This statistical evidence suggests that unemployment has not been affected by an influx of migrant workers at local level. This finding is in accordance with other local level analyses using claimant unemployment data (Lemos and Portes, 2008).

4.3 The impact of migrant workers on earnings

4.3.1 *Analyses using LFS data*

As outlined in Chapter 3 and section 4.1, there are concerns that an influx of migrant workers may lead to suppression of earnings growth, so impacting negatively on UK-born workers (and on migrant workers).

This hypothesis is tested using LFS data by examining trends in earnings of UK-born workers in MD sectors and occupations compared to trends in earnings of UK-born workers in the economy as a whole. If migrants act to suppress earnings growth then it should be possible to see evidence of this through lower wage growth at the sector or occupation level where migrant employment is most concentrated (i.e. in MD sectors/occupations).

Results of such analyses for MD sectors reveal a mixed picture. Nevertheless, there is some evidence that wage growth is slower in MD sectors: the average annual rate of wage growth for the South East economy as a whole over the period from 2002 to 2007 was 4.1% per annum, but only 3.1% per annum for MD sectors in aggregate (although this difference is not statistically significant). However, in hotels & restaurants (a key MD sector) earnings growth is significantly lower than that of all sectors, based on statistical tests.

Similar analyses for MD occupations (at 2-digit SOC level) revealed wage growth at a rate of 3.6% per annum over the period, compared with 4.1% across the economy as a whole. Whilst lower – as the hypothesis of an influx of migrant workers leading to a suppression of earnings growth may lead us to expect – the difference is not statistically significant. None of the 2-digit MD occupations showed suppressed wage growth which was significantly below that of the economy as a whole.

Overall, the combined evidence on earnings reveals a mixed rather than a clear-cut picture with respect to wage growth in migrant dense areas of work. However, the evidence is clearly not strong enough to prove that growth in migrant employment is associated with suppression of earnings.[5]

4.3.2 *Insights from employers*

According to employers responding to the South East Migrant Worker Employer Survey, employment of migrant workers had little effect on wage rates for the jobs that migrant workers did in the organisation:

- 64% said that wages had stayed the same
- 30% indicated that there was no consistent pattern of change

[5] It could be the case that MD sectors experience slower earnings growth for reasons other than the fact they are characterised by a disproportionate number of migrant workers.

- 3% reported that wages had risen, but more slowly
- 3% reported that wages had fallen slightly

None of the employers reported that wages had fallen significantly.

However, some interviewees from third party organisations (particularly from trade unions and advice centres) were concerned about downward pressure on wages as a result of greater employment of migrant workers. One explained how this could have adverse effects not only on the workers in the organisation / sector / occupation centrally involved, but also more broadly across the economy:

> *"If an employer can find a good person for less money, it makes sense to employ such a person, it means they can pay less and make more profit. There's a downside for other employers and for other people who were originally engaged in those positions: it means that they can only command a lower salary because there is more competition. More competition drives their wages down. Lower pay has implications for mortgages and other spending, obviously that has a knock on effect."*

4.4 The impact of migrant workers on business performance

4.4.1 *Introduction*

The employment of migrant workers can impact on business performance by addressing labour shortages and skills deficiencies and so boosting productivity and output. This sub-section presents information (mainly drawn from the South East Migrant Worker Employer Survey) on the overall impact of migrant workers on the South East economy and on impacts on productivity.

4.4.2 *Satisfaction with migrant workers*

The South East Migrant Worker Employer Survey revealed high levels of satisfaction with migrant workers. Overall, 47% reported that they were very satisfied with their experience of employing migrant workers, 24% were quite satisfied and 24% indicated that satisfaction varied depending on the worker in question.

4.4.3 *Impact on business performance*

Respondents were asked to assess the overall impact on the performance of their business as a result of employing migrant workers. Again, the responses were positive:

- 41% reported a 'very positive' impact on overall business performance, with few problems

  The main reasons cited included:
  - *"They are hard workers"* (mentioned numerous times)
  - *"They work hard<u>er</u>"* (i.e. they are compared favourably to other workers)
  - *"They are loyal staff"*
  - *"They are flexible"*
  - *"They are positive, able to adapt, very enthusiastic"*
  - *"They have the right skills"*

  Reiterating the discussion in Chapter 3, the main emphasis is on 'attributes'.

- 23% indicated that their experience was 'generally positive', but with some problems Reasons cited for this response again made reference to migrants *"working hard"*. Some respondents cited a *"willingness to work longer hours"*. Problems commonly cited related to English language deficiencies / communication problems.
- 30% said that there was 'overall little change'.

The few remaining respondents reported more problems than advantages – with one citing a *"lack of drive"* on the part of migrant workers and another that: *"clients have been put off due to us having migrant workers"*.

4.4.4 *Impacts on the existing workforce*

Respondents were also asked about the effect on their existing workforce of employing migrant workers (they could select as many responses as applied). In terms of *positive effects*:

- 31% indicated that the presence of migrant workers had increased the productivity of the existing workforce
- 14% indicated that the existing workforce had improved their standard of work to match that of migrants
- 10% felt that team working had improved
- 9% reported that pressure on staff had reduced.

Other positive effects noted, with less 'direct' economic impact (albeit that they may have indirect positive economic impacts) related to 'staff becoming more culturally aware' [reported by 9% of respondents] and 'relationships have improved amongst all employees' [cited by 11% of respondents].

However, 30% reported no/ few positive effects on the existing workforce.

Turning to *negative effects*:

- 76% noted no negative effects.

Negative effects noted by 4-6 respondents included: 'existing staff were hostile to migrant workers', 'problems with language and communication' and 'migrant workers only mixing with people who speak their language'.

4.4.5 *Overview*

This overwhelmingly positive picture provided by employers endorses the judgement of the House of Lords Select Committee on Economic Affairs (2008) that employers are 'winners' from migration in economic terms – at least in the short-term. However, short-term gains may not equate to gains in the medium- and longer-term (as discussed in section 4.6).

4.5 The contribution of migrant workers to the South East economy

4.5.1 *Views of third party interviewees*

Several third party interviewees in the South East interviewed for this study spoke about the positive economic contribution migrant workers have made to the regional and local economy. One commented how migrant workers had *"contributed massively"* to the local economy and another speaking from a local economy perspective outlined how:

> *"Jobs have been created and more business has been created because of that. It has made industries healthier and they have a bigger turnover. I don't know of any major labour shortages now."*

Another explained how migrant workers were 'growing' the local economy:

> *"The economy of the area is developing because they [migrant workers] are actually filling a lot of jobs that employers struggle to recruit to - in the nurseries and the care industry and in the hospitality industry. And obviously they then spend that income locally."*

Others highlighted the 'reliance' of some parts of the economy (especially agriculture and the social care sector) on migrant workers (as discussed in Chapter 3):

> *"There would be a lot of businesses that really would be struggling if they were dependent on the local workforce. Over the last ten years, if it hadn't been for immigrants I think the South East would be beginning to malfunction."*

This comment underlines the importance of building adaptive capacity in order to offset the economic risk that such reliance entails.

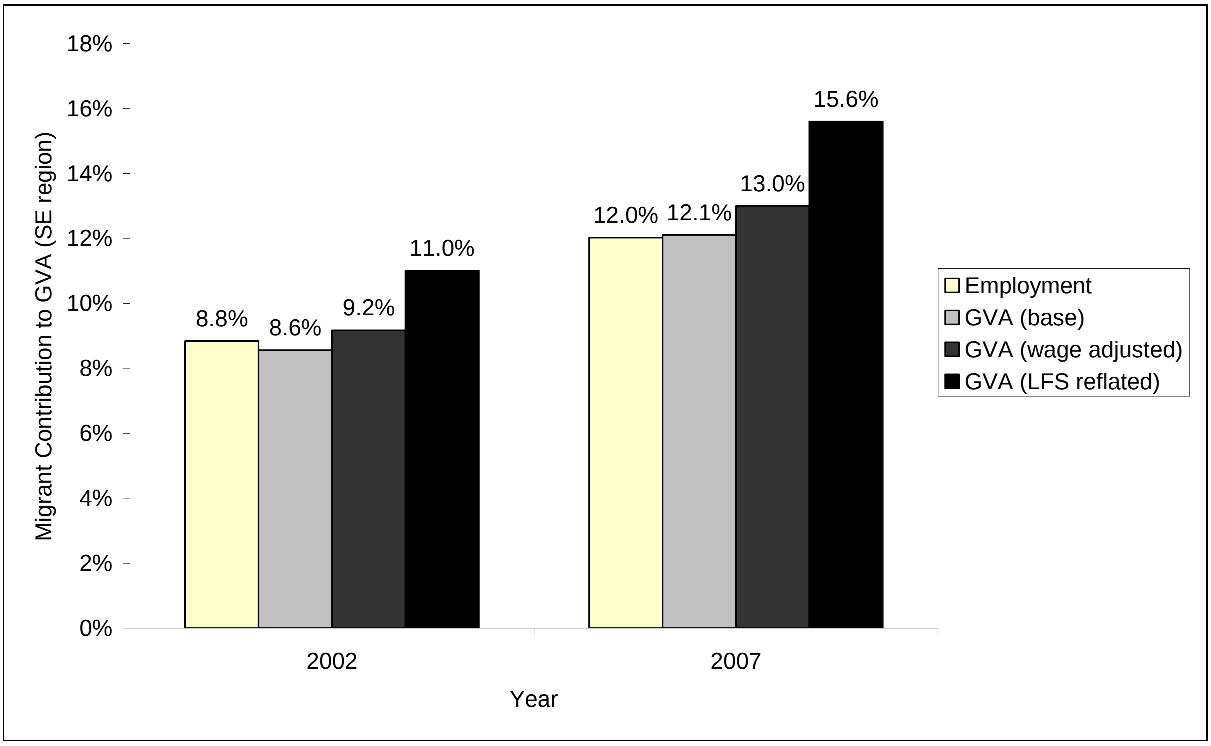
4.5.2 *Estimation of migrant workers' contribution to regional output*

In order to assess the contribution of migrant workers from all parts of the world to the South East economy data on employment and earnings of migrant workers in the South East from the LFS were combined with estimates of Gross Value Added (GVA) by industry. This was used to estimate the contribution of migrant workers (i.e. all of those born outside the UK) to the regional economy and how this has changed over the period from 2002 to 2007. Three separate measures of migrant contribution to GVA were calculated, building upon each other from the most basic to the more sophisticated:

- Base (measure)
- Wage-adjusted (measure); (to take into account the occupational structure of migrants vis-à-vis UK-national workers within industry);
- LFS-reflated (measure); (designed to take account of the under-counting of migrant workers in the LFS).

The overall estimates of migrant contribution to GVA in the South East yielded by these measures are shown in Figure 4.8, comparing the position in 2002 and 2007. The chart shows increasing migrant contribution to the regional economy. The estimated contribution of migrants (using the [preferred] LFS-reflated measure) has increased from 11% to 15.6% of total output in the region over this period.

Figure 4.8: Estimates of migrant contributions to GVA in the South East region



Source: Cambridge Econometrics estimates of GVA (2002 constant prices); LFS.
Note: The analysis is restricted to the South East region based on place of work.

Table 4.2 summarises changes in GVA attributable to migrant workers from all parts of the world between 2002 and 2007. The analysis reveals that whilst total GVA in the South East region increased by £19,726 million (at 2002 constant prices), £9,469 million of this increase was contributed by the increased activity of migrant workers. The estimates suggest that 48% of increased economic output during the period was attributable to migrant workers.

Table 4.2: Summary of change in GVA attributable to migrants

(£ millions)	**2002**	**2007**	**Change**
Total GVA	140,154	159,880	19,726
GVA attributable to migrants	15,467	24,936	9,469
% of change attributable to migrants			**48.0%**

Source: Cambridge Econometrics estimates of GVA
Note: (a) Estimates for South East region, stated at 2002 constant prices; (b) calculations of GVA attributable to migrants uses LFS-reflated estimates.

Due to data limitations and the nature of assumptions used, these estimates should be regarded as indicative, but they confirm the importance of migrants and their dynamic impact on the regional economy during this period.

4.6 Implications for regional economic development

In thinking about the possible economic impact of migration and associated challenges for adaptive capacity it is useful to consider the possible relationships between skills supply and employer demand for skills. The conceptual framework outlined in Figure 4.9 highlights four possibilities:

First there are two possible situations of imbalance between supply and demand:

- *skills shortage imbalance* – where employer demand for skills is high but supply of skills is low; and
- *skills surplus imbalance* – where the supply of skills is high, but the capacity of employers to utilise such skills is low

Secondly, there are two equilibrium situations:

- *high skill equilibrium* – where employer demand for skills is high and this feeds through into a healthy supply of skills to meet demand; and
- *low skill equilibrium* – where there is a low-skilled workforce and a low level of employer demand provides no incentive for labour supply to upskill.

Figure 4.9: The relationship between skills supply and employer demand for skills: a conceptual framework

employer demand	*low* **skills availability**	*high*
high	**SKILLS SHORTAGE IMBALANCE** - companies demanding higher qualifications than are available in the local workforce	**HIGH SKILL EQUILIBRIUM** – strong demand for high level skills, with a positive effect throughout the supply chain on enhancing aspirations and workforce development
low	**LOW SKILL EQUILIBRIUM** – few skill shortages and predominantly low skilled workforce – no incentive to participate in training	**SKILLS SURPLUS IMBALANCE** – mismatch caused by a workforce which cannot find local employment to match their skills and aspirations

There is a danger that in the context of a ready supply of migrant labour (as has been the case since 2004), and adopting a short-term (as opposed to a medium-/long-term) perspective, some employers might pursue a business strategy based on a reliance on migrant workers, rather than considering alternative options – including:

- recruiting from a pool of local people (especially the non-employed) and investing in workforce development
- increasing wages/ improving working conditions to make jobs more attractive
- adjusting/ reforming labour processes
- changing the production process (through investing in capital) to make it less labour-intensive
- relocating to countries where labour costs are lower
- switching to production (provision) of less labour intensive products and services

Migration that is in the best short-term interest of individual employers is not always in the wider common interest. If a substantial number of employers within a sector or local/regional economy pursue such a strategy a situation of low skill equilibrium ensues – in which migrant workers may be vulnerable to exploitation and local indigenous workers may be unwilling to accept the jobs available.

Hence, as pointed out by the House of Lords Select Committee on Economic Affairs (2008: paragraph 123), immigration designed to address short term shortages may have the unintended consequence of creating the conditions that encourage shortages of local workers in the longer run.

Other possible situations outlined in Figure 4.9 pose challenges for adaptive capacity. For example, changes in managed migration (i.e. the roll-out of the PBS) may lead to some employers facing difficulty filling skill shortages (in a situation of 'skills shortage imbalance'), unless they invest in developing UK workers to meet their skills requirements.

When migrant workers are unable to find employment to match their skills and aspirations (i.e. the situation in which some highly skilled migrant workers find themselves in the South East) a 'skills surplus imbalance' ensues. Hence, a lack of effort and investment to help more highly skilled migrant workers to find and take up employment matching their skills and aspirations may not only be frustrating for some of the individual migrant workers concerned, but may also result in potential losses through a failure to capitalise on available skills and a depletion of un-/under-utilised skills for the individual migrant. However, if migrant workers are upskilled and move out of low skill occupations, in the absence of action to make low skilled jobs more attractive or to encourage recruits from non-traditional sources to take them up, it is likely that employers will face challenges in recruiting to low-skilled jobs.

Issues related to skills and training are considered in more detail in Chapter 5.

4.7 Overview and implications for adaptive capacity

Theory suggests that migration may have positive or negative labour market and economic impacts. To date studies on A8 migration have not found statistically significant evidence of negative economic impacts. Instead the economic impacts found are overwhelmingly positive.

The House of Lords Select Committee Report on the Economic Impact of Immigration published in April 2008 disputes claims of any significant benefits to the UK economy from economic migration. Analysis of LFS data for the South East presented in this chapter reveals evidence of some displacement of UK-born workers in various 'migrant dense' (MD) sectors and occupations, with increasing migrant employment being counterbalanced by falling numbers of UK-born workers. However, the evidence suggests that displacement of UK-born workers has happened voluntarily for the most part - through processes of natural turnover/ labour market churn in the relevant sectors and occupations. Strong evidence of negative consequences (such as job loss via redundancy and unemployment) for UK-born workers is hard to find from analysis of secondary data – with the caveat of some upward trend in inactivity amongst UK-born males. Primary data collection (via a survey or focus group discussions) with UK-born (former) workers in MD sectors and occupations was not undertaken as part of this project, so we do not have detailed insights available at a micro (i.e. individual) level from such a perspective.

The LFS analyses suggest that in the context of a tight labour market in the South East, migrant workers are filling labour and skills shortages. Any negative impacts are most likely to be felt by the less skilled who may find their employment opportunities ‘restricted’ to a relatively narrow subset of sectors and occupations at the lower end of the labour market where migrant workers are concentrated. In third party interviews, concerns were raised about the impact of displacement of unskilled labour (particularly young men and individuals from early migration waves) by recent labour migrants, some of whom can ‘bump down’ in the labour market (i.e. work in jobs below their skills levels) and then raise the entry level for UK-born workers for such jobs.

However, the view emerging from third party interviewees was that, in general, migrants were filling hard-to-fill and skill-shortage vacancies that UK-born workers were ‘unwilling’ to take. This may be due to either negative cultural attitudes toward the work or poor working conditions and low rates of pay relative to potential income from state benefits (particularly given high costs of living in the South East). Analyses of LFS data revealed no statistically significant evidence of an ‘unemployment penalty’ for UK-born workers and no significant negative impacts in MD sectors or occupations or in local areas where NINo registrations of overseas nationals have been at their highest levels.

Likewise, the LFS analyses revealed no statistically significant evidence of a negative impact of migrants on earnings growth in MD sectors and occupations, overall, although the detailed picture was somewhat mixed. Again, some third party interviewees raised concerns about wage levels in some MD sectors and occupations, and suggested that in some MD areas of work there may be an expectation that all workers will be prepared to work relatively long hours at ‘regular’ rates of pay. This has implications for the workers concerned and for the broader economy.

Generally, employers were highly satisfied with their experience of employing migrant workers, citing positive impacts on business performance. Some also reported that the employment of migrant workers had led to improvements in the productivity of the existing workforce. Hence, the evidence suggests that individual employers are ‘winners’ from current migration trends – particularly in the short-term.

Despite the fact that at the aggregate level of the regional economy migrant workers have made an important contribution to output growth, there are concerns from a regional economic development perspective that employers’ reliance on migrant workers may lead them to overlook alternative options. They may not, for example, make greater efforts to recruit from the local labour pool or increase wages and improve working conditions to make jobs more attractive. They could be overlooking the possibilities of investing in capital to change production processes and of switching to the production/provision of less labour-intensive goods and services – which may be in the common interest of the regional economy in the medium- and longer-term. Some of these issues are explored further in Chapter 8.

5. *Skills and training*

Summary of key points

The importance of addressing skills development and training needs of migrant workers and indigenous workers

- Migrant workers provide a key source of labour for the economy. To meet the demand for labour as a result of economic growth, sectoral and occupational mobility and the retirement of existing workers, there is scope to consider the skills development and training needs of migrant workers in order that they can enhance their contribution to the regional economy. However, it is important that such consideration is not to the detriment of taking account of the needs of the indigenous population.
- Aside from health and safety, induction and basic training, the training and skills development needs of migrant workers are likely to be linked to their motivations for migration, their aspirations for migration and their intended length of stay in the UK. The challenge in terms of adaptive capacity is that there is considerable uncertainty about these factors. This makes planning provision and ensuring the viability of courses very difficult.
- There is a danger that use of migrant workers may mean that employers are reluctant to invest in training and skills development for UK-born workers. Such a strategy poses economic risks for employers in the event of a fall in the number of available migrant workers because UK-born workers may not represent a readily available substitute for migrant workers. Hence there is an ongoing need to invest in training and skills development for the indigenous population.
- The experience of migrant workers in the UK labour market suggests that less skilled indigenous workers who are currently not in employment would be likely to benefit from development of employability and soft skills. Motivation to work is of key importance also. However, the financial incentives to work in a low paid job in a high cost region, such as the South East, are less attractive to the indigenous population than to many migrant workers.

English language skills as fundamental

- It is clear that English language skills are fundamental to advancement in the labour market and integration into society. Those migrant workers with weak English language skills are most vulnerable to exploitation because of a lack of understanding of their rights and also because they tend to be confined to the most unattractive jobs. Although the results of the South East Migrant Worker Employer Survey indicate that employers perceive English language skills to be very important when recruiting migrant workers, two-thirds of the employers surveyed did nothing to develop the English language skills of those migrant workers whose English needed further development.
- Around half of migrant workers surveyed indicated that they had not been offered any help with their English language skills. However, some migrant workers were highly motivated to improve their English language and enrolled in local courses – often finding out about courses through their social networks.
- There has been a substantial increase in ESOL provision in recent years. In response to concerns about the sustainability of such an increase and implications for funding for other training, fees were introduced (except for vulnerable groups) in 2007 to offset the some of the costs of provision. Some migrant workers and third party interviewees

raised concerns about the impact of the charges levied on ESOL courses on enrolment in classes for those in the lowest paid jobs. There was a feeling that course fees were a barrier to participation in ESOL courses. There may be a role for regional partners to ensure that sufficient, affordable English language training is available for migrant workers who need it.

Barriers to skills development faced by migrant workers

- It is difficult to establish the qualifications profile of migrant workers with a high degree of precision because of the difficulty of mapping many foreign qualifications (classified as 'other') onto the English qualification system. Development of English language skills, lack of work experience and UK references, non-recognition of foreign qualifications, lack of skills recognition and advice and guidance are amongst the key barriers to skills utilisation and development faced by migrant workers.
- Longitudinal research – which was beyond the scope of this study - is needed to identify the types of skills and training provision that are most effective in facilitating labour market progression of migrant workers.

5.1 *Introduction*

This chapter builds upon the discussions in the preceding chapters by focusing on skills and training issues. The main focus of the chapter is on migrant workers, but key implications of the impact and experience of migrant workers for the skills development and training needs of UK-born workers are considered also. The chapter commences with a review of attitudes to skills development and training (5.2). A particular emphasis of the chapter is on English language skills, since these are central to labour market advancement and social integration of migrant workers (5.3). Both migrant workers' and employers' perspectives are considered here. Issues associated with provision and delivery of English language training are discussed also. Then the focus shifts to other training needs and experiences of other training (5.4). Finally, barriers to skills utilisation and development (5.5) and implications for adaptive capacity are considered (5.6).

5.2 *Attitudes to skills development and training*

Migrant workers provide a new source of labour for the economy in a period when the demand for labour is likely to remain relatively strong irrespective of changing economic circumstances, due to the need to replace workers leaving the labour force. Since indigenous labour supply growth is unlikely to meet this demand (at least in some sectors and occupations), it is necessary to consider the degree to which migrants can meet other labour demands through skills development and training. Moreover, migrants from other EU countries may be entitled to receive training under EU legislation to reduce the barriers to free movement and to prevent discrimination against migrants. Hence the potential need for the training system to adjust to this new population should be considered.

Motivations for migration are likely to be a key factor in shaping migrant workers' attitudes to skills development and participation in learning opportunities and training courses (other than those which are essential for their immediate job requirements). Likewise intended (and actual) length of stay in the UK would be expected to influence attitudes.

Migrants' training needs are likely to vary in accordance with their existing qualifications, their current job roles and also with their aspirations (e.g. to move into other types of employment in the UK or to enhance their skills in order to facilitate a move elsewhere). All of these factors:

- motivations for migration
- aspirations
- intended length of stay
- existing knowledge
- qualifications
- skills
- current role
- desired job role

are likely to have implications for the volume and nature of demand for learning opportunities and for the type of provision required. In turn this has implications for adaptive capacity.

On the basis of length of stay and migrants' aspirations alone there is a wide range of possible *migrant trajectories* with different implications for training and skills development needs, including – for example:

- working in low skill jobs for a short period (e.g. 6 months) and then returning to their country of origin – associated with minimal training needs in accordance with health & safety regulations; (this trajectory fills the classic conception of an 'economic migrant' attracted by the opportunity of higher rates of pay than are available in his/her home country);
- low skill jobs for a slightly longer period (e.g. 2-3 years) and then return – where there may be a need for more training, especially in the English language;
- moving from job to job in the short- and medium-term to meet economic, social, language, cultural and other needs/ objectives – associated with a desire to maximise opportunities for training/ learning; this trajectory includes both:
    - 'aspiring migrants' seeking experiences, knowledge and skills to enable them [in the medium- and longer- term] to pursue a career in either the UK, their origin country or a third country; and
    - those involved in 'discovery migration' to satisfy individual desires to experience and find out about life elsewhere;
- working their way up the UK labour market in the medium- and long-term – associated with a full range of English language and other training needs;
- 'global migrants' working in the UK in order to gain international experience – perhaps within the internal labour market of a transnational organisation which takes care of skills development needs; (it is likely that relatively few A8 and A2 migrants in the UK at the current time are following this trajectory).

5.3 *English language skills*

5.3.1 *Introduction: the importance of English language skills*

A review of the literature on barriers faced by migrant workers to progression in the UK labour market places primacy on poor English language skills, particularly in relation to vocational language (Green, 2007).

The Government has recognised that ESOL provision to enhance English language skills of migrants and refugees has been a success. However, given the scale of the demand for ESOL and pressure on resources from other skills provision, a policy decision was taken that from the 2007/8 academic year ESOL would not no longer attract automatic fee remission (as had been the case previously). While free tuition was retained for priority groups (mainly the unemployed and those receiving income-based benefits), other learners were expected to make a contribution towards the cost of ESOL courses. The overwhelming majority of migrant workers fall into this latter category. This policy change places enhanced emphasis on migrant workers and employers, as the main beneficiaries of improved English as a result of ESOL provision, to make a greater contribution towards such training. Also in 2007 a new shorter, more job-focused ESOL qualification was launched, geared towards the English language needs of migrant workers.

Given that English language proficiency can be a key factor to economic success in the British labour market, the House of Lords Select Committee Report (2008) on 'The Economic Impact of Immigration' suggested that Government should consider whether further steps are needed to help give immigrants who come and take up employment in the UK access to English language training. English language skills are important not only in labour market terms (for migrant workers' productivity and labour market outcomes), but also for integration into UK society.

Third party interviewees endorsed the importance of English language skills as being *"key"* to progress in the labour market and *"fundamental"* as a catalyst for integration and community cohesion.

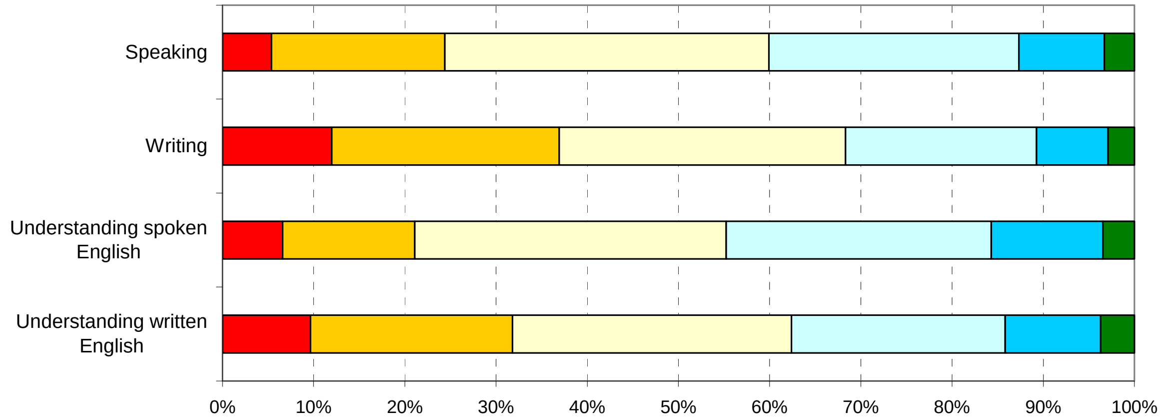
5.3.2 *Migrant workers' proficiency in English*

The South East Migrant Worker Survey reveals a mixed picture of English language skills. For example:

- 13% of the sample claimed to be 'fluent' in speaking English or to have 'very good' English;
- 27% said they were 'good'
- 36% indicated that they were okay
- 24% were 'poor' or 'very poor'.

Self-assessed levels of understanding spoken English were slightly higher. Levels of confidence were lower with writing English than for spoken English. Levels of understanding written English were slightly higher than for writing English (see Figure 5.1).

Figure 5.1: Self-assessment of English language skills



	Understanding written English	Understanding spoken English	Writing	Speaking
Fluent	3.7	3.4	2.9	3.3
Very good	10.5	12.3	7.9	9.4
Good	23.4	29.1	20.9	27.4
OK	30.6	34.2	31.4	35.5
Poor	22.2	14.5	24.9	19.0
Very poor	9.6	6.6	12.0	5.4

Very poor Poor OK Good Very good Fluent

Source: South East Migrant Worker Survey.

Disaggregations of the data by case study area and sub-group should be interpreted with caution. However, the survey data reveals the following variations in self-assessed English language skills (across the various dimensions outlined above):

- For case study areas (see Table A5.1 in the Annex for details):
  - higher than average English language skills levels in Elmbridge/Guildford and Milton Keynes
  - lowest English language skills levels in Southampton
- For sub-groups:
  - By gender - higher English language skills levels amongst males than females
  - By age group - higher English language skills levels for 20-29 year olds than for any other age group
  - By nationality (see Table A5.2 in the Annex for details by broad national group) - highest English language skills levels amongst Czechs and Slovaks and lowest English language skills levels amongst A2 migrants
  - By economic position – higher than average English language skills levels amongst students (who were also working) and the self-employed, and lower than average English language skills levels amongst the unemployed (and those between jobs)
  - By broad sector - lowest English language skills levels in manufacturing and agriculture
  - By occupation - lowest English language skills levels in elementary occupations, with skilled trades occupations and operatives also displaying lower than average English language skills levels; while those in professional occupations, associate professional & technical occupations and managerial occupations report higher than average English language skills levels

- o By educational level – a positive association with English language skills was apparent (i.e. those with higher qualifications tended to have better English language skills).

A weak positive relationship was evident between English language skills and length of time in the UK. There was a stronger association between self-assessed English language skills and migrant workers' satisfaction with how things had worked out overall while they had been in the UK: 83-84% of those who indicated that their spoken English was 'good' / 'very good' / 'fluent' were 'quite satisfied' or 'very satisfied', compared with around 75% of those who rated their spoken English as 'okay' and less than 60% of respondents who rated their spoken English as 'poor' / 'very poor'.

Overall, on the basis of poor English language skills and associated ability to gain access to support, the results suggest that those in manual/ lower skilled occupations and those in sectors such as manufacturing and agriculture may be most vulnerable to exploitation; (although there are exceptions of highly qualified people with good English language skills working in lower skilled jobs in these sectors). In part, it is a lack of proficiency in English that 'explains' the concentration of migrant workers with relatively poor English language skills in such jobs, but the way in which those jobs are organised may also limit migrant workers' opportunities to find, and take advantage of, help to develop their English language skills.

5.3.3 *Employers' perspectives*

Further endorsing the importance of English language skills, the South East Migrant Worker Employer Survey reveals that the majority of employers (59%) perceive English language skills to be 'very important' when recruiting migrant workers. 20% cited English language skills as 'quite important' and 21% stated that the degree of importance varies in accordance with the job in question. The main reasons cited for English language skills being 'very important' or 'quite important' were for 'communication with customers' and 'communication with staff', although in some cases 'health and safety issues' were cited.

'Communication problems due to poor English' is the main difficulty cited by employers in employing migrant workers - mentioned by 56% of employers; (37% of employers in the sample reported no difficulties in employing migrant workers). While 53% of employers regarded migrant workers' English language skills as 'adequate for the job' and 23% as 'much better/ better than needed', it should be borne in mind that migrant workers are disproportionately concentrated in lower skilled occupations:

- 49% of employers surveyed reported that migrant workers were mainly employed in semi-skilled positions
- 10% indicated that migrant workers were mainly in unskilled posts.

Moreover, 66% of employers surveyed did nothing to help workers whose English language skills need further development. By failing to support English language training such employers are effectively externalising the costs of employing migrant workers onto other local services providers in their area (CLG, 2008: 33). In the opinion of one of the migrant workers surveyed, some employers were not that bothered, because the primary consideration was to 'get the job done':

> *"As long as the job is done quickly and well, they [the employers] don't care if you speak English or not, you do this, you can do it, fine."*

Of the remainder of the sample (i.e. those who did take action to help migrant workers whose English language skills needed further development), some provided formal English language training on site or at local colleges and others offered informal English language tuition. Some third party interviewees also cited examples of good practice – e.g. an interviewee from a college explained:

> *"We have a couple of good company contacts where they really do promote from within so we've had some people that have worked up to team leader positions in a food processing company … with English language lessons and then going on to an NVQ".*

However, one employer in the survey resorted to 'buddying migrant workers with people who can speak the same language', rather than providing English language training. Another reported 'placing them with English speaking workers to improve their English'.

5.3.4 *Help with English language provision: infrastructure, delivery and participation issues*

Turning to migrant workers and their experience of offers of help with improving their English language skills, the South East Migrant Worker Survey included a question which asked respondents whether they had been offered or had received any help with improving their English language skills:

- 52% reported that they had *not* been offered help with improving their English language skills
    - respondents in Southampton and Swale were more likely than the sample average to report that they had not been offered help, as were those in construction and agriculture, and those from A2 countries

Of those receiving offers of help, the most commonly cited sources were:

- Friends (mentioned by 19% of the sample)
    - respondents working in sales & customer service occupations and elementary occupations were more likely than average to report offers of help from friends
- Colleges (mentioned by 15% of the sample)

Other sources of help were:

- Employers (mentioned by 9% of the sample)
- Family members (mentioned by 6% of the sample)
- Community or voluntary organisations (mentioned by 2% of the sample)
- Jobcentres and 'Other' (each mentioned by 1% of the sample)

7% of respondents indicated that they did not need any help with improving their English language skills – with students and the self-employed disproportionately represented in this group.

Some migrant workers indicated that a number of their compatriots were not necessarily interested in getting help with English because they did not 'need' it. As one explained:

> *"I think they are just comfortable they can speak their own language, that's how I see it. You know because they stay together, they feel comfortable with their friends and*

they can speak their own language and probably in work they have their mates, they don't need English for that either."

Others, however, who had taken the opportunity to improve their English language skills, were very positive about provision at colleges. Analysis of Individual Learner Record (ILR) data (which provides information on learners from outside the UK living in the South East region and participating in training courses) shows that English for Speakers of Other Languages (ESOL) courses are dominant amongst the courses taken by A8 and A2 nationals, with Certificates in ESOL Skills for Life the most commonly taken courses. One focus group participant explained:

> *"I did from elementary to advanced in 2½ years and I think it was very helpful for me. I live with my father, brother, sister and her husband who has just arrived. The first thing I did, I took them to college and got them into college."*

This comment illustrates not only the importance placed upon English language proficiency by the individual in question, but also the role of social networks in disseminating information on provision. Another endorsed this point on the importance of social networking in dissemination of information about courses available:

> *"… there are some courses in college, English courses, but you get information from friends, from one person to another. It's that way rather than from some office or anything like that."*

Some focus group members indicated that they were keen to attend an English course but faced barriers to participation. For one finding time was a problem:

> *"I want to register myself into some English class, but I didn't have the time for that, because I've been doing the night shift for a very long time."*

Others considered that the cost of classes was a problem: *"money is the main barrier"*. One explained:

> *"When I arrived to England the government was providing free ESOL classes but they stopped doing that, just to make a problem. So I was attending the free ESOL class and it was very convenient for me because I was on minimum wage. I could go there and just get on with the language."*

This interviewee is referring to the charges for ESOL provision introduced in 2007 (as outlined in section 5.3.1), in the light of the unsustainable rate of increase in ESOL provision since 2001 and concerns that further increases would adversely affect other training provision. Speaking via an interpreter, another focus group participant indicated how the cost of attending classes was prohibitive given uncertainty about his earnings:

> *"He is saying what he would find it difficult to attend an English course. He would have to pay money to get there; he will need to pay for his books and pencils. If works only for one day he's not sure if the agency would pay him enough money."*

Such individuals found themselves in the 'catch 22' situation recognised by a third party interviewee from the education sector:

> *"… if they are not careful they get into the sort of job that doesn't give them time to develop their English skills so they get caught and they can't get out of those low skilled jobs until they learn more English and they can't learn more English while they are in a low skilled job."*

Another interviewee from the education sector highlighted that despite the introduction of charges for ESOL, numbers of learners had been maintained, but (endorsing the point above) noted that some of those in low paid jobs no longer attended:

> *"We got new people that came in [after the introduction of fees for ESOL], we were able to let people that were on the waiting list take the places, but we lost people who had been learning with us for a year and a half, two years. It was a real shame because they'd been doing their exams, they'd been working towards them and achieving, and then they said that because they are on minimum wage they chose not to pay for the classes. So it's a shame because we lost original learners."*

Also in relation to policy, it is salient to note that although the training system is geared towards providing formal qualifications, migrant workers in the focus groups generally placed little importance on certification. As one individual explained, to him it seemed that the certification process appeared to serve provider, rather than learner, interests, since no one ever seemed to ask for certificates:

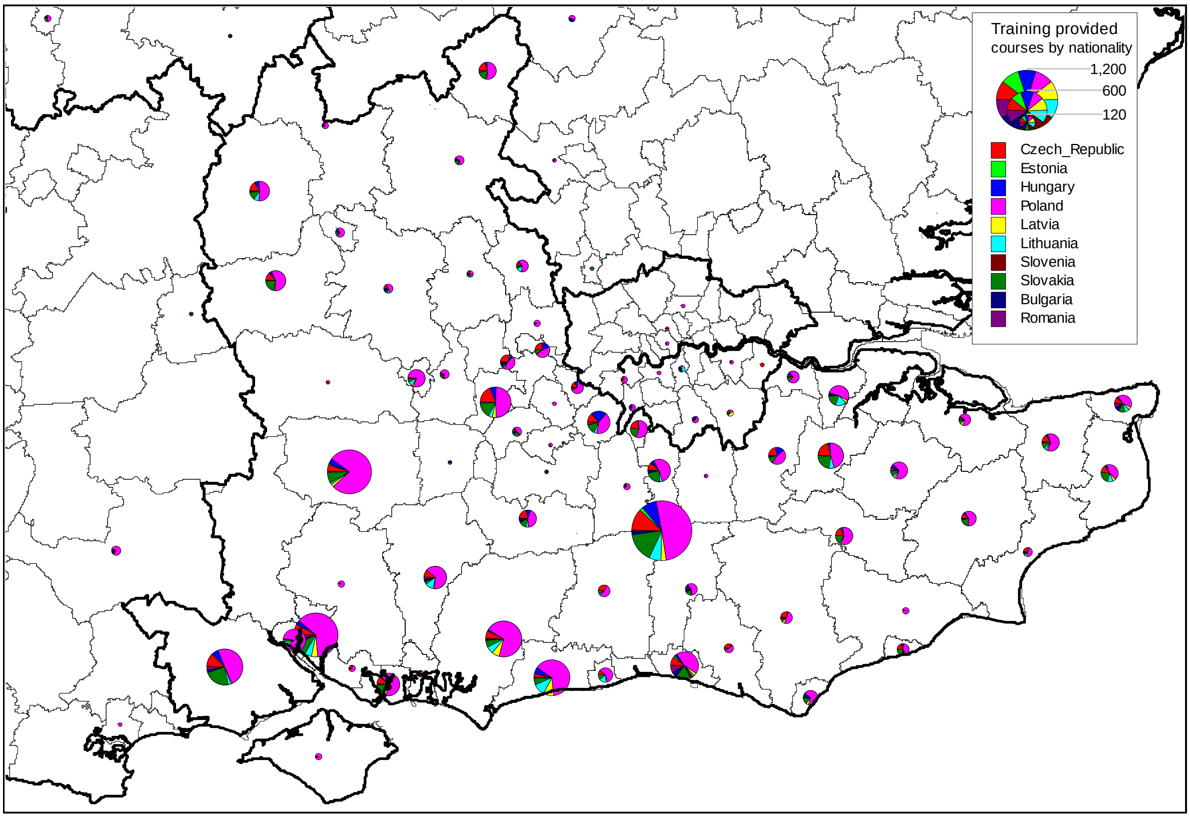
> *"They [migrant workers] have certificates after every year, they take exams, they got a certificate and they do it only just for themselves … nobody asks them for a certificate."*

This underlines the concerns raised by a number of other interviewees from third party organisations that in the light of charges, some migrant workers may choose not to attend ESOL classes for economic reasons (i.e. they either do not have 'additional money' to spend on classes or, if they do have sufficient money, they may choose to save it or spend it in other ways). Some third party interviewees indicated that at a time of economic uncertainty/ slowdown and a *"tightening of budgets",* employers may not be willing to pay – and the evidence from many of the employers interviewed for this study appears to support this. However, if extra resources were to be put into investing in language training for migrant workers, it is likely that this would raise concerns about associated decreases in funding available for indigenous workers.

Variability in the nature and cost of ESOL provision was seen by some interviewees as problematic when advising employers and individuals about language training opportunities available and there were calls for more "*uniformity"* in provision and greater *"consistency"* in the 'offer' available across the region to help those providing guidance on training provision available. However, local variations in pressures on the learning infrastructure – in terms of demand for ESOL, numbers of ESOL tutors and availability of premises for delivering ESOL, and in cost models employed by different providers, pose challenges to the achievement of such an objective.

Analysis of ILR data yields insights into the geographical patterns of residence of learners (ESOL and other courses) by country of domicile (in this case for A8 and A2 groups) across all local authority districts in the South East region. Districts such as Arun, Crawley and Southampton display high shares of the regional total of learners for a number of national groups. The pattern of provision (see Figure 5.2) is dominated by the Crawley area and the cities and towns along the south coast. Training providers offering language training are more common in areas with a demand for overseas workers (e.g. in distribution associated with port and airport trades and in tourist areas with large hospitality and leisure sectors).

Figure 5.2: Location of training provider – number of training courses and nationality of students, 2006/7



Source: ILR, 2006/7.

5.4 *Other training*

5.4.1 *Receipt of training*

60% of migrant workers in the South East Migrant Worker Survey reported that they had received health & safety training. Sometimes this was at a basic level, as one focus group participant described:

> *"I went on a basic hygiene course. During the day we stood there, ate biscuits, did a little bit of colouring in … at the end of it we got a certificate, cheers!"*

Other types of training reported included induction training (cited by 36% of migrant workers) and skills training specific to their job (cited by 23%). A relatively small number (13%) were currently enrolled on a college course in the UK; (from the South East Migrant Worker Survey we do not know whether such courses were arranged via employers or whether enrolments were organised by individuals themselves, but discussions in focus groups suggest that social networks play an important role in dissemination of knowledge about course availability and associated fees). Analysis of ILR data suggests that the NVQ in Health and Social Care was the most common course not related to language and literacy on which A8 and A2 nationals were enrolled.

Just under a third of migrants surveyed (29%) said that they had received no training. In focus group discussions some migrant workers indicated that, in their opinion, UK-born workers received preferential treatment in terms of opportunities for training compared with migrant workers.

5.4.2 *Employers' training provision*

40% of employers in the South East Migrant Worker Employer Survey reported that they provided 'induction training (including basic health & safety)', with large employers being most likely to indicate such provision. 24% of employers provided 'more extensive health & safety training', 16% provided 'on-the-job training', 4% provided 'external off-the-job training', and 19% provided some 'other' training'. Examples of 'other training' provided include:

- computer based learning programmes
- care training
- heavy goods training
- the same training as everybody else

26% of employers indicated that they provided no training.

Five of the 70 employers interviewed indicated that they had received support or assistance from an external organisation (such as Business Link, a local Council, the Trade Union Congress, colleges and employment/recruitment agencies) in recruiting, developing and training migrant workers. In terms of more general awareness and involvement in Government sponsored training initiatives, around two-thirds of respondents were aware of Train to Gain[6] and a quarter of the sample reported active involvement in it.

5.4.3 *Migrant workers' qualifications profile*

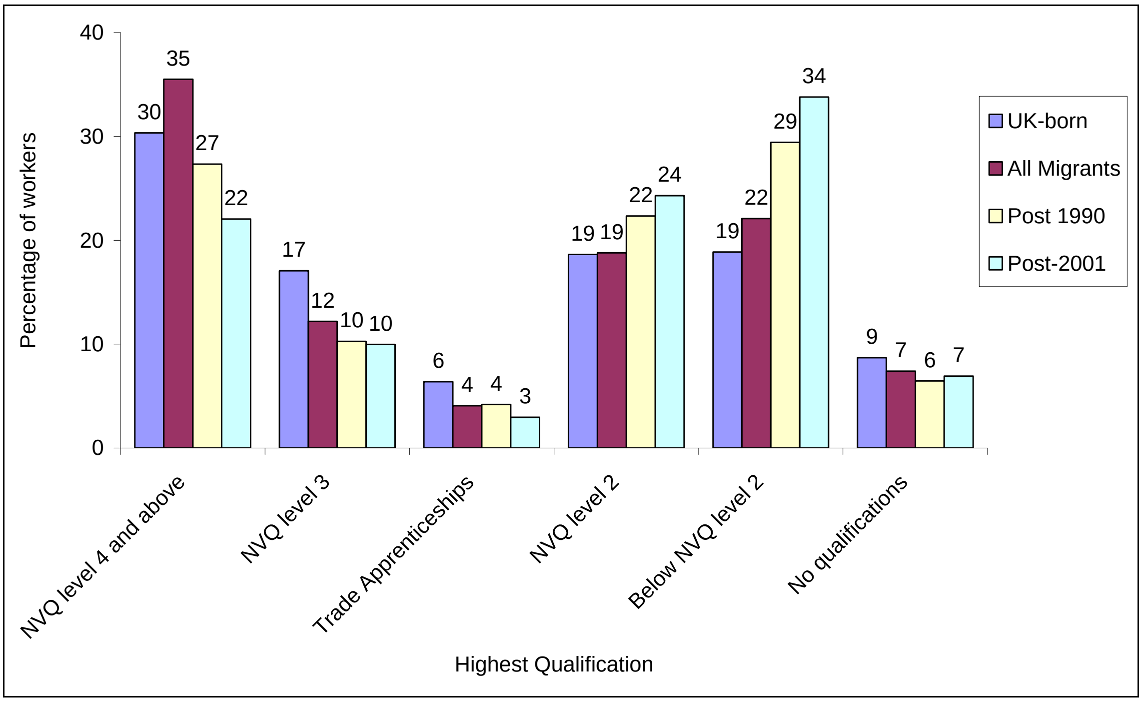
There is some evidence from the academic literature that migrant workers represent 'high quality workers in low skill jobs' (Anderson *et al*., 2006). The research in the South East uncovered examples of migrant workers engaged in jobs below their skills levels.

Differences in national qualification systems mean that it is difficult to obtain a direct comparison of the qualification profile of migrant workers and UK-born workers using secondary data sources. For example, 59% of post-2001 migrants and 50% of post-1990 migrants to the UK recorded in the LFS have a highest qualification recorded as 'other'.

Adopting a recognised formula to distribute 'other' qualifications to levels comparable with UK qualifications (the majority to Levels 1 and 2) suggests that migrant workers in the South East are less well qualified than UK-born workers (see Figure 5.3).

[6] A LSC service providing advice on training to businesses across England via skills brokers

Figure 5.3: Qualifications of migrant and UK-born workers in the South East



Source: LFS, 2002-2007

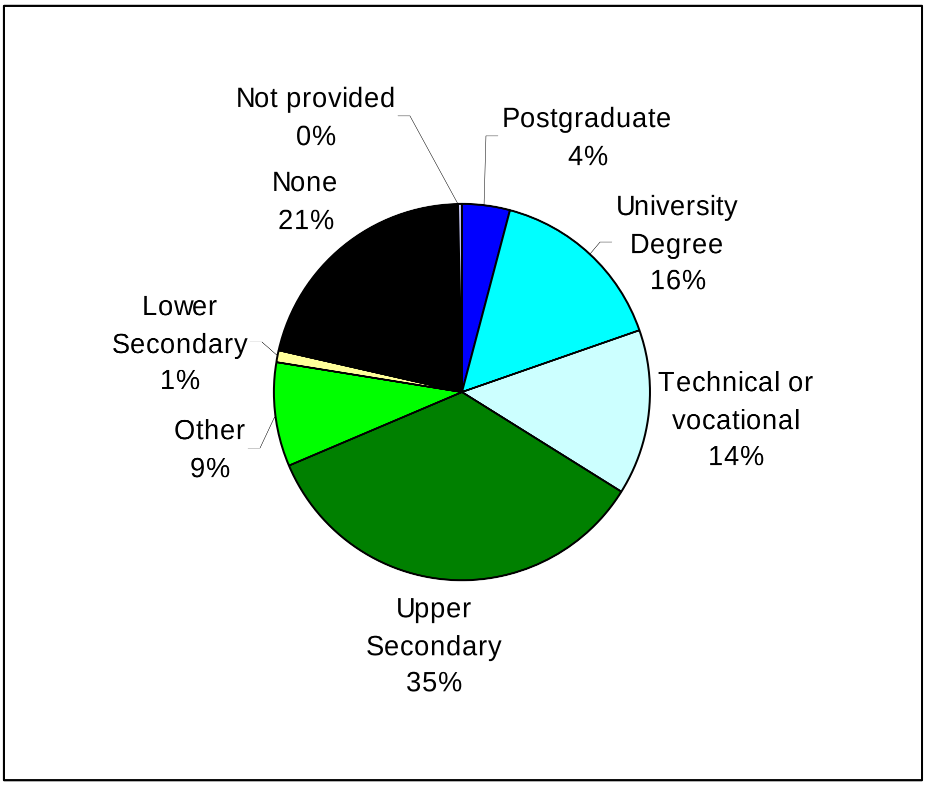
Analysis of ILR data on qualifications of learners (with a domicile in A8 and A2 countries) upon entry to their course reveals a similar picture: the percentage of A8 and A2 learners with no qualifications or unidentified qualifications was much higher than that for UK and other EU learners, as was the percentage qualified to levels 1 to 3. However, given the young age profile of A8 and A2 migrants it is likely that some may not yet have achieved their highest qualification and the formula for 'mapping' of 'other' qualifications to other levels may be less appropriate for:

- recent migrants than for other migrants; and
- for migrants in the South East than for those in other regions – given the greater orientation of the skills profile in the South East than in most other UK regions towards higher level skills.

What is clear is that currently there is limited information on (and understanding of) the qualifications of A8 and A2 migrant workers and on how they relate to UK qualifications.

Figure 5.4 shows the highest qualifications of those migrant workers who responded to the South East Migrant Worker Survey. 20% reported first or higher degrees (and given the age profile of the sample some are likely to be studying for such degrees). At least 70% of the sample indicated that they had qualifications at upper secondary level or above – so highlighting that this sample was relatively highly qualified. Around a fifth of those in the sample had no qualifications.

Figure 5.4: Highest qualification level of migrant workers in the South East



Source: South East Migrant Worker Survey

Qualification recognition is a relatively resource-intensive activity. The facility for benchmarking and ascertaining UK equivalence of qualifications has historically been more developed for academic qualifications (via UK NARIC [National Academic Recognition Information Centre])[7] than for vocational qualifications. However, confining discussion to ‘qualifications’ tends to discount the ‘skills’ (not necessarily captured by ‘qualifications’) that new arrivals have. Qualifications are easier to compare and to map than skills, yet the importance placed by many employers on ‘soft’ skills and relevant work experience alongside qualifications remains an important issue facing new arrivals; except in sectors/occupations facing very severe shortages, qualifications alone may not be enough to enable a new arrival to access employment at a level commensurate with his/her skills. It is salient to note here that some other EU countries provide more qualification recognition support and accreditation of prior learning than is the norm in the UK (Phillimore *et al.*, (2007).

[7] http://www.naric.org.uk/index.asp?page=82. UK NARIC is the national agency responsible for providing information and advice about vocational, academic and vocational qualifications from all over the world. (The service is provided on behalf of the Department for Innovation, Universities and Skills (DIUS).

5.4.4 *Migrant workers' assessment of training needs*

As noted in section 5.2, migrants' training needs and their motivation to act upon them are likely to vary, at least to some extent, in accordance with their qualifications and aspirations.

Evidence from the South East Migrant Worker Survey indicates that a substantial number of migrant workers are highly motivated and aspirational: nearly half of migrant workers in the sample indicated that they would like to move to a different job, but need:

- Training to improve spoken English – 69%
- Training to improve written English – 48%
- More work experience – 28%
- Training to improve technical/ specialist skills – 27%
- New or higher qualifications – 24%
- UK references – 11%

Focus group discussions highlighted recognition on the part of many participants of the importance of gaining a range of work experience in the UK. Some described how they moved from job to job or enrolled on courses in the UK duplicating qualifications already obtained elsewhere in order to increase their experience, skills and economic returns.

5.5 *Barriers to skills utilisation and development faced by migrant workers*

It is clear from this research and from other studies that many migrants have qualifications and skills that they are not using in their current employment (Anderson *et al*., 2006; Lucio *et al*., 2007). There may be advantages for the migrant workers themselves and for the regional economy (in terms of enhanced productivity and increased economic growth) from better utilisation of migrants' skills (LSC, 2007). The challenge is whether and how to facilitate this process, while at the same time not neglecting the skills development of UK workers to allow them to compete for more highly skilled/better paid jobs. It is possible that if migrant workers could better utilise their existing skills, employers would be encouraged to make lower skilled jobs more attractive to the indigenous population and/or be encouraged to recruit from those who are currently unemployed or inactive. On the other hand, there may be fears that upskilling of migrant workers may lead to displacement of indigenous workers, while at the same time exacerbating labour shortages at the lower end of the labour market. To some extent these latter fears may be predicated on the misplaced notion that there are a 'fixed' number of jobs to be distributed between migrant workers and the indigenous population. However, in reality an influx of migrant workers may increase demand for goods and services, so leading to an increase in the number of jobs.

Previous studies have identified a range of barriers to progress in the labour market experienced by migrants (for example, see Waddington, 2007). These include:

- Poor English language skills, particularly in relation to vocational language
- Lack of UK work experience, references and qualifications
- Non-recognition of qualifications, skills and experience gained overseas

- Shortage of appropriate vocational ESOL, work-based training and adaptation courses
- Lack of awareness and provision of effective, relevant and accessible IAG services.

A comprehensive set of policies to enhance skills utilisation would need to address these barriers via ensuring policies are in place to address:

- Language skills – here general skills are needed to participate in society and more technical language of relevance to the workplace and specific job roles are likely to be necessary (as recognised in the development of ESOL for Work qualifications introduced in September 2007)
- Advice and guidance
- Qualification recognition
- Skills recognition
- Employment and progression

The barriers identified above and other obstacles to skills utilisation were highlighted by third party interviewees and migrant workers in focus groups. These included a lack of UK work experience, references and qualifications, and non-recognition of qualifications (as highlighted above), skills and experience gained outside the UK. In focus groups migrant workers raised particular frustrations about the fact that employers did not recognise their diplomas - despite some Web-based information about such qualifications being available in English:

> *"They don't understand qualifications; they don't know what to think of our diplomas"*

An employer perspective is not available to set against this, but an 'easy' mechanism for employers to 'translate' overseas qualifications (of all types) into UK ones was identified by some third party interviewees as a key gap in provision. Frustration was evident amongst some migrant workers with degrees who could not find jobs to match their qualification levels/specialisms. As one focus group participant who had been seeking (without success) a post in a field that is highly competitive for UK graduates explained:

> *"… they didn't recruit me because of my lack of qualification or maybe because they didn't believe that the university I went to was good enough, but probably because of my experience and lack of English skills at that time. So I can't blame them, they didn't get me, they didn't recruit me because they didn't agree with my qualifications. It is frustrating, once you know that you have a higher degree and you work as a coffee shop assistant, but at the same time you have to improve yourself in many ways and be prepared to work at many levels to get a job."*

One individual seeking a professional position suggested that migrant workers should be able to work for a reduced salary for an initial trial period in order to demonstrate their ability:

> *"I think there should be something like a trial period, say for one month, for people to actually check if they're good enough or not. They could save some money, because when an engineering job pays say £40,000 per year, I am sure a migrant worker would be happy with £30,000. It would be a good opportunity for foreign people to work for less money and to gain work experience."*

However, while seemingly advantageous for migrant workers, there is a danger that such an initiative could damage the recruitment prospects and earnings of indigenous workers.

5.6 *Overview and implications for adaptive capacity*

This chapter has highlighted variations in the ability of migrant workers to speak, understand and write English. Yet despite the importance of English language skills - for advancement in the labour market and integration into society, and the recognition of their importance by both migrant workers and employers:

- over half of the migrant workers in the South East Migrant Worker Survey had *not* been offered help with English language; and
- 2 in 3 employers in the South East Migrant Worker Employer Survey reported that they did nothing to help migrant employees improve their language skills.

Concerns were raised by third party organisations and by migrants themselves about the impact of ESOL charges on take up of English language courses. Those with the poorest English language skills, who are most vulnerable to exploitation, are also the least able to pay.

Turning to other types of training, the survey evidence suggests that most non-English language training that is provided is fairly basic – mainly covering induction and health & safety issues. Recognition of foreign qualifications emerges as an important issue. It is a key barrier to utilisation of migrants' skills, which would help both the migrant workers themselves and potentially the regional economy. The Leitch Review of Skills (2006) highlighted that the UK economy is moving towards a higher skilled economy. This is suggestive of an imperative to maximise the use of migrants' skills.

Yet, as outlined in Chapter 3, many migrant workers are concentrated in lower skilled jobs – and some of these jobs (e.g. in providing local services) are likely to remain important. Hence, how will these jobs – which have traditionally been subject to recruitment and retention difficulties – be filled if the upskilling of migrants leads to them moving 'up' in the labour market? It is salient to note that the same question remains relevant if migrant workers choose to leave the UK and seek employment opportunities in their home (or other) countries.

In terms of adaptive capacity, key challenges relate to uncertainties about the number of migrant workers, whether or not they will stay in the UK, and if they do so, whether or how they will progress in the labour market. Longitudinal research is needed to get a clearer idea of typical migrant worker 'trajectories', the characteristics of the individuals on them and associated skills development and training needs. It would be helpful, for example, if it was possible to predict what migration trajectory a migrant worker is likely to be on from his/her characteristics. Currently, the fact that so many migrant workers either do not have plans or change their plans makes the situation even more complex.

In this context, some third party interviewees suggested that a reluctance to train was rationalised by employers on the grounds that it was not in their interests to do so because migrant workers may be transitory and even if they provided training, migrant workers might be more likely to move on to a different job or be poached by another employer. Some responses to the South East Migrant Worker Employer Survey suggested that the employer was acting in this fashion. While such a decision might be rational for an individual employer, it may not be rational from a wider regional economic development perspective (as discussed in more detail in Chapter 4).

Crucially for consideration of adaptive capacity and also for the prospects for indigenous workers, employers' decisions whether or not to employ migrant workers and develop their skills may also have implications for decisions about training UK workers. There is a further danger that use of migrant workers may mean that employers are reluctant to invest in training of UK-born workers at the lower end of the labour market, preferring instead to use migrant labour.

There are lessons that can be learned from the experience of migrant workers that are of relevance to the indigenous population. As indicated by Lemos and Portes (2008), the fact that migrant workers have been able to find jobs in the UK relatively easily, suggests that it is not largely a lack of jobs or a lack of formal qualifications that pose barriers to employment for low-skilled UK-born workers. Rather, as the comments made by employers regarding their satisfaction with migrant workers imply, non skills related attributes are important. Employability skills and 'soft' skills may be of particular importance in aiding poorly qualified indigenous workers to secure employment. Motivation to work is also a key consideration. However, in an area of high housing costs, the financial incentives to take on low paid work vis-à-vis living on benefits are likely to be less attractive to the indigenous population than to migrant workers who may not be eligible at the outset of their stay in the UK for a full range of benefits and who may stay in the UK for a finite period only. This suggests that skills and training policies may not be sufficient alone to help more vulnerable UK-born individuals into employment at the lower end of the labour market.

6. *Access to and impact on services*

Summary of key points

Challenges for service planning and delivery posed by changing migrant flows

- Migration poses challenges for the provision, funding and delivery of services at local level. Public services may be faced with increased demands, but may not have the resources to respond. Different types of migration flows pose different demands on services. For instance, the service demands of a continuing flow of short-term migrants are different from those staying for longer durations. Funding formulae for public services tend to be based on stocks, whereas service providers are dealing with flows. However, there is growing recognition by Government of the costs faced by public service providers in dealing with the impacts of migration.
- In all service domains dealing with transience poses particular challenges. There may be a case for concentrating resources for migrant workers in ‘gateway’ areas – for efficiency reasons and in order to ensure that migrant workers are aware of services that are available as soon as possible when they arrive in the UK.
- It is likely that migrant workers with the greatest needs have fewest options for employment and housing available to them and so will tend to gravitate to lower cost housing in relatively deprived areas, where there are already particular pressures on service provision.

The case of housing

- The majority of migrant workers are housed in the private rented sector, although the impacts of migrant workers may be felt more broadly throughout the housing market. Reflecting their youthful age structure, many migrant workers live with friends – partly with a view to sharing housing costs. This is often a matter of choice, but is not necessarily so. There are concerns that some migrant workers are living in sub-standard housing conditions.

Pressures on health services

- The age profile of migrant workers is such that they may be expected to make relatively few demands on the health service. However, changes in the profile of migrant workers may mean that demands for certain services (e.g. maternity services and childcare) may increase.

The case of education

- The impacts of migration on education tend to be highly localised and may be exacerbated by a lack of resources.

6.1 *Introduction to the challenges of service provision*

Though migration brings benefits to local businesses, the tendency for migrants to be geographically concentrated can challenge the capacity of the local community and public services to adapt to a sudden influx or sustained flows of newcomers (see Audit Commission, 2007; House of Commons Communities and Local Government Committee, 2008). At the local level migration increases the demand for public services, but the resources necessary for service providers to respond may not be available.

From an adaptive capacity perspective the nature of migration (i.e. the degree to which it is permanent or temporary and its seasonal pattern) and the characteristics of migrant workers (i.e. their age, household composition, language and skills profiles) are important considerations. The evidence presented in Chapter 2 indicates a trend towards greater transience in migration flows. At local level this transience is more pronounced in some local areas (e.g. in 'reception' areas where migrants may stay for a short time before moving on) than in others. In local areas where there is a high degree of transience in general (e.g. areas with large student populations and/or tourists – as in some of the South East coastal areas) there may be a further issue that the population of migrant workers is more invisible (perhaps leading to their needs being overlooked) than in areas with a more settled population. This issue of transience is significant from an adaptive capacity perspective, since successive *flows* of short-term migrants may result in different service impacts and requirements from migrant workers seeking to settle permanently in the UK. Hence, from a funding and service delivery perspective it is salient to note that service providers are dealing with 'flows' rather than 'stocks' of migrants. Services may have to be provided continuously and repeatedly to new individuals and households.

This report has highlighted that there is no single reliable estimate of the stock of migrants. There is an even greater paucity of information on international migrant flows (as highlighted in Chapter 2). Shortcomings in the information base on migrant workers at local level are of crucial importance, since funding models tend to be based on cross-sectional 'counts' (sometimes at yearly intervals) whereas the picture on the ground may be changing much more rapidly. One of the third party interviewees provided the following explanation of the problem this stocks-based funding model presented to local public service providers:

> *"The Government says 'Okay, you have got an extra 1,000 people, we will give you some resources' - some, but not enough - 'some to help you support that' and then they think 'right, that is that 1,000 people dealt with'. What they don't realise is that 750 of that thousand move on to somewhere else and a new 750 come up, so you are back to square one, but you have still got the same amount of resource and you have used it for the first thousand."*

A number of service providers interviewed for this research suggested that the pace of migration had overtaken government and likened the current situation as one in which a *"monolithic organisation"* was *"trying to respond"* but *"not in a very flexible way at the moment*".

The announcement by the Department for Communities and Local Government (CLG) in June 2008 of a new Transitional Impacts of Migration Fund to build capacity in local service providers and to support innovative projects from 2009-10 (CLG, 2008) marks a recognition of some of the challenges facing service providers highlighted above. In the June 2008 CLG publication on 'Managing the Impacts of Migration: A Cross-Government Approach' there is also a recognition of the fact that places experiencing significant migration increases for the first time may not have the institutions and experience in place to manage change. It is also noted that a possible reduction in migration flows may pose challenges for service provision. This is because some services employ large numbers of migrant workers and also relates to the fact that a downturn in migrant flows may mean that service provision will need to adjust to dealing with fewer individuals.

Clearly service providers face difficulties in planning services when they do not have firm estimates of how many people live in their areas, what the characteristics of those people are or how the numbers of migrants arriving is likely to change in the future. The need for improved estimates of migration (including short-term migration) is widely recognised. Some third party interviewees cited local initiatives in collecting information on a continuing basis from local service providers, advice centres, restaurants, offices, etc, in order to enhance local intelligence on changes in the volume and character of migration flows and the implications of such changes for pressures on local services and communities.

As outlined in Chapter 1, the remit of this study was such that only a limited amount of information relating to migrants' access to, and impact on, services was collected. It would be necessary to commission further research in order to derive detailed information on the impact of migration on different services (e.g. health, education, etc) and the financial costs incurred.

In the remainder of this chapter some limited information is presented on migrants' experience of housing (6.2), health services (6.3) and education (6.4), drawing on information from the South East Migrant Worker Survey and focus group discussions. These are amongst the topics considered by the Migration Impacts Forum [MIF] set up by Government to advise on the social impacts of migration in the UK. This is complemented by insights on impacts on services from representatives of third party organisations interviewed as part of this project. These findings are set in the context of the evidence on demographic trends and labour market and economic impacts set out in earlier chapters. Finally, implications for adaptive capacity are discussed (6.5).

6.2 *Housing*

6.2.1 *Housing tenure*

Evidence from the South East Migrant Worker Survey shows that *private renting* is the most usual 'first tenure' for migrant workers; (indeed, it is an important tenure facilitating migration flows of young adults more generally). At an intra-urban scale, the distribution of private rented housing[8] helps to explain the geography of residential concentrations of migrants – as a third party interviewee explained with reference to Milton Keynes:

> *"They're going into Wolverton and Bletchley which are the two older parts of the town where there are quite a lot of properties that are being subdivided."*

Overall, 85% of respondents to the South East Migrant Worker Survey were renting accommodation from a private sector landlord. This predominance of private renting was reflected across all case study areas and all sub-groups of migrant workers.

Of the remaining migrant workers, 6% were staying with family or friends, 3% were in owner-occupation and 3% were in social rented housing. Only 2% were in accommodation provided by their employer. However, this figure is likely to represent an underestimate of circumstances prevailing at other times of year, because the research was undertaken during the winter, whereas in the summer months agricultural workers may be living in farm-

[8] In the South East Migrant Worker Survey no distinction is made between those in the private rented sector who are living in houses of multiple occupation and those who are living in 'family' accommodation (that may have been converted for the private rental market).

based accommodation (e.g. caravans). Those in personal service occupations were more likely than the sample average to be living in accommodation provided by the employer.

As noted above, private renting generally is characterised by higher than average levels of residential turnover. A trend towards increased transience of migration, characterised by continuing flows of short-term migrants, is likely to maintain pressure on the private rented sector. However, if private sector landlords feel that they can make a good return from renting to migrants, they will expand supply by subdividing existing ‘family’ houses. This illustrates the way in which population increase (whether of migrant workers or other population sub-groups) has an impact on all parts of the housing market in a local area.

As duration of stay in the UK increases it is likely that more migrant workers will seek to move into owner-occupation, though the high cost of housing in the South East represents a formidable barrier to home ownership for people in low paid jobs - whether or not they are migrant workers. On the basis of comments by focus group participants it appeared that most were content to stay in private renting in the short-term. They described how they moved within the private rented sector to achieve a better ‘match’ with their current requirements. In the medium-term some indicated that they would like to own a house – either in the UK or their home country.

It is also possible that there will be increasing pressure on the social rented sector in the future as migrants become more settled in the UK and gain entitlement to social housing. Some interviewees from third party organisations indicated that social housing is becoming a critical issue – and that (mis)perceptions that migrants (whether they be refugees or migrant workers) were ‘jumping ahead’ of the queue for social housing was a source of tensions with indigenous communities. It was reported that there has been a significant increase in the number of A8 nationals on council waiting lists in the South East, and in some local authorities over half of all applications for emergency accommodation are from migrants. It was also noted that in London there has been an increase of migrant workers on temporary accommodation lists and those sleeping rough. Given the high cost of living in the South East and London some interviewees considered that similar trends were likely in both regions. This highlights a need to boost capacity of service providers and to work through support networks to ensure migrants are fully aware of their rights (and eligibility for social housing and housing benefit) with regard to housing (and employment) and know of the true costs of living and working (and the associated reality of finding affordable housing) in the South East.

6.2.2 *Household living arrangements*

Reflecting the youthful age profile of the sample of migrant workers, 58% of the sample did not live with other family members. Instead they were more likely to share a house or flat with friends. From focus group discussions it was clear that often younger/single migrants favoured such an arrangement, since they liked the company of their housemates and sharing a house or flat helped keep down housing costs – as one focus group participant explained:

> *“I live with good friends and they know how to behave. Personally I don't like living on my own, so I share the house with my mates.”*

Here it is relevant to note that many students/young people in the UK may also favour such arrangements. Such arrangements are not problematic, except in circumstances where they are associated with living in overcrowded conditions or in sub-standard housing (see section 6.2.3).

Interviewees from third party organisations also demonstrated an awareness of the economic and social factors that may lead migrant workers to choose such living arrangements, especially if it is for a relatively short period. For example, an interviewee from a community organisation pointed out:

> *"Quite often [it] is their own choice [to live in this way]. Imagine that, a person comes here and works and their family lives back in Poland, so he wants to earn as much and save as much money as he can and then send it over. So I know quite a few people who live like this and they are quite happy to, you know, just have a mattress and a laptop with internet access and [with] there are three of them in a double room."*

It is also salient to note that such living arrangements facilitate speedy moves – both within the UK and also to origin and third countries, and so have the potential to fuel further transience.

6.2.3 *Migrant worker vulnerability in the housing market*

There was widespread awareness that such living arrangements could be problematic, especially if they were not a function of choice. Some third party interviewees suggested that some migrant workers are living in housing conditions that are sub-standard and as such, fall below the decent homes standard. In turn, the negative implications on the housing market of the existence of sub-standard housing are a matter for concern.

Housing is one of the key issues about which migrants seek support from voluntary organisations. Citizens Advice reported high numbers of cases concerning poor living conditions, rental deposits not being returned and poor practices generally, noting that where people are unaware of their rights they are particularly vulnerable to exploitation. (It is clear from the third party interviews and the migrant worker focus group discussions that there is a relatively high level of awareness of Citizens Advice Bureaux). Tackling the knowledge gap is one way of addressing this risk and it was also noted that supporting new schemes around protecting rent deposits for tenants is very important for this group. Concerns were also raised that poor housing conditions and low pay for low-skilled migrant workers could reinforce in-work and child poverty in the South East. This outlines links between housing and employment and the need to tackle both in order to contribute positively to economic and social outcomes in the South East (not just for migrant workers but also more generally).

6.3 *Health*

6.3.1 *Demographic structure of migrant workers and use of health services*

Given their age profile and the fact that they have been proactive in coming to the UK, it would be expected that migrant workers would be healthier than the general population. This would suggest that they would not make undue demands on the health service in the UK. Indeed, from discussions with migrant workers in focus groups and from some third party interviewees it was evident that some migrants may return home for basic health care and dentistry. As one interviewee from the health sector explained:

> *"For basic health care and dentistry they actually go home to Poland … they take two or three days off and then come back"*

Such behaviour may continue if there is a continuing pattern of short-term migration flows. However, if migrant workers stay in the UK for longer periods, it is likely that their patterns of usage of health services will become more like those of the UK population in the same age groups, especially if they form families and have children. On the basis of the migrant population age profile, this suggests an increased demand for maternity services in the first instance, and then child health. There is also the possibility that migrant workers may bring family members to the UK, so increasing pressures on the health service.

6.3.2 *Links between working conditions and health*

A few third party interviewees raised concerns that long hours and poor working conditions of some migrant workers may have a detrimental impact on their health, and the Health and Safety Executive has long had a concern that workers with poor ability in English are at higher risk of injury in industries involving the use of machinery and manual handling. As well as impacting on the individual concerned, the negative impacts can also be felt by the employer and the economy – as one interviewee talking about some migrants working in hotels explained:

> *"They tend to work very long hours often below the minimum wage, often cash in hand, often living in cramped conditions and their mental health in particular, was particularly poor and therefore their actual attendance and so on at work, was tailing off. So all in all the benefits start to tail off …"*

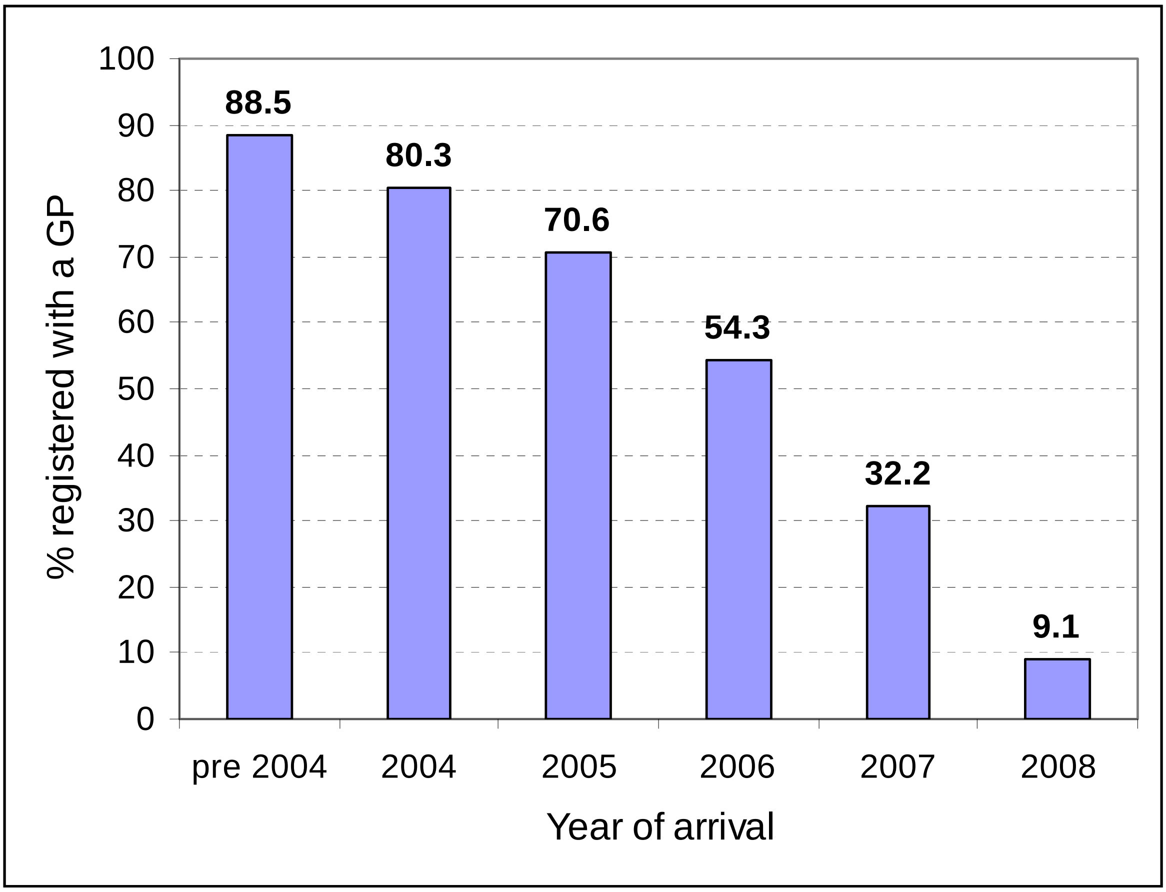
It is difficult to know how many migrant (or UK) workers may be adversely affected in this way, but this comment highlights the need for awareness of ways in which working and living conditions may impact negatively on well-being.

6.3.3 *Registering with GPs*

A question about GP registration was included in the South East Migrant Worker Survey. Of the sample of migrant workers, 55% indicated they were registered with a GP. Registration rates were higher for females (65% of females in the sample, and 74% of those aged 25-34 years, were registered), compared with 49% of males. Younger people (those aged under 25 years) and more recent migrants were least likely to register. Those who had brought over a husband/ wife, children or parents were more likely to register than those who did not.

These variations by sub-group indicate that the profile of migrant flows has important implications for likely demands on health services. In general, these differential patterns in registration follow similar contours to those for the UK-born population (i.e. young males are least likely to register) and individuals may not register in a 'new' area until they have a need to make use of health services. Those in elementary occupations were less likely than average to register – so underlining the concern raised above by a third party interviewee about the possible health implications of poor working conditions. However, it should also be kept in mind that new arrivals are over-represented in elementary occupations relative to the sample as a whole and that there is a clear relationship between length of stay in the UK and GP registration – as outlined in Figure 6.1.

Figure 6.1: GP registration by length of current stay in the UK



Source: South East Migrant Worker Survey

Some migrant workers complained about difficulties of registering with a GP – for example:

> *"Here I was at the GP. First I had to register but the reception woman didn't understand that Hungary is in European Union and I don't have to have visa."*

Some of the issues raised were similar to those that UK-born people might highlight (e.g. difficulties in getting a timely appointment), but differences in the organisation of health care systems in different countries and expectations of what health care systems should/do provide can cause pressures on local services. As one interviewee from the health sector explained:

> *"In Poland people tend to go to pharmacies rather than a GP. So they will go to A&E more than they would a GP."*

This can have knock on implications for demand for emergency services and other hospital care (CLG, 2008).

The discussion above illustrates the need for information and advice both for service providers and for migrant workers in order to reduce confusion. However, as one voluntary sector representative indicated, changes in organisation and governance mean that issuing of guidance for migrant workers is not necessarily straightforward:

> *"GP surgeries now are their own sort of business; they've all developed their own ways, so it is very difficult to say to people 'this is how you register'."*

6.4 *Education*

6.4.1 *Demographic structure and demands on educational provision*

The family and household structures of migrant workers are likely to act as key influences on demand for education services. The evidence from secondary data sources presented in Chapter 2 indicated that the majority of migrant workers from A8 and A2 countries in recent years had not brought young dependants with them. 16% of migrant workers in the South East Migrant Worker Survey had children living with them in the UK and for these respondents the mean number of children was 1.4. Of the respondents with children, 20% reported that child(ren) attended a nursery, 44% that child(ren) attended school and 12% that child(ren) attended a college. If more migrant workers become established in the UK and have children, in due course the demand for nursery and school places will increase. Pressures are likely to be particularly acute at primary school level where there are restrictions on class sizes.

6.4.2 *Pressures on schools and resourcing challenges*

The aggregate figures above convey little insight into the pressures on schools that a sudden influx or continuing flow of children of migrant workers may pose at local level – particularly as migrant workers tend to be spatially concentrated and may favour particular types of schools. Some third party interviewees reported parental concerns amongst the local UK population about the possibility that they might not be able to find a place for their own child in the school of their choice and about potential (disruptive) impacts of children of migrant workers (who may have no or limited English) on their own children's education.

Looking more broadly than A8 and A2 migration, the ethnic and cultural profile of the migrant population in a local area has implications for the importance placed on education, gender role perceptions, etc. If these factors are not addressed local populations may feel pushed out and ignored or possibly threatened (as highlighted in Chapter 7).

Third party interviewees highlighted challenges for resourcing posed by seasonal and short-term migration because the funding formulae do not take sufficient account of such flows. As one individual from a local authority explained:

> *"If children come in mid-term after the counting day, actually there's no money for them until next year. Some particularly migratory groups of migrants may be gone by the time the next counting day comes. So it's about how the schools are funded as much as anything else."*

In June 2008 CLG announced that there will be an Exceptional Circumstances Grant of £10 million available from 2008-09 for local authorities experiencing rapid growth in pupil numbers between the annual pupil count and the start of the academic year, or a significant influx of children with English as an Additional Language (EAL) needs. Eligibility for the Exceptional Circumstances Grant will be determined in autumn each year (CLG, 2008).

Some of the implications of changing volumes and characteristics of migration flows for adult education and learning were discussed in Chapter 5. Here it is salient to note that even if there is a slow down in migration flows, continued arrival of migrant workers (even if only for short periods) will mean that there is a continued demand for ESOL and other training provision.

6.5 *Overview and implications for adaptive capacity*

The previous sub-sections have provided some insights into migrant workers' access to and impact on services in the South East.

In relation to housing it is clear that private renting plays an important role in providing accommodation for international migrants (at least in the short-term), as it does for UK migrants moving inter-regionally. However, the impacts of migrant workers are not confined to the private rented sector: concerns were raised about impacts on emergency accommodation and social housing. It should also be remembered that the South East Migrant Worker Survey focused on A8 and A2 migrants; other migrant groups may have somewhat different housing impacts.

Turning to health it emerged that recent migrants and those staying in the UK for short periods may use primary care services in their home countries rather than those in the UK. However, if the proportion of migrant workers settling increases and/or more migrants have children the pressures on health services are likely to change.

Likewise the fact that relatively few migrant workers in the South East Migrant Worker Survey had children has implications for impacts on education; currently the impact on schools is localised. However, if migrants settle permanently it is likely that more will have children. On the other hand, short-term migrants coming to fill highly-skilled jobs (possibly within the internal labour markets of large transnational companies) may also bring their families with them and schools in popular areas for such migrants may have to adjust to accommodating pupils with varying educational experience and language skills for short periods.

Across each of the service domains planning and funding for services in a context of population 'churn'/transience presents a key challenge. Inherent time lags, predication on 'stocks' as opposed to 'flows', and a lack of flexibility in current funding models, restrict the adaptive capacity of mainstream services. Budgets and formulae need to be dynamic to respond to short-term changes; three-year funding streams are not responsive enough. Even if the information base on migration stocks and flows improves and new measurement systems are implemented, the dynamism of migration means that even by the time data are processed it is likely that they would still lag well behind the current reality.

In order to achieve maximum benefit, a case can be made for concentrating certain services (e.g. legal services, general information and advice, etc) in locations which act as key reception areas for migrant workers. This is especially the case for those most likely to require such services – i.e. low-skilled and poorly-paid workers. Even if migrants pass through such areas relatively quickly, early take up of such services may mitigate some difficulties later on when migrant workers become more dispersed. Such services may serve a regular flow of migrants to low-skilled jobs who individually have relatively short stays. Likewise there might also be a case for identifying hot-spots in areas of growth and to concentrate resources there.

The fact that most migrant workers are relatively young (and many are likely to be highly IT literate) highlights the potential for further development of IT-based services (whether in the South East or other regions) for provision of advice and guidance. Here it is important to work in partnership to add value to services that are already available, rather than to replicate existing services.

Such a strategy could be implemented in tandem with a more locally-based one focused on gathering and sharing information in partnership to understand local issues in order to respond locally to meeting specific local needs – as one local authority representative explained:

> *"What we've learnt is that you need to understand the local issue and respond locally to local needs, there's no one blanket approach that's going to help."*

Planning the most appropriate strategy for service provision is dependent upon having better knowledge of the dynamics of the migrant population. Migrant workers are diverse, with some drawn from the most independent sections of the population with the least need for public services (e.g. highly-paid English-speaking professionals without children), while others fill low paid jobs and may have relatively high needs for services. Better knowledge of the likely degree of permanence of migration is also needed. The likelihood is that those with greatest needs will gravitate because of economic necessity to the most deprived residential areas, where the capacity to serve them may be weak unless corrective action is taken.

7. *Integration and community cohesion*

Summary of key points

Community cohesion

- Community cohesion is about what must happen in all communities to enable different groups of people to get on well together. A key contributor to community cohesion is integration, which is about enabling new residents and existing residents to adjust to one another. Migration is one of a number of important factors which must be considered when looking at issues around cohesion in communities.
- There are concerns about the development of 'parallel lives' when different communities are segregated with little understanding of one another. The analyses of the experience of migrant workers in the labour market highlighted a tendency for migrant workers to become concentrated in different labour market segments where they are associated with co-nationals. This demonstrates how economic factors may have community impacts. Likewise it is difficult to separate out demographic, social and service impacts from community impacts of migration.

Integration

- The majority of migrant workers surveyed for this study had found it easy to adapt to life in the UK. Finding work and learning English generally eased integration.

Tensions

- There are some tensions between migrant workers and the indigenous population. In some cases these are triggered by misinformation. Tensions may be particularly pronounced in areas which have seen a rapid influx of migrant workers where institutions and service providers have a lack of experience in dealing with newcomers and in deprived areas where demands on public services are particularly pronounced.

7.1 *Introduction to concepts, debates and recent experience*

The question of integration and community cohesion has been one of the most hotly debated and contentious political issues of recent years. The arrival of the concept of 'community cohesion' in the public and policy consciousness can probably be dated to the reports by Denham (2002) and Cantle (2001) on the 'disturbances' in 'northern towns' in summer 2001. The conclusion that these disputes arose because the different ethnic communities in these towns and cities had developed 'parallel lives' with little understanding of each other clearly has potential relevance for how new migrant communities are received.

There is currently an active debate over the extent to which the geographical segregation of different population sub-groups is a consequence of the operation of structural factors or the result of 'self-segregation'. Concern about the consequences for disorder as demonstrated by the disturbances of 2001 led the Home Office to encourage local authorities to take action to promote 'community cohesion'. The concept was made prominent in the Cantle Report, but was related to the substantial academic debates on the development of urban communities, social cohesion and neighbourhood cohesion (Pacione, 2001). The Neighbourhood Renewal Unit and Community Cohesion Unit funded Cohesion Pathfinders in urban areas to work with the local authority and voluntary sector to improve understanding between communities, focusing on young people. Across England, the Home Office and then CLG encouraged local authorities to promote community cohesion and to monitor it in regular 'Best Value' surveys for local authorities. These surveys monitored the extent to which residents thought their localities were inclusive and respected difference, and measured the degree of contact between ethnic groups. Data from the 2007 Citizenship Survey showed that around 80% of people nationally felt that people of different backgrounds got on well in their local area.

Recent immigration to the UK (as outlined in Chapter 2) has not led to the development of minority communities in the same way as New Commonwealth migration. The 1990s was dominated by asylum migration from Africa, eastern Europe and the Middle East. Before the 1999 Immigration and Asylum Act was passed, most of this migration was to London and ports in the South East, such as Dover. The 'interim arrangements' introduced in 1999 and the National Asylum Support Service which followed had the aim of dispersing asylum seekers to a number of major cities in the remainder of Britain with vacant social housing stock, while London and South East local authorities made private arrangements with landlords elsewhere to transfer asylum seekers.

The migration from A8 countries since 2004 has been the largest influx of white migrants to the UK since the 19th century (Salt and Millar, 2006). The spatial dispersion of A8 migrants is distinctive in historical perspective; most previous migrant flows have been more geographically concentrated. The closest recent precedent is Chinese migrants arriving from the 1960s onwards who also had a very widespread geographical distribution, but were relatively invisible, settling in small numbers and running their own businesses, but often experiencing great social isolation. A8 migrants (notably Poles) have arrived in larger numbers and in some areas are forming communities served by their own businesses (e.g. Polish delicatessens). Being white, their presence is less immediately obvious, but their language and culture distinguishes them from the majority population.

Issues of integration and cohesion were not a major focus of this study, although the pace and scale of migration is a key matter of public concern (House of Commons Communities and Local Government Committee, 2008). The labour market, economic and service impacts of migration cannot be separated completely from the broader social impacts. For example, there are concerns that migrant workers may 'take' jobs from indigenous workers (a subject examined in Chapter 4) and that the pressures placed by migrant workers on services and education may mean that the UK-born population may 'lose out'. These concerns may lead to tensions and 'myth making' (albeit that the myths may not accord with available evidence).

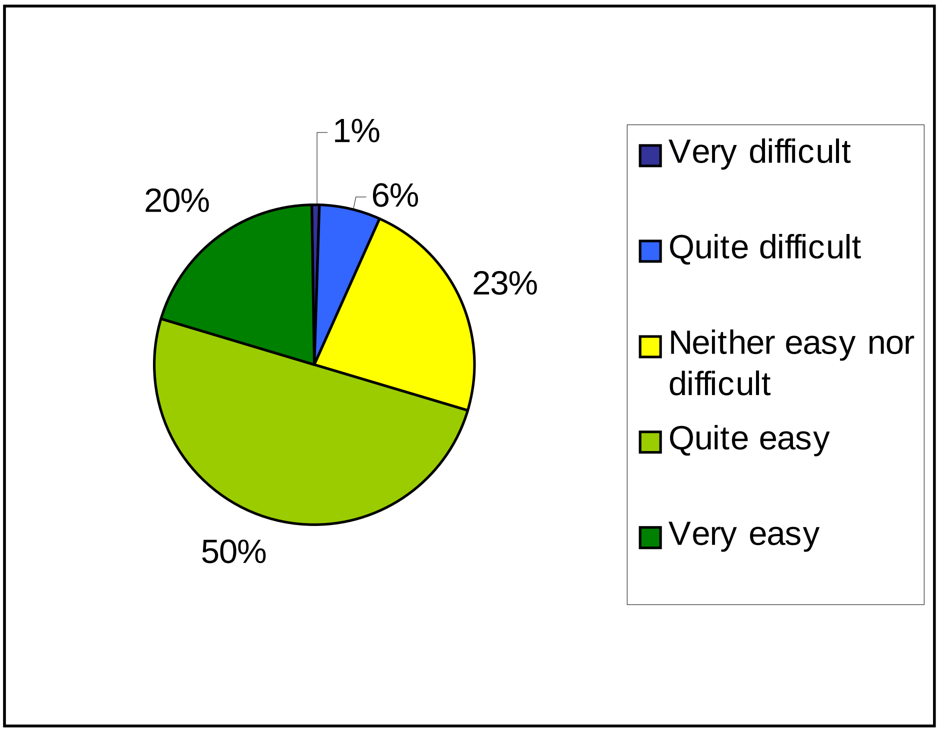
According to a new definition of community cohesion developed by CLG, (2008: 38), "Community cohesion is what must happen in all communities to enable different groups of people to get on well together. A key contributor to community cohesion is integration which is what must happen to enable new residents and existing residents to adjust to one another" (see also Commission on Integration and Cohesion, 2007). Migration is only one factor determining how cohesive a community is, but it has been a significant focus at the GOSE South East Community Cohesion Network meetings - in order that best practice can be disseminated. The characteristics and histories of different local areas and the characteristics and attitudes of residents all play a role. The speed of change in a local area may have important implications for that local area as residents struggle to adjust to new circumstances. In such circumstances the adaptive capacity of local institutions and communities to adjust to a range of inter-related and complex issues simultaneously is likely to be a key factor in promoting cohesion.

The following two sub-sections present some brief findings from the South East Migrant Worker Survey, focus group discussions and third party interviews on migrants' perceptions on ease of integration (7.2) and observations on tensions between migrant workers and the indigenous population (7.3). It should be noted that the resources available for this study meant that the survey focused on the views of migrant workers rather than indigenous populations (although some views were gathered through the third party interviews). Finally, the implications of the evidence presented are discussed.

7.2 Ease of integration

The South East Migrant Worker Survey asked respondents about how easy they had found it to adapt to life in the UK. Answers revealed that the majority had found adaptation relatively easy (see Figure 7.1): around 70% of respondents reported that it had been very/quite easy to adapt to life in the UK, nearly a quarter found it neither easy nor difficult and only 7% reported that it had been difficult. This relative ease was apparent across all case study areas and sub-groups of migrants.

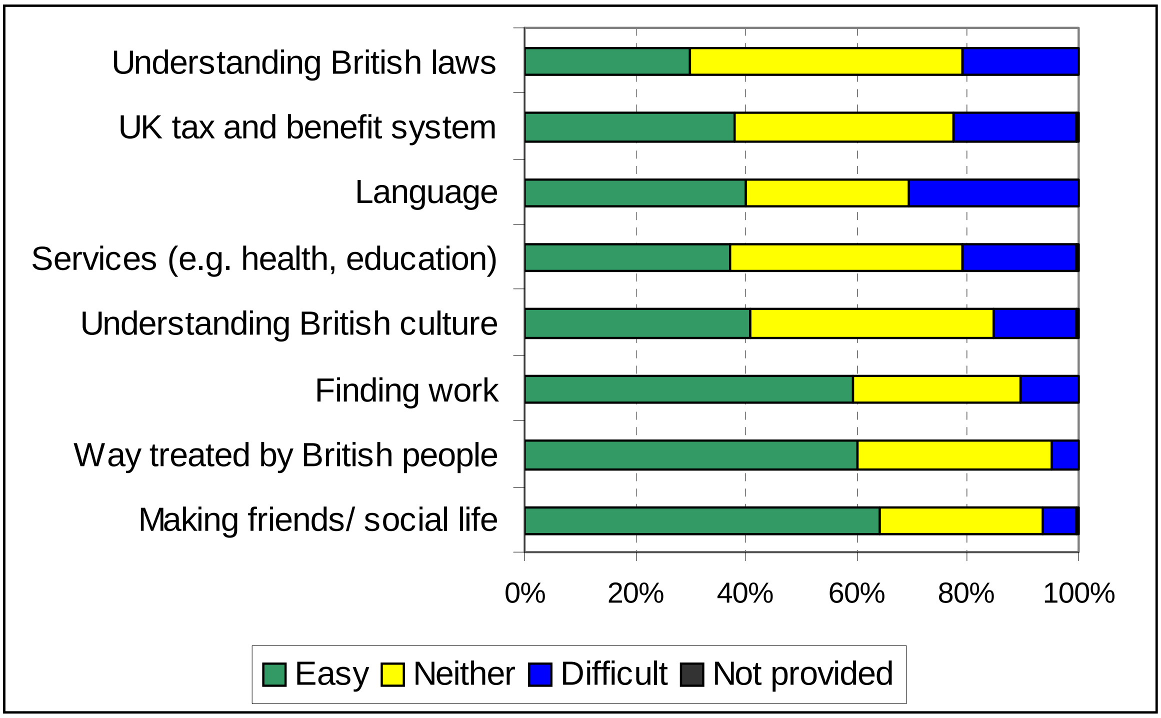
Figure 7.1: Ease of integration to life in the UK



Source: South East Migrant Worker Survey

Respondents were asked a series of questions concerning whether certain factors had made adapting to life in the UK easy or difficult for them. The results across the whole sample are shown in Figure 7.2.

Figure 7.2: Factors easing / hindering adaptation to life in the UK



Source: South East Migrant Worker Survey

Around 60% of the sample reported that making friends/a social life, treatment by British people and finding work were factors which eased adaptation to life in the UK. This suggests that social isolation and economic exclusion make integration harder. The very fact that the overwhelming majority of A8 and A2 migrants are in work eases their integration.

The single biggest factor hindering integration was language – identified as ‘difficult’ by 30% of respondents; (40% reported that language made ‘adaptation’ easy). While there is an obvious relationship between self-assessed proficiency in English and language easing/hindering integration, these findings underline the importance of English language skills in facilitating integration (as outlined in Chapter 5). This suggests that as far as possible migrant workers should be encouraged to learn English.

In relation to services, there were some comments in focus group discussions that, with the passage of time, service providers had become more geared up to providing services and information for migrants. As one focus group participant observed:

> *“When I came, actually the most support I had from friends, from family, and then a year later my brother came to England and there was more support from public service providers and banks; I think they offer jobs to foreign people to have some people who speak different languages, rather than only English.”*

However, such support was not automatically expected by all – as another migrant worker explained:

> *“When you are going abroad, I don’t expect people to help me, everybody needs to take care of themselves. If there is any support obviously it is good, but I don’t think it is really a thing that must be done, I don’t expect that. But it is always good if there’s support, some place to go to ask.”*

Nevertheless some migrants will be more able to 'take care of themselves' than others, and no special provision was made for previous economic migrants from non-English speaking EU countries, such as the Portuguese.

7.3 *Tensions*

Despite the relative ease of integration reported by migrant workers, some third party interviewees identified tensions between migrant workers and UK indigenous people in particular local authority areas. Sometimes a lack of understanding or misinformation could trigger tensions. As an interviewee from a local authority pointed out:

> *"[Local] people get annoyed because people [migrants] don't know when to put the rubbish bins out. It is low level but quite significant cultural hassle."*

In areas with high levels of residential turnover this could be an ongoing problem. The local and national press could exacerbate these and other tensions – as a representative of a voluntary organisation indicated:

> *"The biggest negative is trying to deal with the negative press and the misinformation that is out there that feeds the anxieties of local people."*

Others in third party organisations and migrant workers alike found themselves having to deal with reactions to sensationalist coverage of migration issues in some of the tabloid press. As one migrant explained:

> *"You have to fight for yourself and you have to be tough enough, seriously sometimes to tell people 'No, I'm not the bloody foreigner. I actually pay tax, sometimes higher than you do. I actually give money for benefits in your country, you know, don't blame me; look at yourself."*

Some local authorities, voluntary organisations and other partners in the South East have sought to address such tensions through the development of welcome packs for migrants, engagement of police/community officers to support migrant populations and myth-busting literature and events aimed at the broader population. The comments above highlight a continuing need for myth busting to counter misinformation. For communications to be effective it is important that messages are consistent and that information is provided at an early stage. Experience indicates that a multi-agency approach coupled with a continuing commitment to partnership working (involving Local Strategic Partnerships, the third sector and faith groups) is beneficial.

Rapid growth in the migrant population in particular local areas (i.e. particular parts of towns) was also identified by third party organisations as a factor triggering tension between the indigenous population and migrants (as highlighted in 7.1). Generally this was in deprived areas where there was already competition for housing, jobs and other resources. It is in such areas of localised impacts that the 'on the ground impact' versus the 'national impact' is most pronounced – as exemplified by the following quote from a third party interviewee:

> *"[There is] a lot of feeling out in the region from communities that we keep hearing back from was that we keep getting told the Government's earnings are £6 billion a year from those people, but we don't see a penny of it, and my son at the local school has got five Polish kids in the class and the teacher's attention is directed at them"*

One interviewee noted that such resentments could be fuelled further by political activists (from the Far Right). However, the quote illustrates a more general point (also of relevance to the discussion in Chapter 6) about the need for resources to be focused in areas of migrant concentration.

Several third party interviewees and some migrant workers themselves commented on competition for jobs between migrant workers and the UK indigenous population (as touched upon in discussions in Chapter 4). In general, the feeling amongst third party interviewees was that tension had been limited to date in the context of full employment. However, it was considered that in an economic downturn such tensions could increase, with some existing workers (whether from previous migrant waves or the longer established population) feeling threatened by more recent migrants in the competition for jobs:

> *"If the recession really hits hard and there were a significant number of redundancies, then the different populations would be less comfortable about competing for a shrinking number of jobs."*

Some tensions were also reported:

- between 'old' and 'new' migrants from the same national group;
- between migrants from 'previous' and 'new' migration waves.

However, some of these tensions were reported as having specific spatiality and temporality (i.e. occurring in certain locations at certain times) and thus were not universal. Tension monitoring is undertaken by GOSE in priority areas and is generally reported as 'Low'.

Finally, drawing together themes of tensions, cohesion, integration, segregation and the role of language, one third party interviewee remarked:

> *"English people don't like hearing people speak other languages, whatever the language is and a lot of people are hearing people speak Polish with each other now, and that can create resentment and tensions."*

Some of the migrant workers participating in focus groups also raised concerns about some of their compatriots segregating themselves and not bothering to learn English (echoing concerns about the development of 'parallel lives' outlined in 7.1):

> *"The feeling [of resentment] is not always created by British workers. It is the migrant workers themselves. They try to isolate themselves from others. This is a problem that we probably have in Southampton, where there are strong groups of Polish people who probably would never learn English but they might stay here forever."*

At the opposite extreme, some third party interviewees raised concerns about 'super diversity':

> *"[Too much diversity] breaks down a community and disenfranchises everybody that lived there originally and also the people that move in."*

These quotes highlight the challenge of building community cohesion in different local areas.

7.4 *Overview and implications for adaptive capacity*

The evidence presented in this chapter has highlighted the relative ease of integration of A8 and A2 migrant workers recorded in the South East Migrant Worker Survey. Social factors and (good) treatment by British people aid integration, as does ease of finding work. It has also identified some tensions and a range of triggers for such tensions. Some interviewees considered that an economic downturn may exacerbate such tensions.

Some concerns were raised about social segregation by both stakeholders and migrant workers. There is some evidence from the primary data collection for this study that such social segregation and economic segmentation in the labour market (as revealed in the secondary data analysis reported in Chapters 3 and 4) are, or have the potential to be, mutually reinforcing.

The UK has faced an unprecedented migration 'shock' following EU expansion in 2004, and adaptation to such a large wave of migration has presented severe challenges to service providers and some local communities. There is evidence across the world for a relative increase in short-term 'mobilities' (as outlined in Chapter 2). This raises the question of whether (and how) integration matters in the face of seemingly constant temporality and uncertainty.

There are indications from analysis of data for origin countries, as well as in the UK, that the current high levels of migration from central and eastern Europe are slowing and may subside as alternative work opportunities become available – in migrants' origin countries and competing destination countries (Kepinska, 2007; Pollard *et al.*, 2008). However, the South East Migrant Worker Survey suggests that some of those who have already arrived may stay longer than initially intended. While many international migrants with economic motivations may intend to return to their home country at some point, once they have stayed for a significant period of time elsewhere they may find that they have built up substantial 'capital' in their destination country in terms of work experience, social networks and the involvement of family members (especially UK-born children) in education and careers. Over time contact with their country of origin may weaken and return migration becomes a larger step. Consequently, the likelihood is that new waves of migration will result in the creation of new migrant communities and the expansion of existing communities with their origins in international migration.

Given ongoing trends it seems possible that the region's economy, labour market, institutions, communities and service providers will need to enhance their capacity, supported by Government, to respond simultaneously to:

- short-term migration flows - which may be quite volatile;
- the creation of new migrant communities – sometimes outside areas of traditional migrant settlement; and
- the expansion of existing communities with their origins in international migration.

The relative importance of each of the above elements is likely to vary between local areas. Hence, the challenges posed for adaptive capacity will be different in different places.

8. *Conclusions: adaptive capacity*

Summary of key points

A range of possible futures: illustrative scenarios

- Adapting to the challenges posed by increased international migration in an era of globalisation and increased economic integration across the EU is a key challenge for the continued economic success, well-being and social cohesion of the South East.
- The way in which the region adapts to migration will be strongly influenced by changes in the supply of migrant workers and the state of the economy (in the UK, origin countries and competing destination countries).
- Four possible 'scenarios' are presented to inform strategic thinking by providing an illustrative framework of what the future might bring:
    - o *Scenario 1: A8 and A2 migrant flows continue to develop and mature as over the last two years*.
    - o *Scenario 2: The UK becomes a less attractive destination for A8 and A2 migrants.*
    - o *Scenario 3: Increased transience in migration flows with short-term 'discovery migration' predominating.*
    - o *Scenario 4: Greater reliance on migrant workers from outside the current EU*

  Each of the scenarios poses different challenges to employers, service providers and other stakeholders in the region. If the current pattern of migration is not maintained or reverses, employers may have to compete with other parts of the EU for 'desirable' migrants, they may seek migrant workers from further away and/or thet may make greater efforts to use indigenous labour.
- Uncertainty about the future makes it imperative for the region to enhance its 'adaptive capacity' – that is, the ability of the economy, labour market, institutions, communities and service providers to be flexible enough to respond to the changing nature of migrant flows, destinations of migrants, and their characteristics and behaviour.

Reliance on migrant workers

- A8 and A2 migrant workers have become very important to certain businesses in certain sectors in South East England – such as manufacturing, hospitality and health & social care. They also play an important role in addressing labour shortages in lower skilled occupations. A reduction or reversal in migrant flows from central and eastern Europe could make it difficult for employers in migrant dense sectors to address labour and skills shortages.
- However, a reliance on migrant labour may not be in the best interests of the regional economy in the long-term. Recruitment of migrant workers may occur at the expense of investing in development of the existing workforce, investing in capital or reforming labour processes – which may result in more beneficial medium- and long-term outcomes.
- A reduction or reversal in migrant flows from central and eastern Europe could make it difficult for employers in migrant dense sectors to address labour and skills shortages.

8.1 *Introduction and overview*

The findings presented in preceding chapters indicate that migrant workers from the countries which have joined the EU since May 2004 now play an important role in the regional economy. Businesses in some sectors, occupations and local areas display a relatively high degree of reliance on migrant workers. The majority of A8 and A2 migrants come to the UK for economic reasons, although social and other factors play a subsidiary role in some instances. A substantial proportion of migrant workers are concentrated in lower skilled occupations, where they tend to work for relatively long hours for low pay. These are jobs which employers have often found hard-to-fill. Hence, there have been gains to employers from migration. Most are very satisfied with their experience of employing migrant workers and feel that they have had a positive impact on business performance. In most instances there are also substantial gains to economic migrants themselves.

Despite concerns about consequent negative impacts on the labour market experience of the UK indigenous population, statistically significant evidence of such negative impacts is hard to find. Nevertheless, concerns remain about potential negative impacts and also about the fact that employers may be paying insufficient regard to the need to train and invest in the UK indigenous population in order to meet future labour and skills needs. There is also a danger that the influx of migrant workers from central and eastern Europe since 2004 has led employers to adopt short-term solutions to the challenges that they face currently, rather than considering the possibility of different business models which may yield greater returns in the medium- and longer-term (e.g. in helping ensure a sustainable local supply of suitable labour).

Though economic migration brings benefits to local businesses, the tendency of migrants to concentrate in particular geographical areas can challenge the capacity of the local community and public services to adapt to the changes that economic migration brings. At the local level migration increases the demand for public services, although the fact that in some instances migrant workers also make an important contribution to delivery of such services should not be overlooked. However, the resources necessary for service providers to respond may not be available (because of the failure of national funding allocation mechanisms to respond to the increase in population), so leading to tough political decisions about where to allocate funds. Perceived inequities in access to services and in allocation of resources may trigger tensions between migrant workers and the indigenous population, with negative consequences for community cohesion.

Migration (both within the UK and international) is a vitally important factor in the economic success of the South East region. Migration and mobility are by their very nature dynamic processes which impact in different ways on different communities and in different areas. The economic and legislative frameworks within which they operate are also dynamic. Migration and mobility are amongst the key factors that the South East economy needs to respond to if it is to be resilient to the effects of globalisation and both the economic opportunities and challenges that it brings. Therefore, building adaptive capacity and capability to deal positively with change and the associated challenges and opportunities that it brings is critical.

As outlined in Chapter 1, adaptive capacity is about the capacity of the region's economy, labour market, institutions, communities and service providers to adapt positively to a range of important economic, demographic, social, technological and environmental factors impacting on the region. Economic migration is only one of these factors. However, as outlined in the preceding chapters, it is one that has impacts across a range of different domains and about which there is considerable future uncertainty. Hence, it is appropriate to examine a number of different scenarios and the responses that would be necessary to maintain and enhance regional competitiveness and well-being.

8.2 *Illustrative scenarios*

The future is uncertain. While it is possible to identify a range of factors which have implications for the future, these factors could interact in various ways to produce different possible outcomes. The short summaries below identify some possible scenarios of such interactions and outcomes. They are intended to provide an illustrative framework for informing strategic thinking and examining the implications for adaptive capacity of alternative migration and mobility trends.

It is important to keep in mind that scenarios are neither predictions nor forecasts. They represent plausible views of what might happen, but a scenario should not be regarded as a conclusive picture of what will happen.

The key factors underpinning the scenarios are:

- The supply of migrant workers – the size, nature and origins of flows and the characteristics of migrant workers.
- The state of the economy – in the UK, in origin countries and other possible destination countries.

These factors may or may not change significantly over the short- and medium-term. There are also other factors that are likely to influence possible futures, such as the supply of indigenous workers and their skills levels and willingness to work in different types of jobs.

Scenario 1: A8 and A2 migrant flows continue to develop and mature as over the last two years

In this scenario employers, institutions and service providers could build on the experience they have developed since 2004 in dealing with a continuing influx of migrant workers from central and eastern Europe. Migrant workers would address labour shortages at the low skill end of the labour market and there would be a reliance on managed migration routes to fill higher level skill shortage occupations. Sectors such as agriculture, social care, hotels & restaurants and some parts of manufacturing would become increasingly reliant on migrant labour as the concentration of migrant workers in migrant dense sectors increased. However, as some migrant workers from A8 and A2 countries become more settled in the UK they use services in a similar way to the more established indigenous population. In some local areas communities of A8 and A2 migrant workers become established and maintained and replenished through social network links with origin countries. Longer-established migrants will seek to move into more highly-skilled occupations, bringing the productivity benefits experienced at the lower end of the labour market to these jobs.

Scenario 2: The UK becomes a less attractive destination for A8 and A2 migrants

In this scenario the slow-down in migration flows to the UK from A8 and A2 countries continues and there are fewer migrant workers available from central and eastern Europe. (Note that this is one of the more likely futures because of improvements in the economies of such countries and the opening up of other alternative destinations for A8 and A2 migrant workers.) Agriculture, social care, hotels & restaurants and some parts of manufacturing face difficulties as the migrant workers they have come to rely on in recent years leave. Facing a crisis, some employers seek new recruits from the indigenous population by targeting those who are currently unemployed and economically inactive and working with local colleges and training providers to develop employability and job-specific skills. Other employers reorganise job roles and increase wages in order to attract new recruits and invest and devote greater attention than formerly to staff retention. Other employers substitute capital for labour and continue trading. Some employers relocate to lower cost locations outside the UK, while others are unable to adapt and businesses cease trading. Employers' organisations may exert pressure to be allowed to recruit more labour to these occupations from outside the EU.

Scenario 3: Increased transience in migration flows with short-term 'discovery migration' predominating

In this scenario short-term migration predominates. Successive waves of young people come to the UK for periods of up to a year to enhance their English language skills and gain knowledge and experience of UK society. Within that period they move from the South East to other parts of the UK in order to see different places. They are also move from job to job in order to add to their portfolio of skills and experience, often favouring jobs where they can practise their English language skills. They make few demands on health services or on schools, but are keen to enrol in ESOL classes for short periods. This places pressures on training budgets. Often they seek to live in larger urban centres with an exciting social scene. Service providers concentrate their resources here. They find that in these areas a considerable amount of resource is spent on information dissemination for new migrants. Except where jobs are extremely unattractive, employers have a ready supply of migrant workers to recruit from and although high staff turnover has cost implications migrant workers are preferred to less skilled indigenous workers because of their motivation.

Scenario 4: Greater reliance on migrant workers from outside the current EU

In this scenario employers in the South East no longer have a ready supply of A8 and A2 migrants to recruit from and so instead are more reliant on migrant workers from outside the EU in order to fill the jobs that are not taken by the indigenous population. Hence, the efficient operation of the new PBS is crucial. While this operates relatively smoothly for highly skilled workers where employers and development agencies invest in 'talent attraction' policies, those seeking lower level skills face more difficulties. A key issue facing employers here is maintaining their profit margin, while making such jobs financially attractive for local people in what is a high cost area. The migrant workers who do come to the UK are from a more diverse range of geographic, ethnic and cultural origins than A8 and A2 workers. This means that service providers need to devote greater resources to promoting community cohesion.

8.3 *Uncertainty*

As outlined in the preceding chapters, there is considerable uncertainty about the likely volumes, direction, duration and characteristics of future migration flows. It is not clear which, if any, of the scenarios outlined above is the most likely outcome. It could well be the case that different scenarios apply in different areas, with different areas playing different 'roles' in relation to migrant workers. This highlights the need for greater local flexibility and responsiveness by service providers.

In the context of uncertainty there is also a need for improvements in the information base about local population and migration flows and continued monitoring of trends. Longitudinal research is also necessary for developing better understanding of migration decisions and processes and of barriers to integration. However, it is unlikely that significant improvements in the information base will be achieved quickly. The Integrated Population and Household Survey to be introduced in 2009 will not yield the detailed and timely local information required, though the 'E-Borders' programme may produce a better picture of migrant flows into and out of the UK. The long delays involved in establishing a national identity card suggest that the creation of a population register, which could produce detailed local information on migration, in time to replace the 2021 Census of Population would be a very ambitious timetable.

8.4 *Implications for policy*

The greater the ability of the region's economy, labour market, institutions, communities and service providers to adapt positively to change, the more likely it is that regional competitiveness and well-being will be maintained or enhanced. There is an important role for policy in helping to build adaptive capacity amongst employers and stakeholders in the South East region in order that they may deal as effectively as possible with issues associated with migration and other developments associated with globalisation.

Policy responses to migration will need to occur at different geographical scales. Although migrants are resident across the region, there are local concentrations where the impacts on services and community cohesion are likely to be felt most keenly. This is particularly the case in localities which have seen a rapid influx of migrant workers and in deprived areas where demands on public services are already pronounced. There could be a case for concentrating information and support services for migrants in locations which act as key reception areas for migrant workers.

The evidence suggests that employing migrant workers has a positive effect on individual business performance. However, a reliance on migrant labour may not be in the best interests of the regional economy in the long-term. Recruitment of migrant workers may occur at the expense of investing in development of the existing workforce, investing in capital or reforming labour processes – which may result in more beneficial medium- and long-term outcomes for the South East as a whole.

There is little evidence of negative impacts of migration on UK-born workers. However, some third party interviewees are concerned about actual or potential negative impacts on groups within the UK-born population who are in the most vulnerable positions in the labour market – notably those with low or no qualifications. Many employers cited migrants' attributes and ‘soft’ skills, such as motivation and flexibility as being key reasons why they choose to employ migrant workers. This suggests that further investment in employability and soft skills development for lower-skilled and/or unemployed UK-born workers could be beneficial to the region.

The research showed that English language skills are crucial for migrants’ progression in the labour market and integration into the community. However, relatively few employers make provision for English language training for their employees. At the same time, charges levied on ESOL courses in 2007 have impacted on enrolment in classes amongst the lower paid migrants. There may be a role for regional partners to ensure that sufficient, affordable English language training is available for migrant workers who need it, while at the same time ensuring that the training needs of the indigenous population are not overlooked.

Non-recognition of foreign qualifications emerged as a significant barrier to migrants’ progression in the labour market. It is important to make best use of migrants’ skills, for the benefit of the regional economy, especially as there is evidence that some migrants are over-qualified for the current jobs they hold. If more qualified migrants could be helped to better utilise their skills, this may lead to enhancements in regional productivity and more openings at the lower end of the labour market which could be taken up by individuals with lower skills – including some of those who are currently unemployed.

Overall, formulating policy responses is made more difficult by the transient nature of the migrant worker population and the fact that migrants tend to be uncertain about how long they will stay in the region and the country. Trends in mobility point in the direction of increasing transience. This means that the impacts of changing migrant behaviour may occur and impact more quickly than was the case in the past. A lack of flexibility in national funding models for mainstream services makes it difficult for them to respond to ‘flows’ of migrants rather than ‘stocks’ of population.

This uncertainty makes it imperative for the region to enhance its ‘adaptive capacity’ – that is, the ability of the economy, labour market, institutions, communities and service providers to be flexible enough to respond to the changing nature of migrant flows, destinations of migrants, and their characteristics and behaviour.

References

Anderson, B., Ruhs, M., Rogaly, B., Spencer, S. (2006) *Fair enough? Central and East European migrants in low-wage employment in the UK*, Joseph Rowntree Foundation, York.
http://www.jrf.org.uk/bookshop/eBooks/1617-migrants-low-wage-employment.pdf

Audit Commission (2007) *Crossing Borders: Responding to the local challenges of migrant workers*, Audit Commission, London.
http://www.audit-commission.gov.uk/Products/NATIONAL-REPORT/05CA5CAD-C551-4b66-825E-ABFA8C8E4717/CrossingBorders.pdf

Bauere V., Densham P., Millar J, and Salt J. (2007) 'Migrants from Central and Eastern Europe: local geographies', *Population Trends* 129. 7-19.
http://www.statistics.gov.uk/downloads/theme_population/PT129.pdf

Blanchflower D. Saleheen J. and Shadforth C. (2007) *The Impact of the Recent Migration from Eastern Europe on the UK Economy*, Bank of England, London.
http://www.bankofengland.co.uk/publications/speeches/2007/speech297.pdf

Cantle, T. (2001) *Community Cohesion: A Report of the Independent Review Team*, Home Office, London.

Citizens Advice (2005) *Supporting Migrant Workers in Rural Areas – a guide to Citizens Advice Bureaux*, Citizens Advice, London.
http://www.citizensadvice.org.uk/index/publications/assisting_migrant_workers.htm

Coats D. (2008) *Migration Myths: Employment, Wages and Labour Market Performance*, The Work Foundation, London.
http://www.theworkfoundation.com/Assets/PDFs/migration2.pdf

Commission on Integration and Cohesion (2007) *Our Shared Future*, Communities and Local Government Publications, Wetherby.
http://www.integrationandcohesion.org.uk/~/media/assets/www.integrationandcohesion.org.uk/our_shared_future%20pdf.ashx

Commission for Rural Communities (2007) *A8 migrant workers in rural areas – Briefing Paper,* Commission for Rural Communities, Cheltenham and London.
http://www.ruralcommunities.gov.uk/files/A8%20migrant%20workers%20in%20rural%20areas2.pdf

Communities and Local Government (2008) *Managing the Impacts of Migration: A Cross-Government Approach*, CLG, London.
http://www.communities.gov.uk/documents/communities/pdf/838935.pdf

Cresswell T. (2006) *On the Move*, Routledge, London.

Denham, J. (2002) *Building Cohesive Communities: A Report of the Ministerial Group on Public Order and Community Cohesion*, Home Office, London.

Dustmann C., Frattini T. and Preston I. (2007) *A Study of Migrant Workers and the National Minimum Wage and Enforcement Issues that Arise*, Report commissioned by the Low Pay Commission, University College London, London.
http://www.econ.ucl.ac.uk/cream/pages/LPC.pdf

Gaine C. (2006) *Recent Immigration to the Chichester District: Scale and Impact*, A study commissioned by Chichester District Council, Chichester.
http://www.chichester.gov.uk/media/pdf/a/9/Chichester_District_Migrant_Worker_Study_2006.pdf

Gilpin N., Henty M., Lemos S., Portes J. and Bullen C. (2006) 'The impact of free movement of workers from Central and Eastern Europe on the UK labour market', *Department for Work and Pensions Working Paper* 29, Corporate Document Services, Leeds.
http://www.dwp.gov.uk/asd/asd5/WP29.pdf

Green A.E. (2007) 'Local action on labour market integration of new arrivals: issues and dilemmas for policy', Local Economy 22 (4), 349-61.

Home Office (2005) 'Sizing the unauthorised (illegal) migrant population in the United Kingdom in 2001', *Home Office On Line Report* 29/05.
http://www.homeoffice.gov.uk/rds/pdfs05/rdsolr2905.pdf

Home Office (2008) 'The Government Reply to the First Report from the House of Lords Committee on Economic Affairs Session 2007-08 HL Paper 82: The Economic Impact of Immigration', *Cm* 7414, The Stationery Office, London.
http://www.official-documents.gov.uk/document/cm74/7414/7414.pdf

House of Commons Communities and Local Government Committee (2008) 'Community Cohesion and Migration', *HC* 369-I, The Stationery Office, London.
http://www.publications.parliament.uk/pa/cm200708/cmselect/cmcomloc/369/369i.pdf

House of Commons Treasury Committee (2008) 'Counting the Population', *HC Paper* 183-I, The Stationery Office, London.
http://www.parliament.the-stationery-office.co.uk/pa/cm200708/cmselect/cmtreasy/183/183.pdf

House of Lords Select Committee on Economic Affairs (2008) 'The Economic Impact of Immigration', *HL Paper* 82-I, The Stationery Office, London.
http://www.publications.parliament.uk/pa/ld200708/ldselect/ldeconaf/82/82.pdf

James S. and Lloyd C. (2008) ' Supply chain pressures and migrant workers: deteriorating job quality in the UK food-processing industry' in Lloyd C., Mason G. and Mayhew K. (eds.) *Low-Wage Work in the United Kingdom*, Russell Sage Foundation, New York, 211-46.

Kepinska E. (2007) 'Recent Trends in International Migration: The 2007 SOPEMI Report for Poland', *CMR Working Papers* 29/87, Centre of Migration Research, Warsaw University, Poland.
http://www.migracje.uw.edu.pl/obm/pix/029_87.pdf

Leitch Review of Skills (2006) *Prosperity for all in the global economy – world class skills: Final Report*, HMSO, Norwich.
http://www.hm-treasury.gov.uk/media/6/4/leitch_finalreport051206.pdf

Lemos S. and Portes J. (2008) '*The impact of migration from the new European Union Member States on native workers'*, *Department for Work and Pensions Working Paper* 52, London.
http://www.dwp.gov.uk/asd/asd5/wp52.pdf

LSC (2006) *Employer Perceptions of Migrant Workers Research Report*, LSC, Coventry.
http://readingroom.lsc.gov.uk/Lsc/National/nat-employersperceptionsofmigrantworkers.pdf

LSC (2007) *Migrant Workers and the Labour Market – Review of LSC research on labour market participation, skills and skills provision for migrant workers*, LSC, Coventry.
http://readingroom.lsc.gov.uk/lsc/National/nat-migrantworkersandthelabourmarket.pdf

Lucio M.M., Perrett R., McBride J. And Craig S. (2007) 'Migrant workers in the labour market: the role of unions in the recognition of skills and qualifications', *Unionlearn with the TUC Research Paper* 7, TUC, London.
http://www.unionlearn.org.uk/files/publications/documents/123.pdf

Martin R. (2005) 'Thinking about Regional Competitiveness: Critical Issues', Background 'Think-Piece' Paper commissioned by the East Midlands Development Agency.
http://www.intelligenceeastmidlands.org.uk/content/view/1002/9/

Pacione M. (2001) *Urban Geography: a global perspective*, Routledge, London.

Phillimore J., Goodson L. and Watts J. (2007) *Recognising Migrants' Skills and Qualifications: A Transnational Perspective*, Final Report of Working Group 1 of the MEET EQUAL Partnership, University of Birmingham and NIACE,
http://www.niace.org.uk/Research/ASR/Projects/MEET-Working-Group1-Final-Report.doc

Pollard N., Latorre M. and Sriskandarajah D. (2008) *Floodgates or turnstiles? Post-EU enlargement migration flows to (and from) the UK*, Institute for Public Policy Research, London.
http://www.ippr.org.uk/publicationsandreports/publication.asp?id=603

Portes J. and French S. (2005) 'The impact of free movement of workers from Central and Eastern Europe on the UK labour market: early evidence', *Department for Work and Pensions Working Paper* 18, Corporate Document Services, Leeds.
http://www.dwp.gov.uk/asd/asd5/WP18.pdf

Salt J. and Millar J. (2006) 'Foreign labour in the United Kingdom: current patterns and trends', *Labour Market Trends* 114 (10), 335-355.
http://www.statistics.gov.uk/downloads/theme_labour/LMT_Oct06.pdf

Sangarde-Brown S. (2007) *The Changing Face of Surrey – a snapshot of inward international migration in 2007*, Report prepared for Surrey County Council, Guildford.

Sheller M. and Urry J. (2006) 'The new mobilities paradigm', *Environment and Planning A* 38, 207-26.

Slough Borough Council (2006a) *There's no accounting for some people: An analysis of the current ONS underestimation of Slough's population and an assessment of its financial implications,* Slough Borough Council, Slough.
http://www.slough.gov.uk/documents/POPULATION_SEMINAR_FINAL_REPORT.pdf

Slough Borough Council (2006b) *Slough Migrant Study 2006: Survey of New Migrants, Employers and Stakeholders*, Slough Borough Council, Slough.
http://www.slough.gov.uk/documents/Slough_Migrant_Study06.pdf

Stenning A., Champion A., Conway C., Coombes M., Dawley S., Dixon L., Raybould S, and Richardson R. (2006) *Assessing the Local and Regional Impacts of International Migration*, Department for Communities and Local Government, London.
http://www.ncl.ac.uk/curds/publications/pdf/A8Final.pdf

TUC (2007) *The Economics of Migration*, Trades Union Congress, London.
http://cep.lse.ac.uk/pubs/download/pa010.pdf

Waddington S. (2007) *Routes to integration and inclusion: new approaches to enable refugee and migrant workers to progress in the labour market*, Progress GB Partnership, NIACE, Leicester.

Wadsworth J. (2007) *Immigration to the UK: The Evidence from Economic Research,* Centre for Economic Performance, London School of Economics, London. http://cep.lse.ac.uk/pubs/download/pa010.pdf

Williams A.M. (2008) 'Introduction: Uneven regional development, polarisation and international migration', Paper presented at the first European Urban and Regional Studies Workshop on 'Uneven regional development, polarisation in cities and international circuits of migration', London School of Economics, London, 25th April.

Winkworth S., Kalinowska J. and Mead V. (2007) *East European Nationals Living in Southampton: An overview of the nature and impact of in-migration by East Europeans into Southampton since May 2004*, Southampton City Council, Southampton. http://www.southampton.gov.uk/Images/East%20European%20immigration%20report_tcm46-180191.pdf

Annex

This Annex contains some larger and more complex Tables supporting the discussion in Chapter 2.

There are also some Figures providing additional information referred to in Chapter 5.

Table A2.1: Strengths and weaknesses of data sources on international migration

Data source and acronym	Coverage of migrants	Greatest geographical detail	Strengths	Weaknesses
Census of Population (CoP)	Entire population. Migrants from all countries of the world	Output Areas / wards	Comprehensive coverage of the population for small geographical areas. All countries of the world covered.	Only occurs every ten years. May not include short-term migrants or those in temporary or makeshift accommodation. Limited detail in published tables. Collects no information on out-migration.
Labour Force Survey (LFS)	Entire population. Migrants from all countries of the world	Government Office Region. Some information for larger local authorities available via NOMIS.	Collected every quarter. Contains a large number of questions on demography and experience in employment. Includes a question on year of entry to the UK... All countries of the world covered.	May not include short-term migrants or those in temporary or makeshift accommodation. Collects no information on out-migration.
Annual Population Survey (APS)	Entire population. Migrants from all countries of the world	Local Authority District	Collected every quarter. Contains a large number of questions on demography and experience in employment. Includes a question on year of entry to the UK. All countries of the world covered.	May not include short-term migrants or those in temporary or makeshift accommodation. Collects no information on out-migration. Small sample sizes at the local authority district scale limits the detail available (e.g. no local data on country of origin of migrants in published information).
International Passenger Survey (IPS)	All visitors to the UK and migrants from all countries of the world. Continuous survey.	National (possibly large regions)	The only source which monitors flows to and from the UK.	Very small sample, which means that little geographical detail is available. Sampling is focused on major points of entry so may miss new migration patterns.

continued

Table A2.1: Strengths and weaknesses of data sources on international migration (*continued*)

Data source and acronym	Coverage of migrants	Greatest geographical detail	Strengths	Weaknesses
ONS Total International Migration estimates (TIM)	Migrants from all countries of the world	Government Office Regions and migration totals for local authority districts	Provides a comprehensive picture of international migration, and estimates in- out- and net migration in each area.	Accuracy dependent of the validity of the assumptions made and the accuracy of the data from which the estimates are derived. The data are published at least one year in arrears.
Work Permits (WP)	Migrants from outside the European Economic Area	Local authority district	Provides information on the number of people currently working in an area with a work permit.	Does not use standard statistical classifications to report occupation and industry. Only top 10 occupations provided for each local area, making it difficult to build up an overall regional picture or compare areas accurately.
DWP National Insurance Number allocations to non-UK nationals (NINo)	Migrants from all countries outside the UK	Local authority district (made available to researchers)	Annual information on new NINos allocated to migrants from each country of the world. Provides a great deal of geographical detail, and information on age/gender.	No information on industry or occupation for workers. Workers can choose whether to register near work or home, thus the question of whether the data is workplace or residence-based is ambiguous. Workers do not have to register as soon as they enter the country. No information on workers leaving the UK.

continued

Table A2.1: Strengths and weaknesses of data sources on international migration (*continued*)

Data source and acronym	Coverage of migrants	Greatest geographical detail	Strengths	Weaknesses
Workers Registration Scheme (WRS)	Migrants from A8 countries	Local authority district	Quarterly information on first application to scheme. Provides information on occupation, industry, age, gender, wage rates, hours worked and intentions for staying.	Does not use standard statistical classifications to report occupation and industry. No information on workers leaving the UK. Published figures subject to retrospective revision.
Bulgarian and Romanian Accession Statistics	Migrants from Bulgaria and Romania	Government Office Regions	Provides quarterly information on applications for Accession Worker Cards and registration certificates by type of work and scheme.	Less geographical detail than fro other sources. Statistics highly dependent on eligibility and participation of migrants. No information on people leaving the UK.
Seasonal Agricultural Workers Scheme (SAWS)	Migrants from countries eligible for the scheme (currently Bulgaria and Romania)	Selected postcode districts	Provides information on workers by country.	Only covers a small number of agricultural enterprises. No information on those leaving the UK.

Table A2.2: Overseas NINo allocations as a percentage of people of working age: All countries and A8 and A2 countries, 2002/3 and 2006/7

Local authority	All overseas NINo allocations		allocations to A8 and A2 country nationals		Local authority	All overseas NINo allocations		allocations to A8 and A2 country nationals	
	2002/3	2006/7	2002/3	2006/7		2002/3	2006/7	2002/3	2006/7
Adur	0.3	0.5	0.0	0.2	New Forest	0.3	0.8	0.0	0.4
Arun	0.2	1.5	0.0	1.1	Oxford	2.3	4.5	0.1	1.5
Ashford	0.7	1.4	0.0	0.7	Portsmouth UA	0.9	1.3	0.0	0.5
Aylesbury Vale	0.6	1.0	0.0	0.5	Reading UA	2.0	4.3	0.1	1.5
Basingstoke and Deane	0.6	1.5	0.0	0.8	Reigate and Banstead	0.8	1.2	0.0	0.5
Bracknell Forest UA	1.0	1.4	0.1	0.5	Rother	0.3	0.6	0.0	0.3
Brighton and Hove UA	1.3	2.6	0.0	0.9	Runnymede	0.9	1.7	0.0	0.6
Canterbury	0.6	1.2	0.0	0.4	Rushmoor	0.9	2.6	0.0	0.4
Cherwell	0.6	1.8	0.0	1.1	Sevenoaks	0.4	0.8	0.0	0.4
Chichester	0.3	1.1	0.0	0.6	Shepway	0.5	1.5	0.0	0.6
Chiltern	0.5	0.8	0.0	0.4	Slough UA	2.3	5.5	0.1	3.0
Crawley	1.5	3.2	0.1	1.4	South Bucks	0.7	1.1	0.1	0.4
Dartford	0.6	1.2	0.0	0.6	South Oxfordshire	0.5	1.3	0.0	0.7
Dover	0.3	1.0	0.0	0.6	Southampton UA	1.2	2.8	0.0	1.7
East Hampshire	0.3	0.9	0.0	0.5	Spelthorne	0.9	1.3	0.0	0.5
Eastbourne	1.1	1.6	0.0	0.8	Surrey Heath	0.9	1.4	0.1	0.4
Eastleigh	0.3	0.6	0.0	0.2	Swale	0.2	0.9	0.0	0.6
Elmbridge	1.0	1.6	0.1	0.5	Tandridge	0.3	0.7	0.0	0.3
Epsom and Ewell	0.9	1.3	0.0	0.4	Test Valley	0.3	0.8	0.0	0.4
Fareham	0.2	0.4	0.0	0.2	Thanet	0.4	1.2	0.0	0.8
Gosport	0.2	0.6	0.0	0.3	Tonbridge and Malling	0.4	0.8	0.0	0.4
Gravesham	0.7	1.5	0.0	0.8	Tunbridge Wells	0.7	1.3	0.0	0.8
Guildford	1.1	2.0	0.0	0.6	Vale of White Horse	0.6	1.2	0.1	0.5
Hart	0.4	1.1	0.0	0.5	Waverley	0.6	1.0	0.1	0.4
Hastings	0.6	1.1	0.0	0.6	Wealden	0.3	0.6	0.0	0.3
Havant	0.2	0.4	0.0	0.2	West Berkshire UA	0.5	1.3	0.0	0.6
Horsham	0.3	0.7	0.0	0.3	West Oxfordshire	0.4	1.2	0.0	0.7
Isle of Wight UA	0.3	0.7	0.0	0.4	Winchester	0.4	0.8	0.0	0.4
Lewes	0.3	0.8	0.0	0.3	Windsor and Maidenhead UA	1.2	1.8	0.0	0.7
Maidstone	0.6	1.4	0.0	0.7	Woking	1.2	2.1	0.0	0.7
Medway UA	0.5	1.4	0.0	0.7	Wokingham UA	0.6	1.0	0.0	0.3
Mid Sussex	0.6	0.9	0.0	0.4	Worthing	0.6	0.9	0.0	0.4
Milton Keynes UA	1.2	2.1	0.0	0.8	Wycombe	0.8	1.4	0.0	0.6
Mole Valley	0.5	1.1	0.0	0.4					

Source: DWP and Mid Year Estimates

continued

Table A2.2: Overseas NINo allocations as a percentage of people of working age: All countries and A8 and A2 countries, 2002/3 and 2006/7 (*continued*)

Local authority	All overseas NINo allocations		allocations to A8 and A2 country nationals	
	2002/3	2006/7	2002/3	2006/7
Berkshire UAs	1.2	2.5	0.1	1.1
Bucks and Milton Keynes	0.8	1.4	0.0	0.6
East Sussex and Brighton	0.8	1.5	0.0	0.6
Hampshire & Isle of Wight	0.5	1.2	0.0	0.6
Kent and Medway	0.5	1.2	0.0	0.6
Oxfordshire	1.0	2.2	0.0	0.9
Surrey	0.8	1.4	0.0	0.5
West Sussex	0.6	1.3	0.0	0.7

Source: DWP and Mid Year Estimates

Table A2.3: Comparison of intended length of stay in the UK before coming to the UK and at the time of the survey

Column percentages

	Plans after migration						
Plans before Migration	*< 6 six months*	*6-12 months*	*1-3 years*	*> 3 years, not perman-ent*	*Settle perman-ently*	*No plans*	Total
< 6 six months	53.1	17.2	11.9	9.1	6.5	12.3	12.7
6-12 months	18.8	63.8	10.9	12.5	9.4	13.4	16.3
1-3 years	18.8	8.6	70.3	11.4	12.9	18.4	22.7
> 3 years, not permanent	3.1	0.0	2.0	59.1	3.5	5.4	10.5
Settle permanently	0.0	1.7	1.0	4.5	54.1	1.8	14.2
No plans	6.3	8.6	4.0	3.4	13.5	48.7	23.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Plans before Migration						
Plans after migration	*< 6 six months*	*6-12 months*	*1-3 years*	*> 3 years, not perman-ent*	*Settle perman-ently*	*No plans*	*Total*
< 6 six months	18.5	5.1	3.6	1.3	0.0	1.2	4.4
6-12 months	10.9	31.4	3.0	0.0	1.0	2.9	8.0
1-3 years	13.0	9.3	43.0	2.6	1.0	2.3	13.9
> 3 years, not permanent	8.7	9.3	6.1	68.4	3.9	1.7	12.1
Settle permanently	12.0	13.6	13.3	7.9	89.3	13.4	23.4
No plans	37.0	31.4	30.9	19.7	4.9	78.5	38.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: South East Migrant Worker Survey

Table A5.1: Self-assessment of English language skills by case study area

A) Speaking the English Language

Case study area	**Very poor / Poor (%)**	**OK / Good (%)**	**Very Good / Fluent (%)**
Milton Keynes	13.2	67.9	18.9
Elmbridge / Guildford	19.2	47.5	33.3
Wokingham / Reading	22.2	67.7	10.1
Southampton	35.2	58.1	6.7
Crawley	26.6	67.0	6.4
Swale / Medway	29.0	68.0	3.0
Hastings	25.0	63.9	11.1
Total	*24.4*	*62.9*	*12.7*

Source: South East Migrant Worker Survey.

B) Writing the English Language

Case study area	**Very poor / Poor (%)**	**OK / Good (%)**	**Very Good / Fluent (%)**
Milton Keynes	22.6	61.3	16.0
Elmbridge / Guildford	29.3	42.4	28.3
Wokingham / Reading	40.4	53.5	6.1
Southampton	46.7	48.6	4.8
Crawley	47.7	46.8	5.5
Swale / Medway	45.0	51.0	4.0
Hastings	26.9	62.0	11.1
Total	*36.9*	*52.3*	*10.7*

Source: South East Migrant Worker Survey.

C) Understanding the English Language

Case study area	**Very poor / Poor (%)**	**OK / Good (%)**	**Very Good / Fluent (%)**
Milton Keynes	13.2	63.2	23.6
Elmbridge / Guildford	21.2	50.5	28.3
Wokingham / Reading	16.2	70.7	13.1
Southampton	25.7	63.8	10.5
Crawley	24.8	67.9	7.3
Swale / Medway	22.0	67.0	11.0
Hastings	24.1	59.3	16.7
Total	*21.1*	*63.2*	*15.7*

Source: South East Migrant Worker Survey.

D) Understanding written English

Case study area	**Very poor / Poor (%)**	**OK / Good (%)**	**Very Good / Fluent (%)**
Milton Keynes	13.2	65.1	21.7
Elmbridge / Guildford	29.3	37.4	33.3
Wokingham / Reading	36.4	51.5	12.1
Southampton	35.2	58.1	6.7
Crawley	45.0	49.5	5.5
Swale / Medway	40.0	54.0	6.0
Hastings	24.1	61.1	14.8
Total	*31.8*	*54.0*	*14.2*

Source: South East Migrant Worker Survey.

Table A5.2: Self-assessment of English language skills by broad national group

A) Speaking the English Language

National group	Very poor / Poor (%)	OK / Good (%)	Very Good / Fluent (%)
Polish	20.8	66.7	12.6
Czech / Slovak	18.3	65.6	16.1
Baltic States	31.0	55.0	14.0
Other	53.6	41.1	5.4
Total	*24.4*	*62.9*	*12.7*

Source: South East Migrant Worker Survey.

B) Writing the English Language

National group	Very poor / Poor (%)	OK / Good (%)	Very Good / Fluent (%)
Polish	34.8	54.1	11.1
Czech / Slovak	30.1	57.0	12.9
Baltic States	37.0	52.0	11.0
Other	66.1	30.4	3.6
Total	*36.9*	*52.3*	*10.7*

Source: South East Migrant Worker Survey.

C) Understanding the English Language

National group	Very poor / Poor (%)	OK / Good (%)	Very Good / Fluent (%)
Polish	15.9	67.1	17.0
Czech / Slovak	23.7	60.2	16.1
Baltic States	24.0	61.0	15.0
Other	55.4	39.3	5.4
Total	*21.1*	*63.2*	*15.7*

Source: South East Migrant Worker Survey.

D) Understanding written English

National group	Very poor / Poor (%)	OK / Good (%)	Very Good / Fluent (%)
Polish	27.0	57.9	15.1
Czech / Slovak	29.0	57.0	14.0
Baltic States	38.0	47.0	15.0
Other	66.1	28.6	5.4
Total	*31.8*	*54.0*	*14.2*

Source: South East Migrant Worker Survey.

ISBN: 978-0-9560025-0-1