

Central and East European migrants in low wage employment in the UK

This research explores the employment of migrants from East and Central Europe in low-wage occupations – agriculture, construction, hospitality and au pair work – and what determines employer demand for migrant labour in these sectors. The study, conducted before and after enlargement of the EU on 1 May 2004, involved surveys and interviews with over 600 migrants and 500 employers.

- In April 2004, interviewees worked for relatively low earnings and longer basic hours than the occupational average. Many had no paid holiday, sick leave, or written contract. Many had qualifications and skills significantly above those required by their job. None belonged to a trade union.
- Before EU enlargement, more respondents were in the UK legally but working in violation of the conditions attached to their immigration status than were illegally resident. Over half of student visa holders and au pairs surveyed were legally resident but working more hours than permitted or in non-permitted employment. Many workers illegally resident or violating conditions paid national insurance.
- Many migrants traded off low-skilled work and poor conditions for better pay than in their home countries or for other benefits, such as learning English, often because they viewed the job as temporary. Consequently, they did not always perceive the lack of a written contract as disadvantageous.
- Employers attributed difficulties recruiting UK workers to the physical demands, long/anti-social hours, or low pay and status of jobs but were also concerned about retention. They valued migrants as high quality workers for low-waged work. Those entering on official immigration schemes were also considered easier to retain.
- Employers often preferred particular nationalities for particular jobs, regardless of immigration status. Employers emphasised “work ethic” and reliability, contrasting foreign nationals favourably with UK nationals.
- Many employers were prepared to ‘bend the rules’ or turn a blind eye to possible infractions of immigration status. This continued after EU enlargement. Some A8 workers had not registered under the Workers Registration Scheme, either because they did not know it was required or because they did not “think it worthwhile”. Some employers felt that WRS was bureaucratic and unnecessary.
- Three-quarters of employers felt EU enlargement had been good for business, bringing a larger labour pool. Of respondents, most ‘A8’ nationals (allowed immediate access to the labour market) felt enlargement had made it easier to find work. A comparison group of non A8 nationals said it was harder, with nearly one-third saying their working conditions had deteriorated.



Background

The employment of migrant workers is one of the most contested public policy issues in the UK. The increase in migrant numbers has partly been a result of the Government's managed migration policy, expanding migration to fill vacancies in skilled and low-wage occupations. This has been facilitated by EU Enlargement on 1 May 2004, from 15 to 25 member states. Nationals from eight of the ten new member states – the 'Accession 8' (A8) countries – were allowed immediate access to the UK labour market. (Sweden and Ireland were the only other existing EU countries to grant A8 nationals such rights.) In 2005 the Government announced a large-scale reform of the UK's immigration system and made it clear that it regards workers from the new EU member states as a major source of labour that can be legally employed particularly in low-wage occupations.

Most A8 workers are required to register their employment under a Worker Registration Scheme. Between May 2004 and December 2005, 345,000 people registered. Officials estimated that up to 30 per cent had been in the UK prior to 1 May 2004. For those living or working in the UK without permission becoming EU citizens enabled them to regularise their status; those legally resident were now free to change employers and jobs.

Little research has been done on the experiences and perceptions of migrants working in low-wage occupations, and particularly those working illegally. Neither has there been much research on the factors which determine employer demand for such workers and the reasons behind decisions on sources of labour, use of intermediaries and pay and conditions. Moreover, little is known about Central and East European migrants' experiences of employment in the UK. Taking four sectors where migrants are important in the labour force – hospitality, construction, agriculture and the au pair sector – this study looks at the experiences of workers from four A8 countries and two non-A8 countries prominent (in April 2004) in legal schemes employing migrants in low-wage occupations – Polish, Czech, Slovak, Lithuanians (A8) and Ukrainians and Bulgarians (non-A8).

The study sought to survey and interview both those with permission to work in the UK and those who had overstayed their visas/permits or who had entered the UK illegally. Interviewees could not be randomly selected and the findings can not therefore be assumed to be representative of the wider migrant population.

Legal, illegal, and the space in between

The immigration status of respondents and interviewees varied greatly prior to May 2004.

- Twenty-two per cent of migrants surveyed were found to be "illegally resident", either because they described their status as "visa expired" or because the data clearly suggested they had overstayed their visa, or their reported immigration status was not technically possible.
- Three-quarters of the respondents on student visas and more than half of the au pairs were working legally but in breach of the conditions attached to their immigration status. For students this meant working longer than the 20 hours per week permitted in term time. Most au pairs were working longer than the 25 hours a week which is the Home Office's approved maximum. Many had also taken additional jobs outside the host family.

"In Germany it is impossible to place an ad as a cleaner somewhere, you are there simply as an au pair and there's nothing else you are allowed to do there at all. Here I think it's slightly illegal but tolerated."
(Czech woman, aged 25 working on an au pair visa)

"They said you could work at one work 20 hours; nobody said that you could not have two or three job places... but I had finished my college within two weeks and then I had a break for 5 months; I have not been studying."
(Ukrainian woman, aged 25 working on a student visa in hospitality)

- Almost half of respondents illegally resident or working in violation of conditions were paying national insurance and some working in full compliance with immigration law were not.
- Employers and host families interviewed often acknowledged that they bent the rules, or turned a blind eye to migrants working in breach of conditions. Host families, for example, often encouraged their au pairs to take on additional work inside and outside the home.

"If they've got the ability to earn a bit of extra cash then they are going to be happier so I think that would be quite helpful to be looked at because I don't know what the rules are. I don't think anybody really knows the rules on that. I don't think it's a big deal to do it."
(Host family)

- The legal status of a significant number of 'self-employed' migrants was unclear. In April 2004, 30 per cent of all respondents reporting their *immigration* status as on self-employed visas described their *employment* status as "employee".

Migrant respondents' employment

In each sector, most migrants were in low-skilled jobs but in construction up to one-third were in skilled trades (such as carpenters or electricians). Those in hospitality and au pairs sometimes had more than one job.

- Respondents' earnings were relatively low compared with the national average for their occupation, often close to the National Minimum Wage. Across all sectors, migrants were working longer basic hours and longer total hours than average for their occupation. For those in hospitality and au pairs, overtime was not always paid. Less than half of those in hospitality and agriculture, and only 15 per cent of employees in construction, received paid holidays. Less than a third of all employees received paid sick leave. None of the survey respondents was a member of a trade union.
- For those au pairs surveyed, average weekly 'pocket money' was £68. For most the regular working week was longer than the 25 hours approved maximum by government. Although intended as 'cultural exchange', 44 per cent were invited by host families to participate in cultural activities less than once a month.
- The qualifications or skill level of many of those interviewed significantly exceeded the level required by their job. In hospitality, more than half of respondents doing basic jobs had post-secondary education (including 42 per cent with tertiary education) and 76 per cent of them described their spoken English as fluent or adequate.
- Many saw their situation as a 'trade off' on a spectrum from earning money for survival through learning English to gaining experience or just having a good time. People often tolerated poor working conditions because it was considered temporary. Although sometimes leading to insecurity, the absence of a written contract was not always perceived as disadvantageous.

"A written contract protects you from losing the job, but you can leave the job for a better one if there is no written contract"

(Lithuanian man, aged 39, construction worker)

- Employment relations between migrants and their employers were often complex, and viewed as unsatisfactory. Sometimes they were largely a consequence of immigration status (e.g. migrants on permits limited in choice of employer). Eighteen per cent of migrants surveyed were employed by an agency rather than directly by an employer.
- The law does not define 'living as part of the family' and conflicting expectations created problems for both au pairs and host families. Neither host families nor au pairs felt that "being part of the family" was necessarily the positive experience that such a term indicates.

Why employers want migrant workers

The study explored the demand both for certain types of worker and for those with a particular immigration status.

- Employers surveyed believed that the physical demands of the jobs, long, unpredictable or anti social hours, and low pay and status were barriers to recruitment. They also identified retention as a significant problem. They were often trying to balance the requirement for workers who were easy to hire and fire on the one hand but who were also reliable and easy to retain.
- Employers and host families valued official labour immigration schemes (Seasonal Agricultural Workers and au pairs) because they not only helped solve recruitment difficulties, but also provided workers who were easier to retain and more likely to stay.
- Migrant labour was also accessed within the UK, including through active engagement with migrant networks and the use of agencies. In hospitality, and particularly in agriculture, agency workers were predominantly migrants. For some employers not having responsibility for checking immigration status was considered a significant advantage to using agency labour.
- Employers and host families valued migrants as high quality workers for low-skilled work. Their education and skills made them a desirable workforce. Employers often felt migrants were making trade-offs in accepting UK jobs because of low wages and lack of opportunity in their home countries.

"I've had doctors ... bit of a sad waste really, doing laddering work because it paid better than being a doctor back home."

(Employer interview)

- Many employers preferred workers of particular nationalities – often over UK workers – based on ideas about "work ethic". They often expressed their preference for a particular type of labour in terms of nationality rather than immigration status.
- Most employers who admitted to "bending the rules" by employing migrants working outside the legal limits of their immigration status did not show much concern about government enforcement measures against such employment practices.

"There's times when you do twist it a bit ... will you work an extra couple of hours, you know, nudge, nudge and so on."

(Employer interview)

Perceived and experienced impacts of EU enlargement

Seventy-one per cent of A8 nationals interviewed felt their lives had changed as a result of enlargement. Twenty-eight per cent of respondents said that working conditions had improved. Fifty-nine per cent felt that it was easier to find work. However, some interviewees still commented at length on instability at work and problematic contracts.

- Sixty-four per cent of a comparison group of non-A8 nationals (from Ukraine and Bulgaria) felt that it was harder to keep their job, 85 per cent said that it was harder to find work, and 30 per cent said conditions at work had deteriorated
- Interviewed 6-8 months after 1 May 2004, one-third of all respondents describing themselves as 'employees' had changed their job (but sampling effects mean this may not be representative). Although we cannot yet say why migrants changed jobs, the share of A8 respondents changing jobs (38 per cent) is higher than that among the Bulgarians and Ukrainians interviewed (24 per cent). Some, but not all, respondents who changed primary jobs changed to jobs requiring greater skills. For example, almost half of all job changers working in elementary occupations in April 2004 had changed to skilled trades occupations or above.
- Three-quarters of employers surveyed felt EU enlargement had been good for business, with over 90 per cent citing a larger pool of labour. The au pair sector was an exception: au pair agencies reported a significant decrease in the numbers of A8 nationals available. Many employers said A8 nationals now had higher expectations in relation to pay and conditions. A minority (13 per cent hospitality, 19 per cent agriculture and food processing) said that they had lost employees because of their freedom to change jobs.
- SAWS users were concerned that the Government might significantly reduce the quota or abandon the scheme altogether as they were not convinced that A8 nationals would continue to work in agriculture. Some

host families felt that the numbers of countries from which au pairs can come should be expanded as A8 nationals could use au pairing simply as a "stepping stone". Both agricultural employers and host families seemed concerned that their workforce/au pairs would prefer to work in hospitality.

- Recruitment methods had changed after EU enlargement. Direct recruitment, use of migrant networks and use of the Internet had reduced dependence on agencies.
- A proportion of A8 nationals required to register failed to do so. Some interviewees said they did not know about the Workers Registration Scheme or that it did not apply to EU citizens. Some had not registered because of the cost; others would not be in the UK long enough "to make it worthwhile".
- Some employers had not heard of registration, were confused by the scheme or said they were too busy running their business. Like many migrants, employers questioned the value of registration, viewing it as a means to raise money. They had noted administrative improvements, after long delays in processing applications in the early months.

About the project

The study was undertaken by Dr Bridget Anderson, Dr Martin Ruhs and Sarah Spencer of the ESRC Centre on Migration, Policy and Society at the University of Oxford and Dr Ben Rogaly of the Sussex Centre for Migration Research at the University of Sussex.

Researchers used quantitative and qualitative methods to obtain information from more than 600 migrants and 500 employers of migrants (including families hosting au pairs and a small number of agencies). The survey and in-depth interviews took place in April 2004 and 6-8 months later. On average, the migrants interviewed were 27 years old with 13 years schooling and, on 1 May 2004, had been in the UK for 17 months.

For more information

The full report, **Fair enough? Central and East European migrants in low-wage employment in the UK** by Bridget Anderson, Martin Ruhs, Ben Rogaly and Sarah Spencer, is published by the Joseph Rowntree Foundation. It is available as a free download from www.jrf.org.uk. A subsequent report in Autumn 2006 will look at the lives of the migrants outside of the workplace.

A separate paper detailing the methodology of this research project can be downloaded at www.compas.ox.ac.uk/changingstatus.

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