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<ct>Migration into the United Kingdom: Employers and the *function* of migrant labour

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<a>8.1 Introduction

On 1 January 2014, the transitional measures which the United Kingdom government had in place to limit the citizens of Romania and Bulgaria entering the country to work were lifted, under the requirements of European Union law, to enable the free movement of people between 27 member states.¹ Estimates about the impact of the ending of transitional measures upon the UK labour market ranged from 20,000 and 300,000 new arrivals from these two states (*The Observer*, 2013), based upon different interpretations of the respective influences of: the economic situation in Romania and Bulgaria; the range of alternative migration destinations to the UK; linguistic and cultural barriers to entry; and, significantly, the UK labour market and the strategies of British employers in relation to recruitment and retention of workers.

The uncertainty surrounding the number of new arrivals to the UK creates problems for social policy formulation, including assessing the capacity of the housing market and the provision of public services such as health, social welfare and policing. However, it should be noted that problems in providing reliable estimates on migration to the UK are not new. In 2004, when workers from eight central and east European states that had acceded to the EU (A8²) were provided access to the UK labour markets, initial government estimates placed the number likely to arrive at 13,000 per year, while the actual numbers of registered A8 migrant workers had reached 427,000 by August 2006 (bringing with them an additional 36,000 dependents), with estimates of the numbers of non-registered self-employed workers, bringing the total

¹ Transitional measures can, however, be applied by existing member states to limit the entry of workers from the newest, and 28th, member state Croatia (which joined the European Union on 1 July 2013) for up to 7 years.

² The eight central and east European states that acceded to the EU in 2004 were Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Lithuania, Latvia and Estonia.

closer to 600,000 (BBC News, 2006). Such divergent expected figures is not novel, but evidence of the difficulty of making such predictions. Böhning (1972: 1), writing shortly before the UK entered the European Economic Community (EEC, the predecessor of the EU), observed that:

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Very little is known in this country about the continental countries' concept and experience of labour immigration. Even less is known about what the Treaty of Rome terms 'freedom of movement for workers' When one reads through the various stages of the Immigration Bill 1971, in which the possible repercussions of entry into the EEC are mentioned, one is astounded by the lack of information and the amount of wrong information.

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It is not difficult to see how this ongoing lack of reliable knowledge about migration numbers creates problems for the state in the management of migration. Indeed, uncertainty fosters more than just practical problems with state infrastructure, often giving rise to negative political reactions in the wider public domain. Notably, such rejections by the public appear with the periodic rise of far-right parties such as the National Front and British National Party in periods of immigration and economic recession and, in the contemporary context of freedom of movement within the EU, the success of the UK Independence Party (UKIP).

The aim of this chapter is to place migration to the UK in an academic context that provides a (small) degree of clarity in explaining migration patterns, particularly in terms of the key role of employers and the management of labour. To do this the chapter needs to address three central issues; migration theory, historical comparison and employer strategies in relation to migrant workers.

In the first substantive section of the chapter, the weaknesses of traditional economic models of 'push-pull' migration and the importance of historical and political factors are considered, examining some of the complexities of explaining migration patterns. The second section then provides an overview of a key period of earlier migration to the UK, from the 1950s to the early 1970s, drawing upon the arguments developed by Castles and Kosack (1973) in their seminal work on migration and class structure in Western Europe. Their work, which locates migration within wider political economy debates and provides important empirical evidence of migrant workers and their employment, provides a foundation for analysing contemporary migration patterns in the third section, specifically considering the migration of A8 workers to the UK since 2004. Drawing upon this analysis the final section of the chapter seeks to explain the main themes to emerge from this research, arguing that the consistent use of migrant workers in specific sectors facing (periodic) labour shortages raises important questions about the function of migrant workers especially in the contemporary context under the EU's freedom of movement provisions.

The empirical evidence presented here suggests that migration, at least within selected migrant dense sectors, provides employers with ample scope to secure more productive labour, based upon reliability, flexibility and holding down pay and conditions. Using migrant workers to secure short-term improvement, in turn, sustains the low-wage and low skilled trajectory of the UK economy and has wider implications for longer term employment patterns and investment, as well as state policies in relation to industrial development, welfare, labour market regulation and education.

8.2 Theorising migration: Complexity and limitations

Salt and Clout (1976) argue that, before exploring international migration patterns involving the movement of workers, there needs to be careful consideration of internal migration patterns within countries, particularly as they pass through different periods of industrialisation (and deindustrialisation). Similarly, there are long and important histories of migrations caused through political events; notably during and in the aftermath of war; through periods of colonisation and de-colonisation; and by those seeking refuge from persecution. These are important developments in their own right, but have also helped to shape migration to the UK.

For example, the result of deindustrialisation and internal migration in the UK has led to a concentration of economic activity in London and the South East, creating important labour shortages in sectors such as hospitality (Lucas and Mansfield, 2008), for which migrant workers have been recruited from overseas. Further, rural to urban migration has created a demand for migrant workers in British agriculture and food processing to address labour shortages and the higher labour costs of employing local workers in tight labour markets (Scott, 2008). The colonial history of the UK is also important in considering historical patterns of international migration too, with settled Irish and black and minority ethnic communities a testament to immigration from former dominions of the British Empire. Similarly, a number of communities in the UK can be traced back to the sanctuary offered (often begrudgingly) to refugees; notably those fleeing fascism, those seeking to escape Communist rule, those displaced during decolonisation as well as those fleeing more recent conflicts in Iraq, Afghanistan, Eritrea and Rwanda.

Even this extremely limited oversight of internal and politically framed migration patterns begins to unveil the complexity of migration. It also indicates the problem of theorising migration more narrowly in economic terms where the emphasis is placed upon migrant workers, as 'persons with a different nationality or place of birth than the country in which they are working' (Galgóczi et al., 2012: 38).³ However, the standard theoretical explanation of economic migration is located within neoclassical economics, focusing upon push-pull theories, with migrant workers driven (pushed) to leave their country or origin (or, more

³ Anderson and Ruhs (2012: 13) stress the importance of the distinction between foreign born and foreign national in such a definition as the latter group will contain those who do not have long-term residence rights and are not necessarily able to move freely within the labour market.

broadly, current work location) by low living standards, a lack of opportunities, and political or environmental considerations and oriented (pulled) to certain countries by a demand for labour and economic opportunities, and better political and environmental conditions. As Castles and Miller (2003: 22–23) observe, this model emphasises the individual decisions to migrate, where informed rational decision making evaluates the relative costs and benefits of remaining in a specific location or migrating. It is predicated on a version of human capital theory (Sjaastad, 1962), whereby people invest in migration, as they would education, to raise their human capital and gain an improved rate of return (higher earnings).

Like most economic models, this approach is based upon a number of assumptions, notably perfect information to facilitate the cost–benefit analysis made by persons considering migration, and has to deal with many issues, notably government policies on migration, as ‘distortions’ of the operation of free markets. Castles and Miller highlight how challenges to this economic approach have arisen from a number of other disciplines in terms of: wider historical experiences; the reality of segmented labour markets and imperfect information; evaluating decision-making focused upon families and communities rather than individuals; and the significant role of states in influencing and controlling migratory processes. This leads them to argue that:

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The idea of individual migrants who make free choices which not only ‘maximise their well-being’ but also lead to an ‘equilibrium in the marketplace’ (Borjas, 1989: 482) is so far from historical reality that it has little explanatory value. It seems better, as Zolberg suggests, to analyse labour migration ‘as a movement of workers propelled by the dynamics of transnational capitalist economy, which simultaneously determines both the “push” and the “pull”’ (Zolberg et al., 1989: 407). (Castles and Miller, 2003: 25)

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This discussion of the complexity of migration flows and the critique of the traditional economic theory does help to explain the difficulties of predicting future migration patterns. Two important issues also emerge from this brief exploration of migration theory. First, the discussion highlights the need to carefully consider historical experiences when seeking to understand migration processes. Second, there is a need to analyse migration not simply in terms of labour demand, but also in relation to the policies of employers and the state in supporting and controlling migration. These two issues, therefore, provide the focus for the following sections of the chapter.

<a>8.3 Migration to the UK and Western Europe: An historical comparison

In order to provide some historical analysis of migration into the UK, it is useful to examine the large-scale migrations that took place in the 1950s and 1960s into the most developed west European economies. These migrations occurred in response to significant increases the demand for labour created by the sustained period of economic boom, the so-called ‘Golden Age of Capitalism’ (Toniolo, 1998) and the scale of the migrations are useful in providing a point of comparison with contemporary developments.

In examining the reasons for this period of migration into Western Europe, Salt (1976) identifies a number of classic push and pull economic factors: the low birth rates in industrial economies of Europe leading to limited growth of the industrial workforce, which could no longer be complemented by internal migration from agriculture to industry or from (refugee) resettlements that took place in the aftermath of the war; uneven patterns of labour supply within industrial nations that could not be adjusted by internal migration; higher birth rates in countries surrounding the north-west of Europe (primarily Mediterranean Europe, north and west Africa) with high levels of unemployment and low levels of economic growth. However, before examining the key characteristics of this period of migration, it is important to provide a more detailed overview of the migration patterns during this period, highlighting the need to move beyond an explanation focused exclusively upon push and pull factors.

First, it is important to highlight the political and historical factors that influenced migration. As noted above, the migrations into industrial nations were mediated by historical factors and 'cultural' ties. The first major 'market distortion' was the effective end of migration from Central and Eastern Europe through the political division of Europe and the beginning of the Cold War.⁴ Furthermore, while the majority of sending countries could be said to fall within the geographical orbit of north-west Europe, it is important to highlight the continuing colonial ties that influenced migration into France (Algeria, Morocco and Tunisia), the Netherlands (Indonesia and Surinam) and the UK (new Commonwealth countries). This partly reflects a desire for workers from countries where political ties made entry into the workforce easier, for example, a related language and a shared understanding of legal and administrative structures. In this respect it should be noted that migration into Sweden focused primarily upon Finland because of shared linguistic patterns and cultural norms (Korkiasaari and Söderling, 2003: 5).

Second, there were important national variations in recruitment policies pursued. While in much of north-west Europe 'recruitment of foreign workers became a central plank for continued growth and prosperity' (Salt, 1976: 84), permanent settlement was actively discouraged in some states, notably Germany and Switzerland, with workers recruited under time-limited, and renewable, labour contracts (as guest workers or *Gastarbeiter*). These included workers from Turkey, Yugoslavia, Greece, Spain and Portugal. The aim of such a policy was to provide 'a buffer against the vagaries of the unemployment cycle for the indigenous labour force. In times of unemployment it was assumed that nationals of the host country could be protected by the release from employment of aliens' (ibid.: 84), but it was

⁴ At the end of the Second World War, and following the agreement reached between the allied forces at the Yalta conference, Europe was effectively divided into two: the west European states, supported by the United States, developed capitalist market economies and liberal democratic political systems; the east European states, support by the Soviet Union, developed planned economies and political systems based upon the rule of the respective communist parties. The building of the Berlin Wall in 1961 to stop East Germans fleeing west (or to protect East Germans from the evils of capitalism, depending on your perspective) became a potent symbol of this division but also highlighted the end of a significant post-war migration trajectory.

also intended to prevent social problems arising from migration and integration (or assimilation). By contrast, in some cases the recruitment of workers from former colonies was (initially) associated with rights of citizenship, for example in the UK, France and the Netherlands.

Finally, a third group of workers fell outside both of these categories, namely those with freedom of movement under the EEC Treaty of Rome. While membership of the EEC was limited to six member states during the period in question, migration under the terms of the treaty was significant from Italy into Germany and, to a lesser extent, France.

It is important to note that while migration into north-west Europe continued in this period due to persistent demand for labour, patterns between countries and sources changed over time. While migration from Italy occurred at the beginning of the boom period, by the mid-1960s Italian economic growth and wage increases led to a downturn in emigration (Salt, 1976: 89). Similarly, while France received migrant workers from its former African colonies, these migrants had relatively low activity rates and the economy also relied upon migrant workers primarily from Spain and Portugal, but also Yugoslavia and Turkey. It was also after the Algerian independence in 1968 that the flow of migrants from this country into France increased, though this included refugees from among the population that had supported France in the civil war (Bohning, 1972: 31).

In this respect, the distinctive patterns of migration into the UK are significant. After initial migration from Europe under the Volunteer Workers scheme, relatively little migration into the UK came from Europe other than continuing migration from Ireland. Rather, the UK relied substantially upon migrants from the new Commonwealth to meet additional demands for labour; focusing initially on the Caribbean and later on, in terms of numbers, the Indian sub-continent (Phizacklea and Miles, 1980). However, these migrant workers, because they came from former British colonies, were accorded, at least until the passing of the 1962 and 1968 Commonwealth Immigrants Acts, the status of British subjects and had legal settlement rights and no restrictions on occupation. Thus, while Castles and Kosack (1973: 4) claim that by 1970 the UK had the third highest level of immigration in Western Europe, behind Germany and France (with 2.6 million or 5.0 per cent of the population), Salt (1974: 82) does not list the UK amongst the top eight west European economies in terms of the employment of 'foreign' workers.

While this section has outlined the factors contributing to, and shaping, migration in the period of the Western European economic boom, as Castles and Miller (2003, above) suggest, there needs to be a more analytical approach to the study of migrant workers within transnational capitalism. For this reason the remainder of this section examines key characteristics of this period of migration, both in terms of the labour market and wider economy, by drawing on the work of Castles and Kosack (1973).

Castles and Kosack located their work within a Marxist political economy framework which emphasised the 'function of migrant workers' within international capitalism. In this approach, the use of migration is seen as a mechanism to create a 'reserve army of labour' which helps reduce demand for labour and thus the employer's labour costs. Castles and Kosack (1973: 377) argued that in practice this did not occur during the economic boom period due to policies of governments and unions that prevented wage-cutting and the fact the labour quality of migrant workers did not facilitate a direct substitution of 'indigenous' workers. Nevertheless, they observed that the availability of migrant labour influenced employers' strategies, maintaining lower-skilled work rather than further rationalising production processes and permitting increases in production without new investment, for example, through using shift work. While they noted in their discussion of wider issues of immigration on economic productivity, inflation and balance of payments that the arguments were 'controversial and not measurable' (ibid.: 408), they do posit an argument subsequently pursued by Temin (2002) that the expansion of west European economies in the post-war boom period, reflected the completion of the Industrial Revolution for many of these states, so that the use of migrant labour as part of an expanding labour supply was essential to meet the demands of economies that were shifting from agriculture to manufacturing.⁵

It is against this background that Castles and Kosack (1973: 57–115) analysed the labour markets of France, Germany, the UK and Switzerland, exploring a number of key characteristics of migrants workers and the nature of the work they undertook. First, in relation to the characteristics of migrant workers, they observed that they were predominantly young and male and had higher rates of economic activity than the overall population. However, where data were available, it was also the case that differences in activity rates between different groups of migrants existed; with a pattern emerging that suggested the longer migrants stayed in the country the closer their activity rates came to that of the indigenous population, reflecting in part the increase of dependents. Second, the majority of migrants arriving in these four countries came from rural areas in their country of origin and had limited education, industrial experience and vocational training, as well as being unable to speak the language in the host country. While this position is more complex for the UK, particularly in relation to the contested arguments around the skills of West Indian migrants and (inadequate) English language skills, the overall argument around lack of skill was argued to be valid for most Irish and new Commonwealth migrants.

In relation to the labour market, it is argued that although migrants only constituted between 6.3 and 7.0 per cent of the labour force in France, Germany and Britain,⁶ their relative importance to these economies lay in the occupational structure of migrant work. The pattern of employment of migrant workers in France, Germany and Switzerland indicated

⁵ By contrast, the more problematic economic position in the UK reflected, in part, that this period of restructuring had already been completed, so there were limitations to possible economic growth and expansion of industries to secure economies of scale.

⁶ The impact of migration on the Swiss economy was more apparent, with migrant workers constituting 29.8 per cent of the total labour force (Castles and Kosack, 1973: 61).

concentrations in certain sectors. For men these were construction, engineering and other manufacturing activities, hospitality and, for France, agriculture. For women these were domestic service, textiles and clothing, hospitality, with high concentrations in manufacturing in Germany. While there were variations between different groups of migrants in terms of sectoral distribution of work in these three countries, the picture was more complex for the UK for men, with certain sectors employing different migrant groups. There was a concentration of Irish migrants in construction, West Indians in metal manufacturing and transport, Indian men in metal manufacturing, engineering, transport and textiles and Pakistanis in textiles and metal manufacturing. By contrast, most women were concentrated in professional and scientific services (especially health) and private services.

Notwithstanding these distinctions, Castles and Kosack (1973) highlight that the work undertaken within these sectors was usually unskilled and in the lowest segments of the labour market, representing jobs that many indigenous workers had left. Further, the opportunities for migrants to enter higher qualified jobs, with more security and improved terms and conditions, were severely restricted. Even where there was greater variation in the sectors where migrants were employed in the UK, further analysis highlighted that the type of jobs where new Commonwealth migrants were highly represented 'were generally unskilled and relatively low status ones' (ibid.: 79) where earnings were low. Consequently, and in line with the (initial) intention of migrant workers to return home and to maximise their income in order to improve their material situation at home (i.e. through remittances), this meant that migrant workers had to work extremely long hours.

The official restrictions placed upon the employment of (foreign) migrant workers also contributed to their labour market position, not only in terms of limiting the length of contract, but also by restricting changes in occupation and internal mobility. As noted above, these restrictions were aimed at providing labour market flexibility so that, in the case of unemployment, migrant workers would be the first to lose jobs and be expelled from the country. While it was to prove difficult to enforce such expulsions (notably in France and Britain), it was the case that, despite their youth, higher levels of activity and their willingness to take jobs others had rejected, migrants suffered higher levels of unemployment than indigenous workers. Moreover, this vulnerable position within the labour market was reinforced by discriminatory practices among employers, other workers and sometimes unions, to avoid recruiting migrant workers or to maintain them in subordinate posts. Significantly, it was argued that such discriminatory practices in the UK were based upon an assumption that migrant workers were 'undesirable and their employment is merely an unfortunate necessity ... [and] ... that they are not regarded as suitable for better work' (Castles and Kosack, 1973: 108–109).

By examining the labour market position of migrant workers from a comparative perspective, Castles and Kosack provide a useful framework for historical analysis, focusing upon the characteristics of the migrant workers, their employment patterns and location within job hierarchies (of segmented labour markets) and the way in which their position is determined

both by state migration policies and, in many cases, by negative perceptions of migrant workers.. Using this framework, the following section will examine contemporary migration trends that affect the UK within the European Union.

8.4 Migration to the UK from the European Union: Contemporary developments

Before examining in detail developments in migration patterns since the accession of the A8 countries to the European Union in 2004, it is important to provide some overview of the changes that occurred in the interim period from the end of the economic boom. While it is impossible to provide any detailed analysis within the confines of this chapter, it is necessary to highlight a number of developments that helped to shape the contemporary period.

First, the period of economic boom, like all good things, came to an end as the international economy experienced the oil shocks of the 1970s and the end of the Bretton Woods system of exchange rate controls. National governments struggled to maintain the 'holy family' of economic growth, high levels of employment and welfare capitalism and the Keynesian economic policies that dominated the post-war political settlement came under attack from a resurgent free market approach, championed by the Chicago School (Harvey, 2007). Consequently, neo-liberal economic doctrines have increasingly influenced policy-makers, especially following the collapse of the communist regimes of the Soviet Union and Eastern Europe. Without an alternative economic model, there has been a widespread, if gradual, shift towards policies of deregulation at international ('free' trade agreements and the internationalisation of financial services) and national (marketisation and privatisation) levels within an international framework (e.g. the Single European Market).

Within this wider liberal economic framework – and facilitated by the phenomenal advances in transport, technology and communications – there have been significant pressures placed upon employers to restructure their production or service provision, and upon governments to provide competitive business environments within which these employers operate, for fear of the relocation of production and, increasingly, services overseas (Eironline, 2006). However, within this process of intensified market competition, an important set of analyses have emerged which highlight the different ways in which national capitalisms have adapted to this business environment (Crouch and Streeck, 1997), focusing upon the 'varieties of capitalism' debate (Hall and Soskice, 2001) and the scope for distinctive institutional and public policy responses. This is important, to the extent that the economic structures of west European states, following a broadly similar expansion of manufacturing in the post-war boom period, may (within an overall trend toward a service based economy) retain or relinquish sections of the industrial base and are more likely to experience differences between each other in terms of short-term economic cycles.

Second, the economic crises of the 1970s led to the ending of mass migration into Western Europe based upon the migrant worker model. However, as analyses of the ethnicities and 'foreigners' within the structure of west European states indicate, the process of migration became one of immigration and settlement, with subsequent migration into west European states following patterns of family reunification. Subsequent studies highlight the continuing disadvantage of ethnic minorities and those of foreign birth (and the second and third generations of these groups) within the labour market and wider society (see, for example Wrench and Solomos, 1993).

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At the same time, the growth of the EEC to twelve states by 1986, saw the inclusion of former emigration (Ireland, Spain, Portugal and Greece) and destination (the UK) states within the freedom of movement provisions, changing the status of immigrants from these countries within their countries of settlement (within the EEC). It was also the case that with the expansion of the economies, some new member states have 'experienced mutating in status from being predominantly a sending to being a receiving country' (Menz, 2009: 27). Following the creation of the European Union, upon the ratification of the Maastricht Treaty in 1993, three further states (Sweden, Finland and Austria) also joined the EU in 1995. The free movement of workers also applies to the countries outside the EU, but within the European Economic Area (Iceland, Liechtenstein and Norway) as well as Switzerland. Thus, to a significant extent intra-European migration now falls within the scope of the freedom of movement articles of the EU, and is frequently referred to as mobility (within the single market) rather than migration. The collapse of communism also led the EU to adopt policies of further enlargement and to address the issues of freedom of movement for new member states including those from central and Eastern Europe.

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Finally, it is important to note a shift in EU policy in respect of political and economic migration. Policy has been reformulated to emphasise the need for extra-EU migration to address bottlenecks in labour supply and contribute to the promotion of competitiveness. This, Menz (2009: 30–35) argues, is cast in terms of attracting more highly skilled migrants into the EU, but effectively means acquiring the skills these migrants have developed in their country of origin (sometimes referred to as 'brain drain') and relieving some of the pressures on the funding of higher education, vocational education and training systems. At the same time this does not preclude the continued use of migrant workers from outside of the EU to address low skilled, low wage work where shortages may appear. However, the key shift in policy within the EU, is to promote economic migration while also denigrating 'noneconomic channels of migration, including largely humanitarian avenues of access' (ibid.: 31), reflecting a reactionary response to the pressures of asylum claims following protracted conflicts in the Middle East and Africa.

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It is against this political and economic background that the second substantive phase of migration within Europe occurred. Following the succession of the A8 countries to the EU in 2004, only three of the 15 established member states (EU15) opened their labour markets up

to citizens from these countries (UK, Ireland and Sweden) with other countries using transitional measures for up to up to seven years to limit migration from the A8 states. In view of the limited opening up of EU15 labour markets at the point of accession and the complexities surrounding migration patterns since the end of the 1970s, the remainder of this section will focus upon the relative impact of A8 migrants on the UK labour market. The UK is the country that has absorbed the largest number of A8 workers, with estimated numbers rising from around 200,000 in 2005 to 600,000 during the economic crisis in 2008, and increasing again to over 700,000 by 2010 (Galgoczi et al., 2012: 11). However, it should also be noted that A8 migrants still constitute a minority in the UK, smaller in proportion than both EU15 and non-EU immigrants (Bettin, 2012: 52).

It should be noted that at the time of accession, the UK economy was in a strong position. During 2004 the economy grew by 3.1 per cent, with fourth quarter data indicating an inflation rate of 3.4 per cent (RPI), wage growth at 4.3 per cent (average earnings) and economic activity levels at 74.9 per cent. The economy was also experiencing low unemployment rates (4.7 per cent using the ILO unemployment rate) leading the ONS (2005: 6) to report that 'the labour market is tight by recent historical standards [and] ... there continues to be little sign of much change in the overall market'. These conditions explain the support for the opening up of the labour market to workers from accession states, as migrant workers could be used to fill gaps created by skill or labour shortages.

Returning to the themes explored by Castles and Kosack (1973) above, the structure of the A8 migrant population in the UK can now be examined. First, in relation to the characteristics of migrant workers, Bettin (2012: 51–61) uses quarterly Labour Force Survey (LFS) data for the UK between 2006 and 2010 to observe that A8 nationals were predominantly young, with those under 35 constituting 82.6 per cent of migrants in 2006 and 75.1 per cent in 2010. However, in contrast to the period examined by Castles and Kosack, there was a high degree of gender equality among migrants, with females constituting 47.1 per cent of A8 migrants in 2006, rising to 51.0 per cent in 2010. In terms of economic activity, A8 migrants had persistently high activity rates over 80 per cent, being relatively unaffected by the economic crisis. This was higher than UK nationals, which fell from 73 per cent in 2006 to 70.5 per cent in 2010, and non-EU nationals whose activity rates were around 10 per cent below those of UK nationals. While activity rates mirror the findings of Castles and Kosack, a striking difference emerges when estimating for the skills and qualifications of A8 migrants. Using the length of formal education as a measure, a higher proportion of A8 nationals completed their formal education after the age of 21 years, compared to UK nationals (25.8 per cent).

In relation to the labour market, a similar argument can be made to that of Castles and Kosack relating to the importance of A8 migrant workers to the UK based upon the occupational

⁷ Malta and Cyprus also joined the EU on this date, but the small size of their respective populations meant that transitional measures were not applied to these economies in terms of freedom of movement.

structure of their work. McCullum and Findlay (2011) undertook an analysis of the WRS data available.⁸ They found that there were concentrations of A8 workers in certain sectors, notably construction, hotels and catering, agriculture, and food processing, and manufacturing. Unfortunately, the largest category recorded under WRS was administration, business and management, but this category is highly problematic as it contains employment agencies, which employ many A8 workers in organisations in different sectors (frequently those listed above). When controlling for this distorted data, McCullum and Findlay assess the relative importance of A8 workers to each sector, highlighting a number of 'migrant dense' sectors. For while A8 workers, based upon WRS registrations, constituted 3.8 per cent of total employee jobs in June 2010, they constituted 40.3 per cent of jobs in agriculture and 10.4 per cent of jobs in hospitality.

These data are supported by other research using the LFS. In a report to the TUC *Commission on Vulnerable Employment*, Jayaweera and Anderson (2008: 20) highlighted that A8 migrants were disproportionately concentrated in manufacturing and within the low wage and low skilled sections of the labour market. While 22 per cent of recent migrants were in elementary occupations (compared to 12 per cent in the entire LFS sample), 37 per cent of migrants from A8 countries were in elementary occupations. Further, when examining WRS data (2004–2007) for occupations, rather than sector, they found the largest numbers of registrations were as process operatives, followed by warehouse operatives, packers and kitchen and catering assistants.

Echoing the work of Castles and Kosack (1973), these data highlight that the work undertaken by A8 migrant workers falls within a number of key sectors, is usually unskilled and located in the lowest segments of the labour market (see, for example, Hamilton and McCabe, Chapter 7 this volume), representing either temporal labour shortages as in agriculture, or full time positions which employers had difficulty in filling from the existing labour force. Crucially, there has been a significant mismatch between the education and skills of A8 migrant workers and the work they undertake. According to Bettin (2012: 59) in 2010 the LFS indicated that 56 per cent of UK nationals undertook white collar work, whereas those workers from A8 countries, despite higher education levels, were disproportionately located within blue-collar jobs (82 per cent).

When looking at working hours, Jayaweera and Anderson (2008: 29) – interpreting LFS data – argue that (all) migrants worked longer hours per week; 55 per cent of recent migrants

⁸ The WRS was a scheme set up by the UK government under the transitional measures to register A8 migrants who were employed (rather than self-employed) and was used to limit certain entitlements to benefits until a specified period of work had been undertaken. While there are questions as to the coverage of WRS data in terms of total A8 migration and issues of data sets remaining up to date (to track changes in jobs), the data remained 'the most detailed information source on the temporal, spatial and sectoral trends in A8 labour migration' (McCullum and Findlay, 2011: 11) prior to its closure in April 2011.

worked 31 to 48 hours (compared to 48.3 per cent in the whole sample) and 15.4 per cent (compared to 13 per cent) worked more than 48 hours. However, they also identify that recent migrant workers on temporary contracts were more likely to work fewer than 31 hours per week. When analysing data from a range of sources they argue 'that there are important differences between A8 nationals and others, with recent entrants from A8 states nearly twice as likely to work more than 48 hours, and nearly four times less likely to work less than 31 hours' (ibid.: 32). While the evidence of long working hours resonates with the arguments of Castles and Kosack, the potential under-employment of A8 workers in terms of working hours could highlight the different economic conditions post-accession. In particular, employers in the UK are able to legally utilise migrant workers on a range of flexible contracts to reduce costs and link employment (in terms of levels and hours) closely to patterns of labour demand.

Castles and Kosack observed that a combination of legal regulation and collective bargaining through unions has meant that migration into Western Europe had not driven down pay levels in the period under investigation, but there is evidence to suggest the vulnerability of A8 migrant workers in respect of pay. Here Jayaweera and Anderson (2008: 39), recognising that WRS data is prone to under-estimate under-payment, still observe that in the period January to September 2007 of the 157,410 new registrations 5,655 reported (3.6 per cent) being paid under the National Minimum Wage that applied to them (at that time £5.35 an hour for workers aged 22 and over). More significantly, they observe that following the Low Pay Commission's investigations into a sample of firms between November 2004 and December 2006, 20 per cent of those selected were found to be non-compliant with minimum wage legislation and arrears of £144,000 were identified for 1,171 workers. These data, taken with smaller data sets lead Jayaweera and Anderson to argue:

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The likelihood of getting paid less than the minimum wage was greater for younger migrants, those from A8 and A2 countries, those with lower levels of English proficiency, women and those in more 'migrant dense' sectors such as hospitality, agriculture and construction. Given that large proportions of migrant workers fall into these categories, these patterns reinforce their vulnerability in employment (ibid.: 40).

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While the official restrictions placed upon the employment of A8 migrant workers could not be enforced under EU freedom of movement provisions, an important development in the employment of migrant workers was the extensive use of temporary contracts and employment agencies by employers utilising A8 workers (MacKenzie and Forde, 2009). In many ways the ability to maintain temporary contracts or to delegate responsibility for employment to employment agencies has provided the flexibility in employing A8 workers that previous (and continuing) legal restrictions for migrant workers ensured. The weakness of regulations in respect of agency working have been highlighted by the TUC (2013), while there are examples of incorrect payments and additional deductions from wages for A8 workers employed through agencies (Jayaweera and Anderson, 2008) especially where the employment also included accommodation (French and Mörke, 2007).

Despite evidence of the concentration of employment in specific sectors and the poor employment conditions applied to A8 workers, it is important to note that in stark contrast to the evidence of the taste for discrimination highlighted by Castles and Kosack (1973), employers have frequently praised the work ethic of A8 workers (and exhibited preference in selecting A8 workers over existing unemployed British nationals and other available migrant workers) as well as their transparent legal status (French and Mührke, 2007). This may help explain, in part, why activity rates among A8 nationals have remained high despite the economic crisis in the UK (Bettin, 2012).

The recession has, however, had an impact upon migration patterns. While activity rates among A8 nationals have remained high, there is evidence of a change in the relative levels of A8 migrants between countries. While data sources in the UK are unable to accurately measure migrants leaving the country – and have had to rely upon observing the fall in new WRS registrations and national insurance numbers (McCullum and Findlay, 2011) – LFS data for Poland indicates significant return migration, reflecting the improved economic position in Poland, unemployment in the UK or the lack of opportunities of skilled migrants to secure better jobs and conditions within the UK (Anacka and Fihel, 2012). However, deteriorating economic conditions in Lithuania and Latvia have led migration to continue to the UK, while recent data also highlights the increasing use of Romanian and Bulgarian (A2) workers, even though their documented employment is limited to self-employment or alternative migration schemes under the period of transitional measures (Bettin, 2012).

8.5 Employers, the ‘function’ of migrant workers and the neo-liberal state

The historical overview provided by comparing A8 migrants to aspects of earlier migration into the UK highlights a number of key issues that help to develop a more nuanced understanding of policy objectives, employer aims and migration patterns. The comparison underlines the importance of the economic conditions in influencing public policy on migration due to problems in meeting demand for labour, and helps explain the decision to open the UK labour market to A8 nationals in 2004.

However, the impact of migration in the 1950s and 1960s and in the case of A8 migrants appears to be limited to key sections on the labour market, where labour shortages, rather than skill shortages, increase the demand for labour. The analysis of migration in both periods highlights the concentration of migration within specific sectors, with the jobs taken in these sectors typically low-skilled and low wage jobs. While it is important to note additional migration routes into the UK for skilled migrants do exist, the extensive use of A8 migrants in these sectors and jobs raises wider theoretical issues about the policy objectives of migration.

Here the relevance of Castles and Kosack's (1973) concept of the 'function' of migrant workers within international capitalism regains saliency. Migration policy is key to securing workers to meet labour demand and crucially to maximise productivity, at least in the short-term. While maximising productivity was harder to secure for UK employers in the earlier period under investigation, in large part due to the effective regulation of labour markets through trade unions, the liberalisation of labour markets and the decline in the regulatory capacities of trade unions now provide employers with more scope to achieve this objective. Jayaweera and Anderson's (2008) research, notwithstanding its focus upon official data sources, highlights how a more flexible workforce can be achieved utilising temporal flexibility, minimal employment rights, long working hours and low, if not illegal, rates of pay. Even where employers do meet legal requirements, the scope to remould the workforce is significant. As French and M^hrke (2007) argue, a crucial factor for employers is not simply pay and conditions but reliability of migrant workers. With tight labour markets, employers have repeatedly raised the problems they perceive in securing reliable and hard-working British nationals to fill their vacancies and have embraced A8 workers and highlighted their work ethic. This not only secures increased productivity from the use of migrant workers, but should also be seen as a mechanism to 'rehabilitate' British nationals to employer norms of behaviour and effort: a significant function of A8 migrant workers.

While this analysis can clearly be related to the economic model of migration linked to push and pull factors, the issue of productivity raises more important issues of political economy. Further, as the chapter has outlined, the narrow economic model of migration does not fit closer scrutiny: historical migration patterns and the tensions that emerge within state policy (including EU policy) highlight the complexity of migration. Perhaps this is most apparent when considering the issue of the skills of migrant workers.

A distinctive issue to emerge from the study of A8 migrant workers is the apparent mismatch between the jobs they do and their education and skill levels. French (2012) has indicated that employers and employment agencies have shown little interest in assessing the skills of the A8 nationals, with a preference to use them to fill low-skilled jobs that meet immediate demands for labour. Similarly, the scope for recognising the skills and educational attainment of A8 workers is limited, with the body for assessing these (NARIC), run on a profit-seeking basis and charging for assessments. This lack of interest in migrant workers' skills appears difficult to explain given the traditional skills gap and productivity problems of British industry, and the explicit attempts to secure highly skilled migrant workers to address acknowledged skill shortages. It would appear to be characteristic of the uncoordinated approach of a liberal market economy, following the varieties of capitalism argument, with short-term employer interests in the productivity of over-skilled and educated workers pursued at the expense of utilising available skills across sectors and through capital investment and rationalisation.

This also has wider implications for labour market and public policy. Anderson and Ruhs (2010: 34–46) argue that employers' utilisation of migrant workers within low-wage and low-skilled sectors reinforces the current trajectory of the economy at the expense of alternative

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strategies: upskilling and improving pay and conditions for more productive workers; investment in technology to create less labour intensive production and service processes; and innovation in new products and sectors. Further, the implications of high activity rates for A8 workers post economic crisis (notwithstanding return migration to Poland) suggests that employer preferences for these migrants will influence employment patterns in migrant dense sectors. This has important consequences for addressing unemployment among UK nationals as well as skills policy within the UK, as the CIPD (2013) have recently pointed out. It also raises important social questions about the severe attacks upon benefits, notably those related to unemployment currently pursued by the coalition government, in terms of what the realistic opportunities for employment are during a persistent recessionary period and one where sectors previously requiring additional labour can source this from within the EU.

However, such strategies are also vulnerable to changes in migration patterns. The current evidence of return migration to Poland of higher educated workers highlights not only the potential loss of skills from the economy given high education levels across A8 migrants, but also suggests a more extensive process of return migration if, and when, other east and central European economies recover. Further, any assumptions by employers that A8 workers who remain in the UK will retain their 'work ethic' and culture of long working hours have to be questioned. With settlement, the establishment of families and a growing realisation that hard-work may not offer a passport to better jobs, the current working practices and norms may also change over time.

8.6 Conclusions

In this chapter the complexities of migration have been explored, highlighting a common theme within this book; that is, the difficulties of developing clear and coherent explanations of an increasingly 'messy reality'. However, it is argued that these complexities can be better understood if contextualised through historical analysis and by engaging with wider economic, legal and labour market debates. This is important for the discipline of management studies, which is often overly focused upon 'the organisation' and, following the postmodern turn, frequently weak in examining and valuing the material contexts that shape the activities of managers and workers.

By taking such an approach to the study of migration, comparative analysis has identified labour market practices that appear to be consistent over time, notably in relation to the sectoral concentration and the low-skilled nature of migrant workers' jobs as well as the limited prospects for advancement. A key distinction to emerge from analysing the contemporary migration of A8 workers is, however, the increased scope for employers to secure productive labour through utilising migrant workers in a deregulated liberal market economy. In this sense, employers in migrant dense sectors are able to extract profit by intensifying exploitation, at least in the short-term from their workers by utilising cheaper, more reliable and flexible migrant workers. Crucially, the use of migrant workers in these sectors also helps management shift the 'frontier of control' (Goodrich, 1921) further in their

favour, by using coercive comparisons with migrant workers to 'instill' into their workers new expectations in terms of behaviour and effort. This is a significant development within sections of the UK labour market, but as the chapter also argues these strategies place short-term aims ahead of more strategic utilisation of skills and productive forces, with wider political economic implications for the UK.

The potential for Polish migrants to leave the UK is a significant development in terms of migration to Western Europe, though not in the history of Poland itself (Anacka and Fihel, 2012). However, the growing availability of new migrant workers under the freedom of movement provisions, immediately from the A2 states, does provide employers with an alternative to employing A8 migrant workers, whether as a result of return migration or if the work ethic of A8 migrants is perceived to be faltering. In the absence of restrictions on migration within the EU and weak labour market regulation, this may explain the uncertainty and different estimates highlighted at the beginning of the chapter in relation to Romania and Bulgaria. While the chapter has not been able to provide more reliable estimates, it has hopefully provided a better explanation for such uncertainty.

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