



**Tackling joblessness and stagnation in low skilled work
among newly arrived immigrants in Europe**

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David Metcalf
UK Migration Advisory Committee

www.gov.uk/government/organisations/migration-advisory-committee

Facts

- Low skilled jobs (defined by ONS) accounted for 13 million jobs (16-64) in 2013, equivalent to 45% of total employment

- Migrants account for 2 million of these jobs (16%)

These 2m migrants split 60:40 non-EU:EU

	1997	2013
High skilled (000)	13,000	16,300
Migrant share (%)	8	14
Low Skilled (000)	13,500	13,400
Migrant share (%)	7	16

- Migrant shares have increased substantially in both low and high skilled occupations

- Major increase (3.3m) in absolute number of high skilled jobs

- MAC focus was impact of less skilled immigration on British residents. But the analysis can also be used to examine immigrants achievements / prospects

Positive finding re migrants

- 3.3m extra skilled jobs 1997-2013
Presumably some taken by migrants progressing from low to high skilled jobs and some (perhaps mainly EU8) by new inflow
- Objective evidence and employer attitudes to migrants
 - Migrants (on average) better educated i.e. more years of schooling
 - Employers state migrants superior to natives on e.g.
 - soft skills e.g. flexibility, team working, reliability ,
 - Work ethic e.g.. Live on site, unsocial hours,
 - Mobility, grease the wheels of the flexible labour market
- Progression to supervisory roles in organisation seen regularly on case study site visits e.g. horticulture, Pret a Manger, Next eg SAWS workers, repeat employees move up the jobs ladder

Reasons to be concerned about migrant progression

• Compliance with and enforcement of labour standards

Non-compliance impacts on both natives and migrants but our case study evidence suggests some migrants particularly vulnerable to exploitation e.g.

– National minimum wage

Employer can expect an inspection visit 1-in-250 years and a prosecution 1-in-1 million years

– Gangmaster licensing authority

Limited in scope, essentially horticulture. Why not extend to hospitality and construction?

Courts impose minor penalties

–Health and Safety

Concerns over houses in multiple occupation (HMO)

–Employment Agency Standard Inspectorate

Must enforce minimum standards if wish to promote flexible labour market, i.e. private sector union density now only 15%. Overall collective bargaining coverage under 30% (80% in 1980)

There has been a move from collective to individual labour rights. Is this sufficient?

Possible case for Labour Inspectorate?



•Hollowing out (job polarisation)

Refers to changes in the distribution of jobs between two points in time based on wage distribution at initial point

Since 2002

– rapid growth in:

- High wage occupations e.g. managers and professionals

- Low wage occupations e.g. retail assistants, care workers

– but employment in middle income occupations e.g. clerical, manufacturing significantly down; this may mean scope for progression limited

•Concentration of migrants

2001-2011 non-UK born population of England and Wales grew by 2.9 million

75% of this increase occurred in one quarter (95 out of 348) LAs

Therefore LAs need additional help to ease the transition

This is not directly labour market related but impacts indirectly e.g.

- English language provision

- enforcement of housing regulations

- provision of education and health facilities

Method of measuring labour market performance of immigrants

• Ideal method

Large panel survey that followed several waves of workers, both native and foreign born, over long enough time period to measure 'migrants' performance in real terms and relative to natives.

For UK such a panel does not exist: a 1% sample of employees based on national insurance numbers put together by DWP and ONS. But release of this data is sensitive so researchers have mainly pursued alternative methods.

• Cross section surveys (say 1980, 1990, 2000, 2010)

— average gap

on average, are wages or employment of migrants equal to natives?

— returns to experience in host country

How long does it take to adapt. May expect recent migrants to have worse employment and wage performance than long term migrants, because of e.g. language barriers, unfamiliarity with host country labour institutions

Include years in UK as explanatory variable

— long term relative growth rate

Closest in spirit to ideal, based on multi-wave panel survey