

Call for Evidence

**Review of migrant
employment in low-skilled
work**

Migration Advisory Committee

September 2013



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1. Introduction

- 1.1 In May 2013, the Minister for Immigration asked the Migration Advisory Committee (MAC) to advise on the issue of low-skilled work migration, the factors driving it and the resulting economic and social impacts. Specifically the Minister asked the MAC:

“...to consider the labour market, economic and social impacts on the UK and specifically on British workers, drawing on and updating earlier work in this area. In particular, the MAC is asked to research the growth of migrant labour, distinguishing where possible between EEA and non-EEA migrants, in low skilled sectors of the UK economy and the factors driving this.

In doing this, the research should address:

- (i) The extent to which, and the reasons why, employers actively choose to recruit migrant workers and through which channels.*
- (ii) Why these migrant workers are attracted to coming to work in the UK, and how the UK compares with other countries in this context.*
- (iii) The extent to which migrant labour fills gaps in the UK domestic labour supply for low-skilled work and whether the work they find is a match for the skills they bring.*
- (iv) Whether there are structural or cultural issues which inhibit the recruitment of UK-born workers, including issues such as motivations and attitudes to work. Consideration should also be given to the interaction of factors including skills, housing, education provision, the benefits system and the labour market regulation, with a view to making recommendations as to possible actions here.”*

- 1.2 The Minister asked the MAC to respond by the end of April 2014.

1.2 Partner engagement

- 1.3 To provide a response to the Government, the Committee is conducting its own economic analyses, has commissioned new research and will be reviewing existing literature. However, for many of the issues being investigated, the Committee will be heavily reliant on evidence from partners. **The Committee is keen to hear your views, evidence and experiences.**

- 1.4 The Committee would like to hear from any interested party. This includes **employers** who employ workers (both migrants and UK-born workers) in low-skilled jobs and **employees or job seekers** (both migrants and UK-born) in low-skilled sectors. We would like to speak to **local authorities and public service providers** who have views and experiences of the degree of impacts of migrant workers in their areas. We would also like to

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hear from **trades unions, representative bodies within low-skilled industries, migrant organisations, other experts and academics** and as well as **members of the public**.

- 1.5 This call for evidence document sets out a series of questions for partners designed to elicit contributions that the Committee would find particularly useful. It also provides some policy and data context and summarises how the Committee is considering the Government's question. Please circulate this document to anyone you think may have an interest. The call for evidence document is available on our [website](#).
- 1.6 Speaking to partners, visiting workplaces, listening to the opinions of experts, employers, service providers and workers themselves is crucial to how the Committee gathers evidence. It puts the data analysis and literature into context and provides 'real-life' perspectives, revealing issues that cannot be understood through desk-based research alone. Please contact the MAC secretariat if you can help with this by hosting an event or meeting with the Committee to share your views and experiences.
- 1.7 The Committee wants to ensure that it receives evidence from all the key sectors employing people in low-skilled jobs. It has commissioned researchers from the Warwick Institute of Employment Research to investigate selected sectors with high levels of low-skilled jobs, namely: construction, accommodation and food services, care and retail sectors (see Section 7 for more details).
- 1.8 The Committee welcomes further evidence from these sectors. However, in order to cover as many of the key sectors as possible, the MAC would particularly like to speak to and receive evidence from employers involved in **cleaning services** and those that employ **process operatives** i.e. machinists in food processing, textiles, chemical or plastics processing or metal making.
- 1.9 The Committee will host open events in London and in other regions of the UK in order to discuss the commission with partners and to hear their views. So far, the events listed below are planned, but the Committee is also keen to meet with partners in other areas, especially to meet employers.
 - 2 Marsham Street: Friday 18 October (afternoon)
 - 2 Marsham Street: Tuesday 29 October (afternoon)
 - Scotland (Edinburgh): Late October – date to be decided
- 1.10 If you wish to attend one of these or would like to meet with the Committee, or can host a meeting with other interested partners, please contact the MAC secretariat.
- 1.11 The deadline for submission of written evidence is **13 December 2013**.

2. Questions for partners

- 2.1 The Committee will be relying on a number of sources of information to address the questions set by the Government and the evidence from partners will be a vital part of this evidence base. Table 1 details questions for partners and describes what issues the Committee is investigating with each question in order to help partners provide relevant evidence.

Table 1: Questions for partners	
Questions for partners to answer	What is the Committee investigating with this question?
Questions for all partners	
Have migrants (EEA and non-EEA) doing low-skilled jobs had an impact on the economy, specifically the following (please give examples): - local employers and businesses; - national economy?	<i>What is the overall effect of international migration on local communities? How does it impact on the wellbeing of existing residents? Are these likely to be short or long term effects?</i>
Have migrants (EEA and non-EEA) doing low-skilled jobs had a social impact, specifically the following (please give examples): - the demand on health services, education, housing, social care and policing; - the delivery of health services, education, housing, social care and policing?	
Are there factors that impact on someone's likelihood to take up low-skilled work which affect UK-born and migrant workers differently?	<i>How are UK-born workers competing for jobs affected by attitudes and incentives to work? In particular what is the role of the benefits system and mobility linked to the housing market? Have UK-born workers got different skills/ lack skills compared to migrants?</i>
Questions for employers and employment agencies	
Where and how do you recruit workers for low-skilled jobs? Is there any difference to how you recruit migrants (EEA and non-EEA) compared to UK workers?	<i>Is there an employer preference for migrants? What recruitment methods are used? What is the role of informal networks (friends and family) and agencies (in the UK and abroad) in the recruitment of migrants and UK-born workers?</i>
Does your organisation experience problems recruiting people for low-skilled jobs? Why?	<i>Are there labour/skills shortages? Why? How are employers affected in areas with high migration compared to areas of low migration? What is the role of vocational training?</i>
What skills do you require of low-skilled workers? How are these best acquired?	

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Table 1: Questions for partners

Questions for partners to answer	What is the Committee investigating with this question?
What would you do if you were not able to recruit migrants (EEA and non-EEA) for low-skilled jobs?	<i>If migrant workers were not available, would the work be done by UK-born workers at the same/ higher wages? Or, would the work not get done (because of mechanisation, change in work processes, or because the business would no longer be viable)?</i>
What are the advantages and disadvantages of: - employing migrants (EEA and non-EEA) in low-skilled jobs? - employing UK-born workers in low-skilled jobs?	<i>What is the role of skills and other factors (soft skills, attitudes etc)? Are migrant workers overqualified for the work they are doing? What is the impact on productivity? What would it take to hire UK-born workers instead?</i>
Questions for employees and jobseekers (UK-born and migrants)	
Please tell us about your experiences of looking for work and working in low-skilled jobs, especially in relation to competition for jobs, working conditions and factors affecting your decision to take up or reject offers of low-skilled work.	<i>What are workers' experiences of competition for jobs, attitudes and incentives to work, the role of the benefits system and mobility related to housing? How do domestic arrangements, for example childcare, impact on decisions? What investment have people made/ are they prepared to make in their skill levels, e.g. vocational training?</i>
Has the increase in low skilled migrants had an impact on your pay, hours or working conditions?	<i>Impacts on pay and conditions.</i>
Migrant workers: Why did you choose to work abroad? Why did you choose to come to the UK in particular? Do you plan to stay in the UK? Do you plan to return to your home country? Why?	<i>What factors affect migrants' decisions?</i>

3. Contact details

3.1 Please send your responses to the MAC Secretariat at:

mac@homeoffice.gsi.gov.uk

Migration Advisory Committee
2nd Floor
Fry Building
2 Marsham Street
London
SW1P 4DF

- 3.2 If you are interested in meeting with some of the Committee members and the MAC Secretariat, please contact us via email or telephone.

MAC Secretariat telephone: 020 7035 8117/ 1764

Please submit your evidence by 13 December 2013.

Please note that we may quote evidence received, attributed to the individual or organisation that supplied it, in our published report unless we are explicitly asked not to.

4. Background information

- 4.1 This section provides some context which partners might find useful when considering the questions listed above. It provides information on:

- definitions of the terms migrant and low-skilled jobs;
- recent trends in migration and employment in low-skilled jobs;
- the immigration policy context; and
- the Committee's approach.

- 4.2 Annex A provides a list of all occupations classified as low-skilled for the purposes of this work.

4.1 Definitions of migrant and low-skilled jobs

Definition of a migrant

- 4.3 Migrants are usually defined as either foreign born (all individuals born outside the UK, regardless of their current citizenship) or as a foreign national (those who do not hold UK citizenship). Both categories can be further distinguished into those who have resided in the UK long-term and recent migrants, as well as those born abroad who have since acquired British citizenship.

- 4.4 For this work, unless otherwise specified, migrants are defined as people born outside the UK, who have been, or plan to be, in the UK for a period greater than 12 months.**

- 4.5 The Committee recognises the limitations of the definition: clearly someone born abroad, but who has been living and working in the UK for 30 years, will have a different set of impacts compared to a newly arrived migrant. The migrant definition will therefore be adopted with some flexibility. **The Committee is most interested in investigating the impacts of migrants who have arrived since the early 1990s.**

- 4.6 The commission from the Government asks that the Committee, where possible, separates out the trends and impacts associated with low-skilled migration from the European Economic Area (EEA) and from non-EEA

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countries. This distinction is useful for policy makers given the different levels of immigration control that apply to these groups. The Committee will seek to provide this information where possible, although separating the impacts of different groups is not always easy.

- 4.7 Different data sources use different definitions and groupings of countries, often reflecting changes in the composition of which countries are members of the EEA. Table 2 below explains the groupings used:

Table 2: Migrant groups

EEA	EU	(Acceded in 2013)		Croatia			
		A2 (acceded in 2007)		Bulgaria Romania			
		A10 (Acceded in 2004)		Cyprus Malta			
			A8	Czech Republic Estonia Hungary Latvia	Lithuania Poland Slovakia Slovenia		
		EU 15		Austria Belgium Denmark Finland France Germany Greece Ireland	Italy Luxembourg Netherlands Portugal Spain Sweden United Kingdom (UK)		
	Iceland, Liechtenstein and Norway: not members of the EU, but nationals of these countries the same rights to enter, live in and work in the UK as EU citizens.						
Switzerland: not in the EEA but Swiss nationals have the same rights as EEA nationals.							
Non-EU		BRICS		Brazil Russia India		China South Africa.	
		OECD non-EU		Australia Canada Chile Iceland Israel Japan Korea		Mexico New Zealand Norway Switzerland Turkey United States of America	
		Other non-EU		All other countries			

The country groupings for non-EU are presented purely for illustrative purposes. The OECD is an association of non-EU advanced economies established to promote economic growth and trade. Emerging economies such as Brazil, Russia, India, China are commonly grouped together as BRIC economies as they share similar characteristics such as high economic growth rates.

Defining low-skilled jobs

- 4.8 There is no single, objective measure of skill level. A variety of concepts have been used to try to categorise jobs and employees by skill level including wage levels, education levels and characteristics of the job. For this work, low-skilled jobs are identified by using the classification system devised by the Office of National Statistics (ONS), namely the Standard Occupation Classification (SOC) system.
- 4.9 The SOC system is revised and updated periodically to reflect the changing composition of job roles in the UK economy: the most recent version is SOC 2010. This segments the labour market into 369 detailed occupations, each with a unique 4-digit code. Similar occupations are grouped into 3-digit codes and these are grouped again into 2-digit codes and 1-digit codes, so there are four levels of aggregation of occupations within the SOC.
- 4.10 In addition, each occupation is assessed and assigned one of four skill levels according to the time deemed necessary for a person to become fully competent. This includes time needed to obtain required formal qualifications, on-the-job training and experience. For example, a job such as postal worker is designated as SOC skill level 1. This is because competence is usually acquired by the end of compulsory education, with only short periods of on-the-job training and familiarity with health and safety regulations required. Table 3 below details the SOC skill levels and provides examples of associated occupations at the SOC 2 digit level.
- 4.11 **For this work, low-skilled occupations are primarily defined as being SOC skill level 1 and 2.**
- 4.12 Of the 369 occupations at the 4-digit level, 140 are classified as low-skilled. At the 2-digit level, ten of the 25 occupations are classified as low-skilled. The complete list of SOC 4-digit occupations classified as low-skilled can be found in **Annex A**.

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Table 3: ONS SOC skill levels

SOC skill level	Definition	2-digit SOC codes	Examples of job titles
Low-skill			
1	Competence associated with a general education, usually acquired by the time compulsory education is completed (aged 16). Jobs at this skill level may require short periods of on-the-job training and knowledge of health and safety regulations.	91: Elementary trades and related occupations 92: Elementary administration and service occupations	Postal workers, hotel porters, cleaners and catering assistants.
2	Same level of competence associated with a general education as level 1, but jobs at this level typically require a longer period of on-the-job training and/or work experience.	41: Administrative occupations 42: Secretarial and related occupations 61: Caring personal service occupations 62: Leisure, travel and related service occupations 71: Sales occupations 72: Customer services occupations 81: Process, plant and machine operatives 82: Transport and mobile machine drivers and operatives	Machine operators, drivers, caring occupations, secretarial and retail occupations.
High- skill			
3	Generally require knowledge associated with post-compulsory education, but not normally to degree level. Some jobs at this level will not require formal qualifications or vocational training, but will instead require a significant period of work experience.	12,31,32,33, 34,35,51,52, 53,54	Skilled trades, protective service occupations (e.g. police, prison, fire officers), associate professionals (e.g. IT technician, paramedic).
4	Relates to professional occupations and high level managerial positions in corporate enterprises or national/local government. Occupations at this level normally require a degree or equivalent period of relevant work experience.	11,21,22,23, 24	Teachers, medical professionals, science professionals, senior managers.

Source: ONS SOC 2010 volume 1

5. Data context

5.1 This section presents the data context behind the questions being asked by the MAC. Specifically it highlights:

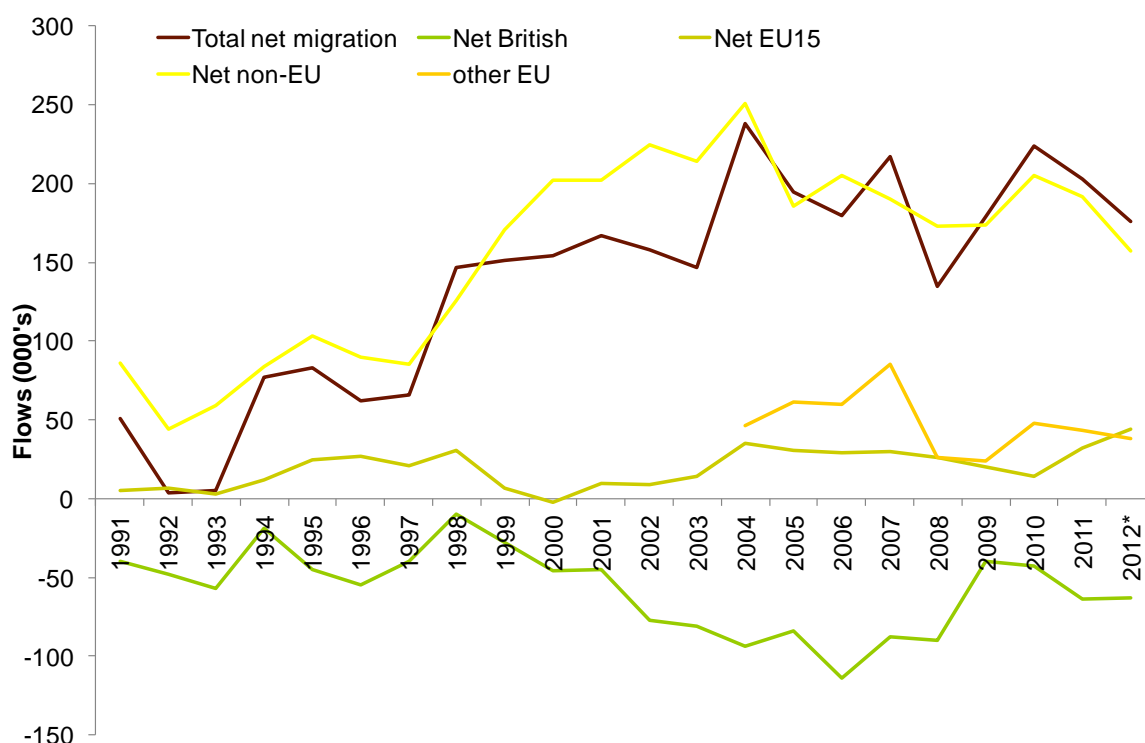
- the increase in immigration and net migration to the UK over the last two decades;
- the uneven pattern of settlement of migrants across the UK;
- the extent to which these migrants have taken up low skilled work; and
- immigration trends since 1991.

5.2 Figure 1 presents trends in net migration from EU and non-EU countries since 1991. Over this period there have broadly been two marked increases in net immigration to the UK. The first originated from non-EU countries during the mid 1990s and peaked in 2004, though it has fallen back again since. Following expansion of the EU in 2004, net migration increased further, and rose again in 2007 with the A2 accession. In 2012 net migration flows were 176,000 (provisional estimate), 20 per cent higher than in 2003.

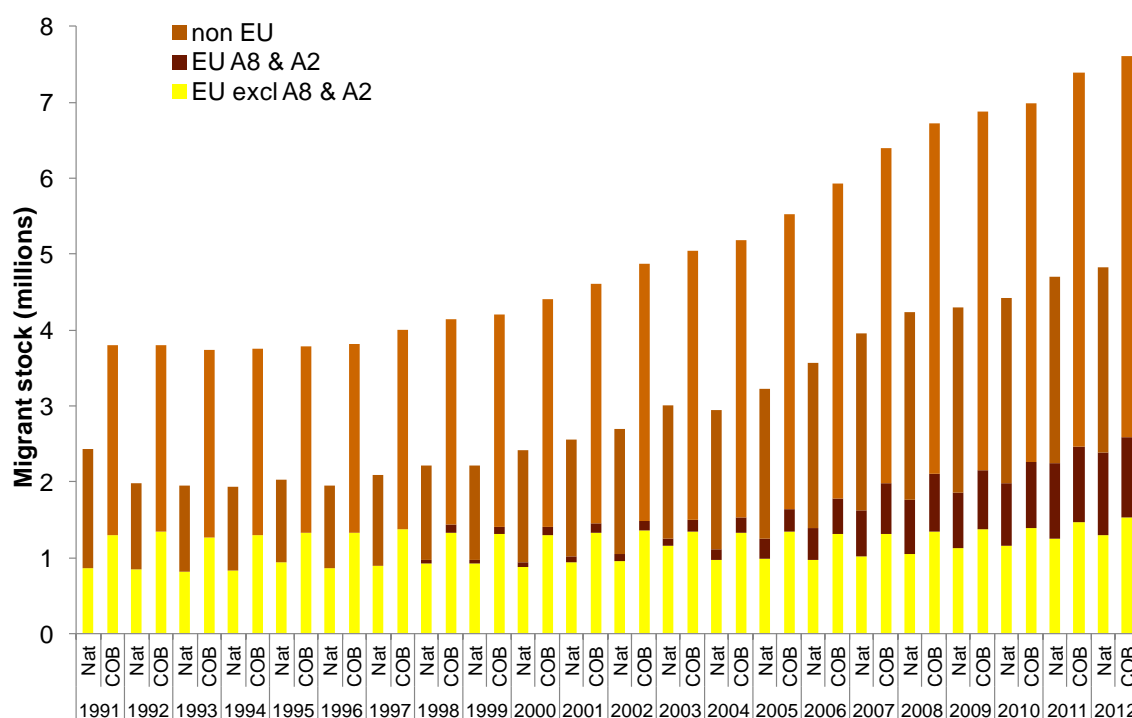
5.3 This increase in net migration flows can then be seen in terms of the effect it has had on migrant stocks. Figure 1 presents this for the period 1991 to 2012 both in terms of nationality and country of birth. This distinction matters because a large share of migrants born outside of the EU have since acquired British nationality.

Figure 1: Flows and stocks of migrants, 1991 to 2012

Flow of migrants



Stock of migrants by nationality and broad region of birth



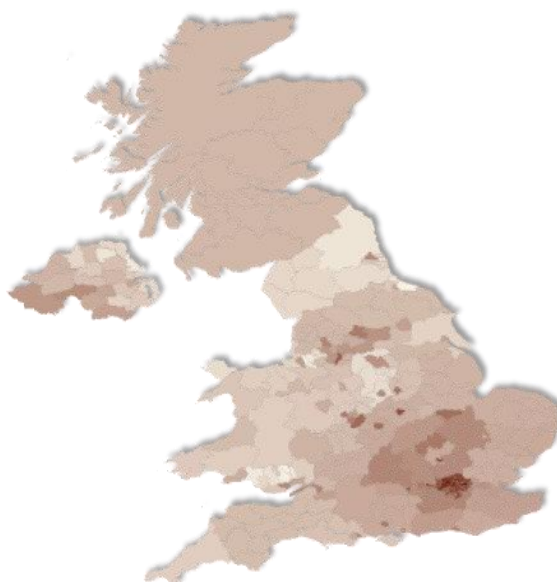
Notes: Nat: Data on migrant stocks by nationality, COB: Data on migrant stocks by country of birth. Data on stocks computed as an average of quarterly data, except for 1991 where annual levels were only available. Provisional figure for flows, year-ending December 2012. Stock of migrants does not include EU migrants from the following countries for the period 1991 to 1997: Croatia; Estonia; Lithuania; Latvia; and Slovenia.

Source: Labour Force Survey, LTIM

5.1 Migrant settlement across the UK

- 5.4 Migrants have not settled evenly across the UK. Figure 2 uses data from the 2011 census to illustrate the geographical distribution of migrants by using the ratio of non-UK born to UK-born individuals. This ratio is highest in London, particularly in four local authorities: Brent; Newham; Westminster; and Kensington and Chelsea, for which the ratio is greater than one, i.e. there are more non-UK born individuals than UK-born. Outside of London, some areas are more densely populated with migrants than others; Slough and Leicester have a migrant to UK-born ratio of over 0.5, which means there is at least one non-UK born for every two UK-born individuals. In contrast, local authorities in Wales have much lower migrant to native ratios with the majority below 0.05, which means there are less than 5 migrants per 100 natives.

Figure 2: Geographical distribution of migrants by ratio of non-UK born to UK-born individuals



Scale: Migrant to native ratio

Minimum: 0.02

Maximum: 1.23

Notes: Migrant status defined on the basis of country of birth. Non-UK born to UK born ratio computed for Scotland using aggregate statistics as data at the local authority level were unavailable. Data have been logged for the purposes of illustrating heterogeneity across local authorities. Figures shown on the scale are actual unlogged foreign-born to UK-born ratios.

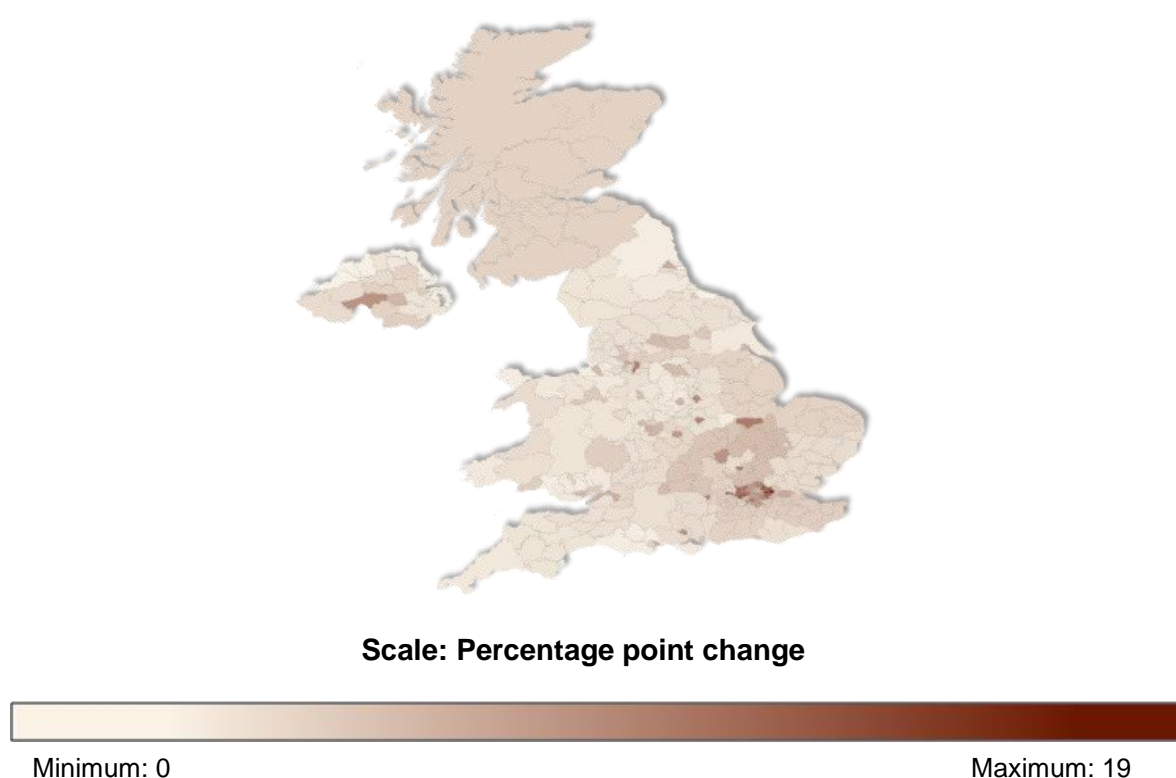
Source: UK census of population, 2011

- 5.5 Figure 3 shows percentage point changes in the foreign-born share of local population over the last census period, 2001 to 2011. The areas that have seen the greatest change generally correspond to the areas that had a high non-UK born to UK-born ratio in 2011. For instance Barking and Dagenham has seen an increase in the foreign-born share of local population of almost 20 percentage points; 72 per cent of this change can

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be attributed to non-EU migrants. Similarly, the foreign-born share in Newham increased by around 16 percentage points. Outside of London, Slough and Luton saw the largest increase in foreign-born share of local population of 15 and 11 percentage points respectively. Local authorities in Wales showed the least change in migrant shares.

Figure 3: Geographical distribution of change in non UK born individuals to local population, 2001 to 2011



Notes: Migrant status defined on the basis of country of birth. Change computed for Scotland using aggregate statistics as data at the local authority level was unavailable.
Source UK census of population 2011 and 2001

5.2 Migrants in low skilled occupations

- 5.6 Table 3 shows that in 2012 in the UK, when compared to other groups, migrants born in the A8 and A2 countries were more likely to work in low-skilled occupations. However, taking into account the total employment stock, the actual number of workers in low-skilled occupations born in the A8 and A2 countries is lower than the numbers born in the UK or in non-EU countries.

Table 3: Total employment and percentage in low-skilled occupations in the UK by region of birth, 2012

Country of birth	Total employment stock (000s)	Percentage in low-skilled occupations
UK	24,516	46
EU (excluding A8 & A2)	744	35
A8 and A2	783	68
OECD (non-EU only)	384	25
BRICS (non-EU)	622	41
Other non-EU	1,589	51
Total	28,637	46

Note: Total employment stock is based only on individuals aged 16 to 65 for whom a SOC code and country of birth could be assigned. OECD non-EU includes Australia, Canada, Chile, Iceland, Israel, Japan, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey and United States of America. BRICS includes Brazil, Russia, India, China and South Africa.

Source: Labour Force Survey (2012)

- 5.7** Data in Table 4 show that A8 and A2 born migrants in the UK are more likely to be in work (an employment rate of 79 per cent). By contrast, less than 60 per cent of those born in other non-EU countries were working, reflecting their higher unemployment and greater rate of inactivity (those neither in work nor looking for work).

Table 4: Labour market status in the UK by region of birth, 2012

Country of birth	In employment (percentage)	ILO Unemployed (percentage)	Inactive (percentage)
UK	24,655,000 (70.9)	2,106,000 (6.1)	8,035,000 (23.1)
EU (excluding A8 and A2)	749,000 (71.1)	68,000 (6.5)	236,000 (22.4)
A8 and A2	785,000 (79.1)	59,000 (6.0)	149,000 (15.0)
OECD (non-EU only)	385,000 (70.2)	27,000 (4.9)	136,000 (24.9)
BRICS (non-EU)	624,000 (69.4)	52,000 (5.8)	223,000 (24.8)
Other non-EU	1,600,000 (59.0)	218,000 (8.0)	892,000 (32.9)
Total	28,798,000 (70.2)	2,531,000 (6.2)	9,670,000 (23.6)

Note: OECD non-EU includes Australia, Canada, Chile, Iceland, Israel, Japan, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey and United States of America. BRICS includes Brazil, Russia, India, China and South Africa.

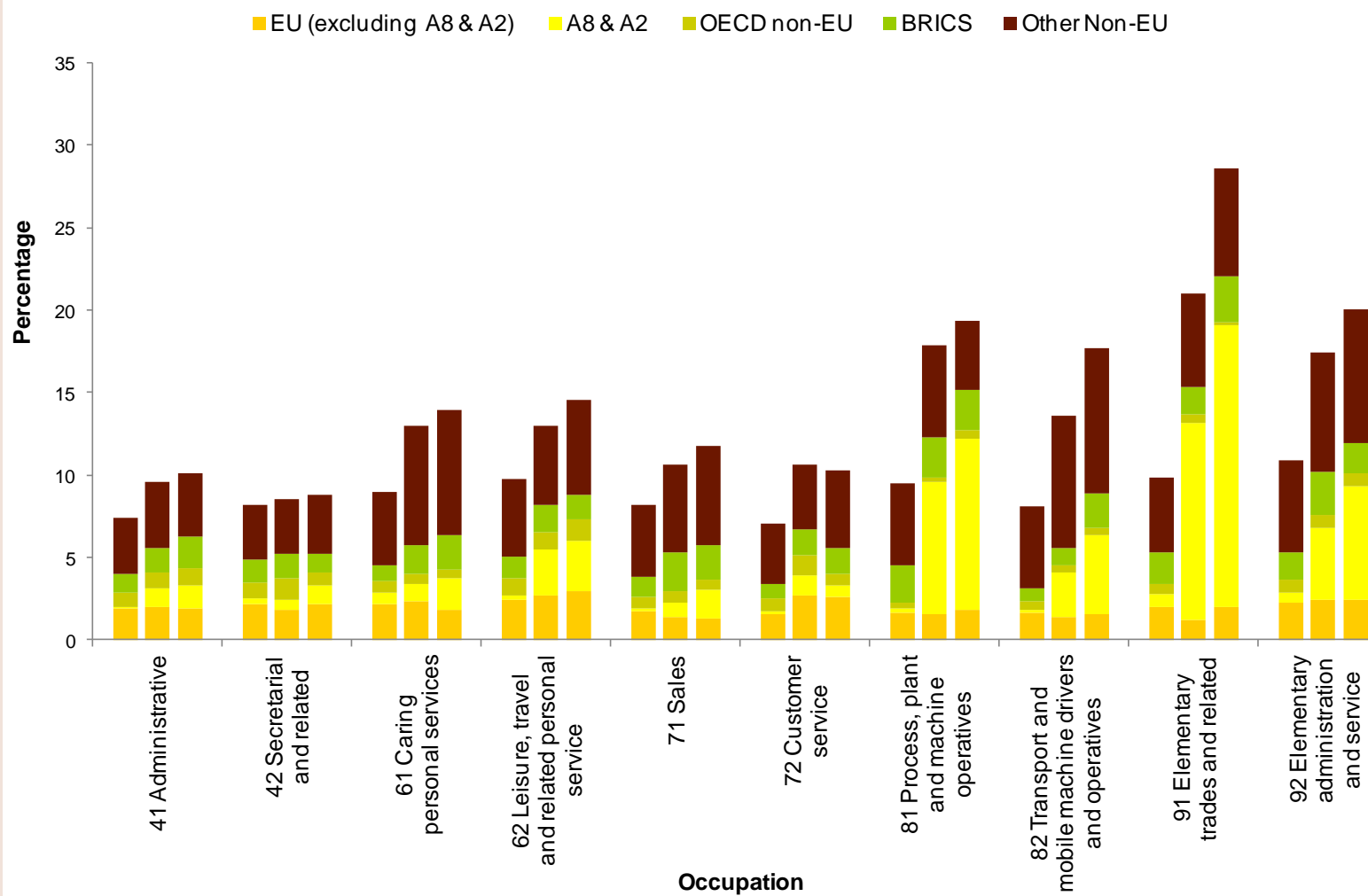
Source: Labour Force Survey (2012)

- 5.8** Since 2004, migrant shares have increased across all low skilled occupations measured at the SOC 2-digit level (Figure 4). Much of the increase occurred in the period up to 2008 before the financial crisis, but the upward trend has largely continued since 2008.
- 5.9** The change in the percentage of migrants is driven by different groups depending on the occupation. For example, in caring personal services occupations, non-EU migrants account for around 90 per cent of the 4

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percentage point growth in migrant share from 2004 to 2008. In contrast, for elementary trades and related occupations, A8 and A2 migrants account for approximately 91 per cent of the 11.2 percentage point growth from 2004 to 2008.

Figure 4: Migrant share in low-skilled occupations by region of birth, 2004, 2008 and 2012



Source: Labour Force Survey, 2004 to 2012

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- 5.10** Workers in low-skilled occupations in 2012 were concentrated in certain sectors. Over a third of all low-skilled workers were in the wholesale, retail, repair of vehicles and health and social work sectors. Table 5 shows the seven sectors with the highest shares of low-skilled workers.
- 5.11** Among these sectors, the proportion of low-skilled workers who are migrants varied considerably. For instance, in the education sector, 91 per cent of low-skilled workers were UK-born, compared to 78 per cent in the accommodation and food services sector.
- 5.12** There is then further variation when considering the migrant composition. In most cases the migrant workforce in low-skilled occupations was primarily made up of a large concentration of workers born in other non-EU countries and a slightly smaller proportion born in A8 and A2 countries. These two groups account for at least 63 per cent of the migrant workforce in low-skilled occupations in the sectors shown in the table below.
- 5.13** The analysis below shows a particularly high concentration of workers born in other non-EU countries in low-skilled occupations in the health and social work, and in the transport and storage sectors. This group accounted for 50 per cent or more of migrants working in these sectors. In the manufacturing sector, there is a comparatively high concentration of workers born in A8 and A2 countries.

Table 5: Top seven sectors by percentage of total workers in low-skilled occupations

Sector	Percentage of total workers by sector in low-skilled occupations	Percentage of low-skilled workers by country/region of birth					
		UK	EU (excluding A8 and A2)	A8 and A2	OECD (non-EU only)	BRICS (non-EU)	Other non-EU
Wholesale, retail, repair of vehicles	20.3	86.5	1.5	3.6	0.6	2.1	5.8
Health and social work	14.7	85.7	1.8	2.2	0.5	2.1	7.7
Manufacturing	8.8	81.7	1.5	9.8	0.5	2.4	4.1
Transport and storage	8.5	79.0	2.2	5.1	0.7	2.6	10.5
Education	8.3	90.9	1.5	0.9	0.5	1.3	4.8
Accom. and food services	7.1	77.7	3.4	6.4	1.2	2.5	8.8
Admin and support services	6.2	78.0	2.4	7.4	0.8	2.0	9.3

Total workers in low-skilled occupations = 13,034,000

Note: OECD non-EU includes Australia, Canada, Chile, Iceland, Israel, Japan, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey and United States of America. BRICS includes Brazil, Russia, India, China and South Africa.

Source: Labour Force Survey (2012)

6. Current UK policy on low-skilled migration

6.1 Non-EEA migration

6.1 Currently, UK immigration policy permits low-skilled labour immigration only from within the EEA, although some restrictions still apply to A2 nationals until the end of 2013. Restrictions also apply to Croatian nationals as part of the transitional arrangements following their accession to the EU in July 2013. Although Tier 3 of the Points Based System exists for low skilled migration from outside the EEA, this route has never been brought into operation. Therefore there is no direct route of entry for non-EEA migrants into low skilled work.

6.2 Non-EEA migrants may still come to the UK through other immigration routes, and some of these permit employment, potentially leading to them becoming employed in low-skilled jobs. These include migrants coming as:

- **Students:** permitted to work 20 hours per week during term times and full-time during the holidays if they are studying at degree level or above at a Higher Education Institution (HEI) or 10 hours per week during term times and full-time during the holidays if they are studying below degree level at a HEI or studying at a publicly funded Further Education College. In 2011 and 2012, there were a number of policy changes on Tier 4, impacting on their rights to employment, and those studying at private colleges can no longer work.
- **Dependants of Tier 1, 2 (skilled) and 5 (temporary worker) migrants:** the children, spouses, civil partners, same sex partners and unmarried partners of these migrants can accompany them to the UK if the main applicant can prove that they can maintain them. Dependants of working age have permission to take up employment.
- **Dependants of students:** since 2011, only students studying postgraduate studies for 12 months or longer at HEIs and government sponsored students studying courses of longer than six months are allowed to bring dependants, and only the dependants of those granted leave for more than 12 months are allowed to work.
- **Family:** Non-EEA nationals can come to, or remain in, the UK via the family route as the partners, children and elderly dependent relatives of people who are already in the UK or are coming here. Working age dependants coming via this route are permitted to take up employment.

6.2 EEA migration

6.3 As shown in Table 2, the EU now consists of 28 countries: the 15 Member States before enlargement in 2004 known as the EU15 (which includes the UK); the A10 countries that acceded to the EU in 2004 and consist of Cyprus and Malta and the eight A8 countries; and Bulgaria and Romania,

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which acceded to the EU in 2007 and are known as the A2. Croatia joined the EU on 1 July 2013.

- 6.4 The right of free movement of labour permits citizens of EU member states to work anywhere within the EU. On accession, the EU15 member states were permitted to apply transitional measures for up to seven years to restrict the right of the free movement of labour for nationals of the A8 countries and, later, the A2 countries.
- 6.5 In 2004, the UK – at the time along with only Ireland and Sweden - allowed nationals of the A8 countries largely unrestricted access to its labour market.
- 6.6 In 2007, Bulgaria and Romania (the A2 countries) acceded to the EU. The UK imposed restrictions on their employment rights for seven years. Since 2007, A2 nationals have been able to reside as a worker in the UK provided that they first obtain authorisation for their employment. Certain categories of migrants did not require authorisation, such as those with family members settled in the UK, or those who had already worked for 12 months or more in the country. In addition, A2 nationals have also been able to reside in the UK as a self-employed worker, a student, or a self-sufficient person. From January 2014, all restrictions will be removed and Bulgarian and Romanian nationals will have free access to the UK labour market.

7. The MAC's approach

7.1 Evidence gathering

- 7.1 The Committee will be drawing on the large body of existing evidence to build a picture of the relationship between low-skilled work and migration. Earlier work from the Committee will be relevant, in particular Migration Advisory Committee (2012) Analysis of the impacts of migration. For that report, the Committee commissioned a series of research projects to assess the impact of mainly skilled migrants on: crime and victimisation; the consumption of education, health and social care services; the provision of public services; social cohesion and integration; access to housing and the housing market; and transport and congestion. The results from this research are available on the MAC [website](#). Although the research series concentrated on the impact associated with skilled migrants and students from outside the EEA, much of the evidence and analysis will be relevant to the current commission.
- 7.2 To feed into this report on low-skilled jobs, the Committee has commissioned four research projects. Two of these have already been completed and are available on the MAC [website](#):
 - Frontier Economics (2013): *Labour force composition in low-skilled sectors of the UK economy*. This provides an overview of the use of migrant labour in low-skilled sectors relative to other sectors of the economy. The study builds on and expands the existing evidence base

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through quantitative analysis, and looks at the composition of the low-skilled workforce over time, a comparison of the different groups employed, and the characteristics of low-skilled sectors.

- Warwick Institute for Employment Research (2013): *Determinants of the composition of the workforce in low-skilled sectors of the UK economy*. This report examined whether and why demand for migrant labour persists in low-skilled sectors of the UK economy, as well as the factors that affect the supply of labour to low-skilled sectors. The study provided a review of the literature and adopts a case study approach, focusing on low-skilled roles in the construction and accommodation and food services sectors.

7.3 Two further research projects are currently underway and will report in early 2014:

- Warwick Institute for Employment Research: building on the previous report on the determinants of the composition of the workforce in low-skilled sectors of the UK economy, involving further case studies on the retail and care sectors.
- Professor Tommaso Frattini has been commissioned to update existing research on the impact of migration on prices, (Frattini (2008) “Immigration and Prices in the UK”). This update to the research will investigate whether changes in the ratio of immigrants to natives in recent years had an impact on the prices of tradable and non-tradable goods and services, and whether any impact varies by sector.

7.4 In addition, new analysis is being carried out in-house to test a number of economic hypotheses on the impact of migration on wages, displacement of UK workers and consumer prices.

7.5 The Committee will draw together all these sources of evidence along with the findings from other relevant research carried out elsewhere.

7.2 Our call for partner evidence

However, as stated earlier, the partner evidence will be key to enabling the Committee to provide a full and grounded picture of the drivers and impact of low-skilled migration. Partners are strongly encouraged to provide written evidence in response the questions in Table 1, and/or to contact the secretariat to arrange to meet with members of the Committee and the secretariat.

7.3 Issues to be investigated

7.6 The commission received from the Government is broad and far reaching. In broad terms the Committee’s response is seeking to provide:

- an overall assessment of the evidence in this area, bringing together existing information and adding to the evidence base wherever possible; and

Call for evidence

- suggestions for policy areas where Government may wish to focus efforts in the future.

7.7 In order to structure its response, the Committee has delineated the areas that it will investigate. The planned approach is set out below. This is designed to help partners understand how the Committee is thinking about the issues raised in the commission and to enable partners to identify where they can best provide the most helpful evidence.

Definitions and timeframes

7.8 The Committee has already considered different ways of defining low-skilled occupations and has conducted a series of analyses in order to test different approaches. These have led the Committee to conclude that the most useful definition of low-skilled employment is to use that based on the SOC as described above. Classifying low-skilled occupations as those under the SOC level 1 or 2 leads to a list of 149 occupations (listed in Annex A) on which the Committee aims to collect evidence.

7.9 The Committee does recognise that a degree of flexibility is required, especially when considering existing research which may have used alternative definitions and when carrying out analysis on the impacts of migrants working in low-skilled jobs.

Policy context and international comparisons

7.10 The Committee is building a picture of immigration policy developments which have influenced the migration of people doing low-skilled work in the UK, concentrating on the last ten to fifteen years. The Committee will also look at the experience and policy frameworks from other countries which have experienced similar immigration trends. This will serve to put the UK experience into a wider context.

UK labour market

7.11 The Committee will seek to provide an overview of UK labour market developments over the past 20 years and the role migration has played within this. It will also be important to explain the changes in low-skilled work in relation to economic developments and the recent recession.

7.12 The Committee will also examine how the UK labour market matches supply and demand, in particular considering the factors that impact on the choices employers and potential employees make in relation to low-skilled work. This will consider a broad range of issues that impact on the matching of workers to employment opportunities. This includes skills gaps in the workforce linked to education and vocational training, and geographical mobility linked to the housing market and the benefits system. Information from partners will be vital to building the evidence base for this section.

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- 7.13** The Committee will analyse quantitative information on the flows of different groups between employment, unemployment and inactivity, and will investigate different recruitment practices, the value attached to different types of skills and the role of enforcement of employment regulations such as the National Minimum Wage.

Wider economic impacts

- 7.14** The Committee will consider the economic and labour market impacts of low-skilled migration, incorporating analysis on the migrant impact on employment, wages, productivity, prices, fiscal balance and trade. The Committee will consider available evidence on the impact of migrants on productivity, innovation and prices. The balance of costs and contributions to the state finances from migrants in low-skilled employment will also be investigated.

Social impacts

- 7.15** The final element of this work programme will be to investigate the social and public service impacts of migrants in low-skilled employment. The Committee will investigate the impact of low-skilled migration on social and health services, education, housing, congestion and crime. Where possible these impacts will be quantified, however past experience suggests that this is complex and difficult. Qualitative evidence from partners will therefore be of upmost importance for understanding these issues.
- 7.16** Key questions for this element of the project are around the impact of low-skilled migrants on the demand and provision of services and resources at a local level. The factors or practices that influence the level and type of impacts felt at a local level.

Annex A : Occupations defined as low-skilled

Table A.1: 4-digit SOC occupations defined as low-skilled according to Office for National Statistics classification

4-digit SOC code	Occupation
41: Administrative occupations	
4112	National government administrative occupations
4113	Local government administrative occupations
4114	Officers of non-governmental organisations
4121	Credit controllers
4122	Book-keepers, payroll managers and wages clerks
4123	Bank and post office clerks
4124	Finance officers
4129	Financial administrative occupations n.e.c.
4131	Records clerks and assistants
4132	Pensions and insurance clerks and assistants
4133	Stock control clerks and assistants
4134	Transport and distribution clerks and assistants
4135	Library clerks and assistants
4138	Human resources administrative occupations
4151	Sales administrators
4159	Other administrative occupations n.e.c.
4161	Office managers
4162	Office supervisors
42: Secretarial and related occupations	
4211	Medical secretaries
4212	Legal secretaries
4213	School secretaries
4214	Company secretaries
4215	Personal assistants and other secretaries
4216	Receptionists
4217	Typists and related keyboard occupations
61: Caring personal service occupations	
6121	Nursery nurses and assistants
6122	Childminders and related occupations
6123	Playworkers
6125	Teaching assistants
6126	Educational support assistants
6131	Veterinary nurses
6132	Pest control officers
6139	Animal care services occupations n.e.c.
6141	Nursing auxiliaries and assistants
6142	Ambulance staff (excluding paramedics)
6143	Dental nurses
6144	Houseparents and residential wardens
6145	Care workers and home carers
6146	Senior care workers
6147	Care escorts
6148	Undertakers, mortuary and crematorium assistants

Table A.1: 4-digit SOC occupations defined as low-skilled according to Office for National Statistics classification

4-digit SOC code	Occupation
62: Leisure, travel and related service occupations	
6211	Sports and leisure assistants
6212	Travel agents
6214	Air travel assistants
6215	Rail travel assistants
6219	Leisure and travel service occupations n.e.c.
6221	Hairdressers and barbers
6222	Beauticians and related occupations
6231	Housekeepers and related occupations
6232	Caretakers
6240	Cleaning and housekeeping managers and supervisors
71: Sales occupations	
7111	Sales and retail assistants
7112	Retail cashiers and check-out operators
7113	Telephone salespersons
7114	Pharmacy and other dispensing assistants
7115	Vehicle and parts salespersons and advisers
7121	Collector salespersons and credit agents
7122	Debt, rent and other cash collectors
7123	Roundspersons and van salespersons
7124	Market and street traders and assistants
7125	Merchandisers and window dressers
7129	Sales related occupations n.e.c.
7130	Sales supervisors
72: Customer services occupations	
7211	Call and contact centre occupations
7213	Telephonists
7214	Communication operators
7215	Market research interviewers
7219	Customer service occupations n.e.c.
7220	Customer service managers and supervisors
81: Process, plant and machine operatives	
8111	Food, drink and tobacco process operatives
8112	Glass and ceramics process operatives
8113	Textile process operatives
8114	Chemical and related process operatives
8115	Rubber process operatives
8116	Plastics process operatives
8117	Metal making and treating process operatives
8118	Electroplaters
8119	Process operatives n.e.c.
8121	Paper and wood machine operatives
8122	Coal mine operatives
8123	Quarry workers and related operatives
8124	Energy plant operatives
8125	Metal working machine operatives

Table A.1: 4-digit SOC occupations defined as low-skilled according to Office for National Statistics classification

4-digit SOC code	Occupation
8126	Water and sewerage plant operatives
8127	Printing machine assistants
8129	Plant and machine operatives n.e.c.
8131	Assemblers (electrical and electronic products)
8132	Assemblers (vehicles and metal goods)
8133	Routine inspectors and testers
8134	Weighers, graders and sorters
8135	Tyre, exhaust and windscreen fitters
8137	Sewing machinists
8139	Assemblers and routine operatives n.e.c.
8141	Scaffolders, staggers and riggers
8142	Road construction operatives
8143	Rail construction and maintenance operatives
8149	Construction operatives n.e.c.
82: Transport and mobile machine drivers and operatives	
8211	Large goods vehicle drivers
8212	Van drivers
8213	Bus and coach drivers
8214	Taxi and cab drivers and chauffeurs
8215	Driving instructors
8221	Crane drivers
8222	Fork-lift truck drivers
8223	Agricultural machinery drivers
8229	Mobile machine drivers and operatives n.e.c.
8231	Train and tram drivers
8232	Marine and waterways transport operatives
8233	Air transport operatives
8234	Rail transport operatives
8239	Other drivers and transport operatives n.e.c.
91: Elementary trades and related occupations	
9111	Farm workers
9112	Forestry workers
9119	Fishing and other elementary agriculture occupations n.e.c.
9120	Elementary construction occupations
9132	Industrial cleaning process occupations
9134	Packers, bottlers, canners and fillers
9139	Elementary process plant occupations n.e.c.
92: Elementary administration and service occupations	
9211	Postal workers, mail sorters, messengers and couriers
9219	Elementary administration occupations n.e.c.
9231	Window cleaners
9232	Street cleaners
9233	Cleaners and domestics
9234	Launderers, dry cleaners and pressers
9235	Refuse and salvage occupations
9236	Vehicle valeters and cleaners

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Table A.1: 4-digit SOC occupations defined as low-skilled according to Office for National Statistics classification

4-digit SOC code	Occupation
9239	Elementary cleaning occupations n.e.c.
9241	Security guards and related occupations
9242	Parking and civil enforcement occupations
9244	School midday and crossing patrol occupations
9249	Elementary security occupations n.e.c.
9251	Shelf fillers
9259	Elementary sales occupations n.e.c.
9260	Elementary storage occupations
9271	Hospital porters
9272	Kitchen and catering assistants
9273	Waiters and waitresses
9274	Bar staff
9275	Leisure and theme park attendants
9279	Other elementary services occupations n.e.c.'

Note: n.e.c. – not elsewhere classified

Source: Office for National Statistics (2013)

