
Employment and migrant poverty



John Harris/Reportdigital

The issue of migrant poverty and employment is complex and migrants' experiences in the UK differ enormously. While some of these variations stem from the uniqueness of individual experience, others relate to the migrant's particular immigration status and her/his associated right to reside in the UK and to access work. Leaving aside visitors, a migrant may be in the UK as:

- someone who qualifies under the points-based system;
- a European Union (EU) citizen exercising her/his right to free movement, including her/his right to work;
- an EU citizen from Bulgaria or Romania who is free to travel to the UK, but is subject to employment conditions;
- a dependant of a migrant worker who has come to the UK under Tiers 1 and 2 of the points-based system (non-EU skilled migrants);
- part of a process of uniting families;
- a student;
- an asylum seeker;
- a refugee;
- an undocumented worker.

These groups are far from mutually exclusive. For example, recent research by the London School of Economics estimated that two-thirds of undocumented workers came to Britain as asylum seekers and, although denied access to the labour market, have slipped into the formal economy. Other undocumented workers have come to the UK via regular routes and then found work in the informal economy. For instance, under Tier 2 of the points-based system, all migrants need a sponsoring employer, to whom they are effectively tied. They can leave and find another sponsor, but this is a complex process and they only have a month in which to do so. Tier 2 workers may therefore find themselves with the options of putting up with an abusive employer, returning home or slipping into the irregular economy.

Perhaps more surprisingly is the position of 'A8 workers' – people from the Eastern European countries that joined the EU in 2004. How, one might wonder, could they become irregular/undocumented workers?

In 2004, the UK was one of only three existing EU countries that did not apply transitional measures to these new EU citizens which limited the right of A8 nationals to access its labour market for up to seven years. However, largely as a result of adverse political reaction to the UK position, the UK government then introduced the Worker Registration Scheme. This was not, however, meant to be a restriction on A8 workers' right to work in the UK.

Although registration was a political device to reassure certain sections of the public that the government was 'in control', it has had disastrous consequences for many A8 workers. One consequence was that, unless registered, A8 workers were denied access to contributory benefits whatever their work pattern. There were, however, other worrying consequences.

In order to register, an A8 worker must complete forms (which are in English) and send them off with a fee and her/his passport. Many employers offer to carry out these administrative processes, sometimes charging a fee (which may or may not be reasonable). A minority never send off the forms at all and keep their workers' passports. If they do not register within 30 days, these A8 workers become undocumented workers and, without their passports, find it difficult to get alternative employment or even open a bank account. In effect, they are in a position of bondage and can be subject to particularly brutal exploitation.

Workers from Romania and Bulgaria are in an even worse position. When their countries joined the EU in 2007, the British government imposed transitional measures, restricting their employment to the self-employed sector (which governments cannot restrict under EU law) or unskilled migrant labour schemes, such as the Seasonal Agricultural Workers Scheme. While Romanians and Bulgarians have a right to come to Britain, they have no right to work except in these two restricted areas.

Under UK law, if a worker does not have a right to work s/he cannot enforce her/his employment rights through the UK courts. The Worker Registration Scheme and transitional measures have therefore created a situation in which fellow EU citizens may not be able to enforce their employment rights. The TUC has argued that transitional measures and the Worker Registration Scheme should be abandoned. The latter does not even meet its stated purpose of monitoring A8 workers, as there is no process to remove from the register those who have left the UK.

Migration, migrants and child poverty

The TUC has always argued that transitional measures are a nonsense. Given that these workers have a right to enter any EU country, it is hard to see how they can effectively be stopped from working. The TUC believes they have been a recipe for exploitation, for undercutting the existing workforce and for creating a situation in which xenophobia can thrive. It is better that workers can work in the formal economy and be subject to the same protections as other employees. Migration and employment status should be separated in UK law, as it is in Germany, so that all workers, wherever they are from, can enforce their employment rights. Despite our protests, the last government moved on neither front. The only good news is that, under EU law, the Worker Registration Scheme must be abolished by April this year, together with all other transitional measures relating to A8 workers.

Whatever route migrants use to enter the UK economy, their wellbeing is largely determined by where they end up in that economy. Those coming to the UK via Tier 2 must have a certain combination of salary, generally a knowledge of English and qualifications to enable them to take up skilled employment. These workers are, on average, more highly skilled than those already in the economy and higher paid. Nevertheless, descent into poverty can still occur – eg, if they become undocumented. Policing of their wage rates is limited and, for those on intra-company transfers, employers only have to pay a ‘similar reward package’ to UK workers doing a similar job – not the same salary.

Generally, documented workers who enter the public sector are less likely to be abused. The sector is more regulated and subject to collective agreements. In addition, union density in the public sector is around 60 per cent compared with a little over 17 per cent in the private sector and so unions are in a better position to ensure workers’ rights are upheld.

The position of non-EU undocumented workers and their families largely goes unrecorded. Their levels of unemployment are twice those of documented workers and they effectively have no employment rights. Their access to any social provision and support is limited to schooling for their children and, to varying degrees, the NHS. For many, theirs is a twilight world of poverty – a hidden world for most of us, despite the fact that there are an estimated 618,000 irregular residents in the UK, 70 per cent (442,000) in London alone. The TUC believes that a debate on the regularisation of irregular residents should be opened – a debate that the Liberal

Democrats championed in the general election, only to abandon in coalition.

Given the legal circumstances of non-EU undocumented workers, it is not surprising that many live a hand-to-mouth existence in extreme deprivation. That workers who have a right to be in the UK should find themselves in a similar position might be more difficult to understand. As mentioned, there are circumstances in which some EU workers may find themselves in an undocumented situation. Although not as vulnerable as non-EU undocumented workers, they must still be acknowledged.

The influx of A8 workers has undoubtedly led, at least before the recession, to significant growth in areas of the economy that rely on low-skill, low-paid labour. Many of these workers are not able to use their skills because of language problems or because their qualifications are not recognised in the UK, and can only find employment in low-skill areas. The only guarantee they have is the national minimum wage, but with many working in areas such as hotels, restaurants, cleaning, care work, agriculture and food processing, and with unions thinly represented in these sectors, the question arises: who is there to enforce these minimum rights?

The Gangmasters Licensing Authority (GLA) regulates the actions of labour agencies and the rights of workers employed through them in food processing and agriculture. The only other areas open to the GLA are horticulture and the collection of shellfish. Despite lobbying from the GLA and the TUC, the government has refused to extend the GLA’s remit to other sectors in which agencies work, even though exploitation takes place.

Where the GLA does operate, it sometimes exposes the appalling treatment to which migrant workers are subject. All manner of illegal deductions are made from their pay and wages are simply not paid (be they for normal time, overtime or in lieu of holidays). Some employers even create a situation of debt bondage, such as providing their employees with accommodation, but deferring the payment of rent until work is actually provided, which may be several weeks later.

Given the recession and the subsequent economic stagnation, it is therefore not surprising that the number of eastern Europeans living rough on the nation’s streets has increased. ■

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