

Migrant workers in the South East regional economy

Recent policy and media interest in migration has prompted a raft of studies on the impacts of recent migration, at national, regional and local level, aiming to improve our understanding of the dynamics of recent migration flows and their impact on the economy and service provision. In the South East, a major research project on migrant workers and their contribution to the regional economy and labour market has recently been published. The study, undertaken by the Institute for Employment Research and BMG Research, was commissioned by a partnership of regional organizations, including SEEDA, the Regional Assembly, GOSE, the LSC and the South East Economic Partnerships.

The prime objective of the research was to provide a robust, balanced portrait of the migrant worker population in the South East, focusing primarily on the economic impacts of recent migration to the region from the Eastern European countries which joined the EU in 2004 and 2007 (the A8 and A2 countries).

The research involved a mixture of methods, including a literature review; a survey of more than 700 migrant workers in seven case study areas across the region (Milton Keynes, Elmbridge/Guildford, Wokingham/Reading, Southampton, Crawley, Swale/Medway and Hastings); focus groups with migrant workers; a telephone survey of 70 employers; interviews with over 50 representatives of third party organizations; and policy workshops with a range of regional partners.

The report highlights the positive economic contribution that migrants make to the region. Migrant workers from the Accession states come to the UK primarily for economic reasons, and so it is no surprise that they are overwhelmingly in employment, with very few claiming benefits. Evidence from the employer survey and third party interviews showed that migrants are filling labour and skills shortages, particularly in sectors such as Manufacturing, Hotels and Restaurants and Health and Social Work. Employers are very positive about the impact of migrant workers on business performance. At the wider regional economy level, migrant workers are making a significant and growing contribution to GVA. It is estimated that all migrants (arriving since 1990) contributed up to 16% of regional GVA in 2007 (approximately £25 billion).

Any concerns about migrants taking UK workers' jobs appear to be unfounded. Although there is evidence of a reduction or slower growth in employment for UK-born workers in sectors and occupations where migrant workers are concentrated, it is likely that this is voluntary rather than involuntary displacement – that is, due to natural turnover. There is no statistically significant evidence of increasing unemployment rates amongst UK-born workers in industries and localities where migrant workers are concentrated. However, some third party interviewees expressed concern

about possible negative impacts on workers who are in the most vulnerable positions within, or at the margins of, the labour market (such as those with few or no skills).

The report endorses the importance of English language skills for migrant workers' progression in the labour market and integration into society. Employers view English language skills as very important when recruiting migrant workers, but two thirds of the employers surveyed do nothing to help migrant workers whose language skills need improving. Many migrants from Eastern Europe work below their skills level, partly because of a lack of proficiency with the English language. Non-recognition of foreign qualifications also emerges as a key barrier preventing migrants from progressing in the labour market.

The impact of migrant workers on services tends to be highly localized. The majority of migrants surveyed were young and had not brought dependants with them to the UK. However, should they decide to settle and form families, their impact on health and education services in particular is likely to be felt more strongly. A lack of flexibility in national funding models for mainstream services makes it difficult for them to respond to 'flows' of migrants rather than 'stocks' of population. The research suggests that migrant workers with the greatest needs will gravitate to the most deprived residential areas, where there are already pressures on service provision. Tensions between migrant workers and the indigenous population are likely to be most pronounced in these areas.

A unifying theme running through the report is uncertainty. A significant proportion of migrants surveyed were uncertain about their intended length of stay in the UK. In general, they are now planning to stay longer than they originally intended. On a larger scale, there is uncertainty about future migration flows to the UK. Improvements to the economies of Eastern European countries, coupled with a downturn in the UK economy, could make the UK a less attractive destination for A8 and A2 migrants. At the same time, the opening up of other EU countries' borders to migrants from Eastern Europe means that there are other destinations competing with the UK to attract migrants. This uncertainty, alongside the inherent transience in migration flows, makes it imperative for the South East to enhance its 'adaptive capacity' – that is, the ability of the economy, labour market, institutions, communities and service providers to be flexible enough to respond to the changing nature of migration flows, destinations of migrants, and their characteristics and behaviour.

The full report is available on the South East England Intelligence Network (SEE-IN) website: www.see-in.co.uk

Claire Hann
SEEDA Research and Economics Team
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