East-Central European migration to the UK: policy issues and employment circumstances from the perspective of employers and recruitment agencies

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ABSTRACT

Since the accession of the A8 countries (Poland, Czech Republic, Latvia, Lithuania, Slovakia, Slovenia, Hungary and Estonia) to the European Union on 1st May 2004 citizens from these countries have had the right to participate in the British labour market. As a consequence of significant disparities in wage levels, large numbers of A8 migrants have worked in the UK, meaning that in a short space of time East-Central Europe has become one of the principal source regions of migrants to Britain and nationals from these states now constitute some of the largest foreign-born populations in the country. This research draws on interviews with recruitment agencies and employers to shed light on the employment conditions of East-Central European migrants in the UK and the influence of policy and legislative issues on how this source of labour is recruited and employed. Key points covered in the analysis include: a typology of recruitment and employment practices in relation to the use of migrant labour in the UKs agribusiness sector, consideration of the influence of policy and legislative issues on how A8 migrant labour is recruited and employed in the UK labour market and the employment conditions of A8 migrant workers in the UK.

KEYWORDS

Immigration policy; labour market regulation; migrants’ employment circumstances; recruitment channels.

EDITORIAL NOTE

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# EAST-CENTRAL EUROPEAN MIGRATION TO THE UK: POLICY ISSUES AND EMPLOYMENT CIRCUMSTANCES FROM THE PERSPECTIVE OF EMPLOYERS AND RECRUITMENT AGENCIES

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1. INTRODUCTION
This research draws on interviews with recruitment agencies and employers to shed light on the employment conditions of East-Central European migrants in the UK and the influence of policy and legislative issues on how this source of labour is recruited and employed. Since the accession of the A8 countries (Poland, Czech Republic, Latvia, Lithuania, Slovakia, Slovenia, Hungary and Estonia) to the European Union on 1st May 2004 citizens from these countries have had the right to participate in the British labour market. As a consequence of significant disparities in wage levels, large numbers of A8 migrants have worked in the UK, meaning that in a short space of time East-Central Europe has become one of the principal source regions of migrants to Britain and nationals from these states now constitute some of the largest foreign-born populations in the country.

This report consists of six main sections. First we provide a review of the existing evidence base on the employment conditions of A8 workers in Britain and the influence of legislation on how recruitment agencies and employers engage with migrant labour. The research methods used in the study are then described in relation to the three key research questions. The results sections focus on (a): a typology of recruitment and employment practices in relation to the use of migrant labour in the UK’s agribusiness sector, (b): classification of the influence of policy and legislative issues on how A8 migrant labour is recruited and employed in the UK labour market and (c): the employment conditions of A8 migrant workers in the UK. The final section draws together the key conclusions from the research and considers their implications.

2. THE LABOUR MARKET CIRCUMSTANCES OF MIGRANT WORKERS AND THE FACTORS THAT INFLUENCE THEIR EMPLOYMENT CONDITIONS: EXISTING EVIDENCE
The central aim of this analysis was to shed light on the labour market circumstances of East-Central European migrants in the UK and to consider the legislative factors that influence their employment conditions. It should be noted that the research findings described in this report are limited to the perspectives of the providers and
users of migrant labour. The research focused on the hospitality, food production and processing sectors, and we do not claim that the results are representative of all labour market aspects of East-Central European migrants working in the UK. The findings reported in this paper relate to three key themes:

1. The development of a typology of how migrants are recruited and employed in the UKs agribusiness sector.

2. The influence of legislation on how employers and recruitment agencies engage with migrant labour. This includes the role of immigration, employment law and welfare policies and of non-state actors such as supermarkets and industry body representative organisations. Related to this is consideration of the prevalence of unscrupulous activity with regards to the recruitment and employment of migrant workers and labour provider and user recommendations as to how policies could be improved.

3. The employment conditions of A8 migrant workers. This covers issues such as their pay and conditions, the provision of transport and accommodation for workers, English language skills and the importance attached to them, nationalities mixing in the workplace, discrimination and occupational mobility.

What follows is a brief overview of the existing evidence base in relation to these themes.

2.1 UK REGULATION OF THE RECRUITMENT AND EMPLOYMENT OF MIGRANT LABOUR

At the time that the research was carried out (2010), UK employment legislation in large part did not differentiate between British citizens and nationals from other European Union (EU) countries. This meant that employers and recruitment agencies were able to recruit and employ citizens from most other European Union countries in much the same way that they employed UK nationals. Important exceptions to this principle applied to A8 and A2 citizens. Between May 2004 and April 2011 A8 nationals working in the UK for a period of one month or longer were required to register under the Worker Registration Scheme (WRS). Romania and Bulgaria joined the EU at the beginning of January 2007 however the UK government chose to impose restrictions on the access of their citizens to the British labour market,
meaning that A2 nationals will not have free access until the end of 2013. In the meantime most A2 nationals must obtain an Accession Worker authorisation card before they can become employed in the UK. However they can also work on farms on a temporary basis through the Seasonal Agricultural Workers Scheme (SAWS). Non-EU workers can only legally be employed through working or student visas. Working visas are mostly restricted to those assessed through a Home Office points based system as being ‘high-value migrants’ or ‘skilled workers’. In May 2010 the new Conservative-Liberal Democrat Coalition government tightened up the criteria for getting a working visa, resulting in a drop in the number of visas available to foreign workers. Under the legislation non-EU nationals studying in the UK with a student visa can be recruited and employed but are only permitted to work for a maximum of 20 hours per week.

Immigration controls and enforcement are often presented as a means of protecting migrant labour from exploitation and protecting British workers and businesses from illegitimate competition, however as Anderson (2010) explains legislation often has the effect of producing ‘precarious workers’ over whom labour users have particular mechanisms of control. This assertion ties in with research which shows that UK employers particularly value the ‘flexibility’ of East-Central European migrant workers since factors including their (initial) inability to access state welfare benefits means that they are faced with few or no alternatives to taking up insecure and poorly paid forms of employment (McCollum and Findlay, 2011). The 2004 A8 accession has been described as extremely beneficial by employers in that it presented them with a ready supply of enthusiastic and able workers to address labour shortages, especially in low-skilled vacancies (Dench et al, 2006). Whilst it is unquestionably the case that the accession enabled employers to draw on a large influx of workers whom they viewed positively, it is also worth noting that large numbers of East-Central Europeans were already working clandestinely in the UK before 2004 and were effectively regularised by the change in immigration legislation which accompanied the accession (Vollmer, 2008).

A commonly reported issue highlighted by existing research with regards to immigration policy and the recruitment and employment of A8 nationals was the administrative burden reported by employers incurred in complying with relevant
legislation, especially the Worker Registration Scheme (Cook et al., 2008). Fears about the implications of failing to comply with immigration regulations often results in employers (especially smaller enterprises) using recruitment agencies as a means of engaging with migrant labour, as this shifts responsibility onto the agency to ensure that workers are recruited legally (Anderson, 2010; McKay and Markova, 2010). In terms of the influence of legislation on access to other national groups, for unskilled work it is mainly only in the agribusiness sector that employers report limited availability to A2 workers as a serious issue (Migration Advisory Committee, 2008). Restricted access to skilled non-EU workers is however regarded as a more serious problem amongst employers, particularly in sectors presented as experiencing skills shortages such as engineering, IT and finance (Menz, 2011).

The providers and users of migrant labour frequently cite labour and skills shortages as their primary reason for drawing on foreign workers, even for filling low and unskilled jobs (Anderson and Ruhs, 2010). This requirement for migrant labour is often attributed to a paucity of domestic labour willing and able to engage in poorly paid, insecure or undesirable work (MacKenzie and Forde, 2009). The risk associated with leaving regular and secure welfare state benefits for irregular work and an uncertain income has been implicated in the paradox of high levels of worklessness and the simultaneous requirement for migrant labour in low skilled jobs (Geddes and Scott, 2010). Others argue that the welfare state has been guilty of incubating a culture of welfare ‘dependency’ (Haralambos and Holborn, 2004). This argument contends that, if claimants are provided with an adequate standard of living on welfare and are not compelled to seek employment then they will have little incentive to find work and will become dependent on the state for financial support (Halversen, 1998). The resulting notion of a dependency ‘culture’ contends that, for many people and in many places, prolonged reliance on state benefits becomes normal, with little expectation that claimants will strive to become self-reliant (Deacon, 2002). An alternative view focuses on the demand rather than the supply side of the labour market by making the case that jobseekers are often regarded as unappealing by employers, especially whenever there is a plentiful supply of migrant labour which is regarded as having more desirable attributes (Lucas and Mansfield, 2010).
Away from immigration and welfare policies and their impact on the supply of labour that is available to employers, a number of factors have an influence on the practicalities of how migrant workers are recruited and employed. Legal migrants have the same protection under general employment laws as UK citizens and as such in most industries the regulatory aspects of the recruitment and employment of migrant labour is the same as it is with domestic labour, apart from the requirement to ensure that overseas workers have the right to work in the UK. A part of the economy which employs large numbers of migrant workers, and where recruitment and employment practices are the focus of additional regulatory supervision, is the agribusiness sector. The Gangmasters Licensing Authority was set up in 2004 to operate a licensing scheme for labour providers operating in the agriculture, shellfish gathering and associated processing and packaging sectors to ensure that they were registered, abided by health and safety rules and paid at least the minimum wage to their employees (Geddes, 2005). Obtaining a GLA license requires that applicants adhere to a range of ‘licensing standards’ which involve general employment laws but also rules designed to prevent specific abusive practices such as employment conditions that constitute forced labour (Wynn, 2009). Whist some employers have applauded the GLA for combatting unscrupulous activity in the agribusiness sector, many have complained of being ‘undercut’ by agencies operating illegally which the GLA have failed to clamp down on (McKay, 2008).

The rapid growth of the ‘big four’ supermarkets since 2000 has had a significant impact on the food production system in the UK and has been linked to an ‘intensification’ of low-paid farm and food processing factory work (Rogaly, 2008) and the increased use of migrant labour in the rural agricultural heartlands of the UK (Geddes and Scott, 2010). An enigma of the increased power of a small number of supermarkets is that prices for food producers and thus wages for workers have been subject to significant downward pressure (Brass, 2004), whilst the supermarkets have insisted on very particular types of employment conditions for the workers who harvest their products (see the Natures Choice scheme operated by Tesco, for example). Labour providers have also been proactive in tackling unscrupulous activity in their industry, with industry representative bodies such as the Association of Labour Providers and the Recruitment and Employment Confederation producing ‘best practice’ toolkits for their members.
2.2. UNSCRUPULOUS ACTIVITY AND THE RECRUITMENT AND EMPLOYMENT OF MIGRANT LABOUR

The legislative measures and efforts by supermarkets described above have been geared towards preventing the exploitation of migrant workers and easing public concerns about unscrupulous recruitment and employment practices. Exploitation by definition is difficult to quantify since many instances go unreported (Sumption and Somerville, 2010) and existing evidence presents mixed findings on the extent of exploitation of East-Central European workers in the UK. A survey of employers carried out by Dench et al (2006) suggests that most employers are using legal migrant labour. The influx of legal migrants following 2004 reduced the attraction of using illegal migrant workers. Larger employers such as hotel chains and supermarkets insisted on their workers (and the employees of those who supply workers and products to them) being paid through company payroll systems as opposed to cash in hand payments. This move made engagement of illegal migrant workers less likely. Finally employers of migrants have been subjected to more rigorous inspection by various organisations, hence increasing the risk of illegal practices being detected. Despite these trends, research by Cook et al (2008) found evidence of some migrant workers being underemployed. In addition Anderson et al (2007) found that a quarter of the Polish and Lithuanian workers surveyed had experienced under or late payments and that they were ten times more likely to be paid less than the National Minimum Wage than UK workers.

A large number of A8 nationals were already in the UK and working illegally prior to 2004 and were effectively regularised by the EU enlargement (Ruhs and Anderson, 2010). This may have reduced their vulnerability to exploitation, since by definition of their previously illegal status they did not have recourse to the legal protections available to lawful migrants. However legal migrants can also be susceptible to exploitation, especially recent arrivals with few contacts other than their employer, those with limited English and little local support or a lack of understanding of their rights (Allamby et al, 2011). Migrants are also less likely to be members of trades unions than non-migrants (Scullion and Morris, 2009). The current recession may well have increased the prevalence of exploitation as employers find it
more necessary to cut costs and workers become keener to retain their jobs (Sumption and Somerville, 2010).

The overall aim of the research reported in this paper is to investigate labour user and provider perspectives on East-Central European migration to the UK. Three key research questions are addressed in this report.

1: How can migrant recruitment and employment practices be best classified?

2: What role do policy and legislative issues play in influencing how A8 migrant labour is recruited and employed in the UK labour market?

3: What are the employment conditions of A8 migrant workers and to what extent do they differ from non-migrant workers?

The ‘answers’ to the above questions are presented in the main body of this paper. These are derived from analysis of transcripts from 61 interviews with users and providers of East-Central European migrant labour. Prior to presenting the main research findings the methods used in the research are discussed in more detail.

3. METHODS
The research involved 61 in-depth interviews with users (employers) and providers (recruitment agencies) of East-Central European migrant labour. The interviews were carried out between January and October 2010 across four UK case study sites. The research concentrated on labour users and providers in the food production and processing and hospitality sectors. The case study sites incorporated rural and urban areas in England and Scotland (West Sussex/Hampshire, Southampton, Angus/Fife and Glasgow) in order to survey the experiences of users and providers of A8 migrant labour across different types of locales in the UK. The data in Table 1 indicates that all of the case study sites have received sizeable inflows of East-Central European migrants since 2004 (as measured by the UK’s Worker Registration Scheme) and that the decline in the inflow of new A8 migrants since the recession has been more pronounced in the urban than rural case study areas (final column).
<table>
<thead>
<tr>
<th>Area</th>
<th>Total WRS registrations May 2004 – June 2010</th>
<th>Estimated per cent of workforce*</th>
<th>Change in WRS registrations June 2008 - June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fife &amp; Angus (2 Local Authorities)</td>
<td>10,235</td>
<td>5.8%</td>
<td>-30.3%</td>
</tr>
<tr>
<td>Glasgow (1 Local Authority)</td>
<td>9,940</td>
<td>2.4%</td>
<td>-47.2%</td>
</tr>
<tr>
<td>Southampton (1 Local Authority)</td>
<td>8,240</td>
<td>6.0%</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Hampshire (excluding Southampton) &amp; West Sussex (9 Local Authorities)</td>
<td>27,435</td>
<td>3.1%</td>
<td>-27.5%</td>
</tr>
</tbody>
</table>

*Number of WRS registrations May 2004 – June 2010 divided by workforce size in 2010

Table 1: Number of WRS registrations, estimated proportion of the workforce that are A8 migrants and change in new registrations since the recession

Source: Authors analysis of data from the Workers Registration Scheme and ONS, 2011

The research participants were users and providers of A8 migrant labour in the food production and processing and hospitality sectors. The labour providers interviewed ranged from individuals who ran their own recruitment businesses to large nationwide and multinational recruitment agencies. The position held by most of the interviewees was overall director of the firm (in the case of small and medium sized organisations) or local/regional managers in the case of large organisations. Some supplied labour specifically to the food production and processing (‘gangmasters’) or hospitality sectors or were general labour providers who supplied workers to a range of sectors. The labour users ranged from large multinational organisations to smaller employers. Most of the hospitality employers were hotel or restaurant chains and most interviewees were general or personnel managers. The food production and processing interviews focused on farms and vegetable and meat processing companies. Most of those interviewed held the job title of operations or human resource managers within their firm. Overall 26 per cent of the organisations that were contacted agreed to take part in the research. Only 12 per cent explicitly refused to participate in the research, the remaining 62 per cent could not be contacted in a follow up round of telephone calls which proceeded initial contact letters.

This analysis focuses on the interviews with recruitment agencies and employers in the UK, but is also informed by fieldwork from a later linked research
project with similar agencies supplying labour to the UK carried out by the researchers in Latvia in May and June 2011.

4. A TYPOLOGY OF MIGRANT LABOUR CHANNELS

Based on the interview data, a typology was constructed which shows the various means through which East-Central European migrant labour to the UK is recruited, employed and managed in the agribusiness sector (Table 2). The typology was developed in order to identify and differentiate the types of strategies used by employers to engage with migrant labour. The interviews were analysed and the classification system developed based on who (agencies or employers) sourced and selected the migrants, paid their wages and managed them on a day-to-day basis. The employment status of the migrant workers (temporary or permanent forms of employment) under these regimes was also considered in the construction of the typology. These criteria were used to gauge the range of agency-employer relationships that exist in relation to the use of migrant labour and to explore the implications of these processes for how East-Central European workers are recruited, employed and managed in the UK. This approach builds on a limited body of previous attempts to classify the diversity of mechanisms that exist in relation to the recruitment and employment relationship between labour providers and employers. Scott et al (2007) have produced a gangmaster typology in which they identify eight models of labour provision. This ordering helpfully provides detailed descriptions of how providers supply labour to agribusinesses. The fivefold classification used in this working paper complements this perspective by considering how employers as well as labour providers recruit, employ and manage migrant labour. Similarly this approach builds on a typology developed by Barrientos (2011) of how labour intermediaries provide workers in parts of global production networks by focusing on the features of employment-recruitment regimes in a particular aspect of the British labour market.
### 4.1. GANGMASTER DOMINATED MIGRATION REGIME

In the cases of gangmaster dominated regimes migrants are sourced, paid and managed by the labour provider (gangmaster). What is distinctive about this regime is that the gangmaster is responsible for managing migrants on a day-to-day basis and thus has to be present at the sites of production. This situation was most common in large food processing plants where someone from at least one (usually large) recruitment agency was always present to instruct and manage their candidates. In some cases the gangmaster recruited, paid and managed all of the migrant labour force working on a particular form of agribusiness in return for set fees. This relationship involved a great deal of cooperation and liaison between the gangmaster and the local producer. Sam, who worked for a large recruitment agency and who was responsible for managing labour provision at a number of food processing sites in rural Scotland, describes this type of operation:

‘Most of what we do is onsite so it is operational management kind of stuff… that onsite model works well because we’re there all the time in the form of a full-time representative onsite and we basically manage the temporary labour and because we are specialists at it we can do it for less than it costs them [local producers] to do it themselves’.

_Sam, regional manager, labour provider, Scotland_
4.2. GANGMASTER-EMPLOYER COLLABORATIVE SYSTEM
The most common labour channel encountered during the research was the situation where labour providers sourced and supplied workers to businesses on a temporary or fixed term basis and paid their wages. Unlike the previous regime labour was managed by the local food producer or processor on a day-to-day basis. Food producers used this arrangement as a means of getting extra workers during planting or harvesting seasons and food processing firms used it in response to frequent and significant fluctuations in demand for their products (and thus in the requirement for labour). An example is provided by Samantha, who supplies temporary staff mostly to horticultural businesses across the south coast of England and sometimes further afield.

‘It is all temporary staff that we supply. Business will be working with them [migrants] day by day and if they really like somebody then they take them on on a try before you buy basis... using us gives them flexibility and saves them money. If they recruited people themselves then they need HR and payroll departments and the number of people that they need is always changing and they can’t be hiring and firing people all the time because you’ve then got to advertise and go through all the interview processes. But with us [i.e. a gangmaster] they always get the staff level that they want and if they don’t work out or if they don’t like somebody then they’ll be replaced. But if you employ them yourself then it’s much harder to do that with our employment laws’.

Samantha, director, labour provider, England

4.3. CONVENTIONAL RECRUITMENT AGENCY SYSTEM
The conventional recruitment agency system involved labour being sourced and supplied by a labour provider to an employer, who then employed them directly on a temporary or fixed term basis. This proved cost effective for some employers as they were only paying the worker and not the worker plus the agency for every hour worked. This arrangement involved the employers paying the agency a set one-off fee for the ‘delivery’ of the worker and was found amongst farmers who paid an agency a fee to source core staff for a season. The providers in these instances were often large agencies who frequently, not exclusively, supplied A2 workers (Romanians and Bulgarians) through the Seasonal Agricultural Workers Scheme (SAWS). Yoshi, engaged in recruiting for a major labour provider describes his company’s practices:

‘We just charge a one-off fee per head, so our service is very cheap in comparison to having to pay an agency a per hour margin. So a farm will give us an order for the number of people they want and when they want them and we will recruit them for them and prepare the migrants for what they are coming to. But once they land on the
farm we don’t have an ongoing legal relationship with them because the farmer employs them directly and manages them’.

Yoshi, general manager, labour provider, England

In some cases agencies also supplied workers to employers for them to be directly taken on on a permanent basis, however this tended to be relatively uncommon and involved recruitment for skilled roles such as agronomists for example.

4.4. EMPLOYER-LED RECRUITMENT OF TEMPORARY WORKERS

Many of the employers interviewed recruited workers directly and without external assistance. In some cases they took on staff on a fixed term or seasonal basis. This type of recruitment was more common in the hospitality sector interviews, where hotels and restaurants would employ workers directly on a short-term basis on fixed term or zero-hour contracts to cover holiday seasons. In agribusiness when employers took on workers themselves on a short-term basis it tended to be smaller firms using often well-established informal networks to recruit relatively small quantities of labour for a planting or harvesting period.

‘With the bulb packing, because it is a summer job, I tend to get a lot of local [UK] students from the universities doing it. And that is good because they are motivated and reliable and I’ve usually got them for the three or four summers that they are students for and they can help to recruit and train the new starts that come in and it’s also good because I don’t have to pay an agency for getting them’.

Frank, production manager, food processing firm, Scotland

4.5. EMPLOYER-LED RECRUITMENT OF PERMANENT STAFF

A final recruitment employment regime identified in the research was what might be thought of as conventional employer-led recruitment of permanent staff. In the survey we carried out it was found to be surprisingly rare for the employers to operate in this way. The vast majority of those interviewed who belonged to this type of recruiter/employer regime stated that they placed a greater premium on attitude and work ethic than on particular skills and qualifications. For this reason many contended that they preferred to take on staff on a temporary basis and ‘try them out’ for a few months before making a commitment to them by offering a permanent employment. Another reason offered for the aversion to hiring workers on a permanent basis was the fluctuations in demand for labour that most interviewees experienced, resulting in a discourse that it made better ‘financial sense’ to use agency labour or to offer
temporary contracts than to recruit employees on a permanent basis only to ‘have to’ make them redundant again soon afterwards. The recession was cited for creating uncertainty about firms’ future prospects, creating an incentive to ‘test the waters’ using temporary workers as opposed to taking on permanent staff. Those firms that did behave in a ‘conventional’ fashion tended to be larger employers that recruited for themselves and on a permanent basis. As Jean reveals such strategies were not undertaken naively, but continued to include expectations of flexible working practices as indicated by her reference to ‘zero-hour’ contracts.

‘Agencies and advertising are expensive so we prefer to do the vast majority of our recruitment ourselves through our own careers website. People will apply and we'll sift through the CVs and if they have got what we are looking for then we'll arrange interviews and then go from there and that works well for us... we employ most of them on zero hour contracts so they are not guaranteed hours. So if we’re quiet then we don’t need to use them’.

Jean, HR administrator, hotel, England

The diversity of recruitment and employment practices identified in this fivefold typology is important in pointing to how different actors in the rural economy might engage differently with migrant labour. Recognition of diversity should not however cloud the wider and more important observation emerging from Table 2. This is that the production of rural labour migration geographies does not result from some simple invisible hand directing migrants from one economy (with labour surpluses and lower wages) to another (with labour shortages and higher wages) as proposed by neo-classical economics, but rather from the complex structuring influences of the multiple actors engaged in a chain of recruitment, employment and management practices.
5. INFLUENCE OF POLICY AND LEGISLATIVE ISSUES ON HOW A8 MIGRANT LABOUR IS RECRUITED AND EMPLOYED IN THE UK LABOUR MARKET

5.1. LEGISLATION AND ITS IMPACT ON ENGAGING WITH A8 MIGRANT LABOUR

5.1.1. IMMIGRATION LEGISLATION
The most notable policy development which impacted on labour users and providers was the legislation through which the A8 countries became members of the European Union and the British government’s decision to allow citizens from these countries unrestricted access to the UK labour market. According to most interviewees these changes had significant benefits as large numbers of ‘motivated’, ‘hard-working’ and ‘intelligent’ migrants suddenly became available to them. For many this reduced their reliance on unskilled local workers, who were often described as being ‘work-shy’ and ‘unreliable’. In the English case study sites it appears to have been the case that employers and labour providers often used illegal migrants from East-Central Europe prior to 2004 and that the accession meant that these workers suddenly became more visible and their employment relations became legitimate.

‘The accession made it a lot easier to get workers. I never employed any Eastern Europeans before 2004 but we were shocked to find that the majority of the staff that we took on in the early days after the accession had already been here for a number of years. So with the accession people came out of the woodwork so to speak because before they were getting abused but no one was going to report it because of their illegal status so 2004 shed light on that and meant that a lot of it became above board’.

Alex, director, labour provider firm, urban England

Despite being widely used and positively perceived by interviewees, a common drawback associated with recruiting migrant workers was the administrative burden involved with checking their eligibility to work in the UK and in complying with various pieces of legislation. These grievances centred on the time and cost involved in tasks such as filling in forms and photocopying documents. However many interviewees reported that they found the legislative practicalities of employing A8 migrants complex at first but that they were later regarded as normal and merely another minor addition to standard recruitment procedures.
‘The legislation for the Eastern Europeans was a bit of a headache at first because we had to tighten up our procedures for checking peoples ID and keeping records on file so that had an impact on how straightforward recruitment was. But things like the Workers Registration Scheme are like anything else, once you get used to it and doing it as part of your processes it becomes normal. So it isn't a massive headache and I wouldn't say that anything has had a massive impact on recruitment legislation wise’.

Meagan, recruitment manager, food production firm, urban Scotland

Some organisations, particularly smaller businesses, reported feeling bewildered by the array of complex and sometimes conflicting legislation regarding the recruitment and employment of migrant workers. These interviewees often feared inadvertently not complying with legislation and the impact that this would have on their business in terms of fines and damage to their reputation. Many of these employers recruited their staff through labour providers, often through ‘temp-to-perm’ arrangements, as this meant that the agencies took responsibility for complying with the legislation.

‘One of the things that really annoys me is that the last government brought in this £10,000 fine if you are employing somebody illegally, now that is a slap in the face to small businesses because the Home Office can’t tell either. We don’t go looking to employ people illegally but it is really easy to fake the documentation and we are terrified of getting done so that is where the agency comes in because if we get the workers from them they will cover us for that, they will say yeah they are okay so we don’t have to plough through endless paperwork - which is all red tape anyway’.

Justin, owner, food production company, urban Scotland

For many recruitment agencies, complying with the legislation was a major part of their function and thus costs. Interviewees complained that the legislation was complex, changed frequently and was often contradictory. Some interviewees felt that the migration system had been mismanaged, quoting the Labour governments vast underestimation of the volume of A8 migrants expected to come to Britain following the accession, and that it placed a considerable administrative burden on small enterprises, who could not draw on the support and advice of a central human resources company function.
‘We have to keep piles of folders with copies of everything for people like Inland Revenue, Home Office and Immigration and we have to update them constantly with every piece of legislation that we get and it changes all the time. I mean ten years ago I had one payroll manager and an administrator but now I have got one payroll manager and three administrators and two of them, all they do is keep up with government legislation. All they do is make sure that we have got forms photocopied and scanned and attached to our systems and filling out all the details that have got to be done. So the government has put in a whole layer of bureaucracy and really what have we got back for it, other than employing more people to regulate it all?’

Gavin, managing director, labour provider firm, urban Scotland

The only transitional measure placed on A8 migrants working in the UK was that they were required to complete a Worker Registration Scheme (WRS) form. The WRS was introduced in May 2004 Accession with the stated intention of monitoring the scale, geography and labour market characteristics of A8 migrants in the UK. The WRS ended at the end of April 2011. Evidence collected from the interviews suggests that employers and labour providers were overwhelmingly critical of the WRS, chiefly because it was perceived as purely a revenue generating scheme which represented a significant cost to migrants and gave them or their employers little in return. Interviewees reported that migrants were reluctant to complete the WRS form as it cost them £90 and they felt that they were not going to be prosecuted if they did not register. Many labour users and providers however insisted that their employees completed it as they wished to ensure that they remained compliant and because large companies insisted on their suppliers’ employees being registered under the WRS. Interviewees also felt that it was unfair and discriminatory for most European citizens to enjoy freedom to work in the UK whilst A8 nationals were subjected to an arbitrary £90 fee for doing so.

‘Don’t start me off on the Worker Registration Scheme, I mean it doesn’t help us and the temps don’t get any benefit from it either because they have just arrived and they have to make sure that they save £90 over four weeks to register. But apparently they will not prosecute you and there are no legal implications if you do not do it so there is no incentive to do it so you think what is the point of the exercise - other than the government making money. But the other side of the coin is that you have supermarkets and their auditors - oh they make such a fuss about the WRS. You will fail an audit if you haven't got a Worker Registration Scheme on file for somebody that is working in a factory that the supermarket is auditing’.

Isabella, director, labour provider firm, rural England
Migration legislation had an impact on employing other groups of workers as well as A8 nationals. Romania and Bulgaria (the so-called A2 states) both joined the EU in January 2007 but the UK government placed restrictions on their access to the labour market that were much more restrictive than those placed on A8 nationals. Until the end of 2013, when European law states that the restrictions must be lifted, in most cases A2 nationals must obtain an Accession Worker authorisation card before they can become employed in the UK. This scheme is orientated so that A2 workers cannot take up low skilled jobs in the UK. However Romanians and Bulgarians can work on farms on a temporary basis through the Seasonal Agricultural Workers Scheme (SAWS). Many employees felt that it would be beneficial to have greater access to this supply of labour. This was especially the case prior to the recession, when some employers found that even with A8 labour available they still experienced labour shortages. Agribusiness particularly relied on A2 labour, sourced through SAWS, as many A8 workers were moving away from the sector towards more secure and desirable jobs. The future of SAWS is uncertain and from the end of 2013 onwards A2 workers will have access to other sectors in the labour market. For these reasons employers and providers in the agribusiness sector were concerned that they will experience acute labour shortages in the future.

‘We can get the right people at the minute because Romanians and Bulgarians are restricted to working on farms but come the end of 2013 they will get freedom to work wherever they want in the UK and SAWS could well be abolished around then too and that will be a crunch time for agriculture because once we get past year one and year two of full working rights then I think that as we have seen with Spain and Portugal and now with Poland, Latvia and Lithuania that people will move away from agriculture so the sector will be short of workers’.

Yoshi, chief executive, labour provider firm, rural England

Interviewees would also like greater freedom to be able to source labour from outside of Europe. The current visa and work permit system was criticised for being prohibitively complex, time-consuming and expensive. The quantity of visas that are available and the roles they are applicable to was also seen as restrictive. This was worsened by recent policy changes which further hampered efforts to source non-EU workers. Thus for highly technical roles in sectors such as the oil and gas industry employers are often willing and able to go through the expense and complications of sponsoring a visa whereas employers in hospitality were unable to do so for roles such as chefs even though they often struggled to source them from within Europe. Many
employers in the hospitality sector employed non-EU nationals who were studying in the UK on student visas, although most felt that they were restricted by the fact that students could only work limited hours on these visas. Interviewees also argued that they would like to be able to use workers from outside Europe for medium and low skilled roles but that legislation meant that they used A8 migrants instead.

‘I would work with more Asian people if they had free movement because their work ethic I think is probably even better than the Eastern Europeans, they are very focused and work is very much the main part of their life really. But getting a work permit is so difficult and so much hassle unless it’s for a really high role that I use Eastern Europeans because their mindset is much more hospitality minded than British people and they are more accepting of the low pay and long hours that go along with this sector’.

Kenneth, director, labour provider firm, rural England

5.1.2 THE WELFARE STATE AND GENERAL EMPLOYMENT LAW

Amongst employers who used predominantly or exclusively migrant labour, difficulties recruiting and retaining local staff were the most commonly cited reasons for using overseas workers. Interviewees drew attention to the apparent paradox of them experiencing labour shortages for low and unskilled roles and having people on welfare benefits living locally that in theory could fill them. In this sense A8 migrants were seen as a necessary response to the unwillingness of some British workers to take up low-paid, physically demanding or insecure work. The welfare system was blamed for eroding the work ethic of claimants by making it feasible to have an acceptable standard of living on benefits. The fact that benefits were similar to the National Minimum Wage meant that claimants were perceived as being better off on welfare and thus had no financial incentive to take up low paid jobs. Finally the complexity and risks involved in signing off benefits to take up agency or seasonal work were criticised for not being conducive to claimants servicing the flexible labour market.

‘Before the recession the soft fruit industry lost millions because crops were left in the field because there was no-one to pick them yet Dundee’s got very high unemployment. So I’d say the biggest problem for us is in getting quality workers because if the economies of the Eastern European countries pick up then people from there might still come but they won’t want to pick fruit and I can’t see the locals wanting to do it. We would love it if the local population would come in and do the job and then go home at night because we wouldn’t have to provide accommodation and things like that which cause us problems. But I don’t know how’d we get the locals in, the government would have to take their benefits away I suppose’.

Nadine, owner, soft fruit farm, rural Scotland
Another complaint about the benefits system was that it made recruiting staff a more drawn out and frustrating process since claimants were coerced into applying for jobs that they did not want or were not suited for, costing employers time through sifting through their CVs or going through the motions of the interview process with them. Whilst mostly critical of British citizens taking advantage of a perceived overgenerous benefits system, some interviewees felt that particular migrant groups were also abusing the welfare state.

‘The UK is seen as a soft touch, which we are in terms of benefits. So there is also the unscrupulous end of the market where they work in the UK for six months, pay their stamp and then they can claim Jobseekers Allowance forever. All they have to do is demonstrate that they have had x amount of applications for work in the UK and even after they have gone back home they still get their £65 a week. And there are specialist centres where they are groomed in how to abuse the bloody system once they come over here’.

Peter, managing director, labour provider firm, rural England

In terms of general employment law, interviewees expressed concerns that a number of European Union employment directives were having or would have a detrimental effect on their business and operations. Most concerns centred on the EU Agency Workers Directive (TAWD), which gives enhanced rights to agency workers once they have been employed for three months or more. The ability to use temps as a highly flexible supplementary workforce which employers can turn on and off ‘like a tap’ was regarded as essential to the functioning of the UK labour market.

‘The challenge now is how to deal with the incoming new legislation for temporary workers which is coming through next April [Temporary and Agency Workers Directive] because it means that after thirteen weeks employers have to make a commitment to their temps and give them the same benefits and salary and rights as permanent staff so my clients have told me they won’t be using agency temps and they will just take someone on on an eleven week contract direct instead. So all this legislation is fine and it is all about protecting worker’s rights but effectively what it is doing is spoiling the UKs flexible workforce because it is making temps more expensive’.

Bethany, managing director, labour provider firm, rural England

Some labour providers argued that these changes represented very significant challenges for the industry since the introduction of the National Minimum Wage and holiday pay for temps meant that they were losing their attraction as a financially attractive form of labour. The EU Working Time Directive was criticised for inhibiting migrant’s working hours and thus earning potential, with interviewees claiming that most were keen to work as many hours as possible. In agriculture the
National Minimum Wage was seen as less favourable than a pure piece rate system as farmers had to subsidise the wages of slow pickers, resulting in the dismissal of otherwise low earners.

5.2. OTHER FACTORS INFLUENCING HOW LABOUR PROVIDERS AND USERS ENGAGE WITH A8 LABOUR

5.2.1. THE ECONOMIC HEGEMONY OF SUPERMARKETS

The relatively recent rise of a handful of very large corporations has had significant implications for the farming industry and the way that it produces and sells its products. The considerable buying power of the supermarket chains was described as resulting in them effectively dictating the prices that producers receive for their product, the nature and standard of the product produced and the conditions under which those who produce the product are employed. In line with efforts to promote their adherence to ethical trading and employment practices the supermarkets were reported as subjecting their suppliers and the agencies that supply their suppliers to very strict ethical audits. Due to the importance of passing their audits to their business prospects, both suppliers and agencies claimed that the supermarkets, in not doing business with suppliers associated with unscrupulous activities, had a far bigger impact on making sure that employment conditions were legal than government legislation. As well as audits from the supermarkets, agencies were also audited by the growers that they supplied workers to and in turn agencies often audited the farms and companies that they supplied workers to in order to ensure that they were being treated properly. In this sense then the supermarkets policed their suppliers and the agencies who supply staff to their suppliers, who in turn policed each other.

‘We have to be aware of the laws about employment and accommodation but we supply to all the major supermarkets and they are the ones that really dictate how we do things. We get strict ethical audits from them and that is a huge thing because we’ll suffer if we don’t pass them so you have got to treat your workers properly or else the supermarkets won’t touch you and they won’t buy your fruit’.  

Adam, field manager, farm, rural Scotland

Interviewees reported that the supermarkets, in dominating the supply chain and insisting on checking that workers involved in producing the food that they sold on their shelves, actually had a positive impact on the industry in that they raised the standards of employment in that sector. However some interviewees reported that the role of the supermarkets was contradictory in that on one hand they insisted on
workers in agribusiness being treated to strict minimum standards but at the same
time they used their buying power to drive down the price that they paid producers for
their product, meaning that their suppliers had to reduce their costs in order to remain
profitable. As labour was the biggest cost to suppliers it is on this outgoing that
producers sought to reduce expenditure, which in turn had a detrimental impact on the
standards of employment for workers.

‘The peculiarity in all of this is that the largest consumers in agriculture and
horticulture are for obvious reasons the supermarkets and they have this moral high
ground where they want to make sure that workers rights are observed but the reality
is that they are the ones that drive the cost of the product down which in turn squeezes
the producer. So it is a contradiction that on one hand they want to be associated with
this wonderful borderline nirvana for foreign workers but the reality is that the poor
buggers are being literally ground into the dirt by them keeping the prices so low’.

Peter, managing director, labour provider firm, rural England

5.2.2. THE GANGMASTERS LICENSING AUTHORITY

The Gangmasters Licensing Authority (GLA) was established in 2005 to prevent the
exploitation of workers in the food production sector. Labour providers supplying
workers to the agricultural, horticultural, food processing and shellfish industries must
have a GLA licence. Many of the labour providers interviewed were classed as
‘gangmasters’, which was a common source of frustration as they felt that they tarred
with a pejorative term which had many negative connotations.

‘I suppose officially I’m a gangmaster but those of us who are good, responsible
ethical people within the industry feel quite reluctant to tell people what we actually
do because people think that you’re into people trafficking. My son plays football and
the other dads ask me: how are things in the people trafficking business? And that is
annoying and I think that what has happened is that the sector has got tarnished by
cowboys who exploit their workforce’.

Sam, regional manager, labour provider firm, rural Scotland

In terms of positive responses to the GLA, most of the gangmasters
interviewed understood the need for a regulatory body to raise and enforce minimum
standards in the food production and processing sectors. A common theme was that
the GLA coming into being had a had significant positive impact on reducing the
level of unscrupulous activity in the industry and that it had helped ethical providers
by preventing them being undercut by gangmasters who were acting illegally and
were thus able to charge lower prices to labour users. Complying with GLA
regulations and being inspected by them was predominantly regarded as a necessary
inconvenience as opposed to a major upheaval. Finally having a GLA licence was
regarded by gangmasters as being beneficial as it served as an indicator to potential clients and candidates that they were legal and sound labour providers.

‘I don’t have a problem with having to be GLA registered because it is important to stop unscrupulous agencies and employers abusing the rights of workers and flexible staff. It is also a good accreditation to have and it allows us to protect our business. Because we are GLA licensed it gives candidate’s peace of mind that we have gone through that process and that they have came in and audited us. Yeah it is another bit of bureaucracy but I understand that it has to be there and think any accreditation you get as a business or any kind of association with a government-led body can only be good’.

Ben, divisional director, labour provider firm, urban Scotland

A common criticism was that while the intentions of the GLA were merited they had not been effective enough in clamping down on unscrupulous activity on the part of labour providers based in the UK and on overseas based providers supplying workers to businesses in Britain. Thus the GLA was perceived as helping to reduce but not eliminate the exploitation of migrant workers. This was often attributed to the GLA lacking the necessary resources and enforcement officers to detect and act on breaches of regulations. Interviewees expressed frustration at being aware of and reporting illegal activity to the GLA but no or ineffective action being taken against the perpetrators. Legitimate and compliant gangmasters complained of this leading to unfair competition in the sector since providers acting illegally were able to offer labour to employers at a substantially lower rate than they were.

The use of umbrella companies by some organisations is a case in point. This was an arrangement whereby a separate company acted as the employer to agency staff and where payments were made to staff from the agency via the umbrella company. The attraction of this set up for employers and agency workers was that they can avoid paying part of their income in taxes by offsetting part of their pay as expenses for travel, meals and accommodation. By paying less tax the candidate benefits by having higher take home pay, the agency benefits by having to pay the candidate less and the labour user benefits by getting a lower rate for staff.
‘Being registered on the GLA has had no negative impact at all, to the point where I am actually disappointed at how unable they are to implement their policies. Some agencies use a loophole called umbrella companies where they get somebody else to do their payroll on their behalf and the temps become employed on a sort of self-employed basis. In the end the temp and the candidate get more money but the government is being cheated out of tax and we’re being undercut. And we’ve told HMRC and the GLA about it and they don’t stamp it out so to me rules are fine but if you are not going to enforce it and penalise the bad guys then it is no use at all, it is just a talk shop’.

Wallace, managing director, labour provider firm, urban Scotland

For some interviewees complying with the GLA represented another layer of bureaucracy that exerted further pressure on their operating costs. The fact that the GLA only covered a few sectors appeared to reinforce a feeling amongst some gangmasters that the food production and processing sectors had been singled out as more unscrupulous than other sectors and that as a result they faced an unjustifiably cumbersome legislative burden. The range of organisations that providers and employers in the food production and processing sectors were audited by included: supermarkets, the GLA, the UK Border Agency, local councils and fire brigades (accommodation), police (workers), health and safety, Sedex (social audits), Association of Labour Providers, Recruitment and Employment Confederation, Investors in People and the Temporary Labour Working Group. The benefits of this comprehensive auditing were that complying with them was seen as good for the organisations reputation and that it gave candidates and clients ‘peace of mind’. Small and medium size organisations often found the legislative burden to be particularly burdensome whereas bigger companies felt that they were better equipped to set up systems such as IT programmes to make compliance easier.

‘The sector is consolidating and the small operators are finding it very difficult to cope with the structure that is coming to the industry now but we on the other hand are quite well set up for it so we are looking at what is going on at the minute as an opportunity rather than as a threat. There is so much legislation and so many pitfalls that big companies want to deal with big companies that they can trust and I would say we are one of the best at that side of things. We have invested a huge amount of money on our IT in the past few years getting them set up for the legislation and that allows us to give the client peace of mind’.

Sam, regional manager, labour provider firm, rural Scotland

Many labour providers did not supply workers to the food production and processing sectors, seeing it as a highly competitive and sometimes dubious sector of the economy to be involved in.
‘We have got a gangmasters licence but we have never used it because the margins are so low that we don’t want to compete with that. And a lot of agencies tend to recruit direct and supply directly from overseas but we don’t want to get into that: it is messy and I don’t really agree with it because it is very low wages in that sector and you hear about them not even reaching the minimum wage so no we don’t do any of that’.

Janine, operations and HR manager, labour provider firm, urban England

Most of the gangmasters interviewed reported that the introduction of the GLA had a minimal practical impact on how they go about sourcing and supplying labour since they were already operating at or above the standards that the GLA agency enforced. A few providers noted that they had ceased providing transport or accommodation since the GLA regulations meant that they could not longer deduct these costs directly from employees pay. In some cases this was condemned as counterproductive since the rates they charged were often less than the workers now have to pay for public transport or private rented accommodation. Another practical implication was that gangmasters could not take workers from another labour provider unless they too had a GLA licence. This is seen as nonsensical since they would ultimately still be the organisation that was supplying the workers to the labour user.

Some gangmasters and employers portrayed relations between the GLA and the food production and processing sectors as standoffish and mutually suspicious. These concerns related to a perception that the introduction of the GLA had driven a lot of the unscrupulous providers underground and that the authorities were now chasing the ‘easy targets’ for minor infringements instead of chasing down the ‘bad guys’. Another complaint was that the GLA only had a few of their own rules and regulations and that they were mainly an enforcement agency for other bodies’ laws. The advice providers got from the GLA was often said to conflict with that provided by other government bodies, causing confusion and frustration. This led some providers to question the need for the GLA to exist.

‘There are always the dodgy guys out in the background but no matter how often you ring up the GLA nothing happens anyway! And they haven’t even got any of their own legislation; they just enforce other bodies’ and I’ve had them telling me one thing about providing transport and the Inland Revenue telling me another so sometimes I don’t really know what the purpose of the whole thing is. So I’d get rid of the GLA because they don’t make much difference and they are just another QANGO’.

Isabella, director, labour provider firm, rural England
5.2.3. OTHER INSTITUTIONS

Although supermarkets and the GLA were the institutions that were regarded as having the most significant impact on the processes and conditions of employment in the food production and processing sectors, migrant labour providers and users reported interacting with other bodies too. For example some made arrangements with local colleges and universities to organise English language lessons for their employees. Interviewees sometimes contacted the UK Border Agency if they had enquiries about immigration rules or had arrangements with local tax offices to identify and report fraud on the part of employees. Some local councils had nominated individuals whose specific remit was help new migrants settle into their new surroundings. Many of the organisations worked closely with these representatives to help candidates with things like finding accommodation or opening bank accounts. Larger organisations were involved in lobbying the government on issues such as the proposed ending of the SAWS programme whilst the directors of some firms held prominent positions in bodies such as the Association of Labour Providers.

5.3. UNSCRUPULOUS ACTIVITY AND THE USE AND SUPPLY OF A8 MIGRANT LABOUR

The interviews included questions relating to the extent to which unscrupulous activity existed in relation to the recruitment and employment of East-Central European workers in the UK. The consensus amongst the interviewees was that some unscrupulous activity existed but that it is uncommon and certainly less prevalent than it used to be. A number of explanations were offered for this view. A common one was that prior to the 2004 accession many employers used illegal workers as a form of flexible labour and sourced them through unscrupulous labour providers. The illegal status of East-Central European workers at this point meant that they were susceptible to abuse, most commonly in the form of very low wages and significant deductions from their pay for costs like transport and accommodation. The accession in 2004 meant that employers could use A8 labour more freely and without having to go through unscrupulous labour providers. This change in their legal status meant that many of the more extreme illegal abuses of A8 migrant labour were eliminated.
Some forms of abuse continued for the first few years after the accession but by 2006 most migrants were more ‘clued up’ regarding their rights. Additionally many of the providers and users of migrant labour argued that they were dependent on migrant labour and that therefore it would not be in their interests to mistreat their workers as they would merely leave and work somewhere else instead.

‘I would say that we are pretty good, there is no point in taking risks because we don't want the bad publicity and most of the farms are highly regulated and you want to be known as a decent farmer that pays good wages or you'll not have a picking population and then you'll not have a business. So we provide broadband and a football pitch and a BBQ area because we want them to come here and you want them to have a good time so that they stay with us and maybe even come back the following season so it wouldn't make sense for us to treat them badly’.

Nadine, owner, soft fruit farm, rural Scotland

Self-regulation also seems to have been an important mechanism in reducing unscrupulous activity. Labour providers and users emphasised that having a reputation for treating workers fairly was paramount to attracting and retaining them and for getting business from clients or customers. Thus providers were keen to ensure that their clients were treating their candidates fairly and clients, mindful of the will of supermarkets to be seen as promoting ethical trading practices, were keen to make sure that they sourced their labour from reputable providers.

Another factor in reducing unscrupulous activity was the recession. Prior to the economic downturn some employers were so desperate for labour that they felt they had to seek out and use providers that they were not familiar with in order to supplement the supply from their usual provider. In some cases these providers proved to be acting illegally and were closed down by the GLA or the employer cut their links with them due to problems with the quality and employment conditions of the workers. The recession and the increased use of informal migrant networks as a recruitment tool meant that fewer employers had to turn to unfamiliar or disreputable providers in order to source migrant labour.
'If you are supplying to a supermarket then I would think that most people are using the big suppliers like HOPS or Concordia and there are enough people through those sources at the minute. A few years ago just before the recession hit there were big problems because we just couldn’t get the workers so because we were desperate we phoned up this agency that someone else had used and but it was always a bit strange and then this whole load of Portuguese people turned up at midnight on a bus but we didn’t know they were coming and they said they didn’t want to work on a farm so they were driven off and we never heard from him again’.

Gary, owner, soft fruit farm, rural Scotland

Despite the employment conditions of East-Central Europeans generally improving over the past decade, interviewees reported that some elements of unscrupulous activity remained. This was attributed to the role of supermarkets in driving down margins and the labour provision industry being highly competitive. These factors served to create incentives for organisations to cut corners in order to reduce their costs. This resulted in unscrupulous activity with regards to payment of overtime, income taxes, National Insurance contributions, holiday pay and adherence to health and safety and other legislation. Legitimate labour providers reported that competing with providers who were cutting corners was very difficult because they could offer labour to employers at reduced rates.

‘According to the GLA if an agency is providing workers at a rate that is less than the National Minimum Wage plus £1 then they are defrauding the taxman because they cannot possibly be paying the worker at the minimum rate, the taxes and then making anything out of it. So you see agencies supplying for £0:41 an hour mark-up and you know they’re breaking the law but they’re at a competitive advantage because the employer will often just take the workers from whoever’s cheapest and one or two years ago we were charging about £1:60 an hour and that was considered to be mean but lean so there’s no way we can compete with that unfair competition’.

Gavin, managing director, labour provider firm, urban Scotland

Many labour providers criticised employers for being complicit in this type of unscrupulous activity because they would be aware that they only reason they could supply workers so cheaply was because they were cutting corners. In these situations employers were said to not ask questions that they did not want to know the answers to. For these reasons unscrupulous activity was said by some interviewees to still be commonplace in the food production and processing sectors.
‘A lot of good has happened over the past five years or so and a lot of the cowboys have been taken out of it but the industry has been tarnished by people like that who charge finder’s fees and exploit their workforce. But my perception is that most of our competitors are not very good, 90% of the industry shouldn't be in the trade so your research will be skewed towards companies like us who don't have anything to hide and the Fred in the Shed operation is going to wonder who in the hell you have been talking to when they see your results’.

Sam, regional manager, labour provider firm, rural Scotland

Just as nationals from the A8 countries were exploited due to their illegal status prior to 2004, workers from countries which do not have full rights to participate in the UK labour market continued to be exploited by unscrupulous employers and labour providers. Thus workers from countries such as Ukraine and Russia, who pass themselves off as Latvians, and Brazil, who pass themselves off as Portuguese, were working ‘under the radar’ and as such were prone to exploitative employment conditions.

For many interviewees the biggest source of illegal and corrupt activity in the labour provision industry has been from unregulated agencies based in East-Central Europe. Overseas based agencies were accused of misleading workers about how much they could expect to earn in the UK and charging them hundreds of pounds for connecting them to often non-existent jobs. Thus agencies and employers in the UK often found destitute East-Central Europeans arriving ‘on their doorstep’ with no money and desperate for work. Interestingly the abuse of uninformed migrant workers by agencies based overseas seemed to be less common latterly as the uncertainties associated with the accession have diminished and migrants became more aware of their rights and employers more sensitive to the need to ensure that their workers were not charged exorbitant finder’s fees. Also as migrant networks developed employers and workers were now less reliant on agencies based in East-Central Europe to connect with each other. Some interviewees who initially sourced labour directly from A8 countries commented that they made a conscious decision to recruit from there themselves rather than rely on corrupt agencies.
‘We went and recruited them ourselves because we wanted to show potential employees that we were above board, that when they came here it wasn't just on the promise of a job and to show that the faces they saw in the hotel in Poland would be the same faces that they would see when they arrived here because there were stories at that time of people getting told they had jobs and turning up and there being no job for them and we didn't want that kind of situation going on here. So that was the business decision that we would go and do the recruitment over there ourselves to avoid those agencies’.

Jack, head of HR, food processing firm, rural Scotland

It was common for labour providers to note that although the use of A8 migrant labour by clients was largely legal, the employment conditions under which they worked were often not necessarily ethical. Agency staff, who were predominantly migrants, were said to be used by employers as if they were nonhuman units of production which could be ordered from an agency, used and then discarded at very short notice. This disrespect for the migrant workers was all the more frustrating since they were often highly skilled and qualified individuals who were underemployed in menial and insecure forms of employment.

‘The users recognise the importance of the Eastern European workers but... we had a client ring us at 11:40 this morning and they are a massive company and they rang expecting another 16 staff for 1:00 this afternoon. They don't consider the logistical implications of that: I'll just go to the cloakroom and take 16 off the hooks. It is unbelievable, because from a personal standpoint I resent that and I see that as people being put upon. And on occasion I have questioned the integrity of what we do because they are sometimes just treated like animals or as a number of units as opposed to individuals. 16 arms and legs to shift the product, it doesn't matter what their lives are like or how many degrees they have got. They are just a part of the production process and it is frustrating when you see talent being wasted like that.

Peter, managing director, labour provider firm, rural England

5.4. RECOMMENDATIONS FOR IMPROVING POLICY

Based on their experiences of supplying and using A8 migrant labour, the interviewees were asked if there was anything in particular about policy that they would like to see changed. One of the most common steps advocated by interviewees was that current migration and employment rules and regulations be clarified and simplified. Cutting red tape would make it easier for companies to employ migrant labour, especially smaller firms who find comprehending and complying with the rules and regulations particularly burdensome. There were almost universal calls for the WRS to be scrapped (which happened in April 2011 as European legislation required it to).
'I think the government has to get rid of the WRS because I don't think it is right that we encourage European workers to come over here, charge £90 to register and they have never prosecuted anyone for not registering. I mean it is just a way of getting money off people. If we are going to have a free Europe and encourage these people in then we have to make it the same for all of them.'

Josephine, operations director, labour provider firm, rural Scotland

Interviewees also complained that the government’s pronouncements and policies regarding migration were often confusing and contradictory. Thus they called for a clearer understanding of how their future requirements for overseas labour will be affected by immigration laws. This tied in with concerns that the government were making decisions on immigration policy based on political considerations rather than on the needs of the economy. For example the government has recently made it harder for organisations to get skilled workers from outside of the EU by reducing the number of available work permits. Interviewees called for this decision to be reversed and for legislation to be reconfigured to allow companies to get both skilled and unskilled workers that are in short supply from outside the EU via time limited visas. Another step recommended was that the 20 hour working week restriction on student visas be eased or lifted.

Those involved in agribusiness called for the proposed scrapping of the SAWS programme to be abandoned and for it to be opened up to non-EU workers as it had been previously. They also wished for the GLA to become more effective in rooting out unscrupulous labour providers and for them to begin cracking down on the users of labour from these agencies, who falsely claim to be unaware that their labour providers are cutting corners. There were calls for the GLA to be extended to cover more than just the food production and processing sectors and for steps to be taken to enforce governments in East-Central Europe to better regulate labour providers in their countries that are supplying workers to the UK labour market.

As well as changes to the immigration rules and regulations interviewees also advocated wide ranging reforms to the welfare system in order to encourage more British workers to participate in the labour market and to prevent migrants from being able to exploit aspects of the benefits system. Measures that were proposed included benefits being reduced so that claimants have greater incentives to take up low paid work and procedures changed so that it becomes easier for claimants to sign on and
off benefits and thus to take up temporary forms of employment. It was recommended that Jobcentre Plus becomes more selective about who they put forward for roles as interviewees resented wasting time sifting through unsuitable applications from benefit claimants.

‘Going through the Jobcentre, when I advertise a job I get CVs that are just not appropriate and when they get interviews they are not ready for the interview, they do not dress or act well and I’m just like... are you coming for an interview, you haven’t made any effort. So sometimes maybe the Jobcentre should be more... selective - I’ll put it that way’.

Francesca, human resources manager, hotel, urban Scotland

Interviewees were often critical of the quality of British workers that applied for their jobs and recommended that the education system be reconfigured away from the focus on academic qualifications towards providing young people with better soft and technical skills. Many interviewees did not think that it was ‘right’ that migrants can claim benefits soon after arriving here and even after they had left the country or for family members who are not based in the UK. These interviewees called for restrictions to be placed on migrant’s eligibility to state benefits in order to discourage them from coming to the UK primarily to claim benefits.

6. THE EMPLOYMENT CONDITIONS OF A8 MIGRANT WORKERS

6.1. PAY AND CONDITIONS

In the majority of cases, the organisations surveyed paid most of their staff low wages. Most workers received hourly rates that were at or marginally above the National Minimum Wage. Most of the interviewees stated that they paid their basic staff the National Minimum Wage and a small minority reported that they paid slightly above it in order to attract and retain staff. Team leaders and supervisors got slightly higher pay than basic staff. Rates of pay varied slightly between the sectors included in the study. In the hospitality sector the explanations for wages being so low were usually that margins were very tight, meaning that employers had to keep their costs to a minimum.

‘We are paying minimum wage to the rank and file staff here and that’s common all across the hospitality sector because it is a very tough industry and the payroll is the largest single expense in our business so we have to keep it is low as we can’.

Harold, manager, hotel, rural England
In the food processing sector entry-level position rates of pay were also at or just above National Minimum Wage levels. However in some cases where businesses had a core staff that was supplemented by agency workers the former (often mostly British workers) received pay that was above the minimum wage whereas temps (always mostly foreign workers) received only the minimum wage. In some cases rates of pay in entry-level positions in the food processing sector were substantially higher than the National Minimum Wage.

‘I pay fairly high wage rates here, I mean at the minute it is £7 an hour which is good for factory work. But even with paying the decent rate I was still getting massive turnover but that’s gone now that I’ve got the Poles because their standard of work and reliability is amazing. But the reason that I pay people well and treat them well is so that they stay because turnover is a nightmare for a small manufacturing business like this, and having the Poles has eradicated that completely’.

Daniel, managing director, food production firm, urban Scotland

The food production industry was slightly different from other sectors since pay and conditions have traditionally been controlled by the recently abolished Agricultural Wages Board (AWB). Most of the agricultural employers interviewed operated a piece rate system whereby workers were paid according to the amount of work they did. For example soft fruit pickers were paid according to the weight of fruit that they picked. This system was praised for incentivising hard work and for allowing some workers to earn high wages. However low earners had to receive at least the minimum wage, meaning that employers had to ‘top-up’ the wages of these workers.

‘The workers here get a piece rate and we set that depending on what fruit the supermarket wants from us that day. So we tell them what the piece rate is and how many kilos they have to pick to reach the minimum wage. But the minimum wage is £5:80 at the minute and last year our top pickers were getting about £13 an hour so there’s plenty of money to be made if you’re prepared to work. The ones that are here for a skive, we have to ask the agency to take away because we have to make them up to the minimum wage if they’re not picking enough. But last year we only sent home about a dozen, which isn’t bad’.

Sophie, student liaison officer, soft fruit and vegetable farm, rural Scotland

All of the interviewees stated that there were no differences in pay between their migrant and non-migrant workers.

‘Right from the start we said that we are not bringing in foreign labour as a cheap option but as a skilled and flexible option. So the pay is always the same regardless of where you’re from but there was a time early on when some clients would come to us
and say: ‘we’re paying you £6:50 an hour for Brits, can we get Poles at £6 an hour?’ and we would walk away from that.’

Wallace, managing director, labour provider, urban Scotland

Some employers took deductions from their employees’ pay, mostly for accommodation. Some hoteliers, especially in rural areas, provided live-in accommodation and meals for migrant workers and charged them a small fee for it.

‘We provide live-in accommodation and there is a deduction from their weekly wage of something like £30 for that. But that’s a fairly minor fee because property is very expensive in this area so if you choose to rent somewhere you couldn’t get it for that price, not even a room’.

Harry, general manager, hotel, rural England

All of the farms covered in the research provided accommodation for their seasonal workforce. In these cases a standard fee, set externally, was charged for accommodation.

‘There is on-site accommodation on all of the farms that we supply workers to and it is typically mobile homes or caravans and it is a standard fee for that because under the AWB [Agricultural Wages Board] there is a maximum amount that can be charged for the accommodation off-set. This year it has been £31 something and from October it is £32 something’.

Yoshi, chief executive, labour provider, rural England

Some interviewees noted that they provided fringe benefits to their workers in order to create non-financial incentives for attracting and retaining staff. On farms this often involved the provision of entertainment and good facilities and social events like barbeques. Hotels offered workers money off meals and stays in other hotels in their group. More generally, interviewees reported going to lengths to help new migrants settle in by helping them open bank accounts, find accommodation and get access to English language classes. In some cases there was a split between permanent and temporary staff whereby the former were not only better paid but enjoyed other benefits like profit-shares and pension schemes which agency workers did not get access to. Many migrant workers were often restricted to agency work and thus experienced less favourable pay and employment conditions than workers that were employed directly by companies.
6.2. THE PROVISION OF TRANSPORT AND ACCOMMODATION BY LABOUR PROVIDERS AND USERS

Whether labour providers and users got involved in providing accommodation or transport for their candidates and workers depended on the size of their organisation, their remoteness and the sector of the economy that they were involved in. The provision of accommodation was common in hotels, where many hoteliers offer live in-accommodation as a means of attracting workers. New migrants either stayed in this live-in accommodation on a short-term basis until they sorted out somewhere to live in the local area or remained in the live-in accommodation for the whole time that they worked at the hotel. Hotels in remote areas were much more likely to provide live-in accommodation than those in or near to towns or cities due to the limited alternatives available to migrant workers.

'We don't have any major difficulties getting staff because are lucky in that we have live-in accommodation so that certainly helps, particularly with migrant workers because a massive plus for them is being able to use the live-in facilities. A small charge comes off their wages for the accommodation and for that they get a hotel bedroom and its facilities and they also get two meals a day so it pretty much is free accommodation because it works out price wise that they are just basically paying for their food so a lot of the migrants live here for the whole time they work for us'.

Carl, general manager, hotel, rural England

The agencies that supplied seasonal farm workers and the farms that employed them were heavily involved in providing accommodation for workers, usually in the form on on-site caravans. The highly seasonal requirement for labour in these instances meant that it was easier to provide accommodation for the short period of time that workers would be on-site than have migrants trying to find short-term accommodation, which was scarce in rural areas. On the south coast of England the high cost of renting property was another reason why employers often provided accommodation to their seasonal workforce.

As with accommodation, businesses in rural areas were much more likely to be involved in providing transport for their candidates or employees than they were in urban areas, where workers could typically walk or use public transport to travel to and from work. In rural areas migrants usually either car shared or their employer provided transport.

'The migrant workers live in the local towns like Arbroath, Forfar and Montrose and we provide a free bus service which works well for them because they mostly don't
Many interviewees choose not have any involvement at all in supplying or arranging accommodation or transport for workers, seeing it as either unnecessary or as an overly complex process. Interestingly it appears to be the case that many users and providers of A8 migrant labour initially provided accommodation and/or transport to their workers at and in the years immediately following the 2004 accession but that they no longer did so. The main reasons given for this were that the development of migrant networks and communities in the UK meant that new migrants were capable of finding accommodation and organising transport themselves. The other main reason was that legislatively it became much more complicated to provide accommodation or transport to workers.

‘When they came over at first we were supplying accommodation and things like that but we have now stopped that because from the GLA and from an ethical trading perspective if you're involved in the accommodation then it is very complicated and the rules have and can change so now we tend to steer anyway from anything to do with it because there are so many issues with it. And in the end on a cost basis we found that over time we didn't need to do it because people are sorting themselves out in the local community, a lot of them now are owners of their own homes or are quite happy renting’.

Jack, Head of HR, food processing plant, rural Scotland

6.3. ENGLISH LANGUAGE SKILLS AND IMPORTANCE ATTACHED TO PROFICIENCY IN ENGLISH BY EMPLOYERS

The extent to which A8 migrants were proficient in English and the importance attached to it by employers had a significant impact on their employment conditions and prospects in the UK. The main problems that labour providers and users experienced because of language barriers related to communicating instructions about work tasks and information about health and safety. Groups of migrants speaking their own language could be seen as a source of tension with English speaking colleagues and customers. Using multilingual colleagues to translate for those who cannot speak English could be time consuming and producing training materials and signs in different languages could be expensive. Finally, understanding and validating references and qualifications/certificates which are in another language could be difficult.
Levels of English proficiency could be divided into three main categories: none or almost no English, passable/conversational English and good English. East-Central Europeans with no or almost no English tended to be older migrants who, at least partly because of their poor language skills, were restricted to menial jobs. This was most common in the food production and processing sectors and in some back of house roles in hospitality like housekeeping. Cases where migrants with no or very little English were employed tended to be mostly in workplaces where line managers, supervisors and team leaders were also migrants, meaning that poor English was not a barrier to everyday communication.

‘It doesn’t matter if you can’t speak English or what education you’ve got – if you’ve got two arms and two legs and want to work then we’ll get you a job. I mean we have candidates who don’t speak a word of English and they have been here literally for years. But it doesn’t matter because the supervisors in the places that we supply to are usually Eastern European anyway and my consultants are mostly Eastern Europeans too because most people come into the office without a word of English and you’ve got to be able to communicate with them to explain health and safety procedures and to train them before a client will take them’.

Samantha, director, labour provider firm, rural England

Most of the labour providers interviewed had many consultants who were East-Central Europeans, meaning that they could do health and safety inductions and training in candidate’s native language before they entered the workplace, which in any case usually had other A8 workers who could translate and convey messages. It was very common for interviewees to make use of migrants who could speak English to communicate with those who could not speak the language.

‘You get a few Eastern Europeans coming in with good English but they are the young ones and you will find them in hospitality and in qualified jobs because they are fluent in English but the majority of the mature workforce doesn't speak English basically and that is the biggest barrier for them and they really struggle because of that. So in all our branches we have at least two Eastern Europeans so that they can still come to us but also whenever they go to a factory or whatever they always have a supervisor that speaks English but that also speaks their language in terms of making sure that they know what they are supposed to do’.

Isabella, director, labour provider firm, rural England

Interestingly it was more common for some East-Central European migrant workers to have absolutely no English in the English than the Scottish case studies, perhaps because the larger migrant communities in southern England meant that there was less need to learn English than was the case in places like Fife and Angus. Another important point to note is that some labour providers reported that a lack of
English language skills had became a bigger barrier to employment since the onset of the recession because employers could be more selective about who they took on, even for menial roles.

‘There are still lots of people coming here without a word of English and they have real difficulties finding a job. In the beginning clients would accept people without English because they were so desperate for workers but now the difference is that if people don't speak English in all essence they are unemployable and that is down to the economic situation at the moment’.

Kirsten, recruitment consultant, labour provider firm, rural Scotland

Whilst many migrants were described as having very little or no English, most interviewees stated that they required their workers to have at least passable English. For many agencies and employers their recruitment and interview processes were geared towards verifying a minimum standard of English in applicants. In most cases interactions were conducted using basic English and more detailed communication took place through English speaking East-Central European colleagues or through documentation that had been translated into various languages. Work instructions, staff inductions and information about health and safety were relayed to those with poor English through these means. For health and safety reasons employers in the food production and processing sectors often insisted on minimum standards of English language skills whereas in hospitality those with limited English were restricted to back of house roles since front of house positions require interaction with customers.

‘They are hard workers but the only thing that is a problem is the language. I don’t worry about that too much in departments like housekeeping and kitchen porter because you’re working by yourself mainly so I take on people with poor English in those roles... but then a problem is that they then don’t make the effort to learn English because they are all together and they don’t need to but for the restaurant they need to be able to communicate with guests so it’s vital they have good English’.

Francesca, human resources manager, hotel, urban Scotland

It tended to be only for front of house roles and more senior positions that interviewees insisted on high standards of English. Some interviewees in Scotland commented that even migrants with good English initially struggled to understand the local accents and dialects. The majority of the labour users and providers interviewed felt that most of their A8 workers were intelligent and skilled and that only poor English held them back from progressing in the UK labour market. Many quickly improved their English as a result of working in customer facing roles, interacting
with people from other nationalities or attending English as a Second Language (ESL) classes. In fact some of those actually interviewed were East-Central European migrants who had initially came across around the time of the accession and quickly progressed from menial roles into personnel positions or gone from being a temp for a labour provider to being a consultant for them as a result of their English improving.

6.4. NATIONALITIES MIXING IN THE WORKPLACE AND COMMUNITY COHESION

Migration is often a controversial issue and the high volume of migrants that have came to the UK since the 2004 accession means that A8 migration has been the focus of debate in the public, media and political arenas. This section explores labour providers and users experiences of how migrants and non-migrants and different migrant groups have mixed together in the workplace and how migrants have been received in the local communities in which they live.

The picture painted by interviewees of how A8 migrants have integrated into and been accepted by local communities and workforces was generally a positive one. Following their arrival East-Central European migrants quickly earned a reputation as being hard workers and were mostly admired and respected as a result. Over time they have come to be seen as a ‘normal’ part of the local community, having picked up the language, purchased houses, formed friendships and partnerships with local people and had children here. Interviewees noted that a minority of local people had made pejorative comments about migrants but that these were usually unfounded.

‘The areas where I find it hardest to get people to go out to work are the areas with the highest unemployment and there is a contradiction there because people from those areas complain to me that they can’t get work because the Polish guys are stealing their jobs, but these are the same guys that are not going to be out working anyway whether the Poles are there or not and that’s because they just don’t want to work and the Polish gripe is a good excuse for them to sit at home basically’.

Barry, managing director, labour provider firm, urban Scotland

A8 workers also seem to have been well received by their co-workers, with new migrants being accepted and given help ‘learning the ropes’ and advice about living in Britain from local workers. Friendships and relationships between East-Central European and British workers also developed. Some interviewees reported that there was some initial unease and resentment amongst local workers about the
arrival of A8 migrants due to difficulties communicating with each other because of
language barriers and media inflamed concerns about mass immigration. However in
most cases these tensions quickly dissipated and the migrant workers were accepted
by colleagues.

‘When the Europe thing first happened the newspapers were blowing it up and saying
that they were taking all our jobs and things and at first some of the staff here were
repeating what they were reading in the papers and getting irate about it but as soon
as they all got to know each other it was fine and the degree of separation that we had
disappeared and it became more of a team effort. You’ll always get a few individuals
that don’t get on with each other when you have got lots of people working closely
together but it tends to be more personality than nationality’.

Cynthia, operations manager, hotel, urban Scotland

An interesting difference between the hospitality and food production and
processing sectors seemed to exist in that in the former employers actively promoted a
large diversity of nationalities in the workforce whereas the latter sectors tended to be
dominated by larger groups of particular nationalities. In hospitality the workforce
often consisted of British and East-Central European workers but also staff from the
rest of Europe and students from outside of Europe working on student or skilled
worker visas. Having a broad mix of nationalities was seen as something which guests
and customers liked and as a way of preventing cliques of particular nationalities
damaging the cohesion of the workforce. However the food production and
processing sectors tended to be either dominated entirely by A2 and A8 workers (food
production) or by a mix of British and A8 workers (food processing). In these sectors
there was less integration and more tension between different nationalities. A8 and
British workers were described as respecting but not mixing with each other and
significant tensions were said to exist between various East-Central European
nationalities. Tensions within between migrants of different nationalities were
attributed to them speaking different languages, having different cultures and
historical animosities between their countries of origin. Some migrant groups were
seen as insular and reluctant to mix outside of their own close knit communities.

‘At my last hotel I had a big group of Poles and some of them could hardly speak any
English even after being here for three years and that depends on how willing they
are to mix with other nationalities... it is my personal opinion that some of them keep
themselves very well wrapped within their Polish community and obviously logically
they will speak their own language then when they talk to each other and that is not
very helpful for learning the language or integrating with your colleagues or life in Britain’.

Harry, general manager, hotel, rural England

6.5. PREFERENCES FOR OR AGAINST MIGRANT WORKERS

Not surprisingly most interviewees claimed that they did not discriminate either in favour of or against A8 workers even though they often compared them favourably against British workers.

‘All clients want is for the job to get done and it doesn’t matter if it is Johnny or Christophe that does it, as long as it gets done and to a good standard then they’re happy’

Ben, divisional director, labour provider firm, urban Scotland

For many of the interviewees that had a predominantly East-Central European workforce, mainly in the food production and processing sectors, they claimed the main reason was difficulty in sourcing local labour.

‘Nearly everyone here is Eastern European but it is not because we think that they are better workers, it is just that they are the ones who apply for the jobs so it would be hard to recruit other people... but the Eastern Europeans are very good workers so we are happy’

Beatrice, human resources consultant, food processing firm, rural Scotland

Some employers admitted that if they could they would only employ East-Central Europeans and in many cases labour providers reported that their clients had a clear preference for them over British workers. Thus employers often specifically asked their agencies for migrant workers. Some of the providers interviewed reported that they made it clear that legally they could not supply workers solely on the basis on nationality as this would mean discriminating against other nationalities. A few providers responded to their clients’ requests for A8 workers. However discrimination in favour of these workers, when it did exist, was usually through more implicit means. This was when providers made sure to include a few British CVs or send a few British temps as a token gesture to clients who they knew preferred East-Central Europeans. Other providers specialised in and had a reputation for providing migrants, so employers knew that by going to them they would get those types of workers.

‘Because of their great work ethic the demand for Eastern Europeans is huge and we have became very established in only supplying them and that’s why clients come to us... a lot of my clients would never dream of taking on somebody who wasn’t Eastern European, they just wouldn’t entertain it because they are so different in that they
have got a completely different mentality to the Brits where they don't feel that life owes them a living and they want to work and they have a completely different way of looking at things than we do and when you get people that are that hard working then why would you go anywhere else?'

Samantha, director, labour provider firm, rural England

In the hospitality sector all of the employers and labour providers interviewed stated, not unexpectedly, that they did not take into account nationality when making individual recruitment decisions. However many also stated that they liked and actively promoted having a workforce that consisted of a diverse range of nationalities. In this way they could thus be guilty of indirectly discriminating against local workers.

'We get plenty of good applications from English people but I have people here from Poland, Russia, France, Nigeria, Hungry, Spain and Lithuania so there is a good mix and I like it like that. That is one of the things that I take into account when I recruit - it is one of my policies not to recruit so many people... in my opinion at least half of the people in the team should not be from the city that the hotel is in'.

Isaac, general manager, hotel, urban England

In a smaller number of cases discrimination apparently operated against migrant workers. Some labour providers reported that following accession clients were initially apprehensive about taking on A8 workers. The main reasons volunteered for this were that at this point this labour source was still very much an unknown quantity so employers did not know how well they would fit in with the existing workforce and how long they would stay with their company for. Some also feared that making use of migrant labour would be associated with exploitation and the use of cheap labour.

'Initially it was very difficult to get clients to engage with our Eastern European candidates because there were so many horror stories about how agencies were mistreating candidates and a lot of clients were backing away thinking 'oh we don’t want to be impacted by that’. So right from the start we made clear that they aren’t a cheaper option because they get paid and treated the same but using them will give you flexibility and you'll be able to get more overtime filled easily and people will stay for longer'.

Wallace, managing director, labour provider firm, urban Scotland

Later the onset of the recession meant that some employers in the hospitality sector chose not to use migrant workers. Reasons given for this were that the quantity and quality of British workers had improved so there was no longer a need to turn to migrant labour. In these cases British workers were seen as preferable because there
was a perception they would stay longer with the business because so many East-Central Europeans were now returning and there were no language issues, as was the case with migrant workers.

‘Things have changed recently in that lots of people can choose to have British nationals in the kitchen just because there are so many people out there looking for work and you never know when Europeans are just going to disappear home. So even if they have got a good CV the chef will put them to the back and look at the British people first. I don't know if it is a bit of patriotism of whatever but at first it was: who has got the best CV and then who is British? Or who speaks English properly? Because it is a very high pressure environment so not understanding the language properly is a big issue. You can have one or two people in the kitchen that don't understand the language properly but you can't have more than that otherwise it just makes things horrible for the person that is running that kitchen’.

Ryan, recruitment consultant, labour provider firm, urban Scotland

In summary then, in most cases there was no discrimination either in favour of or against migrant workers. In the cases where it did exist it tended to be employers preferring to use A8 over UK workers. In these cases recruitment based on nationality was usually through implicit means, such as employers sourcing labour through channels where they knew they would get East-Central Europeans. In a smaller number of cases employers preferred to use British workers.

6.6. EAST-CENTRAL EUROPEAN LABOUR AND PROGRESSION IN THE UK LABOUR MARKET

Many of the migrants from the A8 countries who came to the UK in the years following the 2004 Accession were skilled migrants who initially entered jobs at the bottom end of the labour market. Their employment trajectories broadly fell into four categories.

(a): Started off in menial jobs but were able to progress once their English improved and they had gained experience of working in the UK. These migrants were still in the UK and in good jobs.

(b): Despite being highly skilled they worked in menial jobs because they could earn more on National Minimum Wage in the UK then they could in their own profession at home. They had since returned because different exchange rates and economic development at home meant that this is no longer the case.

(c) Started off in menial jobs but were able to progress once their English improved and they had gained experience of working in the UK. However these migrants could
no longer to attain good jobs because of the recession, so they were working in menial roles again.

(d): Skilled but they are restricted to menial jobs because their qualifications, skills or experience was not recognised in the UK. These migrants were often studying in the UK in order to try and progress in the labour market.

The calibre of more recent A8 migrants to the UK has decreased in recent years as it was claimed they are typically older, less skilled and have poorer English language skills. These workers were thus restricted to menial roles and had reduced prospects of progressing in the UK labour market.

Many A8 migrants were regarded as intelligent, skilled and well qualified yet in many cases they were, at least initially, restricted to menial jobs. The main barriers to getting better jobs were a lack of English language skills, not having experience of working in the UK and their qualifications and skills not being recognised or seen as compatible with UK standards. For many skilled A8 migrants menial jobs acted as a stepping stone until they were able to attain employment that better matched their qualifications. Generally speaking the labour providers and users interviewed were good at spotting and making use of talented workers and progressing them quickly. Thus many of the A8 migrants who joined their organisation at the bottom level around or soon after 2004 had advanced to lower, middle and even higher level management positions.

‘I think that if you went back to 2007 you’d find about 90% of all the people were in temporary jobs through agencies so we had people with doctorates working in fish factories but now a lot of them are in permanent jobs and in good positions because initially they were just seen as warm bodies to fill gaps in locations or jobs that Brits wouldn’t go to but now employers have started to realise that academically some of these countries are actually way ahead of us and also in terms of work-ethic and social skills’.

Wallace, managing director, labour provider firm, urban Scotland

Many of those who progressed to better roles were still in them, whereas others returned home due to changes in the exchange rate and improving economic conditions there and others have been forced back into menial jobs in the UK because of the recession.

‘Our office division, in 2007 more than 30% of our Eastern European candidates were in good office jobs but now because of the recession the demand for overseas
workers just hasn’t been there so now their expectation is only factory work even though some of them are very well educated and have degrees. They’d prefer to be back in offices but in this economic climate the demand is for the perfect applicant to fit the job so it is very hard for us to suggest somebody that doesn't have the exact experience so unfortunately it is very hard to do something different for them apart from factory work’.

Bethany, managing director, labour provider firm, rural England

The trajectory of A8 migrants in the agricultural sector mirrored these trends. In 2004 many worked in agricultural jobs as they were limited in terms of the roles that were available to them. However as the economy continued to thrive and their English improved they increasingly were able to attain more desirable jobs. Around this time the agricultural sector experienced labour shortages because they could not source domestic labour: many A8 migrants in the UK were in more desirable jobs and fewer East-Central Europeans were coming across due to less favourable exchange rates. Prior to the recession seasonal agricultural jobs came to be dominated by Romanian and Bulgarian workers, who could work in temporary jobs in agriculture through SAWS but could not work in other sectors of the UK economy. The onset of recession meant that some A8 migrants had returned to agricultural jobs as those in the UK had found it difficult to attain employment in sectors such as construction and hospitality and very high unemployment in countries such as Latvia meant that more migrants were coming to the UK in search of employment.

‘From 2004 to 2006 we were seeing plenty of Poles but then it tailed off but more recently there has been a return into agriculture from A8 nationals who had left two or three years ago and went into for example hospitality and have now found it more difficult to get work there and have come back in. But 2008 was a very tricky year in terms of recruitment in agriculture and horticulture because at that point prior to the crash we had pretty high levels of employment throughout Europe and we weren't getting the interest from the A8 countries that we are actually seeing now because people chose to move away from it once they were able to get a job inside, say in a cafe or in a bar or in a hotel’.

Yoshi, chief executive, labour provider firm, rural England

Much of the progression which A8 migrants experienced came in the form of them registering with a labour provider, because that was the most realistic way of getting employment, then being taken on by an employer through a ‘temp-to-perm’ arrangement and then subsequently progressing internally within that organisation. Migrant workers were lauded as being particularly eager to take advantage of the opportunities that existed for them to progress and gain promotions. Many A8
migrants also combined working in a menial job with studies, often to enhance existing qualifications which were not recognised by UK employers.

Rates of upward occupational mobility for more recent migrants seemed to be more stunted than was the case with the first waves of migrants who came following accession. This was partly attributed to the impact of the recession and the subsequent lower demand for migrant labour and the impact of slowing economic growth for opportunities for progression for the workforce generally. However the main reason volunteered by interviewees was that the calibre of A8 migrants had declined: the most skilled migrants came first and latterly most new arrivals tended to be older, with fewer skills and poorer English. These newer migrants were more likely to be restricted to menial jobs and were less likely to experience upward mobility than their predecessors.

‘At first we were seeing a good influx of candidates you know, anything from engineers to doctors and that kind of thing applying for minimum wage jobs but more recently that has started to die off and I think that was because our minimum wage here is similar to theirs back home now and with the exchange rate and things too. So of course they all went back and now what you see is more what I would term unskilled people that probably struggle to get work in Poland and come to the UK. The downside is that their English isn’t good and they only have very basic skills so they can do the job because it is simple mind numbing stuff but you can’t take them forward and advance them’

June, operations director, food processing firm, rural Scotland

7. CONCLUSIONS
This paper has aimed to explore labour market aspects of East-Central European migration to the UK from the perspective of employers and recruitment agencies. Large numbers of migrants have participated in the UK labour market since the accession of the so-called A8 states to the European Union in 2004, some of whom have since returned due to factors that include the recession and changes in exchange rates.

A conceptual contribution of the study has been the development of a typology which describes the various labour provider - employer relationships which shape the nature of how East-Central European migrant labour is recruited, employed and managed in the UK’s rural agribusiness sector. This perspective is innovative since it represents one of only a few attempts to analytically represent and interpret the
diversity of recruitment – employment regimes that exist in relation to rural migrant labour. This aspect of the analysis is of significance because the role of labour providers and employers is not just categorised but the implications of their interrelations in producing and reproducing complex and evolving forms of migrant geographies are also considered. This encourages a different understanding of labour migration geographies from those based on evidence from surveys of migrants. The analysis of the interviews points to the significance of employer and recruitment-led practices in continually shaping and reshaping patterns of migration.

Contrary to being perceived as exploited victims of the global capitalist system the research provides evidence that, despite often holding menial and insecure jobs, A8 migrants have been able to exercise their agency in positive ways. In line with Ong’s (1999) ideas regarding flexible citizenship, migrants appear to have been able to use their status as ‘flexible subjects’ within the European Union to respond opportunistically to changing political and economic conditions in both the UK and their countries of origin. Many local elites, such as young and skilled graduates, took advantage of the 2004 accession and the large disparities in earning potential between working in the UK and East-Central Europe by coming to the former to take up jobs at a time when they were in high demand due to labour shortages. With changes in exchange rates, the recession and improving opportunities in some East-Central European labour markets, many A8 migrants were able to return with the cultural capital they had acquired through spending time working in Britain. Many interviewees alluded to workers coming to the UK with the explicit strategy of staying for a few years in order to build up enough financial capital to start a business or purchase property on return to East-Central Europe. Other migrants, on account of their skills and improved command of the English language, were able to enjoy upward occupational mobility within the UK labour market. These findings argue for a more nuanced understanding of migrants than that which sees them as merely responding passively to structural forces, such as wage differentials between countries. Instead there is room for sensitivity to their aptitude, through hyper-mobility, in negotiating and responding to changing political and economic circumstances in ways which benefit them.
The administrative burden associated with complying with immigration legislation was seen by many employers as cumbersome, especially for small and medium sized businesses. A perceived overgenerous welfare state and stifling general employment laws were also the focus of discontent as they were seen to act against the functioning of the flexible labour market. The Gangmasters Licensing Authority (GLA) was generally regarded as having a positive influence on the labour provision sector in the food production and processing industries, although the buying power and influence of supermarkets was often cited as a more important factor in setting employment standards than government rules and regulations. The 2004 accession, the formation of the GLA and migrants becoming savvier about their rights over time were regarded as contributing to a situation whereby the exploitation of A8 migrant labour had become less prevalent and was now uncommon. Key policy recommendations made by employers and recruiters involved cutting red tape and simplifying rules and regulations regarding the employment of migrant workers.

The employment conditions of A8 migrants described by interviewees was that they predominantly held menial and minimum wage jobs, although many had progressed into lower and middle management positions over time. There was some evidence of employers initially being averse to engaging with A8 migrant labour. However in most cases there was no indication of discrimination against this source of labour and, if anything, some reports of employers having a preference for migrant over domestic labour.

The findings presented in this paper substantiate much of the existing evidence on the topic of the employment conditions of East-Central European migrant labour and how they are influenced by policy. As with Anderson’s (2010) contention that migration policy can produce ‘precarious workers’ over whom labour users have particular mechanisms of control, this analysis finds that this charge can be applied to the Seasonal Agricultural Workers Scheme (SAWS). Under this policy migrants (currently only A2 nationals) can only work in agricultural jobs and only for a limited space of time. Interviewees in the agribusiness industry appreciated this arrangement as it provided them with a guaranteed supply of workers for a specific period of time as these migrants are restricted to work in their sector. In this sense these migrants’ position could be regarded as precarious as a consequence of the legislation as SAWS
means that they are faced with the ‘choice’ of tolerating physically demanding, short-
term and relatively low-paid agricultural work in the UK or prematurely returning to
the limited employment and earning opportunities in their home labour markets. A8
migrants’ initial inability to access many welfare benefits was also noted by
interviewees, who commented that this meant that they had to take up whatever forms
of employment they could get in order to earn enough money ‘to live’.

The interviews, especially those in the south of England, confirmed that
substantial numbers of A8 migrants were already working clandestinely in the UK
prior to 2004 and were effectively naturalised by the accession. Also in line with
existing understandings was the finding that many employers found the legislation
surrounding the employment of migrant’s complex and daunting and that in many
cases this led them to engage with overseas workers through recruitment agencies.
Restricted access to A2 workers was only seen as a significant problem in the
agriculture sector whereas restrictions on the employment of non-EU nationals was
cited as disadvantageous by employers in relation to both high skilled positions such
as engineers, IT specialists and chefs but also less skilled roles such as agricultural
workers and waiting staff.

In line with widespread perceptions of welfare benefits eroding claimants’
work ethic and leading to a pervasive culture of welfare ‘dependency’, the employers
and labour providers interviewed were almost universally critical of the attributes and
attitudes of local jobseekers and claimed that their poor ‘work-ethic’ was a principal
reason for their use of migrant labour. Many interviewees commented that prior to the
accession they had employed local unemployed people and consistently experienced
problems such as staff turnover but that since 2004 they no longer ‘had to’ resort to
drawing on this source of labour. It is perhaps understandable that employers will
draw on a ready supply of workers whom they view positively rather than take the
unnecessary ‘risk’ of engaging with locally unemployed workers. However it is also
worth considering the complex structural factors which contribute to the supposedly
deficient work ethic on the part of many jobseekers and the global inequalities that
‘produce’ the perceived more ‘willing’ attitude towards low paid work on the part of
the majority of East-Central European migrant workers. Future research could
usefully conceptualise the implications of the accession and later recession on the
employment prospects of unemployed populations from the perspective of the demand-side of the labour market. Employers hold a number of normative understandings of the characteristics that constitute the ‘good worker’ and if recruitment behaviour is based on national stereotypes rather than individual merit this raises a number of important issues in relation to the employment prospects and conditions of those competing for jobs at the bottom end of the labour market.
REFERENCES


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