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***Labour Market Responses to the  
Economic Recession and Changing UK  
Migration Policies: A survey on Chinese  
migrants in the East Midlands***

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# Content



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- Background and survey design
  - Change of business environment
  - Working conditions and factors
  - Conclusions and implications

# “Dover tragedy” (June 2000)



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# “Morecambe Bay” (Feb 2004)



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# Impact of the economic recession on migration: literature review

- Overall effect of recession on migration flows limited, but highly differentiated across categories of migrant (ILO 2009)
- Decisions on migration and return based on host- and home-country factors as well as e.g. length of settlement, status, social capital (LGA, 2009)
- Much economic research on immigrants' impact on labour market - from concern that cheaper immigrants will replace UK workers as recession drives down wages (LGA, 2009)
- Little research on impact of labour market on immigrants, especially "hidden", low-waged ones in vulnerable employment (Rogers, 2009)

# Changing UK migration policies and impact

- UK over-emphasizing routes to citizenship and lengthening path to permanent residence for non-citizens
- Points-based system (PBS) designed for “flexible” labour market and economic up-cycle
- Protectionist raising of barriers to migration risks creating unfilled demand in niche labour markets, promoting undocumented migration
- UK a “reluctant country of immigration” (Somerville et al., 2009)
  - little political will to improve vulnerable migrants’ labour protection, knowledge of rights, though researchers expect them to suffer under recession

# Relevant hypotheses from recession and migration literature

- PBS prevents documented Chinese migrant labour meeting UK demand, promoting undocumented migration, and ties documented migrants more closely to employers, increasing potential for abuse
- Migrants predominantly compete with each other for work (LGA, 2009), not with UK-born workers, so if numbers of migrants don't fall under recession, competition among them for jobs will increase, driving down wages
- Recession will weaken vulnerable employees' ability to resist worsening pay and conditions, while political will to improve protection of foreign-born workers likely to be lacking (ILO 2009; Rogers, 2009)

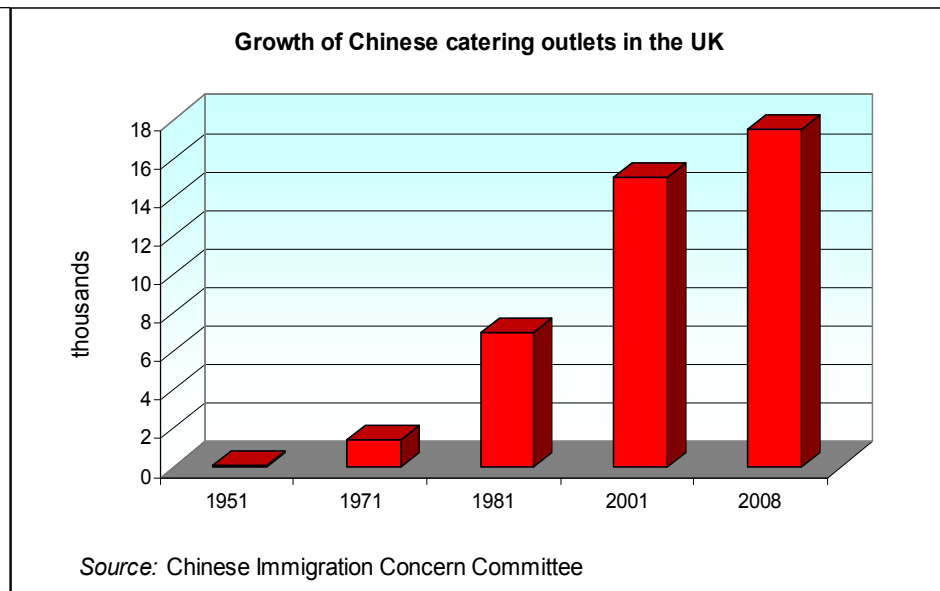
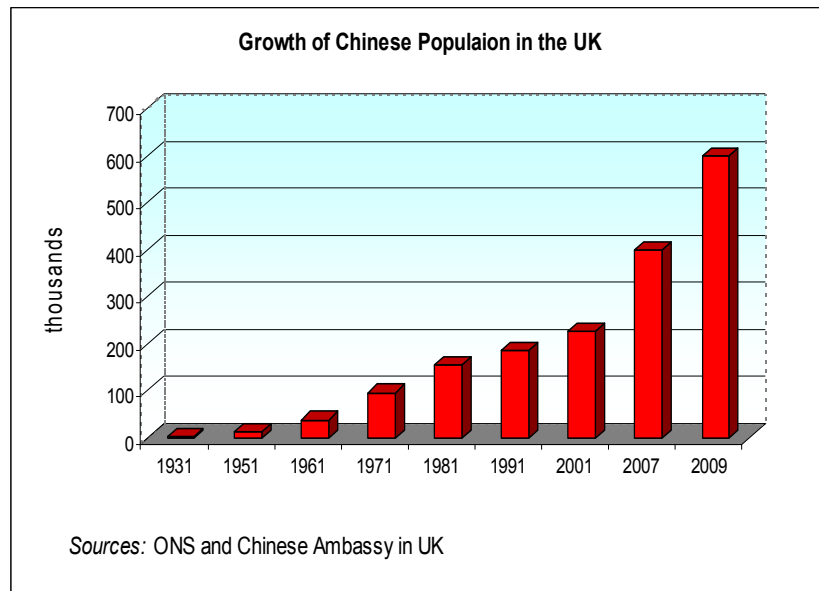
# Background of the project



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- The fastest-growing ethnic group in UK (ONS)
  - Shortage of legal workers in Chinese catering
  - Large number of irregular workers in the UK
  - CBMM project

# Growth of Chinese Population in UK



# Fieldwork in East Midlands



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- Pilot study for new methodology
- Less research outside Chinatown
- Engagement with Chinese community
- Interface with UoN and regional interests

# Aims & Objectives



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## *Impacts of economic recession & new migration policies*

- Latest changes, trends and patterns of Chinese migration
- Consequences on working conditions of Chinese migrants
- Factors influencing employment and working conditions

## *New approaches for Chinese community building in the UK*

# Survey Methodology



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- Workplace observations + interviews
- Sampling: random and “snowball”
- “Advisers” and community participation

# Table 1 Profiles of Observations



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Sector	No.	%	Region	No.	%
Take-away	38	62.3	Hong Kong	26	42.6
Restaurant	13	21.4	Other overseas	6	9.8
Retail	5	8.2	Fujian	14	23.0
Herbal shop	3	4.9	Guangdong	4	6.6
Decoration	1	1.6	Dongbei	7	11.5
Nanny	1	1.6	North China	4	6.6
<i>Total</i>	<i>61</i>	<i>100</i>	<i>Total</i>	<i>61</i>	<i>100.1</i>

## Table 2 Profiles of Interviewees



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Category	Item	No	%
Region of origins	Fujian	14	37.8
	Dongbei	10	27.0
	Other mainland	9	24.3
	HK/Overseas	4	10.8
Migration status	British/PR	15	40.5
	Work permit	5	13.5
	Student	6	16.2
	Irregular	11	29.6
Sector	Catering	26	70.3
	Retailer	4	10.8
	Herbal medicine	3	8.1
	Other	4	10.8
Total		37	100

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- Reduced demand from local customers
- Weakness of British pounds against Chinese Yuan
- High profile measures against irregular employment
- Continuous growth of Chinese population in university towns

# Table 3 Transformation of Chinese Catering



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Region of Origin	Mean years	No	% of total N
Fujian	3.1	13	32.5
Dongbei	2.4	5	12.5
Other provinces	4.0	6	15.0
Hong Kong	8.5	13	32.5
Other Chinese	12.3	3	7.5
<i>Total</i>	<i>5.6</i>	<i>40</i>	<i>100</i>

# Decline in Decorating sector



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*A few years ago, I would buy around 15 to 20 takeaway shops, decorated them and then sold them out every year. I had hired around 38 persons, who worked simultaneously in Wales and North Britain.*

*[Everything changed since the economic recession] This restaurant, NK, I bought it at the beginning of 2008, decorated it and was ready to sell it. At that time, the financial situation in the UK had worsened, it was hard to find a buyer on the market. Meanwhile, I had to maintain operations to make money to pay off the rental. Now, I have to take care of my decoration business as well as this restaurant. I am so tired, exhausted, and suffering great stress. I have to visit my decoration sites and then go back home to see how the restaurant was doing.*  
(Interview 26)

# Emergence of Child-minding



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Q: You mentioned that you have recruited a nanny recently. Why did you not send your baby to the local infant school or nursery?

*A: Certainly, lots of Chinese women married and gave birth here, so they must need nannies to look after the babies, especially when your baby is too young to go to infants' school or nursery. Another reason is that due to the outburst of swine flu in the UK, nursery and infant schools have become high-risk places to go. I prefer that she stays at home with the nanny.*

# Change of Migration Pattern



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- Shortage of legal migrant workers
- Return of irregular migrants to China
- Decline in human trafficking to UK
- Supply of “full-time student workers”

# Evidence for the Impacts of economic recession



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Q: After the Financial Crisis, have irregular workers found it more difficult to get a job?

*A: Yes, definitely. 18 of my friends have gone back to China already now.... After working here for almost 10 years, they do not want to keep working hard in the kitchen with less wages. (Interview 14)*

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*After the financial crisis, it is much easier now for Fujianese to apply for a student visa to come to the UK. The price for a student visa has reduced to RMB100,000. Now young people are so lucky that they do not need to risk their lives to get smuggled abroad. However, I am concerned the young people who did not have a chance to experience hardships like the last generation and might not cherish the chance to go abroad any more (Interview 33).*

# Impact on Working Conditions



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- Deterioration for irregular migrants
- Labour exploitation on some of WP holders
- Attitudes of Chinese employers
- Fatigue and health (physical & psychological)

# Bonded Labour



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Applied to some, if not all, of work permit holders

- Profit making for WP application
- Personal document taken in entrance
- Deposit and low pay
- 28-day deadline for a new employer
- Fear of lost opportunity leading to PR

# Comments on Migration Policies



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- Regularisation of irregular migrant workers
- Promotion of integration process
- Rethinking the work permit scheme
- National helpline for Chinese migrants

# Conclusions & Implications (1)



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- Variety of the impact of the recession on Chinese catering business at the firm level
  - Some drop in business leading to cost-cutting which impact on workers' pay and conditions
  - Documented migrant workers may also suffer worsening pay and conditions despite high demand for labour
  - A lengthening of 28-day period for re-employment to avoid or reduce the suffering of poor working conditions

## Conclusions & Implications (2)



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- Temporary migrants in the catering sector do not fit the PBS and are disadvantaged, vulnerable as a result
  - High demand means undocumented workers can find jobs, but vulnerable, unable to resist unacceptable working conditions
  - Language barrier and problem of unscrupulous ethnic-Chinese migration “advisors” and labour brokers means there is great need for reliable sources of Chinese-language advice to migrants regardless of status
  - Possibility of involving Chinese students in voluntary work to fill this gap, e.g. offering drop-in advice sessions or developing online FAQ sites on key topics – immigration rules, workers’ rights, accessing UK services



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**Many Thanks !!!**