WP5
SOCIO-ECONOMIC IMPACT OF INTEGRATION POLICIES IN THE UNITED KINGDOM

by Eleonore Kofman, Elena Vacchelli

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About the Project

While integration policies as such are not new, and in some countries date back to the 1980s and beyond, there have been important shifts in the debates on integration and in related re-configurations of integration policymaking in the past decade or so. One of the main recent trends is the linkage of integration policy with admission policy and the related focus on recent immigrants. A second trend is the increasing use of obligatory integration measures and integration conditions in admission policy, and third, integration policymaking is increasingly influenced by European developments, both through vertical (more or less binding regulations, directives etc.) and through horizontal processes (policy learning between states) of policy convergence.

An increasing number of EU Member States have, in fact, adopted integration related measures as part of their admission policy, while the impact of such measures on integration processes of immigrants is far less clear. In addition, Member States’ policies follow different, partly contradictory logics, in integration policy shifts by conceptualising (1) integration as rights based inclusion, (2) as a prerequisite for admission residence rights, with rights interpreted as conditional, and (3) integration as commitment to values and certain cultural traits of the host society.

The objective of PROSINT is to evaluate the impact of admission related integration policies on the integration of newcomers, to analyse the different logics underlying integration policymaking and to investigate the main target groups of compulsory and voluntary integration measures.

The project investigated different aspects of these questions along five distinct workpackages:. These analysed (1) the European policy framework on migrant integration (WP1), (2) the different national policy frameworks for the integration of newcomers in the 9 countries covered by the research (WP2), the admission-integration nexus at the local level in studied in 13 localities across the 9 countries covered by the research (WP3), the perception and impacts of mandatory pre-arrival measures in four of the nine countries covered (WP4) and a methodologically oriented study of the impact of admission related integration measures (WP5).

The countries covered by the project were Austria, the Czech Republic, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and the United Kingdom. Apart from individual cases project reports generally cover the period until end of 2010.

For more information about the project visit http://research.icmpd.org/1429.html.
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I Introduction

The main migration routes to the UK are labour and family. While family has been looked at extensively in WP4, this WP looks at labour migration and provides data, where available, for labour migration and labour integration.

Comparing 2010 with a year earlier, the overall number of entry clearance visas issued increased 7% (from 1,995,495 to 2,145,085). Of these, 1,826,030 were to main applicants and 319,000 to dependents (Quarterly statistical summary 2010). In 2008 for instance, about 85,000 people who entered the UK stated they were accompanying or joining another person, accounting for around 16% of all migrants accessing the country that year. Of the overall number of migrants in 2008, around 27% were female joining family or friends compared with only 7% of male immigrants entering the country for the same reason (ONS 2008). When looking specifically at employment figures, the number of employment-related clearance visas issued in 2010 was 166,660, an increase of 3% one year earlier (162,450). Between the year ending December 2007 (227,635) and year ending March 2010 (158,975) the number of employment-related entry clearance visas issued within a 12 month period saw a general decrease but has since remained relatively flat (Quarterly statistical summary 2010).

Figure 11: Reasons for immigrating to the UK, 2000–2008

When looking at the reasons for migration, in 2008 around 38% of immigrants gave work related motivations as the main reason for migrating in the UK. This compares with 44% in 2007. Around 66% of those arriving in the UK in 2008 for work-related reasons had a definite job to go compared with 71% in 2007 (IPS survey).
Of all the work related immigrants in 2008, 44% were male and 31% female and a greater proportion of EU citizens (including British) immigrated for work-related reasons although this percentage has decreased from 64% in 2007 to 54% in 2008. The proportion of non EU citizens arriving in the UK for work-related reason in 2008 was 24% compared with 46% coming for formal study. Formal study was the second most popular reason given for migration to the UK in 2008. More than half all migrants arriving in the UK for formal study were citizens of Asian countries, mostly Indian and Chinese.

In 2008 employment rates for non-UK born migrants were 68.8% as opposed to 75.2 for the UK born second generation migrants. Employment rates increased for people born in India, Pakistan and Bangladesh and the EU15 and decreased for USA born population, people born in Africa (excluding South Africa) and those born in A8 countries. Indian migrants tend to become UK citizens (51%) as opposed to for instance Polish migrants who keep their own citizenship.

Administrative sources on migration to the UK from 2004 to 2008 include short-term migrants and suggest that there is a decrease of people coming to the UK to work (NINo allocations, WRS1, official estimate of Long-Term International Migration). IPS (International Passenger Survey) estimates indicate that the number of A8 citizens' immigration to the UK for work-related reasons decreased between 2007 and 2008 and has continued to do so.

Figure 5: NINo registrations to adult overseas nationals by world area

Source: DWP, National Insurance Number allocations to adult overseas nationals
Note: EU Accession countries here include the A8, the A2 (Bulgaria and Romania) and Cyprus and Malta

1 Nationals from the A8 countries had until 1 May 2011 to register with the Worker Registration Scheme (WRS) if they wish to take up employment in the UK.
NINo data are useful to give an indication of the number of people coming to the UK to work and changes in these numbers overtime.

However new data on NINo allocations are not generally used in official immigration estimates. This is because through NINo is not possible to distinguish between visitors and migrants; moreover, people who do not go to the UK for work reason do not need to register for a NINo and therefore will not be included in the figures.

There were 670,000 NiNos overseas nationals in the year to December 2008 (62% higher than in the year to December 2004). A8 country national comprised 41% of 2008 registrations, compared with 19% in 2004.

With regards to the country of birth, in average the proportions of UK born migrants, EU 27 born and overseas is 1:3:6.

I.1 What admission and admission related integration policies exist or are planned in your country / When were they implemented or will be implemented?

Migrants come to the UK for many different reasons: to work, marry, join family members, study, broaden their horizons and experience new cultures, and seek asylum. Compared with other European countries, the UK has a wide variety of types of migration. In part this may be because certain channels of entry such as official labour migration are closed or severely restricted in other countries.
The UK's pattern of immigration, especially since the introduction of managed migration and opening up of labour migration, has come to resemble a number of traditional settler societies, such as Australia, Canada and New Zealand, which receive large numbers of skilled-labour migrants, accompanying family members and family dependants of established migrants. The UK also receives large numbers of students, some of whom prolong their stay beyond their studies.

Labour migrations, especially skilled flows, tend to have higher male ratios but there has been an increasing proportion of female migrants, especially in certain sectors such as health. By contrast, family migration is dominated by females, though in recent years this dominance has declined as women have increasingly brought in male spouses and accompanying family members. This also means that the gender ratio from different countries varies.

Temporary and long-term migrants have contributed to the overall increase in the foreign-born population, which has risen from about four million to over six million in the last decade. Migrants come from a growing range of countries: 28 per cent from all 25 member states of the European Union (EU), 40 per cent from the New Commonwealth, six per cent from the Old Commonwealth and 26 per cent from other countries (Salt, 2007). Figure 1 shows a substantial increase in the numbers who have arrived since the second half of the 1990s and are currently living in the UK, compared with earlier arrivals.

**Figure 1**  Foreign-born population in the UK in 2007, by period of arrival
In general, labour migration increased steadily from the mid-1990s. Channels for entry were simplified and work permits extended for longer periods, so that skilled workers could accumulate enough years to apply for indefinite leave to remain (ILR) and citizenship. Thus, even before the change in policy announced by the then immigration minister Barbara Roche on 11 September 2000, there had been a significant increase in work permits granted. Between 1996 and 2000, the percentage of women granted work permits had also risen significantly from 22 per cent to 34 per cent, due in part to shortages in the education and health sectors.

Research Report 43 (Achato, Eaton and Jones, 2010) looks at migration patterns in 2004 and suggests that there are two kinds of work migration routes: one leading to citizenship, the other one not. The citizenship route for work migrants comprises highly skilled workers and those with a job offer in a shortage or other occupation. This makes up 19% of all migrants granted non-visit visas in 2004. Approximately 40% of migrants in this route were still in the immigration system at the end of 2009. Moreover, among those with valid leave at the end of 2009 almost ¾ had reached settlement, most obtaining this after 5 year qualifying period.

The work route which is not leading to citizenship eg. working holiday makers and less skilled sectors such as agriculture, food processing made up approximately 17% of all migrants granted non-visit visas in 2004. The majority of migrants who entered the UK in this route appeared to stay in the UK for a relatively short period of time. After 2 years, 84% no longer had valid leave to remain in the UK. By the end of 2009 just over 10% still have valid leave, the majority having moved into the work (leading to citizenship) route. Approximately 3% of migrants who entered the UK in the route had obtained settlement by the then of 2009.

As far as the less skilled worker migration is concerned, the sector-based schemes for less skilled work in food processing and hospitality brought in workers largely from Eastern Europe, the former Soviet Union and some Asian countries (Bangladesh, Philippines and Thailand). The numbers were capped and the scheme was radically trimmed down following the European Union (EU) enlargement in May 2004, and then restricted to Bulgarian and Romanian nationals in January 2007. The hospitality sector-based scheme has been the most severely pruned, though there are still large numbers in food processing. Large numbers of accession country nationals now supply labour in factories, warehouses, kitchen and catering, care, construction, and agriculture (Border & Immigration Agency (BIA) et al, 2008). (The A8 accession countries, which joined the EU in 2004, are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. The A2 countries, which joined in 2007, are Bulgaria and Romania.)

I.1.1 Worker Registration Scheme

The Worker Registration scheme has now been closed by the current Government Coalition ahead of the end of the transition period on 1 May 2011 when such EU migrants acquire full rights. The scheme was for nationals of the Czech Republic,
Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia or Slovenia (known as the ‘A8’ countries). Between May 2004 and September 2008, 932,000 people had registered initial applications (895,000 approved) on the **Worker Registration Scheme** (WRS) (UK Border Agency (UKBA) et al, 2008). Though numbers fell from 2006, they increased in 2010 due to growing numbers from Latvia and Lithuania (Home Office 2011), two countries whose economies have been hard hit by the recession. Bulgarians and Romanians have to obtain a work authorisation document but highly skilled and family members of main applicants are exempt from registration certificates. The number of work authorisation cards rose from 2095 in 2009 to 2250 in 2010 (Home Office 2011).

The self-employed do not have to register on the scheme to work in Britain, while it is estimated that about 20 to 45 per cent of those who should have registered have not (Centre for Research on Nationalism, Ethnicity and Multiculturalism CRONEM 2007). This population is generally young (82 per cent aged 18–34 years). Though most arrive without dependants, the number of migrants with dependants has been increasing (from 5.2 per cent in 2005 to 9.5 per cent in 2007). Some bring in dependants (spouses, children and wider family) after they have found employment and a place to live (Blake Stevenson, 2007; Ryan et al, 2007). This group has had considerable implications for service delivery, such as maternity services and school enrolments. For example, Polish is the most common first language spoken among non-English speaking, newly arrived migrant school children (Pollard et al, 2008).

### Table 1  **Main routes of entry, 2007**

<table>
<thead>
<tr>
<th>Labour migration</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker Registration Scheme (A8)</td>
<td>217,740</td>
</tr>
<tr>
<td>Work permits</td>
<td>86,300</td>
</tr>
<tr>
<td>Highly Skilled Migrant Programme*</td>
<td>21,934</td>
</tr>
<tr>
<td>Working holiday-makers</td>
<td>37,700</td>
</tr>
<tr>
<td>Seasonal agricultural workers</td>
<td>16,250</td>
</tr>
<tr>
<td>Domestic workers</td>
<td>10,600</td>
</tr>
<tr>
<td>UK ancestry</td>
<td>7,220</td>
</tr>
<tr>
<td>Ministers of religion</td>
<td>860</td>
</tr>
<tr>
<td>Au pairs</td>
<td>765</td>
</tr>
<tr>
<td>Post graduate doctors and dentists</td>
<td>75</td>
</tr>
<tr>
<td><strong>Family migration</strong></td>
<td></td>
</tr>
<tr>
<td>Spouses and fiancé/es</td>
<td>42,200</td>
</tr>
<tr>
<td>Children</td>
<td>7,150</td>
</tr>
<tr>
<td>Settlement on arrival</td>
<td>7,940</td>
</tr>
<tr>
<td>Dependants (work permits, students)</td>
<td>54,400</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Students</td>
<td>346,000</td>
</tr>
</tbody>
</table>

Labour 399,444  
Family 111,690  
Students 346,000


*Note:* * These figures refer to 2006 (Salt, 2007). Labour routes generally decreased from 2006 with several categories falling sharply. Postgraduate doctors and dentists had been 330 and au pairs 1,840 in 2006. A large number of migrants already in the country switched into this category: 14,900 principal applicants and 14,900 dependants in 2006–7 (Freedom of Information, 8799). Of these, 3,670 were postgraduate doctors, 2,430 working holiday makers, 1,820 students and 3,680 work permit holders. The first two categories are no longer permitted to switch under the points-based system.

Table 2a, b shows clearly the continuing decrease in labour migration.

**Table 2a Foreign labour immigration by major routes of entry, 2008**

<table>
<thead>
<tr>
<th>Route</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker Registration Scheme</td>
<td>158,340</td>
<td>40.6</td>
</tr>
<tr>
<td>Work permits (now tier 2)</td>
<td>77,660</td>
<td>19.9</td>
</tr>
<tr>
<td>EU/EFTA</td>
<td>49,000</td>
<td>12.6</td>
</tr>
<tr>
<td>Working holiday makers (tier 5)</td>
<td>32,725</td>
<td>8.4</td>
</tr>
<tr>
<td>HSMP (now tier 1)</td>
<td>17,760</td>
<td>4.6</td>
</tr>
<tr>
<td>SAWS</td>
<td>16,594</td>
<td>4.3</td>
</tr>
<tr>
<td>Domestic workers (tier 5)</td>
<td>11,500</td>
<td>3.0</td>
</tr>
<tr>
<td>UK ancestry</td>
<td>6,690</td>
<td>1.7</td>
</tr>
<tr>
<td>SBS</td>
<td>1,570</td>
<td>0.4</td>
</tr>
<tr>
<td>IGS (tier 1)</td>
<td>16,171</td>
<td>4.2</td>
</tr>
<tr>
<td>Au pairs (tier 5)</td>
<td>865</td>
<td>0.2</td>
</tr>
<tr>
<td>Ministers of religion (tier 2)</td>
<td>655</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>389,530</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

HSMP - Highly Skilled Migrant Programme  
SAWS - Seasonal Agricultural Workers Scheme  
SBS - Sectors Based Scheme  
IGS - International Graduate Scheme
EU - European Union
EFTA - European Free Trade Agreement


Table 2b  Foreign labour immigration by major routes of entry, 2009

<table>
<thead>
<tr>
<th>Flow</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Registration Scheme*</td>
<td>108,875</td>
<td>26.9</td>
</tr>
<tr>
<td>PBS Tier 2</td>
<td>52,689</td>
<td>13.0</td>
</tr>
<tr>
<td>EU &amp; EFTA</td>
<td>88,000</td>
<td>21.7</td>
</tr>
<tr>
<td>Working holidaymakers</td>
<td>5,095</td>
<td>1.3</td>
</tr>
<tr>
<td>PBS Tier 1</td>
<td>72,284</td>
<td>19.6</td>
</tr>
<tr>
<td>SAWS</td>
<td>20,180</td>
<td>5.0</td>
</tr>
<tr>
<td>Domestic servants</td>
<td>10,085</td>
<td>2.5</td>
</tr>
<tr>
<td>UK Ancestry</td>
<td>4,430</td>
<td>1.1</td>
</tr>
<tr>
<td>Au Pairs*</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>Ministers of Religion</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>PBS Tier 5</td>
<td>36,005</td>
<td>8.9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>404,798</td>
<td>100.00</td>
</tr>
</tbody>
</table>

These two categories have now been included in tier 5.

Source: SOPEMI 2010 Table 5.18

Analysis of immigration by gender is still poor (Kofman et al, 2005). Although available, the gender breakdown of the WRS in the Accession Monitoring Reports is only published nationally. For the period May 2004 to December 2007, the overall gender ratio of men to women was 57 to 43 (BIA et al, 2008). The gender division among nationalities (flows of immigrants) also differs considerably, as Table 4 indicates. For National Insurance numbers allocated in 2005–6 (662,390), 45.8 per cent on average were for female migrants but only 40.5 per cent for Polish women and 36.9 per cent for Indian women (Kofman, 2007: 286). The percentage of female migrants applying for National Insurance numbers has decreased from 49.1 per cent in 2000–1, probably because of the greater proportion of men in the Eastern European migrations (BIA et al, 2008).
I.1.2 Managed migration and globalization

A speech in 2000 by the then immigration minister Barbara Roche marked an opening in the approach to migration within the context of a global world. This had potentially huge economic benefits for the UK, and also emphasised that Britain had always been a nation of migrants. The acceptance of immigration and the need to adopt a managed migration approach were officially enshrined in the introduction to the White Paper Secure Borders, Safe Haven (Home Office, 2001), which defined the meaning of managed migration as:

(... having an orderly, organised and enforceable system of entry. It also means managing post-entry and inclusion in the economy and society, helping migrants to find their feet, and enabling members of the existing population to welcome them in their communities (Home Office, 2001: paragraph 1.3).

Managed migration is a strategy that could be called a ‘third-way perspective’ on immigration between extremely restrictionist and highly expansionist immigration flows (Crawley, 2003). A managed approach had been proposed in an earlier Institute for Public Policy Research (IPPR) publication (Spencer, 1994) and by the Council of Europe in 1998 (Salt, 2004). The reasons for adopting the idea, rhetoric and practices of managed migration are varied (Kofman, 2005). They include the need to pull together an increasingly complex set of statuses, rights (Morris, 2002) and agents involved in the migratory processes. They need to demonstrate the ability to exert control in a context of uncertainty and risk produced by globalising processes, and to give the impression (and assure public opinion) of being able to measure benefits against costs.

Migration was seen to be driven by globalisation and, like other developed states; the UK competes for skilled workers (Home Office, 2003). The Home Office introduced the Highly Skilled Migrant Programme (HSMP) in 2002 and expanded it on 31 October 2003. Coupling globalisation with skilled workers (which privileges the scientific, financial and managerial sectors, and, to a lesser extent, health), tends to marginalise the less skilled who, in contrast, are deemed to compete with established labour forces and pose pressures on welfare expenditure. Hence, the key divide is between the skilled and the less skilled. In general, the value of less-skilled labour is played down or denied, especially that of household labour (cleaning and care), largely supplied by female migrants (Kofman, Raghuram and Merefield, 2005).

The rights of entry, subsequent residence and pathway to citizenship of the latter are now severely limited. Lesser-skilled migrants are not able to build up an unbroken period of residence which would enable them to settle and become citizens. In the UK, the sector-based scheme (SBS, implemented in 2003) stipulated a break of two months after a 12-month work permit before a further application could be made. The Seasonal Agricultural Workers Scheme (SAWS) (the 16,250 quota, which, in 2007, was split between 40 per cent for Bulgarians and Romanians and 60 per cent for students from outside the European Economic Area (EEA), and,
in 2008, was reserved for Bulgarians and Romanians), requires a break of three months after every six months’ work.

Government priorities for managed migration were affirmed in 2007 in a new Public Service Agreement (PSA number 3): ‘Ensure controlled, fair migration that protects the public and contributes to economic growth’, covering the Comprehensive Spending Review period from 2008 to 2011. One of the underlying performance indicators for PSA number 3 was also ‘the effective management of migration to reduce the vacancy rate in shortage occupations’ (MAC, 2008, p 44).

What has become more marked is an increasing coupling between immigration policies and labour market intervention, especially through salary levels which are seen as a means of attracting domestic labour into a sector, especially at the less skilled and remunerated end. The PBS, has evolved over the past few years and combined and repackaged the various existing routes to include workers (longer-term and temporary), students and visitors, but not family migrants.

The system was based on global competition for skilled labour (tiers 1 and 2), including students who have studied in the UK, and intra-European flows, especially of Eastern Europeans who are outside the PBS and supplied the less skilled sectors, either as self-employed or through the Worker Registration Scheme (WRS). For the time being, Bulgaria and Romania are not fully incorporated into EU labour mobility. They supply both skilled labour (tier 2) and unskilled labour via SAWS and SBS. Several other groups also provide labour in less skilled jobs, though as individuals they may have high levels of qualifications: working holiday-makers (tier 5), largely from the Old Commonwealth countries, students working part-time during term-time and full-time in their holidays, au pairs and overseas domestic workers.

Fewer women entered the UK under the HSMP. There was a slight increase in the percentage of applications from women from 21.6 per cent in 2002 to 23 per cent in 2004. In 2006, 26.8 per cent (old criteria) and, in 2007, 28.4 per cent (new criteria) of applications were for women, so there is evidence of some increase and no negative effect of the shift to criteria based exclusively on qualifications and salary in the past year. The male-female approval rate has stayed roughly the same at 63 per cent of approvals for women and 62 per cent for men. The most notable change was the decrease in the percentage of approvals for South Asian countries (see Table 5), which is most likely due to the reduction in the health sector and restrictions against postgraduate doctors switching into the HSMP.

Compared to highly skilled migrants, the gender division of work-permit holders is more evenly distributed. Though increasing since the mid-1990s, the gender division also varies substantially between nationalities, as Table 3 shows. This reflects the shortage areas and the nationalities which fill them. The most feminised occupations are in the welfare sector (care, education, health – especially nursing – and social work) and the higher gender ratios are largely due to the growing shortages in these occupations. For example, the very high percentage of female work permits among Filipinas reflects their recruitment as nurses and senior carers, especially since the late 1990s (Winkelmann-Gleed, 2006).
Table 3  Work permit applications approved (individual and group), 1996–2004

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>575</td>
<td>2,897</td>
<td>13,588</td>
<td>3,989</td>
<td>15,845</td>
<td>31,643</td>
</tr>
<tr>
<td>USA</td>
<td>3,623</td>
<td>5,934</td>
<td>5,979</td>
<td>14,327</td>
<td>17,968</td>
<td>18,358</td>
</tr>
<tr>
<td>Philippines</td>
<td>70</td>
<td>5,228</td>
<td>10,095</td>
<td>3,423</td>
<td>3,241</td>
<td>2,741</td>
</tr>
<tr>
<td>South Africa</td>
<td>348</td>
<td>3,318</td>
<td>5,847</td>
<td>888</td>
<td>2,977</td>
<td>4,551</td>
</tr>
<tr>
<td>Australia</td>
<td>758</td>
<td>2,429</td>
<td>3,297</td>
<td>1,469</td>
<td>3,251</td>
<td>3,648</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>188</td>
<td>1,104</td>
<td>2,682</td>
<td>512</td>
<td>1,393</td>
<td>5,885</td>
</tr>
<tr>
<td>PR China</td>
<td>250</td>
<td>779</td>
<td>2,685</td>
<td>905</td>
<td>1,532</td>
<td>4,037</td>
</tr>
<tr>
<td>Canada</td>
<td>538</td>
<td>1,079</td>
<td>1,404</td>
<td>1,446</td>
<td>2,188</td>
<td>2,409</td>
</tr>
<tr>
<td>New Zealand</td>
<td>220</td>
<td>1,030</td>
<td>1,280</td>
<td>71</td>
<td>2,176</td>
<td>3,288</td>
</tr>
<tr>
<td>Nigeria</td>
<td>180</td>
<td>889</td>
<td>1,425</td>
<td>62</td>
<td>152</td>
<td>8,100</td>
</tr>
<tr>
<td><strong>Total (women)</strong></td>
<td><strong>10,781</strong></td>
<td><strong>34,024</strong></td>
<td><strong>67,362</strong></td>
<td><strong>Total (men)</strong></td>
<td><strong>32,231</strong></td>
<td><strong>68,148</strong></td>
</tr>
</tbody>
</table>

**Source:** Work Permit UK

Work permits are being controlled more strictly, and feminised occupations such as senior carers have also seen their non-EU workforce being targeted as not complying with the criteria for extending work permits based on skills and salaries. The Home Office had argued that few care homes were using the level of skills required for a work permit; that is, at least NVQ 3, three years experience and staff paid at least £7.02 per hour or the equivalent of £14,000. Social care workers filling non graduate level jobs were taken out of eligibility for tier 2 in April 2011.

I.1.3 **PBS Point Based System**

PBS excludes family migrants. This was introduced in 2008 and consist of 5 tiers, three of these (tiers 1 2 and 5) relate to permission to work:

**TIER 1**

**Highly skilled** (75 points) based on level of qualification, age, income, maintenance requirement and linguistic competence. They don’t need to have specific job offer. This level covers four categories: general, entrepreneurs, investors, post-study students qualified in the UK; its phased implementation took place between February 2008 and June 2008, replacing HSMP which also led to settlement.
Further to a speech by the Home Secretary, Theresa May, on 23rd November 2010, the UK Government has recently introduced the following changes to Tier 1 of the points based system:

- The Tier 1 (General) route will be closed entirely from April 2011;
- A brand new category will be introduced as part of Tier 1. This route will be for individuals with ‘exceptional talent’ i.e. scientists, academics and artists who have achieved international recognition or are likely to do so. There will be an annual cap of 1000 visas for this category;
- There will be no cap on the number of visas granted under the Entrepreneur and Investor categories. Under this category the Government will create a new route for start-up companies which do not meet the current investment threshold;
- The UK Government has announced that they are investigating closing the Tier 1 (Post-Study Work) category. No decision on this has yet been made.
(Source: UKWP 2011).

**TIER 2**

**Skilled with Job Offer** (70 points). Criteria for this tier are resident labour market test (30), switching from post-study (30) qualifications (15), future expected earnings (20), maintenance (10) and language (10). Intra-company transfers (30) has to have worked for a company for 6 months prior to transfer and has to have appropriate UK salary for the job. Sport professionals (70 points). This also includes sponsorships and ministers of religion who have to comply with above conditions (maintenance, language etc). implemented in November 2008. This replaced the WPS (Work Permits Scheme) and provides a route for skilled (non-EEA) nationals with sponsorship from UK employers to come and live in the UK. The WPS granted skilled migrants leave to remain in the UK in order to work in a skilled occupation.

The Government also introduced the following changes to Tier 2 in April 2011:

- An annual limit of 20,700 Tier 2 (General) out of country applications. This is an increase of 7000 in comparison to last year’s number;
- The Tier 2 (General) category will be limited to graduate level jobs. Although individuals already in the UK holding Tier 2 (General) in jobs below graduate level will be able to extend their permission to stay;
- A salary threshold of £40,000 on Tier 2 (Intra-Company Transfers) where the migrant employee will be here for longer than 12 months.
- Individuals entering the UK on a Tier 2 (Intra-Company Transfer) will be restricted to 5 years’ stay in the UK. They now have no route to settlement and on extension after three years must now demonstrate a higher English language competency under the same framework as Tier 2 (General), the traditional ICT route has grown less and less attractive than under the previous work permit and early Tier 2 PBS regime.
- Increase in the level of English language for Tier 2 (General) applicants from basic to intermediate level.

(Sources: UKWP 2011 and Ray Rackham, solicitor, Magrath LLP from very useful website: The In-House Lawyer Co.Uk

**TIER3**

**Low-skilled**, temporary work. This is indefinitely suspended and is only open to Bulgarians and Romanians. This tier has no route to settlement or citizenship.

**TIER4**

**Students.** This was implemented in March 2009. Adult students post 16 education. 30 points? Visa and maintenance requirements, post 16 education. They can only work up to 20 hours in term time and full time in vacations. Child students can meet tier 4 requirements only if they pay for an independent fee-paying school and have to have visa and maintenance requirements. Implemented in March 2009, it provides route for students to study with an approved education provider.

Tier 1 (Post-study work) route, which allows students 2 years to seek employment after their course ends, will be closed. Only graduates who have an offer of a skilled job from a sponsoring employer under Tier 2 will be allowed to stay on.

**TIER5**

**Youth mobility and temporary workers.** Maximum stay of 24 months no right to bring in family members. Moreover this tier is limited to designated countries with which UK signs a reciprocal agreement, it’s for 18-30 years and can be in any employment. Implemented in November 2008. This provides a route for those coming to the UK for primarily non-economic reasons.

Other non-visa categories outside of the PBS allow migrants to come to the UK for family reunion (through marriage and dependent children) or to obtain settlement (indefinite leave to remain) The asylum route is another way that migrants can enter the UK and achieve settlement. Outside the PBS scheme are also those Easter Europeans who supply less skilled labour and are currently under the Worker Registration Scheme (WRS). Romania and Bulgaria are not fully incorporated into EU labour mobility and supply both Tier 2 skilled labour and unskilled labour via SAWS and SBS.
1.2 What objectives are behind the implemented or planned policies? What are the expected outcomes / impacts?

The objectives behind the implemented and planned policies are firstly the reduction of overall levels of immigration to under 100,000, capping labour migration (as discussed in WP2, 3 and 4) and the reduction of those able to progress to settlement and citizenship. Two points should be noted in terms of the outcomes of current policies. Firstly that the government is unable to stop EU migration. Secondly that a number of flows, such as family ones are decreasing, whilst higher levels of settlement grants arise from the higher levels several years ago.

Overall, changes in the various tiers will impact on each other and the total labour migration flow. Traditionally, if an applicant could not qualify for Tier 2 (ICT), or if the role was not one that could only be filled outside of the European Economic Community, employers could often rely on the personal skills and attributes of their prospective employee in making a Tier 1 (General) application and being given free access to the labour market for two years. Since 22 December 2010, this route has been closed for applications made outside of the UK, and potential applicants who are inside the UK have until April 2011 before the visa category is removed completely from the UK immigration regime. Undoubtedly this will have an effect on the employer-sponsored tier, with more applicants forced down the Tier 2 (General) route as less visa options are available to them.

This review of the student tier 4 also incorporates a consultation on the Tier 1 (Post-study work) regime. Currently, there are 38,000 Tier 1 (Post-study work) applications each year. Successful applicants are given two years of access to the labour market. Given that recent government statistics have indicated that one in five graduates are currently out of work, it seems likely that the result of the current consultation will either see the Tier 1 (Post-study work) route disappearing altogether or being restricted, in either length or the requirements individuals need to meet to be granted a visa. In any event, it is clear that employers wishing to employ graduates who cannot meet the new requirements for Tier 1 (Post-study work) will have to look at other routes available, or not employ the graduate at all.

It is unlikely that the revisions to the labour migration routes will be sufficient to achieve the aim of reducing immigration to the tens of thousands or the levels of the mid-1990s. Both the government and MAC have previously conceded that the reduction to Tiers 1 and 2 would not in themselves be sufficient to reach the policy objective from which they were born. The UK government will undoubtedly make further restrictions and potential limits in the student and family immigration routes, where the majority of non-EEA migration to the UK can be found. However, should the collective work of the UKBA not be as successful in reducing net migration, it is likely that other routes could be subject to annual limits. A review of how effective the Tier 2 (General) cap has been will occur annually.
I.3 What are the different assumptions concerning labour market performance that are behind the policies?

The assumption is that high levels of immigration put pressure on public services. It is too expensive to provide translations and free English courses hence migrants have to speak English before entering the country. No Recourse to Public Funds concerns persons who are subject to immigration control and have no entitlement to welfare benefits, public housing or HP asylum support, and most often does not have the right to work. The NRPF is particularly relevant in the case of family migrants and the assumptions concerning labour market performance that are behind the policies orienting family migration regulatory framework. For family migration assumptions concerning market performance see WP4. However we should note that we do not have any general studies concerning the labour market performance of family migrants.

The second assumption is that migrants take away work in certain sectors from the indigenous labour force, which includes established minority ethnic groups, and allows employers not to train domestic workers. This is particularly the case for the lesser skilled occupations in tier 2 such as social care and chefs. Tier 2 is now restricted to graduate entry and demands a higher level of English which will ensure a more rapid and less problematic integration into the labour market.

A third, though less explicit outcome is the abandonment of the general tier 1 route reflects a move away from a human capital approach, based on the characteristics of the migrant such as their educational level and previous earning capacity, to an employer and labour market model. This has arisen from the government’s evaluation that about 30% of tier 1 entrants were not working in jobs that were commensurate with their qualifications. It is likely they are migrants from Africa and certain Asian countries where discrimination may well have played a part in their failure to obtain appropriate employment. The government has never entertained this possibility.

Fourthly, as we have noted in WP4, certain nationalities, such as Bangladeshi and Pakistani women, amongst family migrants are thought to have low levels of participation in the labour market. This has been used as an argument for the introduction of pre-entry English tests. There is evidence that those who entered through family reunification have lower levels of education and a weak presence in the labour market (Salway 2007).

I.4 Are there data/studies to evaluate the extent to which the assumptions are correct and incorrect? When was the data compiled? How was the data compiled?

In order to evaluate migrants’ participation in the labour market the Dickens and McKnight (2008) (at http://eprints.lse.ac.uk/28244/1/CASEpaper133.pdf) offers longitudinal data from Lifetime Labour Market Database from 1977 to 2004. We
should note that this does not take account of the large-scale A8 migration since 2004. The main results of this research confirm that migrant workers face disadvantage in the labour market. Initially, the pay gap is 30% for men and 15% for women. The research also highlights that there is a great difference in the timing required to assimilate with workers in the host countries. Generally, this takes about 20 years for men as opposed to only 6-7 years to women. However, assimilation in the labour market is group specific and depends on level of qualification and social class although the Case research shows this in terms of ethnic groups’ potential for assimilation.

It is also worth looking at Wadsworth (2003) who shows that migrants tend to fare badly both in terms of their employment rates and the wages they can obtain once in employment (“The Labour Market Performance of Ethnic Minorities in the Recovery” in Dickens, Gregg and Wadsworth (eds) *The Labour Market under New Labour: The State of Working Britain*, Palgrave Macmillian).

In terms of gender, the male and female working age employment rates in 2008 changes according to various countries of birth groups. The employment rate for women is consistently lower than for men. The total employment rates for UK born and non-UK born men were almost equal in 2008, at 79 and 78% respectively. However, women born in the UK had an employment rate 12 percentage points higher than women born in the UK overseas (ONS 2008).

For example, men born in South Africa had the highest employment rate (88%) while the lowest male employment rate was for those born in the Middles East and Asia (68%). In 2008, the employment rate for UK born men was 79%. The country of birth with the highest female employment rate was also South Africa (81%) and the lowest employment rate was for women born in Pakistan and Bangladesh (18%). The employment rate for UK born women in 2008 was 72%. The groups with the largest difference between male and female rates were those from Pakistan and Bangladesh (55%), India (25%) and USA (21%). This illustrates disparities in labour market outcomes, both between people born in different countries and between men and women.

Overall Demireva (2011) found on the basis of a study of the LFS 1998 to 2005 for new migrant men the activity probabilities improved with duration but had no effect on their employment chances. However for women employment probabilities do improve with time. However male migrants, such as from the Old Commonwealth countries, US, EU 15, Hong Kong, China and Japan either do better or the same as UK-born Whites (Demireva 2011: 646-7). Women on the other hand, except those from the Old Commonwealth are penalised in their employment compared to UK-born White women. For women high educational qualifications do not translate into commensurate employment opportunities. Early flows of skilled Eastern Europeans are often in less skilled positions with little opportunity for social mobility. A number of them have used self-employment to avoid having to get work authorisation.
I.5 Are there data/studies available for measuring the impact of the policies on labour market integration of the target-group?

The Labour Force Survey is based on a quarterly household of approximately 53,000 UK private households representing around 0.1 per cent of the UK population. Participants are interviewed in five consecutive quarterly “waves” either face-to-face or by telephone. The sample is weighted to ONS population estimates and is treated as representative of the UK population as a whole, although due to its household basis there may be under-representation of those who do not live in households. Information on wide variety of characteristics is collected. LFS data are released quarterly and can be used to examine the characteristics of migrants and how these affect their labour market outcomes. It should be noted that LFS excludes students in halls who do not have a UK resident parent and people in most other types of communal establishments (i.e. hotels, boarding houses etc).

The LFS however does not specifically measure the impact of policies on labour market integration.

MIPEX III for instance measures labour mobility. This refers to access to employment for labour migrants and reunited family members, their right to social security and targeted support. On the eve of the May 2010 elections, MIPEX found the recent turn in policies made conditions slightly less favourable for integration. The UK fell 10 points—the most of any country—out of the top 10. All residents, however, will benefit from the stronger equality laws.

Non-EU migrants’ labour market mobility in the UK is no better than a few years ago, average for Europe and well below Canada or the US. Their basic access to the labour market is favourable, as in most countries of labour migration. Once they pass the points system, they are generally treated the same as British workers. The UK does not close off sectors of the economy to immigrants, nor deny access to job services. However, they are unlikely to benefit from any special support. Demireva (2011) also concludes that the operation of the work permit and then the Points Based System has served to polarise labour market outcomes i.e. enabling some skilled workers to enter directly into skilled employment whilst others, as from Eastern Europe fill less skilled jobs. For women there is a high rate of inactivity, except those from EU-15 countries, which may also include skilled women who choose not to work rather than accept unqualified work.

I.6 If not, what would be necessary to measure the impact?

Whilst MIPEX data is a first step toward measuring the impact of policies on labour market integration, it does not however not take into account gender and ethnicity and is still quite a basic tool.
I.7 Has a change occurred concerning *migrant characteristics* or in *migration patterns* since the policy was implemented?

The Points Based System has constantly been changing in the past decade, each time producing changes in the characteristics of migrants by age, gender and nationality. There have also been substantial changes to the shortage occupations such that health sector jobs are much less in demand due to reduced funding for the NHS and also training of greater numbers of British workers.

Family migration in the UK reflects not only family reunification but is also dependent on the number of skilled labour migrants who are allowed to bring in dependants. So too were students on a course of over 12 months allowed to come with spouses and children. The overall number of family migrants has fallen independently of any major legislative change.

### Table 4  Family Entry 2004-2009

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse or fiancé(é)</td>
<td>35,300</td>
<td>41,600</td>
<td>47,100</td>
<td>43,200</td>
<td>36,900</td>
<td>26,600</td>
</tr>
<tr>
<td>Civil and unmarried partners</td>
<td>90</td>
<td>115</td>
<td>395</td>
<td>2080</td>
<td>2280</td>
<td>2550</td>
</tr>
<tr>
<td>Children as dependants of persons settled</td>
<td>4270</td>
<td>4670</td>
<td>5780</td>
<td>7340</td>
<td>6310</td>
<td>5420</td>
</tr>
</tbody>
</table>

**Source:** Home Office 2010

According to MIPEX, British family reunion policies are about half-way favourable for societal integration, especially when compared to the US and Canada. EU citizens have the right to live with their families under EU law. For other non-EU families, the general requirements to be fulfilled are average for Europe. The rights for families once admitted fall below the average. Only 6 other countries specifically restrict their access to public benefits upon entry until they obtain ‘Indefinite leave to remain' status.

II  **EXTERNAL FACTORS (intervening variables)**

This section briefly considers external factors (intervening variables), that might influence the effects caused by the policies that have been implemented and legal provisions, either by diminishing, strengthening or neutralizing their impact on labour market integration.
Labour Market barriers: consisting of regulations restricting access to labour market, de-skilling, state of the economy and racial discrimination.

A number of theories have been used to explain disadvantages faced by migrants. These include the portability of human capital and the difficulty of getting their educational qualifications recognised; segmented assimilationism which refers to the strength of their social networks, especially in relation to co-ethnics, and discrimination. Some writers have come up with the term ‘ethnic penalty’ to explain continuing disparities of minority ethnic groups (Heath and Yu 2005).

General situation of the labour market: There is increasing unemployment and even before the recession Gordon Brown had spoken of British jobs for British workers in September 2007 (The Independent 10 September 2007) [link](http://www.independent.co.uk/news/uk/politics/jobs-for-every-briton-says-brown-in-crackdown-on-migrant-workers-401873.html).

This arose from the large-scale Eastern European immigration post 2004 which raised issues of lower wages and job opportunities. At the same time, the government announced tougher measures for the Points Based System. However unemployment, though it rose sharply in 2008 then flattened out and decreased slightly in 2010.

Deskilling

There has been relatively little research on the economic performance and occupational attainment of new migrants (Demireva 2011: 637) although their labour market outcomes have become increasingly differentiated. See discussion in previous section.

Discrimination

The UK has some of the strongest anti-discrimination laws and equality policies, which help newcomers and ethnic minorities achieve equal opportunities in practice. Discrimination is illegal on grounds of race, ethnicity, religion or nationality in all areas of life. During the last MIPEX, the 2006 Equality Act created a single equality body, the EHRC. The 2010 Equality Act makes the law more coherent and easy to use. The UK has committed to promote equality through the EHRC's powers, state equality duties and public information policies. Nonetheless, its rather average enforcement mechanisms would improve if equality NGOs could play a role in court, as in 24 countries, and use class actions, as in 14.

However the race relations legislation only very partially applies to immigration legislation. UK Border Agency has to carry out impact assessment studies across the seven equality strands (age, disability, ethnicity and race, gender reassignment, religious belief and opinion, sex, sexual orientation) but these are not very thorough and often provide excuses for why unequal outcomes are not disproportionate, of little impact or necessary (Kofman et al. 2009). Race Relations does apply post
immigration and employment tribunals have been receiving an increasing number of complaints from newer migrants.

**Equality Act 2010** The Act aims to ‘rationalise, simplify and harmonise existing equality law into a consistent, coherent and easy to understand manner, which also serves to strengthen the law in treatment.’ It tackles multiple discrimination and extends equality duties on race to religion and other grounds, in order to ‘improve efficiency and protection.’ It incorporates principles from ECHR and ECJ rulings and EU legislation. Extensive consultation preceded the changes and evaluation is planned. Secondary legislation is needed, for instance on equality duties. [www.equalities.gov.uk/equality_act_2010.aspx](http://www.equalities.gov.uk/equality_act_2010.aspx)
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