



## ECONOMIC MIGRANTS FROM EASTERN EUROPE - A case of hype, myth and abuse

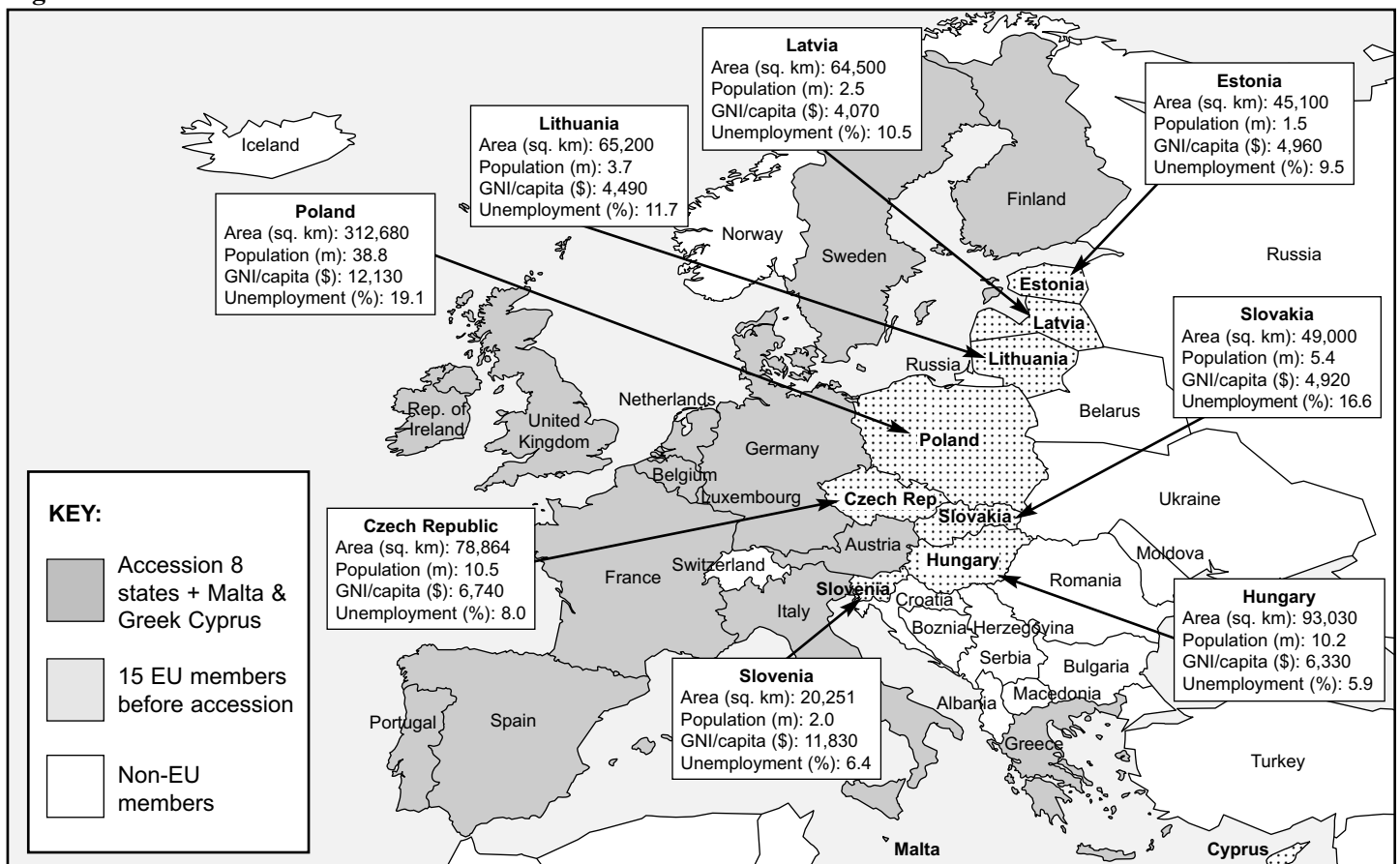
### Introduction

On 1<sup>st</sup> May, 2004 membership of the European Union (EU) increased from 15 to 25 countries. With the exception of Greek Cyprus and Malta, the geographical spread of the enlarged community was in an eastwards direction (*Fig. 1*). The eight new member countries in this direction – Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia - were all formerly part of the Soviet communist bloc. They are conveniently referred to collectively as the ‘Accession 8’ or ‘A8’ states. Together, they enlarged the area of the EU by 729,000 sq. km (+22.5%) and its population by 73 million people (+20%).

One of the basic rights of EU membership is that all citizens are allowed free movement between member states. In the months immediately preceding 1<sup>st</sup> May, 2004 there were alarmist headlines in the tabloid press. They claimed that, because of this right, the UK was about to be overrun by hordes of economic migrants and ‘benefit tourists’ from A8 countries. In making these wild claims, the press was conveniently overlooking a number of important facts.

- Free movement has several different facets. All citizens of new and so-called **candidate** (about to join) countries have freedom of movement only so far as tourism, study and residence are concerned. These three specific rights must not be confused with the right to work.
- The right to visit, study and reside anywhere in the EU exists once a country has become a candidate country. It comes into effect long before the actual day of accession. This means that citizens from the A8 countries did not have to wait until 1<sup>st</sup> May, 2004 before setting foot in the UK or other member states.
- When it comes to movement for purposes of work, there are restrictions that can apply for up to seven years after a country has formally joined the EU. These restrictions are known as **transitional arrangements**. Basically, what this means is that a current member state can insist that any workers from a new member state must first obtain some form of work permit. In short, workers from the A8 countries continue to be treated as if they were coming from outside the EU. All EU governments have long-established ways of controlling the in-flows of economic migrants.

Fig. 1 The Accession 8 states.



**Workers Registration Scheme (WRS)**

So what did happen in May, 2004? Did the flood-gates open? Perhaps the most reliable data we have in the UK comes from the Workers Registration Scheme (WRS). This was set up in April, 2004 specifically to apply to nationals from the A8 countries. It allows workers from these states to take up jobs in the UK, but they must register with the Home Office before doing so. The WRS will operate initially for 5 years, but it will be reviewed after 2 years. Depending on the labour situation in the UK then, the controls may be tightened or relaxed. The Home Office has said that the Scheme ‘welcomes skilled immigrants (from the new member states) but not benefit tourists’. Indeed, there is now in place a package of measures to prevent even working immigrants from accessing benefits.

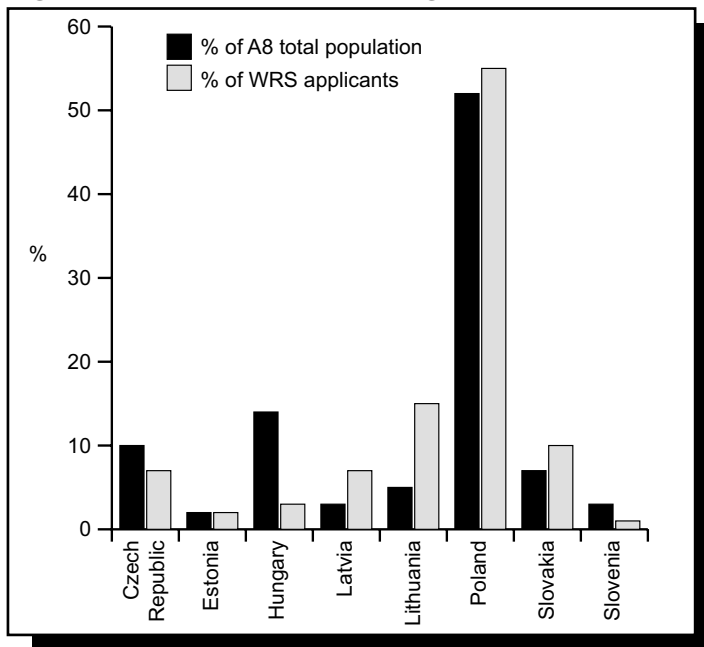
WRS data up to the end of December, 2004 (8 months after the enlargement of the EU) showed that 130,000 A8 citizens had registered. This figure far exceeded the Government’s forecast that up to 13,000 workers would arrive in a year. However, the point has to be made that an estimated 40% of those who have registered were already in the country and had probably been working illegally. The WRS data allows us to look at four different aspects of the A8 economic migrants:

**(i) Where they come from**

As for the country of origin, over half came from Poland, but it also happens to be by far the largest of the A8 countries. Fig. 2 shows the relationship between these two critical percentages for each country:

- the percentage share of registered workers
- the percentage share of the total A8 population.

**Fig. 2 Where the A8 economic migrants come from.**



The country most obviously contributing more than its fair share of workers was Lithuania, followed by Latvia, Poland and Slovakia. The relatively small percentage figures for Hungary, and to a lesser extent for the Czech Republic, Estonia and Slovenia, reflect the fact that these countries have been rather more successful in making the transition from command to market economies. In them, unemployment, normally the most powerful push factor behind economic migration, is at a relatively low level (Fig. 1).

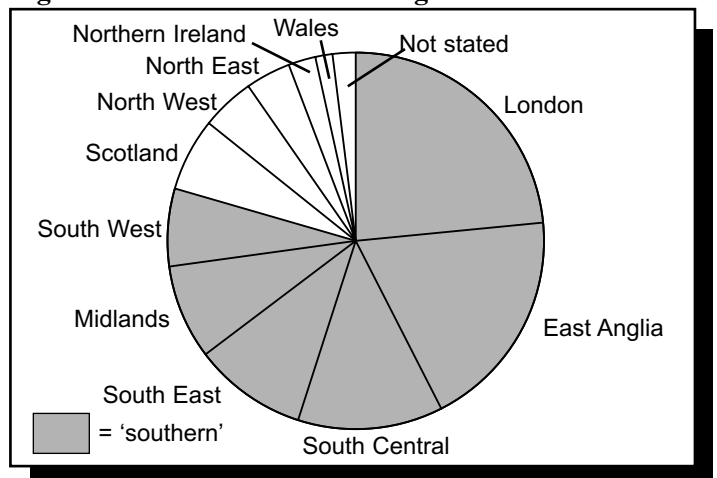
**(ii) Their demographic characteristics**

The vast majority of A8 workers are young and single, with 83% of them aged between 18 and 34. Only 5% had dependents living with them in the UK; only a small number of these dependents were under the age of 17. The sex ratio stands at approximately 55 males to every 45 females.

**(iii) Where they registered**

Fig. 3 suggests when it came to finding work A8 economic migrants fared best in London. That perhaps is not surprising. What might at first sight be rather more difficult to explain is the second ranking of East Anglia. The answer is readily found under the next heading. Overall, the migrants’ preference, at least so far as work opportunities are concerned, is for ‘southern’ England broadly defined. Scotland, Wales and Northern Ireland together account for only 10 per cent of the registered workers.

**Fig. 3 Where the A8 economic migrants have found work.**



**iv) The jobs they do**

Table 1 shows that ten occupations accounted for 62% of the jobs filled by A8 workers. When these occupations are aggregated, the top five employment sectors are claimed to be:

- Hospitality and Catering (28%)
- Administration, Business and Management (24%)
- Agriculture (14%)
- Manufacturing (8%)
- Food, Fish and Meat Processing (5%)

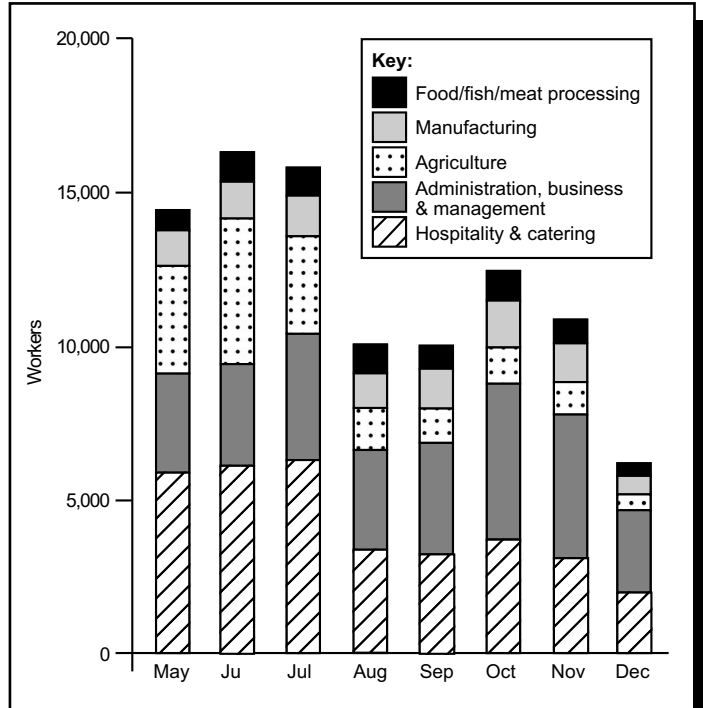
**Table 1 The top 10 occupations of A8 registered workers.**

Occupation	% of registered workers
Factory process operative	20
Kitchen & catering assistant	7
Waiter / waitress	6
Packer	6
Cleaner / domestic staff	5
Farm worker	4
Maid / room attendant	4
Warehouse operative	4
Sales assistant	3
Care assistant	3

The surprise here is the second ranking sector - Admin, Business and Management - which, unlike the other four, is not characterised by low-skilled and low-paid jobs. Is it possible that the wrong name has been given to the sector? Should it have been General Services and Trades? Or is it to do with the national shortage of IT skills being met by graduate migrants?

This possible error in the compilation or naming of the data does not stop us from seeing in Fig. 4 some likely seasonal shifts in the type of work. You might identify these for yourself and try to explain them.

**Fig. 4 A8 economic migrants, by main employment sectors.**



**Fig. 5 A8 economic migrants, by location and employment.**

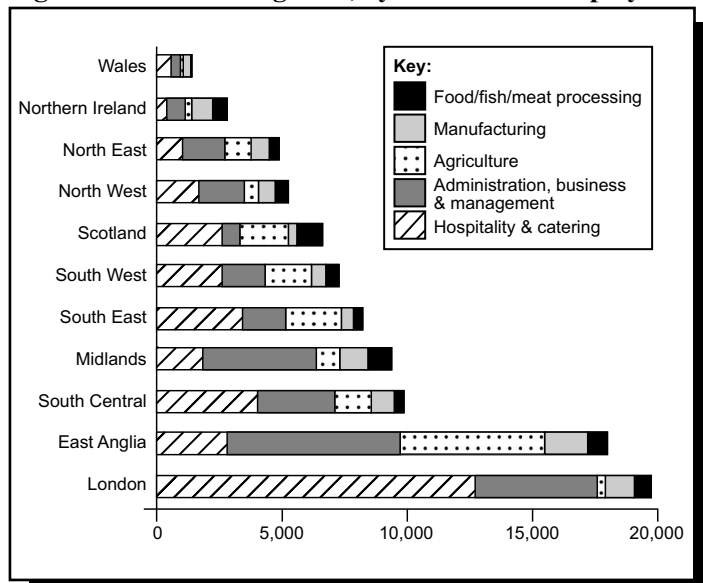


Fig. 5 analyses the WRS workers in terms of location and those same five main employment sectors. Why not write a short explanatory description based on this resource? Go on, have a go!

**The myths**

Clearly, there are people in the UK who take a distinctly negative attitude towards these East European workers. It is claimed that they are depriving UK workers of jobs and taking advantage of UK benefits. Four keys facts seem to be ignored.

- These workers contribute to the UK’s GDP; in the first eight months following accession this was valued at £240 million.
- The jobs that many of these economic migrants take up are mainly low-paid. Such jobs are often avoided by UK workers. One of the ironic features of the UK today is this coincidence of low levels of unemployment and high levels of benefit claim from UK citizens. A chief executive of a labour recruitment company recently put it this way: *‘Some of these people [on benefit] would rather work fewer hours and ..... so they retain their benefits. Foreign workers are happy to work between 30 and 50 hours a week.’*
- The East European economic migrants have a strong work ethic, which can directly benefit employers. Sadly, there are employers who have unfairly exploited this quality (see below).
- Of the 133,000 people registered with WRS: 775 of them applied for income-related benefits, but 757 of them were refused; 5,089 applied for child benefit, but only 2,086 were approved; 33 workers and their dependents are renting local authority housing.

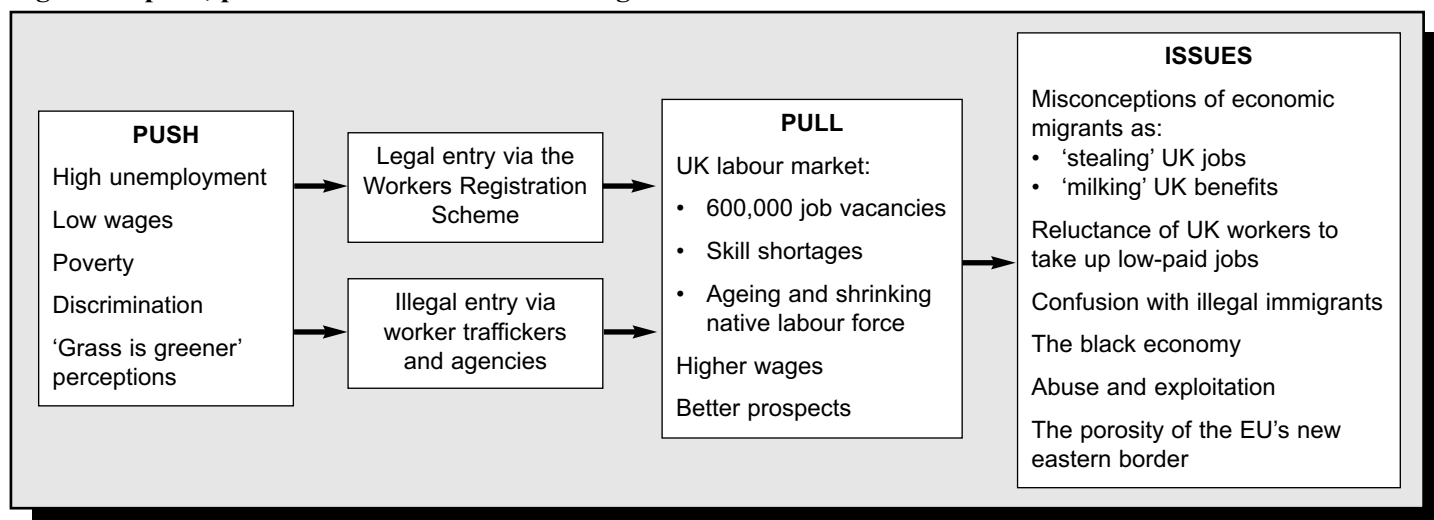
Hopefully, enough has been said to dispel these two myths about ‘stealing’ UK jobs and ‘milking’ the UK’s benefit system. However, it has to be admitted that there are two serious issues associated with this economic migration from Eastern Europe.

**Illegal immigration**

According to a recent survey, there are 1.4 million foreign nationals working in the UK (that is nearly 5% of the labour force). Estimates of the number of illegal migrants working here vary from the low thousands to the hundreds of thousands; no one knows the exact number.

No one doubts that there exists an underworld of worker traffickers who smuggle people into the UK. Whilst East Europeans may have figured amongst those smuggled workers in the past, there is no need now for A8 citizens to step outside the law. They can enter the country quite legally, provided they are prepared to pay the £50 it costs to register with the WRS. Another illegal route into the country for people coming from outside the EU is to enter posing as tourists or students before vanishing into the black economy. One real concern about the eastward push of EU’s limits is that the new border may be less ‘watertight’. There is already some evidence that workers from neighbouring states formerly in the Soviet bloc, such as Moldova, the Ukraine, Belarus and Russia, are filtering illegally into the EU.

The point to be stressed here is not to confuse two separate issues. Illegal immigration is a problem. The arrival of thousands of East European workers is not a problem for the UK, but it may be for the many of those workers (see below).

**Fig. 6 The push, pull and related issues of A8 migrant workers in the UK.**

### Abuse and exploitation

There have been various exposés in the media about the bad treatment of immigrant workers, particularly at the hands of the so-called **gang-masters**. A Report produced by the Trades Union Congress in November, 2004 entitled 'Propping up Rural and Small Town Britain' focuses on the experience of 'migrant workers from the New Europe'. It catalogues a long list of abuses and hardships. They include:

- employers paying hourly rates lower than promised, or lower than those paid to British workers
- excessive working hours, often with no rest day allowed, no breaks between shifts, no enhanced overtime rate
- employers and agencies deducting what they claim to be income tax on wages that are below the tax threshold
- personal documents, such as passports, unlawfully retained by gang-masters and employment agencies
- poor housing conditions - substandard and grossly overcrowded
- excessive charging for such accommodation
- the hostile tone of some press reporting
- overt xenophobic actions such as petrol bomb attacks on homes and hostels, verbal abuse and taunting in the streets.

Having read this abbreviated list, you might be wondering why, in the first place, these workers come to the UK and why they stay for as long as they do? The short answer is that this economic migration is the outcome of a powerful 'push' situation aligned with a fairly attractive 'pull' scenario. *Fig. 6* seeks to detail this and to set out some of the related issues. What also needs to be stressed is what we have here is most likely a case of **temporary** migration. It is assumed that eventually most of these workers will return home. The fact is, however, that we simply do not know for certain. It is amazing to learn that the Home Office only keeps detailed information on immigration. People leave the country virtually unnoticed and unrecorded. Hopefully, with the WRS in place, better records will be kept about both the arrival and departure of workers from A8 states.

### What is needed?

There are aspects of the factual basis of this article that hardly make one proud to be British. The way ahead to a much-needed better future lies in taking a range of actions:

- toughening up on the illegal entry of economic migrants from outside the EU
- introducing a licensing system for gang-masters and those employers who rely on immigrant labour
- recognising the fact that citizens from A8 and all other EU states have a right to work in the UK
- encouraging the TUC to become more involved to ensure that all migrant workers are treated fairly and that they work in acceptable conditions
- dispelling the myths perpetuated by the some of the media that these migrant workers are 'stealing' jobs and 'milking' our benefits system.

The introduction of the Workers Registration Scheme may be a step in the right direction. It does seem strange, however, to be charging economic migrants the princely sum of £50 for participating in a scheme designed for the UK's benefit rather than theirs.

The bottom-line to all of this is that our membership of the EU eventually guarantees freedom of movement (including for work) to all citizens of all member states once the period of transitional arrangements has expired. That means we too are free to take advantage of any job and residential attractions we perceive to exist elsewhere within the Community. Movement between countries should be two-way and unhindered by ignorance, bigotry and xenophobia.

### References

*Accession Monitoring Report*, May - December 2004 (on-line report by the Home Office, the Department of Works and Pensions, the Inland Revenue and the Office of the Deputy Prime Minister, February 2005). *Propping up rural and small town Britain* (TUC, November 2004)

### Acknowledgements

*This Factsheet was researched by Dr Michael Witherick, formerly of the University of Southampton.*

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