



Commission for
Rural Communities
Tackling rural disadvantage

**A8 migrant
workers in rural
areas**
Briefing Paper

CRC Briefing Paper
Migrant Workers in Rural Areas

January 2007

Introduction

This paper examines migration of workers from the 'accession eight' (A8) countries¹ into rural areas of England since May 2004. It provides an evidence base on the current numbers of the A8 migrant workers in rural areas² and the impact this is having on rural economies and societies. It also reviews some of the literature on the subject.

The first section sets out the rural context and highlights some general rural trends. The second provides a national picture on the issue of migrant workers and the impacts they are having. The third section looks into the evidence about migrant workers in rural areas. The final section identifies the key differences between migrant workers in rural and urban areas and the current and future challenges and opportunities.

Understanding these rural issues and trends should help the development of central, regional and local government policies, including integration and cohesion agendas and allocations of funding for services. It should also help businesses and communities adapt to and address the challenges and opportunities presented.

¹ A8 are the accession eight countries that joined the European Union in 2004 - Polish, Lithuanians, Latvians, Estonians, Hungarians, Czechs, Slovenians and Slovaks.

² Our definition of 'rural areas' is the agreed ONS district level classification: Rural 80 - districts with at least 80 percent of the population in rural settlements or larger market towns; Rural 50 - districts with at least 50 percent, but less than 80 percent, of the population in rural settlements or larger market towns; and, Significant Rural – districts with more than 37,000 people or more than 26 percent of their population in rural settlements or larger market towns.

Section 1: Rural context

Nine and a half million people, one in five of the overall population, live in rural England. The rural population is growing and is projected to grow at a faster rate than England's urban population. In part, this rural population growth is driven by high levels of (within-UK) urban to rural migration³. To date, levels of international in-migration to rural areas have been relatively low.

As a result of natural population changes and of migration, rural areas now have a higher proportion of old people than is found in urban England and a lower proportion of younger people (e.g. those within the 15-29 age group).

By many measures, the economies of much of rural England are performing well. Rural districts host at least 30% of the country's businesses. Annual turnover of rural firms has increased by 10% in five years to over £320 billion.

³ More information on population and migration in rural areas is available via our website: <http://www.ruralcommunities.gov.uk/publications/socrupdate1>

Section 2: A8 migrant workers – the national picture

What is meant by the term 'migrant worker' in the context of this paper? The following definition will be used:

"an individual who arrives in the host country either with a job to go to or with the intention of finding one".

Quantifying the numbers of EU accession nationals who have moved to live and work in the UK since 2004 is difficult. There are three main sources of statistics on the numbers of foreign nationals who work in the UK:

- Labour Force Survey,
- National Insurance registrations, and
- Workers Registration Scheme (WRS)⁴.

Between May 2004 and March 2006, 392,000 applications were made to the WRS. The Government released two sets of figures in August 2006. The Home Office estimated 600,000 people from the new European Union member states in Eastern Europe (the A8) had entered the UK since May 2004. Nearly half a million (447,000) of these registered on the WRS and a further 150,000 or so are thought to be self employed – such as builders.

Over half (62%) are Polish, 82% are aged 18-34 and 56% work in factories. Along with these migrant workers, who successfully registered to work, came 36,000 dependants (spouses and children).

Although the figure of 600,000 entrants from the A8 is widely accepted, it is not clear how many remain in the UK at any given time. The Labour Force Survey showed that, in September 2005, fewer than half of those who registered on WRS since May 2004 were in the UK.

The Impact

On economies

Economic advantage is one of the key stimulants for migration, both for the migrant worker but also for the hosting country that is seeking to fill labour shortages and skills gaps.

The Institute for Public Policy Research's (IPPR) 'Paying their way' study in 2005 found that the per capita revenue to the Government generated by immigrants⁵ in 2003/04 was (at £7,203) higher than that for the UK born (£6,861). The study went on to show that government expenditure per capita on immigrants was lower (£7,277) than for the UK born (£7,753).

⁴ WRS is obligatory for A8 workers who intend to work in the UK for at least a month. Applicants need to be in work when they apply, although self-employed workers are not required to register. Information is sought on migrants' nationality, age, gender, place of residence, whether they have dependants, the name and location of their employer, their sector of employment, occupation, the hours they work and the rate of pay. Registration costs £70 and the scheme is administered by the Home Office.

⁵ Note that this is a wider category than the A8 migrant workers

Treasury studies suggest that around 15% of UK trend growth depends on inward migration, and that while foreign-born migrants make up 8% of the population, they generate 10% of our Gross Domestic Product.

Migrants also produce *indirect* fiscal effects, for example, by introducing new industries and/or increasing the productivity of existing labour and capital, thereby stimulating the level and growth rate of production.

On migrant workers

Many migrant workers recognise that their jobs are often arduous, relatively poorly paid and do not reflect their skills. However, jobs that pay little in the UK are relatively well paid in comparison with their home countries.

Speaking English, living abroad and gaining different kinds of experience are other reasons for working in the UK. There is a degree of willingness on the part of migrants to work long hours. It also seems clear that they may have less leverage to negotiate their hours with employers due to their status and situation.

- Housing

A review of the literature⁶ highlights a number of housing issues. Overcrowding is considered to be widespread in properties that house migrant workers. There is some evidence of several people living within a single room, of people sleeping on floors and of beds being shared according to shift patterns.

For some migrant workers, accommodation is provided by employers, employment agencies or gangmasters. Migrants whose housing is tied to their job in this way are particularly vulnerable. Rent is generally subtracted from their wages. In situations when workers lose their job, they become homeless too, often with very little notice. Housing authorities cite examples of migrant workers seeking emergency accommodation in such circumstances.

- Services

There are a significant number of migrant workers that are not registered with a General Practitioner. This can put pressure on local Accident and Emergency departments. Communicating with patients with little knowledge of English can cause problems.

Migrants can experience difficulties in accessing mainstream financial services, including setting up bank accounts and getting loans, due to difficulties in explaining requirements to bank staff and lack of appropriate documentation. Employers frequently retain workers' passports and there are difficulties in providing proof of residence.

There is inadequate information provided to migrant workers on matters such as migrant workers' rights, entitlements and obligations. There are issues surrounding unfair

⁶ For example, in reports by the Citizens Advice Bureau and the Low Pay Commission.

dismissal of migrant workers, poor quality working conditions and standards, refusal to honour holiday and sickness entitlements and statutory wage rates.

- Education and training

Migrant workers who are unable to speak English face significant barriers in relation to employment, accessing services and integration within local communities. They are also at more risk of exploitation.

There are common challenges in the provision of language and other courses to migrant workers. These include:

- Many migrant workers work a shift pattern and return home for visits regularly. Therefore, regular attendance at courses can be difficult.
- Delivering these courses is relatively expensive and providers are often unable to find funding to support appropriate courses that are short and non-accredited.
- For some courses, students require a National Insurance number, which prevents some of them from attending classes.

In addition to adult education, there are some migrant workers who bring dependants with them. Teachers at local schools may have very little knowledge of many students' educational backgrounds and many children will have a limited command of the English language.

On local indigenous communities

The magnitude of the impact of migrant workers on the 'indigenous community' can become an issue, when some existing local services may already be under pressure.

- Displaced populations

There is a lack of information and evidence on the attitudes, concerns and long-term impacts of migrant workers on hosting communities, and in particular the impact on the indigenous unskilled, early entry workers, aged 16-19.

The Low Pay Commission expressed some concern in its 2006 annual report that the growing use of migrant labour was a challenge to the effective working of the national minimum wage. The total labour market is increasing, so is unemployment and the rise in part time work has levelled off. This may be a sign that, to some extent, migrant labour has replaced local labour.

- Housing

An influx of migrant workers in some areas has contributed to pressures on localised housing markets. This is most notable in the private rented sector, where in some areas family accommodation is being bought by gangmasters and other private landlords, who are prepared to 'squeeze' many migrant workers into a house for a large rental gain.

- Community cohesion

There is evidence of some tensions and hostility against and amongst migrant workers in some areas.

There can be a lack of awareness, by local indigenous communities, of the economic value migrant workers provide and confusion between categories of foreign people, such as migrant workers, asylum seekers and refugees, and of the different levels of rights and privileges they are each entitled to.

Section 3: migrant workers in rural areas - analysis

In this section, we explore available evidence on:

- i) the numbers of migrant workers in rural areas
- ii) the recent trends in these numbers
- iii) the geographical distribution of migrant workers across rural England
- iv) the industrial sectors within which migrant are working across rural England.

Our analysis is based on information collected via the Workers' Registration Scheme. These registrations are grouped according to the workplace of the individual. Analysis has also been undertaken of those registrations for National Insurance numbers made by all non-UK nationals. It is important to note that there are a number of different data sources used to report on migrant workers, that they are all far from perfect and that official statistics on this topic are under review.

The number of migrant workers arriving in rural areas

According to the available information from the WRS, around 120,000 migrant workers registered in the rural areas of England between May 2004 and September 2006. This represents 23% of the total number of WRS registrations across England as a whole over this period.

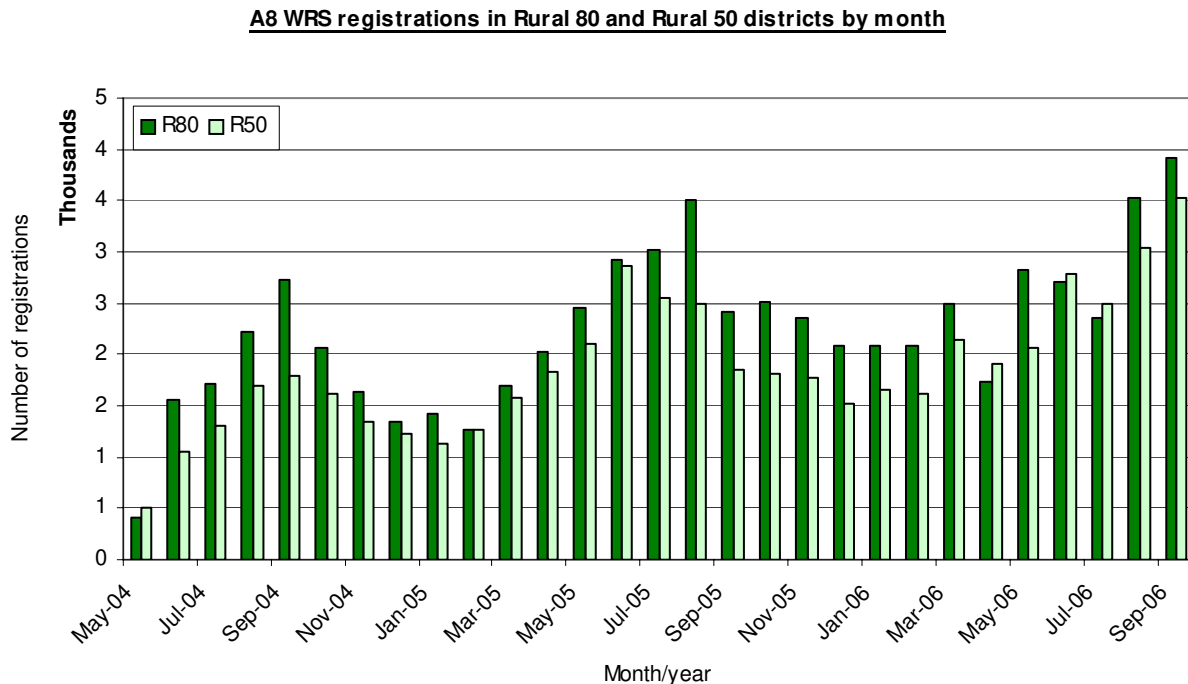
To put this figure into perspective, the total number of rural WRS registrations over the 29-month period is equivalent to around 170 for every 10,000 people of working age – a figure in line with the overall English figure.

The information on National Insurance Number registrations made by non-UK nationals suggests a lower rural proportion of the overall English total. This may be related to the different approaches used. The National Insurance information relates to an individual's place of residence. Consequently people who live in urban areas but who work in rural areas would not be included in these statistics.

Recent trends

Figure 1 shows the pattern of WRS registrations recorded between May 2004 and September 2006 in rural areas.

Figure 1



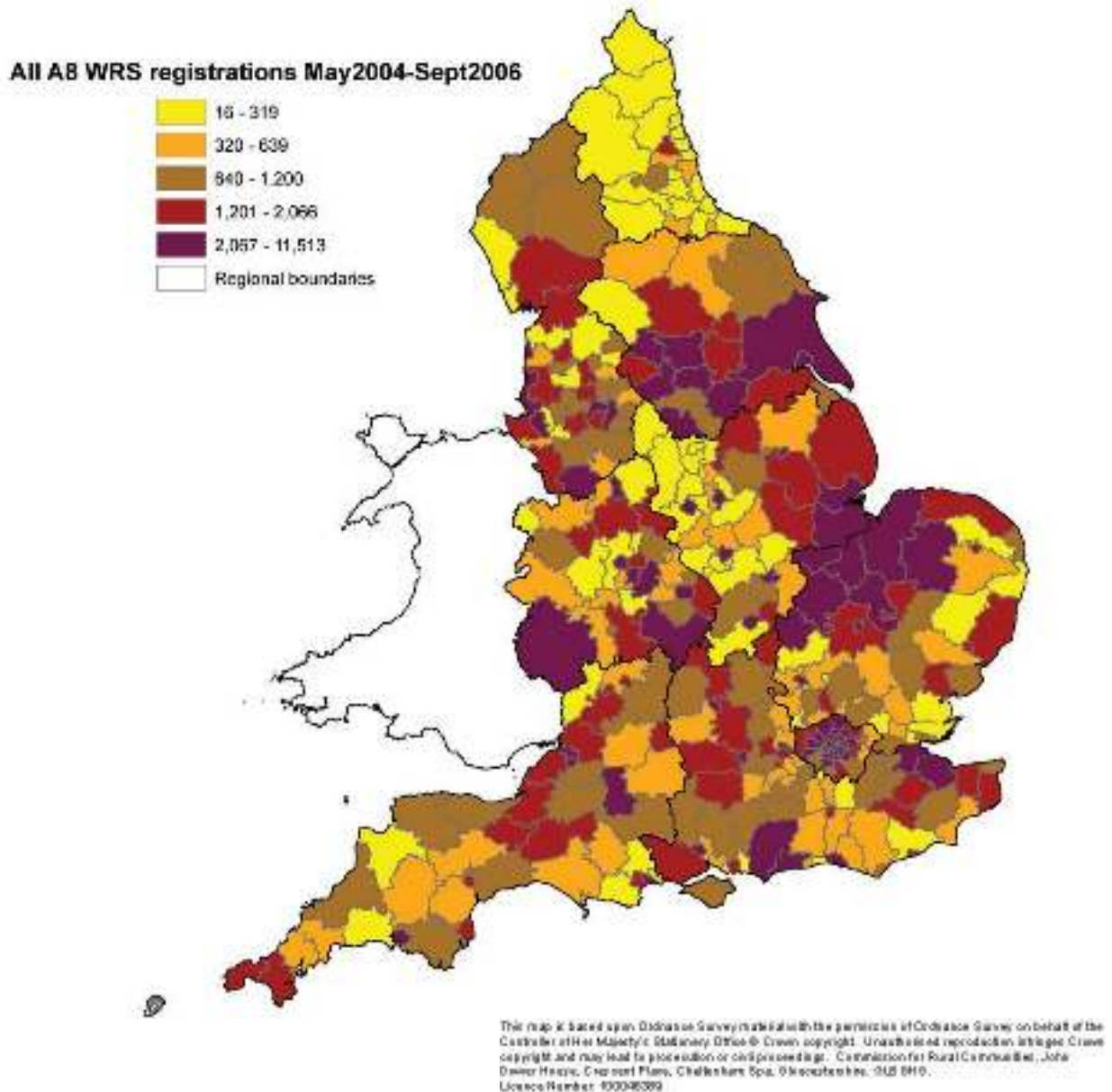
This indicates a clear seasonal trend, with September as the peak registration month in each year to date. This strong seasonal pattern is less pronounced in the equivalent registration data for urban areas.

The chart also suggests, over the period for which we have data, a clear year on year increase in the number of people registering on the WRS in rural areas, although the rate of increase is slowing. A similar rate of increase has been seen in urban areas.

The data on National Insurance registrations suggests that, if anything, the rate of increase is greater in rural areas than in urban.

Geographical distribution

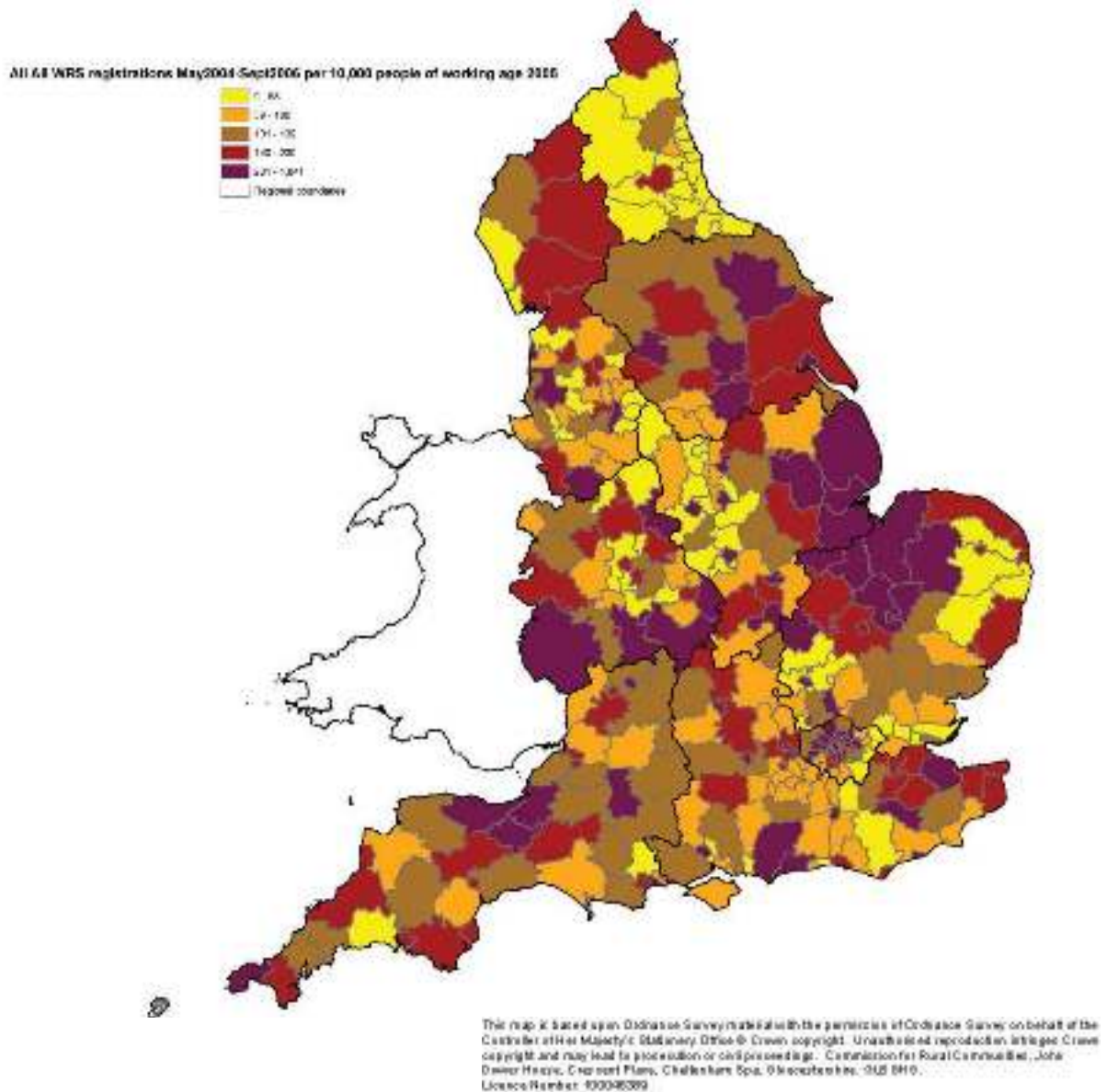
Map 1 indicates the geographical pattern of WRS registrations over the 29 months for which we have data.



This indicates clear geographical clusters of areas experiencing high levels of registration over this period – around Herefordshire (the top rural district with a total of 8,156 registrations over the 29 month period), in Lincolnshire and the Wash and, to some extent, in Yorkshire.

To gain a better understanding of *proportionality*, Map 2 presents these figures in relation to the average local labour force in each area in 2005.

Map 2



This analysis emphasises the clusters around Herefordshire, Lincolnshire and Cambridgeshire, as well as highlighting other areas around Somerset and Devon. The district of Boston (classified as 'Significant Rural') shows the highest ratio of registrations relative to the local labour force of all the English districts, with some 1,600 WRS registrations per 10,000 people of working age. Although the overall proportions of WRS registrations are broadly the same in rural and urban areas, it seems to be the case that the pattern of migrant worker arrivals, particularly in proportion to the local labour force, is highly concentrated in some specific rural areas.

Sectoral distribution

The WRS data can also identify the key economic sectors within which the rural A8 migrant workers were employed between May 2004 and September 2006.

In terms of absolute numbers, there are three key sectors:

- Manufacturing (33% of all rural registrations)
- Agriculture and fishing (25% of all rural registrations)
- Distribution, hotel and retail (20% of all rural registrations)

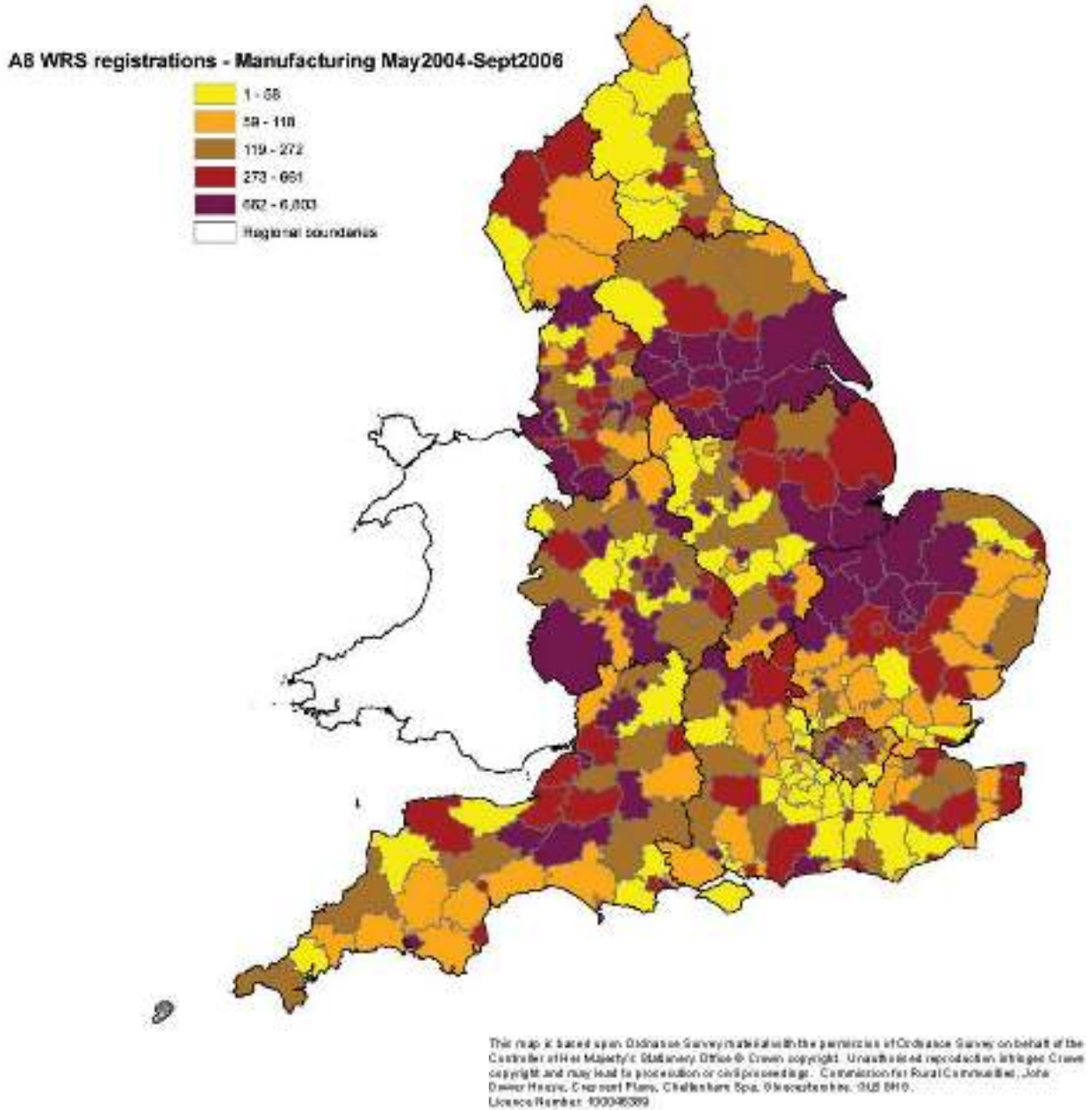
These three sectors take on over three quarters of registrations in rural areas. In comparison the same three sectors account for 36% of overall rural employment. Clearly, migrant workers are more concentrated in specific industries than is the case for rural employees as a whole.

In comparison to the overall local workforce in rural areas, we can see that migrant workers are highly 'over-represented' in both manufacturing (which includes businesses such as food processing and pack-houses) and in agriculture/fishing, while they are highly 'under-represented' in sectors such as public administration, education and health and banking, finance and insurance.

This more concentrated pattern of employment for A8 workers is also seen in urban areas – however there are some differences in the specific sectors.

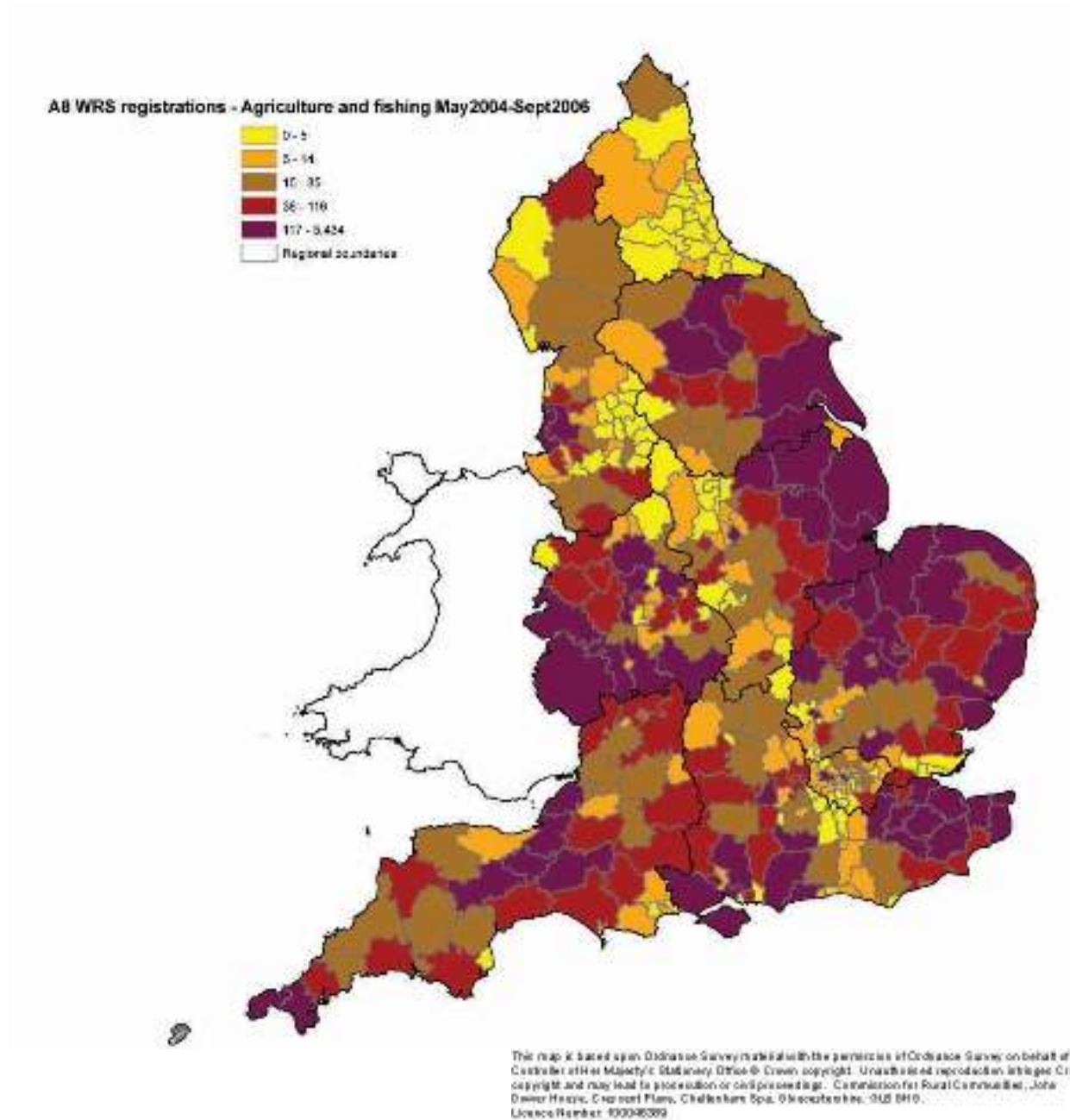
i) Manufacturing

When we consider the geographical distribution of registrations for work in the manufacturing sector, we see two clear areas of high concentration – Yorkshire and areas around the Wash.



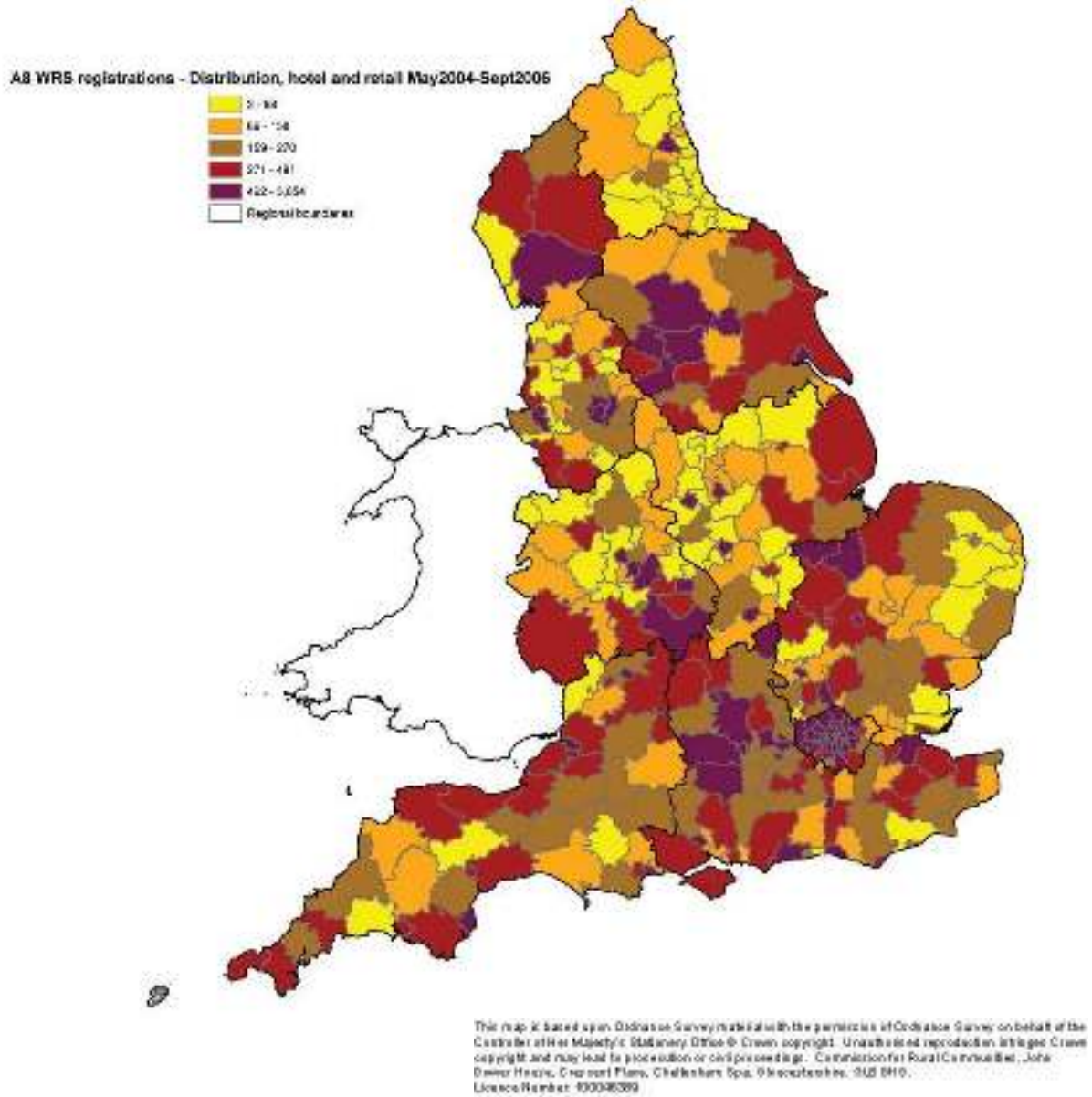
ii) Agriculture/Fishery

Looking at registrations for the agricultural sector, it is clear that there is a more dispersed pattern with registrations seen in most rural areas.



iii) Distribution, hotel and retail

The geographical distribution of registrations for work in this sector is different again, with more localised clusters.



Summary

From this initial analysis, there is some evidence that:

- The scale of arriving migrant workers is similar in rural areas to that in urban areas and, as in urban areas, numbers of arrivals are continuing to rise.
- The arrival pattern of migrant workers in rural areas is more seasonal than in urban areas.
- Rural migrant workers are geographically concentrated in specific areas – such as Lincolnshire, the Wash, Yorkshire and Herefordshire.
- This geographical concentration is related to the greater concentration of new arrivals in specific sectors – manufacturing, distribution and agriculture.
- In these rural areas migrant workers can also be a significant proportion of the overall workforce.

Section 4: Discussion

This paper shows that the two key differences between the number of WRS registrations in rural and urban areas are:

- a) there is a *seasonal* trend in registrations in rural areas, with September being the peak, and
- b) there is a higher *concentration* of migrant workers in certain rural areas. This is further emphasised with a higher proportion of registrations relative to the local labour force.

Taking these two points into account, the CRC believes there is a strong need for local strategic partnerships to review the potential impacts of migrant workers on local services, on local economies and on community cohesion, with a view to strengthening the responses of public, private, and third sector bodies to the challenges and opportunities arising.

Indeed, the CRC is aware, despite the challenges faced by many organisations providing public services, that there are still commendable examples of public service responses to the needs and challenges posed by rural migrant workers. We want to work with others to highlight and promote some of these as examples of good practice that can be adapted and adopted elsewhere.

There is also a need for central and regional government and its agencies to review the issues raised in this paper and to review the ways in which they may be able to help address the challenges arising.

Some of the areas which rural service providers should consider addressing are as follows. Some of these challenges are compounded by the nature of rural areas, with their smaller settlements, geographic distances, transport and time issues.

Housing

Much the same migrant worker housing issues apply in both urban and rural areas. However, in rural areas caravans, caravan sites and converted farm buildings are also being used to house migrant workers, particularly those working in seasonal agricultural work. Poorly managed and unlicensed sites can lead to health and safety breaches and, on occasion, are seen as an 'eye-sore' on the landscape.

In some rural areas migrant workers are housed in urban areas and have to be 'bussed' into rural areas for work and there may be issues around health and safety concerning the drivers and vehicles used.

Services

Those rural areas with clusters of migrant workers can face some significant public service challenges. Local authorities, and their partners, in these areas can have capacity challenges (compared to larger and better resourced urban authorities), as well as issues around the knowledge and skills they need to respond effectively. There may also be a lack of resources. For example rural schools may be faced with children where English is not their first language, and since this will sometimes be the first time they have encountered this, they will need additional resources in order to respond effectively.

Similarly, there may be challenges in the provision and funding of English for Speakers of Other Languages (ESOL) courses in rural areas.

Economic dependence

Some rural economies would become vulnerable to 'a big hit' should there be a sudden reversal in the influx of migrant workers from the A8 countries, with immediate and potentially damaging consequences to businesses suddenly faced with shortages of labour and higher labour costs. This might be of particular concern to the manufacturing, distribution and agriculture sectors.

Community cohesion

Rural areas have seen little recent in-migration compared to urban areas. In those rural areas where there are significant numbers of migrant workers, there may be some tensions between the settled and new arrival communities.

There may also be some inter-generational issues and tensions arising in those areas where the *older* indigenous community is faced by an influx of *younger* in-migrants.

In strategic terms, the focus of attention and action should be towards achieving better and safer communities for everyone, rather than treating migrant workers who live in rural areas as a 'problem' or 'issue' that needs to be 'solved'. Local authorities and their partners in local strategic partnerships have an important role to play in meeting the needs of new arrivals (either short-term or long-term stays) and in addressing the local tensions that population change may sometimes bring.

Conclusion

There is no simple, single national answer to the issues raised in this paper, partly because the situation is different in each region and locality. The current data collection methods have their flaws and the flexible nature of much migrant work makes it currently impossible *accurately* to measure the contribution and impacts of migrant workers.

It is important to recognise that the migrant workforce is not a static body; its composition changes depending on migration flows in and out of the UK. These can be dependent on circumstances, not just in the host country, but also in the exporting country. Thus, a migrant workforce that might be identified as consisting of a particular national group in one year, may be made up of a different group the following year. This is of particular relevance with Romania and Bulgaria joining the European Union in 2007.

Workers from Romania and Bulgaria will initially be restricted to existing quota schemes to fill vacancies in the agriculture and food processing sectors. Much of this work takes place in rural areas. They will have rights to work limited to six months and this will not give them access to benefits or to public housing.

The CRC recommends that central, regional and local government bodies (notably local strategic partnerships) should review the evidence and issues highlighted in this paper and consider the case for adjustments in policies, programmes, funding and guidance.

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Annex 1: Categories of migrant workers in the UK.

- Nationals of the European Economic Area (EEA): who have the right to travel, live and work in the UK. Consists of the 25 European Union (EU) member states and the European Free Trade Countries of Norway, Iceland, and Liechtenstein.
- Nationals of Switzerland and British Overseas Territories: who require clearance to enter the UK but do not require a work permit.
- Nationals of all other countries: who require a work permit, which is obtained by an employer who cannot find a suitable national to fill a post.
- Commonwealth Working Holidaymakers: individuals between the ages of 17-30 who can work in the UK for up to 2 years.
- Students from outside the EEA: who can work part-time whilst enrolled on a course.
- Undocumented workers: this includes both individuals who have entered the UK legally but are working without a legal right to do so and those who have entered illegally.

Seasonal Agricultural Workers Scheme (SAWS)

SAWS allows full time students over the age of 18, from outside the EEA, to provide low skilled agricultural work for farmers and growers in the UK. Students are allowed to work in the UK for six months in any year.

Workers should be paid at least the National Minimum Wage and are covered by the Agricultural Wages Order. The scheme is run for the Home Office by Operators and it is proposing to phase out the SAWS by 2010, on the grounds that in future these labour needs will be met through the establishment of managed migration schemes under Tier 3 of the Points Based System (PBS).

Work Permit Holders

All non-EEA nationals must have a permit to work in the UK. There are a number of different schemes available, all run by Work Permits (UK), which is part of the Home Office.

Highly Skilled Migrants Programme

This programme is designed to allow highly skilled people to migrate to the UK to look for work or self-employment opportunities. Unlike the work permit scheme, applicants do not need a specific job offer in the UK to apply. Successful applicants are granted permission to stay in the UK for a year to seek work or self-employment opportunities. After a year, workers can apply to stay longer provided they are economically active. After living in the UK continuously for four years with Home Office permission, workers can apply to live in the UK permanently.

Workers Registration Scheme (WRS)

A8 migrants registered on WRS are entitled to certain in-work benefits and social housing, but are required to be able to support themselves through work for the first 12 months in the UK. If A8 migrants do not work, they are unable to claim benefits. Workers' gain housing and benefit rights once they have a right of residence after 12 months continuous employment and have registered on the WRS.

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