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# **Migrant Workers in Wales**

**A Comparison between Wales and the Rest of Britain**

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## **Abstract**

There is a lack of systematic research into migrant workers in Wales; issues such as unionisation, access to training opportunities or industrial distribution are yet to be explored. The present paper aims to contribute to filling this gap, drawing on the data retrieved from the Labour Force Survey over those who came to the UK between 1997 and 2006. In particular, whilst bearing in mind the idea of ‘two-tier labour market’, we will make some comparisons between migrant workers and the rest of the workforce in Wales (together with the migrant workers and the rest of the workforce in other parts of Britain). The paper will first document demographic variations and then the labour market-related evidence on qualifications, employment status, workplace characteristics, union membership, training and pay disparities.

## ***Introduction***

There is a lack of systematic research into migrant workers in Wales; only few studies are available currently: a recent investigation commissioned by the North Wales Racial Equalities Network explored the relation of new comers to local communities in Flintshire (Hold *et al*, 2007); a survey funded by the ESRC into employers preferring migrant workers in Britain included a number of establishments from the Welsh hospitality sector –with no specific information publicised about them (Anderson *et al*, 2006); Welsh Consumer Council has also commissioned research into migrant workers in terms of the use of public services (Thomas, 1997); and another study by the T&G has reported their training activities for migrant workers since 2003 (T&G, 2006).

Issues such as unionisation, access to training opportunities or industrial distribution are yet to be explored among migrant workers in Wales. Ethnic and racial discrimination, for example, is not much associated with industrial segregation in Britain compared to the US where such a link has been well established, despite a recently documented process of desegregation (Tomaskovic-Devey *et al*, 2006). Even so, the public imagination about migrant workers in Britain is hardly fed with anything more than a couple of migrant workers posing in picking fields or comic television shows mocking Polish workers as ‘plumbers’. A recent study (Cam 2006) has reported some evidence pointing to industrial segregation in Britain whereas the issue remains unexplored in the specific case of Welsh labour market.

Following the promotion of neo-liberal and market-oriented policies in Britain in the late 1970s and afterwards, scholars such as Hyman (1988) and Pollert (1991) have long expressed their concerns over the rise of ‘two-tier labour market’. In different settings, on the other hand, some discussants put the emphasis on a particular model of labour market segregation on the basis of ‘core-periphery’ distinction, as notably argued in the case of temporary employment (Harrison, 1994). However, Kersley *et al* (2006) have shown that the WERS’04 data on fixed-term contract employment do not vindicate a core-periphery model. Nor is it supported by the recent findings of substantive research into temporary workers of local governments (Conley 2007),

indicating that the distinction between temporary and permanent jobs is essentially driven by numerical flexibility, rather than functional flexibility.

Disadvantages associated with the growing number of migrant workers have added further layers to the concerns over ‘two-tier labour market’. In 2006, for example, the TUC conference put the issue of migrant workers in temporary jobs on top of its agenda and urged the government to take action to protect the rights of migrant workers in such jobs (TUC 2006). Recently, academic researchers have also begun to investigate migrant workers with references to various issues such as nurse migration (Bach 2007); unionisation in food industry (Holgate 2005) and construction (Fitzgerald 2006); and semi-compliance, low pay and forced labour in domestic works (Anderson 2005), hospitality (Anderson *et al*, 2006), au pairs sector (Ruhs and Anderson 2006), agriculture and sex industry (Anderson and Rogaly 2005). Empirical findings mostly point to tough labour market conditions for migrant workers in Britain. The evidence on the disadvantages of migrant worker in Wales, on the other hand, remains largely anecdotal.

This paper aims to contribute to filling the gap of systematic evidence on migrant workers in Wales, drawing on the data retrieved from the Labour Force Survey over those who came to the UK between 1997 and 2006. In particular, we will examine the situation of migrant workers in Wales bearing in mind the idea of ‘two-tier labour market’. The evidence on migrant workers will be documented by making comparisons with the rest of the workforce in Wales (as well as both migrant workers and the rest of the workforce in other parts of Britain). We will first analyse the demographic data and then the labour market-related evidence on qualifications, employment status, workplace characteristics, union membership, training and pay inequalities.

### ***Demographic Characteristics***

Growth in number of migrant workers in recent years has led to concerns in Britain over ‘political backlashes’ and an increase in electoral support for the far right. Such fears were heightened in Wales when the BNP has garnered almost 10% of votes in Wrexham in the local elections of May 2007. Against this background, however, the

proportion of migrant workers who came to the UK in the last decade appear to be low in Wales compared to the rest of Britain; 2.9% and 5.3%, respectively (Table 1).<sup>1</sup>

**Table 1: Migrant Workers<sup>2</sup>**

| <b>Wales</b>           |          |                           |              |
|------------------------|----------|---------------------------|--------------|
|                        | Migrants | Rest of the WF in Wales   | <b>Total</b> |
| <b>N=</b>              | 37204    | 1246218                   | 1283422      |
| <b>Percentages</b>     | 2.9      | 97.1                      | <b>100.0</b> |
| <b>Rest of Britain</b> |          |                           |              |
|                        | Migrants | Rest of the WF in Britain | <b>Total</b> |
| <b>N=</b>              | 1428163  | 25605568                  | 27033731     |
| <b>Percentages</b>     | 5.3      | 94.7                      | <b>100.0</b> |

Source: LFS, Autumn 2006

In Wales, over one-third of the new comers in the last decade are from the new accession countries to the European Union whereas this proportion is nearly down to one quarter for the rest of Britain (Table 2). Other larger groups are from Africa, Caribbean's, Indian sub-continent and developed economies, and there is no substantial difference between Wales and rest of Britain in terms of the share of these groups in total migrant labour force.

**Table 2: Regional of Origin\* of Migrant workers (Percentages)**

|  | <b>Wales</b> | <b>Rest of Britain</b> |
|--|--------------|------------------------|
| EU Migrants                              | 35.0         | 26.0                   |
| Latin and Central America                |              | 3.0                    |
| Africa and Caribbean's                   | 24.4         | 26.3                   |
| Middle East                              |              | 2.8                    |
| South Asia                               | 6.1          | 4.1                    |
| Developed Economies                      | 12.1         | 14.5                   |
| Indian Sub-continent                     | 22.5         | 19.6                   |
| Former USSR ( except the new EU Members) |              | 3.7                    |
| <b>Total</b>                             | <b>100.0</b> | <b>100.0</b>           |

Source: LFS, Autumn 2006

\*See Appendix for a detailed classification of countries

<sup>1</sup> It is not known to what extent these figures do or do not cover an estimated number of half a million 'illegal' migrants in the UK (Taylor 2007) not least because of the difficulties in defining the term, 'illegal' (See Anderson 2005 for a discussion on this issue)

<sup>2</sup> The tables throughout this paper refer to migrant workers who came to the UK between 1997 and 2006. Covering a decade of migration is hoped to help to increase the representativeness of the study not only in sociological terms, but also in technical terms since this allowed us to use a larger number of sample from the survey. Even so, were not able to split the data over migrant workers in Wales into nationalities and regions because of the small sample size.

Over the past few decades, women have gained access to the labour market on a par with men by and large, although scholars underlined that their jobs were segregated on the basis of various benchmarks such as temporary and part-time status as well as of managerial, occupational and industrial divisions (Hakim 2000). The data in Table 3, however, show that the share of women workers is still limited to some extent among migrant workers in Wales and other parts of Britain.

**Table 3: Gender Composition (Percentages)**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Male         | 56.6         | 53.0                    | 58.1            | 53.2                      |
| Female       | 43.4         | 47.0                    | 41.9            | 46.8                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

Previous research had highlighted that migrant workers in Britain tend to be younger than the indigenous workforce (TUC 2007). The data presented in Table 4 also stipulate that over 30% of migrant workers in Wales are 25 years old or younger whereas this proportion is nearly down to 16% for the rest of the workforce. Notably, the age gap in Wales is more pronounced compared to other parts of Britain where these averages are circa 20% and 16%, respectively.

**Table 4: Age Composition (Percentages)**

|                     | Wales        |                         | Rest of Britain |                           |
|---------------------|--------------|-------------------------|-----------------|---------------------------|
|                     | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| <b>25 and below</b> | <b>30.2</b>  | <b>16.2</b>             | <b>20.3</b>     | <b>15.6</b>               |
| Between 26 and 35   | 45.6         | 18.5                    | 51.2            | 19.9                      |
| Between 36 and 49   | 16.6         | 36.0                    | 24.0            | 36.2                      |
| Between 50 and 64   | 7.6          | 26.9                    | 3.8             | 25.9                      |
| 65 and plus         |              | 2.4                     | .1              | 2.4                       |
| <b>Total</b>        | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

## **Qualifications**

The conventional view that migrant workers tend to have low skills and qualifications that help carry out ‘unwanted jobs’ by indigenous populations (Riddle, 2006) does not

happily sit with the data provided in Table 5 over the educational attainment of migrant workers in Wales as well as in other parts of Britain. Over 22% of migrant workers in Wales appear to have a degree or equivalent as in the case of migrant workers (and rest of the workforce) in other parts of the country. This should be compared to the rest of the workforce in Wales that to somewhat has lower proportion of those with a degree or equivalent, 17.6%. Even so, the data over educational attainment do not appear to be conclusive since more than 40% of migrant workers are bundled into the category of ‘other qualifications’ by the Labour Force Survey.

**Table 5: Education (Percentages)**

|                          | Wales        |                         | Rest of Britain |                           |
|--------------------------|--------------|-------------------------|-----------------|---------------------------|
|                          | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Degree or equivalent     | 22.7         | 17.6                    | 21.6            | 22.8                      |
| Higher education         | 6.5          | 10.7                    | 5.3             | 9.9                       |
| GCE A Level or equiv     | 11.4         | 26.3                    | 8.7             | 24.7                      |
| GCSE grades A-C or equiv | 1.5          | 23.4                    | 3.4             | 23.1                      |
| Other qualifications     | 43.5         | 10.2                    | 51.0            | 9.7                       |
| No qualification         | 14.4         | 11.3                    | 9.4             | 9.0                       |
| Don't know               |              | .7                      | .6              | .7                        |
| <b>Total</b>             | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

The skill and qualification levels of migrant workers are further highlighted by the data over occupations, even though one should bear in mind that it is difficult to know how well the qualifications and occupations are matched, especially in the case of migrant workers. The reason for this is because the new comers may feel forced to compromise over their work status in the shape of becoming over-qualified employees in host societies (MacKay and Winkelmann-Gleed, 2005). The available evidence suggests that a higher proportion of migrant workers than the rest of the workforce in Wales have high-rank occupations as specified in Table 6: 40% and 36.1%, respectively (These figures are roughly the way around in other parts of the country). The data also show that, in both Wales and other parts of the country, circa 40% of migrant workers have medium-ranked occupations, leaving only one in five of them for elementary occupations, even though this is down to the neighbourhood of one in ten for the rest of the workforce.

**Table 6: Occupations (Percentages)\***

|  | Wales        |                         | Rest of Britain |                           |
|--|--------------|-------------------------|-----------------|---------------------------|
|  | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| <b>Higher-rank Occupations</b>         | <b>40.0</b>  | <b>36.1</b>             | <b>37.6</b>     | <b>42.7</b>               |
| Managers and Senior Officials          | 7.9          | 12.4                    | 10.5            | 15.4                      |
| Professional occupations               | 16.8         | 10.4                    | 14.1            | 13.3                      |
| Associate Professional and Technical   | 15.3         | 13.3                    | 13.0            | 14.0                      |
| <b>Medium-rank Occupation</b>          | <b>39.6</b>  | <b>52.0</b>             | <b>40.5</b>     | <b>46.4</b>               |
| Administrative and Secretarial         | 9.0          | 12.0                    | 6.6             | 12.3                      |
| Skilled Trades Occupations             | 6.8          | 12.8                    | 9.0             | 11.1                      |
| Personal Service Occupations           | 6.3          | 9.2                     | 9.9             | 7.8                       |
| Sales and Customer Service Occupations | 2.5          | 8.4                     | 7.0             | 8.0                       |
| Process, Plant and Machine Operatives  | 15.0         | 9.6                     | 8.0             | 7.1                       |
| <b>Elementary Occupations</b>          | <b>20.4</b>  | <b>12.1</b>             | <b>21.8</b>     | <b>10.9</b>               |
| <b>Total</b>                           | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

*\*Sub-categories should be treated with caution in the case of migrant workers in Wales due to small sample size*

*Based on SOC, 2003*

*Source: LFS, Autumn 2006*

## **Employment Status**

Employment status of migrant workers, as defined by part-time/full-time work, temporary/permanent employment and self-employment, is considerably different in Wales from the rest of the workforce in Britain in general. The data in Table 7 show that only 10% of migrant workers in Wales are in part-time jobs whereas this proportion is twice as that for the migrant workers in other parts of Britain, as well as for rest of workers in both Wales and Britain. Arguably, a high concentration of migrant workers in Welsh manufacturing (see, Table 12) limits part-time employment among these workers, since no more than 9% of workers are employed on a part-time basis in manufacturing, compared to approximately 26% overall average (LFS, 2006).

**Table 7: Full-time and Part-time (Percentages)**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Full-time    | 89.8         | 73.6                    | 79.8            | 73.9                      |
| Part-time    | 10.2         | 26.4                    | 20.2            | 26.1                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

The peculiarity of migrant workers' employment status in Wales is by no means less pronounced when it comes to temporary employment. Over 21% of migrant workers in Wales are employed in such jobs whereas this proportion is less than 14% for the migrant workers in other parts of the country –and down to less 6% for the rest of the workforce in both Wales and rest of Britain (Table 8). Temporary employment among migrant workers in general appears to be contributed to by 'agency temping' since such workers are often brought to the UK by labour supply agencies, and they may continue to work either through or for the agencies after the arrival (ALP, 2006). In Wales, this is particularly the case in the face of a relatively high concentration of migrant workers from the new EU countries (see Table 2) –whose one in two are 'agency temps' compared to 16% of the rest (Cam, 2007).

**Table 8: Temporary and Permanent (Percentages)**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Permanent    | 78.8         | 94.6                    | 86.4            | 94.4                      |
| Temporary    | 21.2         | 5.4                     | 13.6            | 5.6                       |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

It had been suggested that ethnic minorities in Britain tend to have higher levels of self-employment because of, for example, cultural tendencies within Asian communities (Modood *et al*, 1997). However, among migrant workers who came to the country in the last decade, in particular, this does not seem to be the case: circa 10% of migrant workers in different parts of Britain other than Wales are self-employed, compared to 13% for the rest (Table 9). In the Welsh labour market, as little as 1.4% of migrant workers are self-employed, compared to yet another 13% for the rest of the workforce.

**Table 9: Self-Employed (Percentages)**

|                      | Wales        |                         | Rest of Britain |                           |
|----------------------|--------------|-------------------------|-----------------|---------------------------|
|                      | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Employee             | 98.6         | 86.3                    | 89.8            | 86.3                      |
| Self-employed        | 1.4          | 13.4                    | 10.1            | 13.3                      |
| Unpaid family worker | .0           | .3                      | .1              | .4                        |
| <b>Total</b>         | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

In the following part, we will readdress –the peculiarities of– temporary employment and self-employment among migrant workers in Wales whilst providing a general review of workplaces’ characteristics, yet the review reveals more of break aways from rest of the workforce.

### ***Characteristics of Workplaces***

The employment of migrant workers in small establishments, particularly in those of immigrant entrepreneurs, have been some interest to academic debates as a strategic choice in reducing labour cost in the face of ‘embedded’ challenges such as the spatial dependency of economic activities and competitiveness (Edwards and Ram 2006). Migrant workers in larger companies, on the other hand, are relatively under investigated, but this is at odds with a considerably high proportion of such workers in larger companies, especially in Wales. The data provided in Table 10 indicate that only 36% of migrant workers in Wales are employed in companies with less than 50 employees, compared to over 52% for the rest of the workforce.

**Table 10: Number of Employees at the Workplace (Percentages)**

|                    | Wales        |                         | Rest of Britain |                           |
|--------------------|--------------|-------------------------|-----------------|---------------------------|
|                    | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Less than 50       | 35.7         | 52.6                    | 44.6            | 49.3                      |
| Between 50 and 499 | 39.4         | 34.9                    | 32.4            | 33.3                      |
| 500 or more        | 24.9         | 16.6                    | 22.0            | 17.5                      |
| <b>Total</b>       | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

Source: LFS, Autumn 2006

Table 11 highlights another layer regarding the peculiarity of migrant workers in Wales through the data over the distribution of these workers to public and private

sectors. The evidence suggests that migrant workers in Wales have an equal foot in public sector organisations with the rest of the workforce, over 28%, whereas this proportion is less than 16% for the migrant workers in other parts of the country – accompanied by circa 24% for the rest of the workforce.

The high level of migrant workers in public sector establishments helps us to understand the peculiarities of migrant workers in Wales regarding their limited presence in self-employment and smaller companies on one hand, and their over-representation in temporary jobs, on the other: Compared to the private sector, public sector organisations encapsulate a relatively high level of temporary jobs (5% and 8%, respectively) and a low level of small and medium-sized companies: In addition to the lack of self-employment, the proportion of companies with less than 50 employees is no more than 32% in public sector, whereas this proportion is over 55% in the private sector (LFS, 2006).

**Table 11: Public or Private Sector Companies**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Private      | 71.7         | 71.3                    | 84.3            | 75.8                      |
| Public       | 28.3         | 28.7                    | 15.7            | 24.2                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

*Source: LFS, Autumn 2006*

As underlined earlier, there is a lack of systematic information about the industrial distribution of migrant workers in Wales –although such workers are often associated with picking fields or plumbing in the press. The data presented in Table 12 show that only a residual proportion of migrant workers are employed in agriculture in Wales as well as in other parts of Britain. Nor is a substantial proportion of migrant workers in Wales are employed in the construction sector in general, 2.9%, albeit this figure is more pronounced to some extent for the migrant workers in other parts of the country, 6.5%. However, even this figure is not higher, but slightly lower, than the proportions for the rest of the workforce in construction, almost 10% in Wales and over 8% in other parts of the country.

Against this background, a considerable proportion of migrant workers in Wales (27.5%) are employed in industrial jobs as specified in the table whereas the figure is less than 20% for the migrant workers in other parts of the country. Arguably this, to certain extent, reflects employers' desire to pay less for labour. For example, around 15% of migrant workers in Wales are employed in food manufacturing where gross weekly earnings are £256 on average, compared to an overall average of £330 for the region (LFS, 2006).

In Wales, a high proportion of migrant workers (over 54%) are employed in certain services such as hotels and restaurants; public administration and defence; education; health and social work; and community and personal services. This proportion should be put against no more than 32.4% for the migrant workers in other part of the country. Such a result is probably affected by not only employers' desire to pay low, as in the case of hotels and restaurants, but also the need for certain skills as in the case of health services (Bach 2007).

**Table 12: Industries (Percentages)\***

|  | Wales        |                         | Rest of Britain |                           |
|--|--------------|-------------------------|-----------------|---------------------------|
|  | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| <b>Agriculture</b>                         |              |                         |                 |                           |
| Agriculture, hunting & forestry            | .1           | 2.1                     | .5              | 1.3                       |
| Fishing                                    | .0           | .0                      | .0              | .1                        |
| <b>Total</b>                               | <b>.1</b>    | <b>2.1</b>              | <b>0.5</b>      | <b>1.4</b>                |
| <b>Industry</b>                            |              |                         |                 |                           |
| Mining, quarrying                          |              | .3                      | .2              | .3                        |
| Manufacturing                              | 24.6         | 14.5                    | 12.0            | 12.7                      |
| Electricity gas & water supply             |              | .7                      | .5              | .7                        |
| Construction                               | 2.9          | 9.7                     | 6.5             | 8.2                       |
| <b>Total</b>                               | <b>27.5</b>  | <b>25.2</b>             | <b>19.2</b>     | <b>21.9</b>               |
| <b>Higher Concentration Areas</b>          |              |                         |                 |                           |
| Health & social work                       | 20.6         | 14.7                    | 15.6            | 11.9                      |
| Hotels & restaurants                       | 17.1         | 5.4                     | 9.7             | 3.9                       |
| Community, social & personal               | 10.5         | 5.4                     | 4.3             | 5.9                       |
| Public administration & defence            | 6.4          | 8.2                     | 2.8             | 7.1                       |
| <b>Total</b>                               | <b>54.6</b>  | <b>33.7</b>             | <b>32.4</b>     | <b>28.8</b>               |
| <b>Lower Concentration Areas</b>           |              |                         |                 |                           |
| Financial intermediation                   | 4.1          | 2.3                     | 4.6             | 4.4                       |
| Real estate, renting & business activities | 3.8          | 7.8                     | 15.7            | 11.7                      |
| Transport, storage & communication         | 3.8          | 5.4                     | 8.6             | 6.8                       |
| Education                                  | 3.7          | 8.8                     | 4.7             | 9.4                       |
| Wholesale, retail & motor trade            | 1.2          | 14.5                    | 12.5            | 15.1                      |
| Private house holds with employed persons  | 1.2          | .2                      | 1.4             | .4                        |
| <b>Total</b>                               | <b>17.8</b>  | <b>39.0</b>             | <b>47.5</b>     | <b>47.8</b>               |
| <b>Others</b>                              | <b>.0</b>    | <b>.1</b>               | <b>.5</b>       | <b>.0</b>                 |
| <b>Total</b>                               | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

*\*Sub-categories should be treated with caution in the case of migrant workers in Wales due to small sample size*

*Based on SIC, 2003*

*Source: LFS, Autumn 2006*

The employment of migrant workers in Wales, on the other hand, is less pronounced in some other services such as wholesale, retail and motor trade; transport, storage and communication; financial administration; real estate, renting and business activities; and private households with employees. Circa 18% of migrant workers in Wales are employed in such services whereas the figure is over 47% for the migrant workers in other parts of the country. This is arguably related to various issues. One is the unavailability of skills required as in the case of education that proves difficult for migrant educators to gain access to due to English barrier (Enneli, 2005) –and official Welsh barrier in primary and secondary schools. Another issue is a relatively high supply of local labour for low skill jobs as in the case of wholesale, retail and motor

industries, especially in rural areas (Kenway *et al*, 2005). Above all, however, the under-representation of migrant workers in these services is rooted in the limited openness of Welsh socio-economic structure to diversity at work.

### ***Union Membership***

The susceptibility of the British working class to political divisions on the bases of gender, race, occupations etc has long preoccupied scholars (Nichols and Armstrong 1976). An iconic example for these historic divisions was the ‘ring fencing’ policies of the 1980s by trade unions that aimed to protect the jobs of their members against ‘outsiders’ during local government reorganisation and the privatisation of public utilities. Such a sectionalist and defensive propensity served to reinforce social divisions (Mann 1992).

In the following years, union membership has dramatically declined, from circa 13 million in the early 1980s to 11 million by the end of the Conservative government in 1997 and, with a further momentum under the Labour government, down to 7 million in 2006. Meanwhile, having begun to be perceived as ‘hollow shell’ (Hyman 1997), trade unions tended to put more emphasis on anti-racist policies. They started to expose racist managerial practices, especially in terms of pay and promotion by organising various campaigns in cooperation with the Equal Opportunities Commission.

Even so, recent research into migrant workers in London (Holgate 2005) and the North East of England (Fitzgerald 2006) has pointed to various difficulties in organising such workers, with specific references to their vulnerability to managerial reactions. The analyses of the Labour Force Surveys have also documented the under-representation of migrant workers in unions across Britain (Cam, 2006). There is, however, a lack of systematic information about the unionisation of migrant workers in Wales. Here, we will analyse the data over the presence of recognised unions at workplaces; union density; and the coverage of pay and employment conditions by agreements between unions and management.

**Table 13: Unions' Presence at the Workplace**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Yes          | 35.5         | 35.8                    | 24.1***         | 32.9                      |
| No           | 64.5         | 64.2                    | 75.9            | 67.1                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

\*\*\* Significant relation at the 0.01 level (Logistic Regression)

Source: LFS, Autumn 2006

Table 13 illustrates that over 35% of migrant workers in Wales are employed at workplaces where there are recognised unions whereas this is down to one quarter for the migrant workers in other parts of the country. In particular, the proportion of migrant workers employed by organisations with recognised unions in Wales is roughly equal to that of the rest of the workforce in the region.

**Table 14: Union Membership (Percentages)**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Member       | 19.1***      | 32.8                    | 11.6***         | 26.1                      |
| Not Member   | 80.9         | 67.2                    | 88.4            | 73.9                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

\*\*\* Significant relation at the 0.01 level (Logistic Regression)

Source: LFS, Autumn 2006

Union membership is also relatively high among migrant workers in Wales, almost 20%, compared to less than an average of 12% for the migrant workers in other parts of the country (Table 14). That 20% union density, however, is lower than 32% and, to lesser extent, 26% averages for the rest of the workforce in Wales and other parts of the country, respectively.

**Table 15: Pay and Employment conditions are directly affected by union agreements?**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Yes          | 31.0**       | 39.5                    | 19.1***         | 33.8                      |
| No           | 69.0         | 60.5                    | 80.9            | 66.2                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

\*\* Significant relation at the 0.05 level; \*\*\* Significant relation at the 0.01 level (Logistic Regression)

Source: LFS, Autumn 2006

The data presented in Table 15 over the coverage of pay and employment conditions by the agreements between unions and companies reveal a relatively advantaged position for the migrant workers in Wales: Over 30% of these workers reported that their conditions were affected by agreements whereas the proportion for the migrant workers in other parts of the country was below 20%. However, the disadvantaged position of migrant workers in general once again repeats itself compared to other workers since even that 30% agreement coverage for the migrant workers in Wales appears to be lower than nearly 40% and, to lesser extent, 34% averages for the rest of the workforce in Wales and other parts of the country, respectively.

In general, migrant workers in Wales and in other parts of the country have weaker links to the unions compared to the rest of the workforce, but the gap is less pronounced in Wales. This is arguably related to a relatively high representation of migrant workers in Welsh public sector organisations (Table 11). In such organisations, seven out of ten workplaces have recognised trade unions; union density is about 58%; and 70% of employees' pay and employment conditions are affected by agreements between unions and management, whereas these proportions in the private sector are down to 24%, 16% and 20%, respectively (LFS, 2006).

## ***Training***

Since the late 1980s, the training of employees has become one of the most important issues in the labour market as a booster for labour productivity and as a response to the restructuring of labour markets under the growing pressures of post-industrialisation and globalisation (Fairbrother 1996). Yet scholars have often underlined that the importance of the issue was not well appreciated by policy makers (Stroud and Fairbrother 2005). For example, the government's support for training programmes has been in a long-term decline. The most noticeable downward trend in the number of these schemes had been observed between 1992 and 1999, from 400 to 161 (LMT 2000: 18). Meanwhile, trainees' number had also decreased from 547,000 to 345,000 (NOS 2000). In succeeding years, such a process rendered the

contributions of employers to the training of workers even more important (*Global 2005*).

**Table 16: Training offered by employers?**

|              | Wales        |                         | Rest of Britain |                           |
|--------------|--------------|-------------------------|-----------------|---------------------------|
|              | Migrants     | Rest of the WF in Wales | Migrants        | Rest of the WF in Britain |
| Yes          | 36.3***      | 58.7                    | 43.0***         | 57.8                      |
| Never        | 63.7         | 41.3                    | 57.0            | 42.2                      |
| <b>Total</b> | <b>100.0</b> | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>              |

\*\*\* Significant relation at the 0.01 level (Logistic Regression)

Source: LFS, Autumn 2006

However, the evidence points to the reproduction of employees' disadvantages by the training opportunities provided by employers since such programmes are less accessible for migrant workers, and this is especially the case in Wales. About 36% of migrant workers in Wales have reported that they were offered training by their employers whereas this proportion was circa 58% for the rest of the workforce in the region (Table 16). Compared to migrant workers in Wales, their counterparts in other parts of the country also have better access to training opportunities to some extent, 43%. This is probably affected by the work status of migrant workers in Wales as defined by high levels of temporary employment (see, Table 8) and lower pay rates (as will be discussed in what follows), since both of these variables mitigate against the likelihood of access to training opportunities in general (Booth and Frank 2002).

## **Pay**

A well-advertised idea that 'the readiness of migrant workers for less pay' undermines the wages of indigenous workers in Britain was refuted by the academic research into earnings (Dustmann *et al*, 2005). Even so, there is no systematic evidence on pay inequalities in the specific case of Welsh labour market.

The data provided in Table 17 over earnings highlight the extent to which the Welsh economy is a low-pay economy –so much so that not only migrant workers but also the rest of the workforce in Wales earn lower on average than the migrant workers in other parts of the country. Migrant workers earn £285 per week on average in Wales

and this figure is £336 for the rest. In other parts of the country, these figures go up to £377 for migrant workers and £405 for the rest of the workforce.

The figures above also imply that migrant workers in Wales experience more unequal pay practices compared to the migrant workers in other parts of the country. As can be seen in the table, migrant workers in Wales earn 17.7% less than the rest of the workforce as measured by weekly earnings, and the gap widens when measured by hourly earnings, 21.7%. In other parts of the country, on her other hand, these figures are less pronounced, 7.5% and 13.3% respectively.

**Table 17: Average Pre-Tax Earnings (£)**

|                 | Wales     |                         |                  | Rest of Britain |                           |                  |
|-----------------|-----------|-------------------------|------------------|-----------------|---------------------------|------------------|
|                 | Migrants  | Rest of the WF in Wales | Gap (Percentage) | Migrants        | Rest of the WF in Britain | Gap (Percentage) |
| Weekly Earnings | 285.33*** | 336.04                  | 17.7             | 377.26***       | 405.90                    | 7.5              |
| Hourly Earnings | 7.77      | 9.46                    | 21.7             | 10.06           | 11.41                     | 13.3             |

\*\*\* Significant relation at the 0.01 level (Logit Loglinear)

Source: LFS, Autumn 2006

A further analysis of earnings disparities stipulates that migrant workers, especially in Wales, are more likely to fall into low-income bracket as specified in Table 18. Over 26% of them earn national minimum wage or below whereas this proportion is nearly down to 20% for other migrant workers. The gap becomes clearer when compared to circa 14% for the rest of the workforce in Wales and other parts of Britain. Notably, the proportion of migrant workers who earn national minimum wage or below appears to be comparable, especially in the case of Wales, to that of those who earn above average earnings. This should be put against the rest of the workforce –of those who earn national wage or below is almost three times less than those who earn above average earnings.

**Table 18: Distribution to pay bands (Percentages)**

|                        | Wales               |                         | Rest of Britain     |                           |
|------------------------|---------------------|-------------------------|---------------------|---------------------------|
|                        | Migrants            | Rest of the WF in Wales | Migrants            | Rest of the WF in Britain |
| Minimum Wage and Below | 26.5 <sup>***</sup> | 14.6                    | 20.7 <sup>***</sup> | 13.2                      |
| 'Meddle' Pay*          | 48.1                | 47.3                    | 53.2                | 50.6                      |
| Above Average Pay      | 25.5                | 38.1                    | 26.1                | 36.3                      |
| <b>Total</b>           | <b>100.0</b>        | <b>100.0</b>            | <b>100.0</b>        | <b>100.0</b>              |

*\*\*\* Significant relation at the 0.01 level (Logistic Regression)*

*\*Refers to in-between top and bottom row values (Average hourly pay is £9.37 for Wales and £11.33 for the rest of Britain)*

*Source: LFS, Autumn 2006*

Even so, one should take a guarded approach to the likes of generalisations that migrant workers undermine the incomes of poorly paid workers from indigenous communities (Tyler 2006). Once we take the proportion of those who are earning below half average income as the conventional indicator of income poverty in Britain, it becomes possible to say that this proportion has not substantially changed in Wales since the beginning of the millennium; if anything there was a slight decline. It was 29% in 2000, but the figure declined by one percentage-point in 2003. Since the start of the recent wave of migrant workers from the new EU accession countries in 2004, there was a further one percentage-point decline, down to 28% in the end of 2006 – although this is to somewhat higher than roughly 25% average for the rest of Britain (LFS, 2000, 2003 and 2006).

## **Conclusion**

Migrant workers arrived over the past decade are in similar positions in Wales with their counterparts in other parts of the country with regard to demographic characteristics; they are more of men to certain degree, tend to be younger, and a considerable proportion of them are from the new accession countries to the EU, although the last two traits are more pronounced in Wales. Migrant workers, especially in Wales, do not entirely fit into stereotypes in various ways: A substantial proportion of them, for example, are well qualified and many of them work in the public sector as well as in the larger companies of private sector.

In Wales, low-paying companies, especially in food processing, on the other hand, accommodate an important proportion of new comers, and migrant workers in general are more disadvantaged in terms of pay, access to training opportunities and precarious/temporary jobs. Further causes for concerns over ‘two-tier labour market’ are added by the weak links of migrant workers to trade unions, but this is less of so in Wales. Trade unions had been particularly active in terms of providing language courses for migrant workers. Even so, such attempts were undermined by the government’s decision to stop funding free English classes. Trade unions and NGOs, such as T&G, Unison, Usdaw, CWU, Refugee Council, Children Society and the Family Welfare Associations are campaigning against the decision. They argue that such a move, among other things, would hamper the success rates at recently introduced English exams to gain the right to reside indefinitely in the UK, and hence, repulse migrant workers that the economy needs.

Although the Treasury acknowledges the contribution of migrant workers to the economy, Britain’s openness to ethnic diversity remains limited, and this is more evident in Wales where the new comers are particularly under-represented in self-employment, part-time employment and various service sectors such as real estate, renting and business activities; transport, storage and communication; and wholesale and retail industries. In an attempt to address this issue, the Welsh Assembly has recently published a welcoming leaflet for the migrant workers, yet more is wanting. Increasing training opportunities for not only migrant workers but also for the displaced or low-paid workers of local communities in the pockets of deprived areas, for example, is crucial in order to enable people to find jobs with decent pay.

For better-informed social policies, there is a need to boost substantive research into areas where there are tensions between local and migrant communities as well as into specific migrant groups of nationalities and regions since the available secondary data surveys are not conducive to such specific analyses in Wales.

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## Appendix

### Countries by Region/country group

| Africa and Caribbean           | Developed Economies                   | Latin and Central America | Middle East                                      |
|--------------------------------|---------------------------------------|---------------------------|--|
| Kenya                          | Australia, Tasmania                   | Cuba                      | Iran   |
| Uganda                         | Canada, Newfoundland, Nova Scotia     | Mexico                    | Israel   |
| Zanzibar (Tanzania)            | New Zealand                           | Argentina                 | Iraq   |
| Malawi, Nyasaland (Malawi)     | Ireland, Republic Of                  | Brazil                    | Lebanon  |
| Zambia                         | Austria                               | Chile                     | Turkey   |
| Zimbabwe                       | Switzerland                           | Columbia                  | Other Middle East                                |
| Botswana                       | Greece                                | Uruguay                   | <b>Former USSR and East European Soviet Bloc</b> |
| Gambia                         | Portugal (inc Azores & Maderia)       | Venezuela                 | Albania  |
| Ghana                          | Spain (inc Balearic & Canary Islands) | Other Central America     | Bulgaria*  |
| Nigeria                        | Gibraltar                             | Other South America       | German Democratic Republic**                     |
| Sierra Leone                   | Finland                               | <b>New EU Countries</b>   | Czechoslovakia                                   |
| Barbados                       | Norway                                | Cyprus                    | Romania*   |
| Jamaica                        | Sweden                                | Malta                     | Yugoslavia***                                    |
| Trinidad And Tobago            | Belgium                               | Hungary                   | Belarus  |
| West Indies (Island given)     | Denmark                               | Poland                    | Bosnia   |
| West Indies (So Stated)        | France                                | Czech Republic            | Croatia  |
| Caribbean Commonwealth Islands | Italy                                 | Estonia                   | Moldova  |
| Belize                         | Vatican City                          | Lithuania                 | Russia   |
| Guyana                         | Luxembourg                            | Latvia                    | Ukraine  |
| Mauritius                      | Netherlands                           | Slovenia                  |  |
| Algeria                        | Federal Republic of Germany           | Slovak Republic           |  |
| Morocco                        | Germany (after unification)           | <b>South Asia</b>         |  |
| Tunisia                        | Iceland                               | Burma, Myanmar            |  |
| Libya                          | United States                         | China                     |  |
| Egypt                          | Japan                                 | Philippines               |  |
| South Africa                   | <b>Indian Sub-continent</b>           | Vietnam                   |  |
| Angola                         | Bangladesh                            | Hong Kong                 |  |
| Ethiopia                       | India                                 | Singapore                 |  |
| Somalia                        | Sri Lanka                             | Cambodia (Khmer Republic) |  |
| Zaire                          | Pakistan                              | Indonesia                 |  |
| Sudan                          | Malaysia                              | South Korea               |  |
| Other Africa and Caribbean     | Other Indian Sub-continent            | Other South Asia          |  |

\*Data do not cover the migration after the EU accession

\*\*Pre-Unification in 1990

\*\*\*Before the break-up in 1991/92