

# Employment of Foreign Workers: Focus on Eurostat Ad Hoc Module 2008

**February 2009**

This article is part of a series of migration themed labour market articles produced by ONS. It uses the additional variables available in the 2008 Labour Force Survey (LFS) EuroStat Ad Hoc module, 'The Labour Market Situation of Migrants and their Immediate Descendants'. These variables provide the opportunity for new analysis to understand the characteristics of migrant workers in the UK.

The aims of the 2008 EuroStat Ad Hoc module are: to provide a complete identification of migrants and their immediate descendants which allows for analytical flexibility; to provide comparable data on the labour market situation of migrants and their immediate descendants; and to analyse the factors affecting their integration and adaptation to the labour market.

EuroStat collates the statistical information from this module from all Member States. When Eurostat publishes the information for each Member State it should be possible to analyse the extent to which migrant workers from the UK are working in other EU countries.

## **Introduction**

The Labour Force Survey is a quarterly sample survey of approximately 53,000 households living at private addresses in the United Kingdom. The survey seeks information on respondents' personal circumstances and the

labour market status during a specific reference period. Information is collected on respondents' personal characteristics, including their country of birth and nationality, making it possible to conduct analysis of migration in the labour market. The ONS's preferred definition of migrant workers in the UK uses country of birth, because this cannot change, whereas citizenship can change over time.

The 2008 EuroStat Ad Hoc module contains variables which make it possible to analyse the situation of migrants in more detail, for example the reason a person came to the UK or the services they used to integrate into the labour market. This new information adds to previous analysis conducted by Clancy (2008) and Khan (2008).

## **Reasons for coming to the UK**

People from different parts of the world have different reasons for coming to the UK because of their personal, economic and cultural backgrounds. These reasons will influence the ease with which a person is able to adapt and succeed in the UK labour market. Therefore, the EuroStat questions provide additional insight on the different employment rates for people born outside the UK presented in the article by Khan (2008).

**Table 1 : Main reason for coming to the UK for foreign born people by country of birth**  
April to June 2008, not seasonally adjusted

												Per cent
	EU14 <sup>1</sup>	EUA8 <sup>2</sup>	U.S.A	Africa ex SA	South Africa	Australia & New Zealand	India	Bangladesh & Pakistan	Americas	Other Europe	Middle East & Asia	Non-UK <sup>3</sup>
Employment	45	68	34	15	33	33	28	9	23	25	18	31
Study	20	10	13	26	6	5	14	10	25	16	31	19
International protection	0	1	0	13	2	0	1	3	1	16	17	6
Accompanying family/family reunification	13	11	25	24	24	12	32	45	27	19	20	22
Family formation	8	2	15	5	2	6	18	26	10	11	8	9
Other	13	7	12	16	32	44	7	6	14	13	6	12

Source: Labour Force Survey

<sup>1</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Holland, Italy, Luxembourg, Portugal, Republic of Ireland, Spain (including the Canary Islands), Sweden.

<sup>2</sup> Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia.

<sup>3</sup> Non-UK does not include those who did not state their country of birth.

Note:

This applies to all people who were of working age at time of last arrival in the United Kingdom

**Table 1** shows that the main reasons for coming to the UK for people born abroad were employment, study or family related. This confirms the UK's important position as a provider of education to people born outside the UK, and its position in the global labour market. The proportion of people in the UK born abroad who stated family was their main reason for coming to the UK is also important from an employment and social perspective. This is because family networks can ease social and labour market integration.

It is important to note that the percentages presented only cover people who are currently resident in the UK. This means that reasons that are more likely to be linked to short term stays in the UK do not appear in table 1, for example holidays or business trips.

## Employment

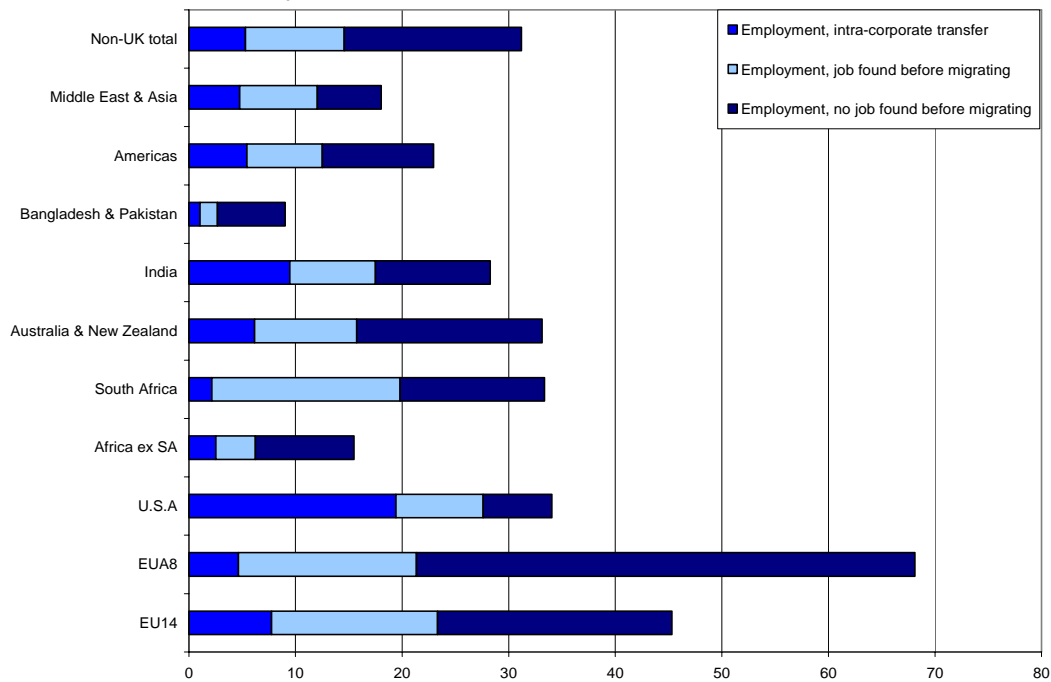
It can be seen in table 1 that employment was the main reason for people born in the eight countries (EUA8) that joined the European Union (EU) in 2004. The percentage of EUA8 born people who came for employment was 68 per cent, the highest for any country group. The high percentage of people coming to work in the UK who were born in the EUA8 corresponds with the high employment rates in the tables produced for the February 2009 update of 'Employment of Foreign Workers: Quarterly LFS Migrant Worker Estimates'. These results are not surprising because of the

easier entry into the UK for EU citizens compared to non-EU countries, as well as the UK offering opportunity for an improved economic status. However, the high percentage of people who came for employment purposes, but did not have a job before migration suggests people from the EUA8 were either confident of finding work, or willing to risk not finding work.

People born in the fourteen European Union countries (EU14), United States of America (U.S.A), South Africa and 'Australia and New Zealand' also had employment as one of their main reasons for coming to the UK. However, a large percentage of people from South Africa (32 per cent) and 'Australia and New Zealand' (44 per cent) gave 'Other' as their main reason. Given the ambiguity in this response it is difficult to draw conclusions based on these estimates. In contrast, only 9 per cent of those born in 'Bangladesh and Pakistan' gave employment as the main reason for coming to the UK.

Figure 1. Proportion of foreign born people who came to the UK for employment, by country of birth, April to June 2008, not seasonally adjusted

Source: Labour Force Survey



International trade in goods and capital (economic globalisation), along with domestic labour market policies have developed new labour market opportunities in the UK for foreign born people. This means that UK based companies are able to recruit the best candidate from an international, as opposed to just the domestic pool of labour. This clearly applies for some of the people represented in table 1.

The UK is a major trading partner with the EU14, which creates the need for business links. In addition, there are European companies operating in the UK, and movement between EU countries is relatively easy in comparison to some countries. These reasons help explain the high percentage of people born in the EU14 coming to work in the UK. However, only 8 per cent of all people born in EU14 countries came on intra-corporate transfers, which is less than one sixth of the EU14 born people who came for employment purposes. This can be seen in **Figure 1**, which shows the proportion of people who came to the UK for employment, by country of birth and job situation before migrating.

The main reason for coming to the UK for people born in the U.S.A was employment (34 per cent). In contrast to people born in the EU14 and EUA8, over half of the people born in the U.S.A who came to the UK for employment used intra-corporate transfers (see **Figure 1**). Possible reasons for this being the most popular route for employment are related to the business links between the UK and U.S.A. However, it should be noted that the actual levels of people born in the U.S.A who were working in the UK in the three months ending June 2008 were approximately one sixth of those people born in the EU14.

For Indian born people the most popular reason for coming to the UK was family reunification. Given the long historical links between the UK and India this is not surprising. The second most common reason for Indian born people was employment (28 per cent). Just under a third of those Indian born people who came for employment used intra-corporate transfers. These workers on intra-corporate transfers were employed in relatively skilled occupations: Financial intermediation, Real estate renting and business services and Health and Social work.

## Study

For those born in the ‘Middle East and Asia’ group, study was the main reason for coming to the UK (31 per cent). A more detailed breakdown of the estimates in table 1 shows that the top three countries of birth, for proportion of people who came to the UK for study, were China, India and the U.S.A (56, 14 and 13 per cent respectively). This corresponds well with the findings published by the UK Council for International Student Affairs (UKCISA) on the top Non-EU countries for the academic year 2006/07.

A high percentage (20 per cent) of people born in the EU14 came to the UK to study. This may have been influenced by European policy, for example the ERASMUS scheme, which encourages student and staff mobility among universities across Europe.

## Social Integration

The driving force behind many people born in ‘Bangladesh and Pakistan’ and India coming to the UK was family reunification or formation according to the LFS. For both country groups family reunification was the most common reason (45 per cent and 32 per cent respectively). Family formation was the next most common reason for people born in ‘Bangladesh and Pakistan’ (26 per cent), and the third most common reason for people born in India (18 per cent). When these family reasons are considered together, 71 per cent of people born in ‘Bangladesh and Pakistan’, and 50 per cent of people born in India came to the

UK for reasons related to the family. Table 1 also shows that these reasons are important for Western countries like the U.S.A. These estimates underline the importance of the family in certain cultures, and how it has a part to play in influencing social and economic integration.

The influence of family formation is reflected in the employment rates for women from ‘Bangladesh and Pakistan’ (see Khan 2008). It is not the cultural norm for women from all countries to work once married, and this is demonstrated by lower employment rates for women born in Bangladesh and Pakistan. This demonstrates that the underpinning reason for migration will have a bearing on how well equipped someone is to integrate into the labour market.

## Qualifications held

A person’s qualification level will have a bearing on their labour market outcome, as higher qualifications and skills increase the likelihood of employment, and therefore ease of integration into the labour market. People who hold qualifications that have been obtained in, or recognised in, the UK should have relatively greater success in applying for and adapting to UK jobs. Having said this a large number of educational qualifications are harmonized across the EU. **Table 2** shows where the highest qualification, of those with foreign qualifications, was gained by country of birth.

**Table 2 : Where the highest qualification was gained by country of birth**  
April to June 2008, not seasonally adjusted

	Per cent								
	EU14 <sup>1</sup>	EUA8 <sup>2</sup>	U.S.A	Africa ex SA	South Africa	Australia & New Zealand	India	Bangladesh & Pakistan	Non-UK <sup>3</sup>
In the UK	55	14	44	62	44	37	42	56	49
Outside the UK	44	85	56	38	56	63	58	43	51
No Answer	1	1	0	0	0	0	0	1	0

Source: Labour Force Survey

Note:

Applies if the respondent has a foreign qualification is working, or is not working but has found a job, or is seeking employment or is not at work and not seeking employment but would like to work

<sup>1</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Holland, Italy, Luxembourg, Portugal, Republic of Ireland, Spain (including the Canary Islands), Sweden.

<sup>2</sup> Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia.

<sup>3</sup> Non-UK does not include those who did not state their country of birth.

A high percentage of people born in ‘Africa excluding South Africa’, ‘Bangladesh and Pakistan’ and EU14 gained their highest qualification in the UK with 62, 56 and 55 per cent respectively. This supports the idea that Higher Education in the UK is valued by the international community.

Those born in the EUA8 had the highest percentage of people that gained their highest qualification from outside the UK with 85 per cent. Of these people just over one third had a qualification that is recognised in the UK (not shown in table). This is quite surprising because the main reason for coming to the UK for those born in the EUA8 was employment, and not having a recognised qualification may have acted as barrier to entry or success in the labour market.

## Labour market integration and adaptation

Entering into the labour market poses a variety of challenges for people from different countries. Some people will find it easier to adapt to the labour market, this might be because they have skills acquired in advanced, industrialised economies that are easily transferable to the UK labour market. **Table 3** shows the main help received in finding employment or setting up a business, by country of birth.

Most people regardless of their country of birth looked for a job without using any assistance (shown as “None-no help received” in table 3).

**Table 3: Main help received in finding current job (or setting up business) by country of birth**

April to June 2008, not seasonally adjusted

	Per cent								
	EU14 <sup>1</sup>	EUA8 <sup>2</sup>	U.S.A	Africa ex SA	South Africa	Australia & New Zealand	India	Bangladesh & Pakistan	Non-UK <sup>3</sup>
Public employment office	3	5	1	8	4	1	4	5	5
Private employment office	11	19	9	12	20	29	9	6	13
Relatives/friends	19	29	10	15	10	12	20	29	21
Migrant or ethnic organisation	0	2	0	1	0	0	0	1	1
Other help	9	9	16	9	10	7	11	10	9
None - no help received	58	35	65	56	56	51	55	49	52
Total <sup>4</sup>	100	100	100	100	100	100	100	100	100

Source: Labour Force Survey

<sup>1</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Holland, Italy, Luxembourg, Portugal, Republic of Ireland, Spain (including the Canary Islands), Sweden.

<sup>2</sup> Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia.

<sup>3</sup> Non-UK does not include those who did not state their country of birth.

<sup>4</sup> Total includes those who did not answer the question.

Note:

This applies to everyone in work during the reference week or with a job or business that they were away from in the reference week.

The reverse is true of people born in English speaking countries in terms of recognition of qualifications. A high percentage of people born in ‘Australia and New Zealand’ gained their highest qualification outside the UK (63 per cent), and unsurprisingly most of the people had qualifications that were recognised in the UK. This is also the case for people from the United States, South Africa and India.

The least popular job search methods were through migrant or ethnic organisations and the public employment office.

Jobcentre Plus is the UK’s public employment office. It is a government agency supporting people of working age from welfare into work, and helping employers to fill their vacancies. For those people who were in employment, or were looking to work, the public employment office was not a commonly used means of finding employment. The highest percentage figure was 8 per cent. This was for people born in ‘Africa excluding South Africa’.

The low percentage figures for the public employment office could be because the migrant workers came to work in a particular profession or trade that does not traditionally recruit through public employment offices. Some employment agencies help employers recruit workers with certain skills and qualifications. This specialisation can mean that jobcentres are not the most appropriate job search tool for workers. The private employment office was a preferred method of finding employment for people born in 'Australia and New Zealand', South Africa and EUA8 with 29, 20 and 19 per cent respectively giving this response. This could mean that people from these countries using this job search method are entering jobs that have a degree of specialisation attached.

People born in 'Bangladesh and Pakistan', EUA8, India and EU14 were likely to use help from friends and relatives to find a job. Khan (2008) showed that a large number of people born in the EUA8 worked in lower paid industries. Employment in lower paid or elementary occupations can sometimes be easier to obtain through personal contacts. This may explain why a number of people from the EUA8 and other countries found employment through friends and family.

Language can act as a barrier to entry or success in the UK labour market for a job applicant, if English is not their first language. For those people who were working or looking to work, 23 per cent of people born in the EUA8 and 19 per cent born in 'Bangladesh and Pakistan' had language difficulties in finding and keeping a job.

### **Permits and Visas in the Labour Market**

Some people have a limit to the length of time they can stay in the UK, and this will influence their decisions in the labour market. In the Eurostat Ad Hoc Module 2008, Non British Nationals were asked what they understood the

limits to be (if any) on the length of time they could stay in the UK. The respondents born in the EU14 and EUA8 reported that 1 per cent and 4 per cent respectively had a limit on the total length of time they could spend in the UK. These survey responses appear consistent with the Home Office guidelines on migrants from the European Union.

People born in India and 'Australia and New Zealand' responded that they had restrictions to the total length of time they could legally spend in the UK (41 and 30 per cent respectively). Again, these survey responses appear consistent with the legal requirements for workers and students from these countries which can be complicated.

Some people had more detailed restrictions than the length of time they could stay in the UK. For example: 7 per cent of people born in the United States were restricted to a specific employer, industry or occupation; 10 per cent of people born in 'Africa excluding South Africa' had legal restrictions on access to work in the UK; and 9 per cent of people born in 'Bangladesh and Pakistan' had legal restrictions on access to work in the UK.

### **Citizenship**

The United Kingdom has always been a popular destination for migrants, with steady flows of people moving to the country for a number of reasons since the late nineteenth century.

**Table 4** shows the percentage of total migrants (people born abroad and resident in the UK in 2008) that have gained British citizenship by year and country of birth. The figures presented are as a percentage of those people who decided to stay in the UK. People who did not stay by definition are not included.

**Table 4: Percentage of total migrants that gained citizenship by year and country of birth**

	April to June 2008, not seasonally adjusted									Per cent
	EU14 <sup>1</sup>	EUA8 <sup>2</sup>	U.S.A	Africa ex SA	South Africa	Australia & New Zealand	India	Bangladesh & Pakistan	Non-UK <sup>3</sup>	
1920 - 1960	7	1	3	10	5	5	7	1		6
1961 - 1970	6	0	3	8	6	6	8	6		6
1971 - 1980	6	1	4	8	12	7	9	17		7
1981 - 1990	6	1	7	6	14	6	8	17		7
1991 - 2000	2	1	6	8	4	3	5	12		6
2001 - 2008	0	0	4	13	12	5	11	9		8
Total	27	3	27	53	53	32	48	62		40

Source: Labour Force Survey

<sup>1</sup> Austria, Belgium, Denmark, Finland, France, Germany, Greece, Holland, Italy, Luxembourg, Portugal, Republic of Ireland, Spain (including the Canary Islands), Sweden.

<sup>2</sup> Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia.

<sup>3</sup> Non-UK does not include those who did not state their country of birth.

People born in countries with earlier migration periods to the UK (for example former commonwealth countries) have a higher percentage of British citizenship than countries with more recent periods of large migration to the UK (for example EUA8). This is because there is a minimum residency requirement for naturalisation, which means more recent arrivals are not eligible to apply. In addition, people born in the EU have some voting rights as EU citizens in the UK, and therefore the incentive to become a British national may be diminished. Table 4 shows that the percentage of people born in the EU14 who have obtained British citizenship is 27 per cent, over two thirds of these people had obtained citizenship by 1980.

Figures from April to June 2008 show that 40 per cent of the non-UK born people living in the UK had obtained British citizenship. Bangladesh and Pakistan have the highest proportion of people who have become British citizens (62 per cent), with almost two thirds of this taking place before 1990. People born in India and in 'Africa excluding South Africa' also have a high percentage of people with British citizenship, with 48 and 53 per cent respectively. The Nationality act in 1948 gave imperial subjects the right to free entry into the UK. This resulted in large numbers of people migrating to the UK from the Indian sub continent, Africa and the Caribbean.

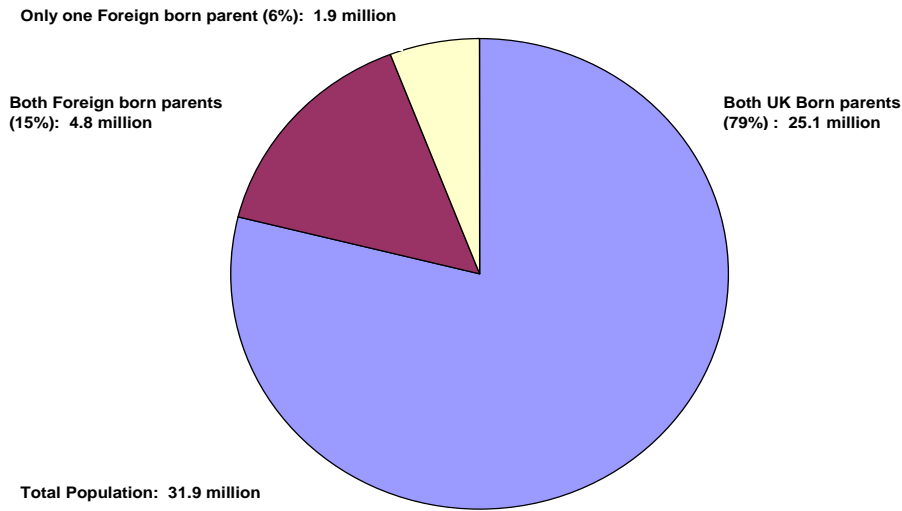
## Parents' country of birth

The following section presents the characteristics of people aged between 16 and state pension age (16 to 64 for men and 16 to 59 for women) by parents country of birth. This means that the respondents could be born in the UK or abroad.

**Figure 2** shows that 21 per cent of the working age population had at least one non-UK born parent. The proportion of workers with both parents born abroad was 15 per cent, and 6 per cent had one non-UK born parent.

Qualifications obtained for the entire working age population also differed across the parent groups; 25 per cent of those with both parents born abroad were degree holders, compared with 19 per cent for those with both parents born in the UK. A higher proportion of those with both parents born in the UK held A Levels and GCSEs, compared to those with both parents born abroad. This comparison will be influenced by the likelihood that someone with two foreign born parents undertook their education abroad. It can be seen from **Table 5** that people with both parents born abroad had a very high percentage of 'Other' qualifications (29 per cent) compared to people with both parents born in the UK (9 per cent). The higher percentage of the former group may be explained by the way foreign qualifications are categorised in the LFS.

Figure 2: Population (Male 16-64, Female 16-59): by parents country of birth, April to June 2008, not seasonally adjusted



Source: Labour Force Survey

**Table 6** shows the highest employment rate (76 per cent) was for workers with both parents born in the UK, and the lowest employment rate (68 per cent) was for workers with both parents born abroad. People with only one foreign born parent had an employment rate of 74 per cent. This suggests that having at least one UK born parent results in a more favourable labour market outcome. Table 6 also shows that there was a higher percentage of workers in professional occupations with both parents born abroad (16 per cent),

compared to workers with both parents born in the UK (13 per cent). However, the percentage of workers with both parents born in the UK working in the Elementary occupations was smaller, 11 per cent compared to 15 per cent for those with both parents born abroad. If in fact educational attainment is different at A Level and GCSE's then this may explain the occupational differences for elementary occupations.

**Table 5: Highest qualification of men aged 16 to 64 and women aged 16 to 59 by parents' country of birth.**

	Per cent		
	Both UK born parents	Both Foreign born parents	Only one Foreign born parent
Degree or equivalent	19	25	27
Higher educ	9	6	9
GCE A Level or equiv	25	14	23
GCSE grades A-C or equiv	25	11	22
Other qualifications	9	29	9
No qualification	12	15	10
Don't know	1	1	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Labour Force Survey

**Table 6: Employment Rate and Occupation of men aged 16 to 64 and women aged 16 to 59, in employment by parents' country of birth.**

	Per cent		
	Both UK born parents	Both Foreign born parents	Only one Foreign born parent
<b>Employment Rate</b>	<b>76</b>	<b>68</b>	<b>74</b>
Managers	16	15	18
Professional occupations	13	16	16
Professional and Technical	15	14	17
Administrative and Secretarial	12	9	12
Skilled Trades	12	9	8
Personal Service	8	8	8
Sales and Customer Service	8	7	8
Process, Plant and Machine Operatives	7	8	5
Elementary Occupations	11	15	9
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Labour Force Survey



## FURTHER WORK

This article presented an aggregate picture of labour market characteristics for migrants and their immediate descendants. In the last section which looked at the influence of the country of birth of parents the analysis does not differentiate between first and second generation migrants. This is because the parents' country of birth is used without looking at the respondents' country of birth. Further analysis, to look at the country of birth of a respondent alongside the country of birth of their parent may be possible to identify second generation migrants and compare their labour market outcomes with first generation migrants.

## REFERENCES

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