Causes and experiences of poverty among economic migrants in the UK

Simon Pemberton, Jenny Phillimore and David Robinson

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Abstract

Poverty is an important driver of migration. Many people migrate to escape poverty. However, far less is known about the incidence and experiences of poverty once economic migrants arrive in the UK. This Working Paper explores such issues, developing a series of assertions and recommendations from the evidence base. The experience of poverty was found to vary according to the position of migrants in the labour market, coupled with their legal status and material and financial assets. Nevertheless, for as long as key sectors of the UK economy rely on a low paid, insecure, casualised workforce, economic migrants will encounter poverty. Current discussions around ‘managing migration’ therefore need to consider more fully the potential poverty impacts on both migrant workers and UK nationals, particularly in terms of levels and costs of service provision and accessibility, employer competitiveness and community relations.

Keywords

Poverty, destitution, economic migrants, experiences

Citation


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Introduction

The most recent Economist/Ipsos MORI Issues Index suggests that after the economy, race relations and immigration are now the most important issues of concern to the public (YouGov 2013). Within this context, it has been frequently reported in the media that immigration is fuelling poverty in the UK (Daily Express 2010; also see Mumford et al. 2014). Indeed, it is suggested that the recent lifting of residential and employment limitations on Romanian and Bulgarian migrants may intensify existing problems (Glennie and Pennington 2013).

A number of reports have been published by the UK government over the last few years exploring the impact of migrant workers on the job prospects of British workers (for example, see Migration Advisory Committee 2012), although the findings of these reports have been contested. While a number of parliamentary inquiries have focused on asylum seekers and destitution (see Allsopp et al. 2014), there has been much less consideration of the specific links between economic migration and poverty.

There is clear evidence that the increased risk of poverty faced by economic migrants can be partly attributed to the labour market, as well as being directly linked to legal status and rights/responsibilities. According to a recent Joseph Rowntree Foundation (JRF) study, when economic migrants first find work in Britain, they typically earn less than those born in Britain: over 30% less for men and 15% for women. For migrant men it takes, on average, 20 years to close this gap (Netto et al. 2011).

However, there is a lack of comprehensive evidence about the relationship between economic migration and poverty. Most of the evidence that is available tends to be rather piecemeal, based on relatively small studies and lacking in specifics, as well as being overly focused on employment. Indeed there has been greater attention paid to how the process of migration may alleviate poverty – for example, for those moving to the UK from outside the EU (House of Commons International Development Committee 2003) – rather than on the poverty of economic migrants themselves. More information is therefore required about the range of factors influencing the type and severity of poverty experienced by economic migrants in the UK, and the implications for anti-poverty strategies. Consequently, this paper focuses upon the poverty experienced by economic migrants. It is based upon a policy and evidence review and associated ‘findings report’ commissioned by the Joseph Rowntree Foundation between October 2013 and April 2014 in order to help inform the production of Anti-poverty strategies for the UK.¹

Migrant workers in the UK

Demographic trends

A recent report highlights that net immigration to the UK rose sharply after 1997 with net migration peaking in 2004–2005, partly as a result of the immigration of EU8 workers (ONS 2014). Overall, net migration for those from the EU8 was 653,000 between 2004 and 2011 (Vargas-Silva 2013).

¹ http://www.jrf.org.uk/work/workarea/anti-poverty-strategy
² Accession 8 or EU8 countries are Czech Republic, Estonia, Hungary, Latvia, Lichtenstein, Lithuania, Poland, Slovakia.
Since the peak in 2004, annual net migration has fluctuated between 150,000 and 250,000 per annum. Net migration of EU citizens doubled from 65,000 in the year ending September 2012 to 131,000 in the year ending September 2013. Conversely net migration of non-EU citizens has declined over the last few years, following the introduction of a cap on numbers admitted for employment, and remains at a lower level relative to the 2005 and 2010 peaks (ONS 2014).

Recent figures estimate that the total resident population from the EU26 countries in the UK in 2012 was about 2.6 million; with just over 1 million from the EU8 countries and just under 1 million from other EU countries. The remainder (about 455,000) were born in the Republic of Ireland. Those who were born beyond the EU numbered just over five million in 2012 (ONS 2013).

The most commonly stated reasons for immigration to the UK are work-related, except between 2009–2012 when study was the most common reason. The most recent Home Office migration statistics for October to December 2013 indicate that seven per cent more work-related visas were issued in 2013 (up to 154,860) than 2012. The increase was largely accounted for by higher numbers of visas for skilled workers and for youth mobility and temporary workers, although fewer visas were issued for ‘high value’ workers (Home Office 2014a).

The Migrant Journey Fourth Report highlighted that 33% of non-EEA migrants issued with skilled work visas (with a potential path to settlement) in 2007 appear to have either legally remained in the immigration system or been granted permission to stay permanently in the UK after five years, a drop from 46% in the 2004 cohort. Some of this difference, the report suggests, may be due to the economic recession (Home Office 2014b).

Immigration for work peaked in the years 2005 to 2007 at around 240,000 (prior to the economic recession), declining to a low of 173,000 in 2012. Recently immigration for work has started to increase again, reaching 218,000 in the year ending September 2013 (ONS 2014). Following the accession of the EU8 countries in 2004, greater proportions of EU citizens have arrived for work compared to non-EU citizens (around a 2:1 ratio). Prior to accession this pattern was reversed.

The largest numbers of non-EEA labour migrants are Asian nationals, followed by the Americas. The majority of non-EEA and EU8 labour migrants coming to the UK are male and most are aged 25–44 (Blinder 2013; Vargas-Silva 2013). The recent increase in EU citizens arriving for work has been driven by a greater number of EU15 and EU2 citizens arriving for a definite job. The total number of EU15 citizens (excluding British) arriving in the UK increased from 79,000 in the year ending September 2012 to 107,000 in the year ending September 2013. Immigration of Romanian and Bulgarian (EU2) citizens for work-related reasons in the year ending September 2013 stood at 17,000, of whom 11,000 reported having a definite job, an increase from 2,000 in the previous year. Separate figures from the ONS Labour Force Survey (LFS) indicate an increase between 2009 and 2013 in the estimated numbers of Bulgarians (from 22,000 to 42,000) and of Romanians (from 35,000 to 85,000) living and working in the UK (Home Office 2014a).

Latest figures from the International Passenger Survey (IPS) estimate that 47,000 EU8 citizens immigrated to the UK for work in the year ending September 2013, slightly above the previous year. Nationals of Poland continue to receive the most national insurance number (NINo) allocations (111,000 in 2013), and Poland was amongst the countries which saw the largest increases in NINo registrations (up 31,000), alongside Italy (up 18,000), Spain (up 14,000) and Portugal (up 10,000). Overall, there were around 658,000 EU8 citizens working in the UK at the end of 2012 (Vargas-Silva 2013).
Recent EEA immigrants\(^3\) have very high employment rates, just below 80%. Conversely the employment rate of recent non-EEA immigrants has hovered consistently around 60% (ICF/GHK Consulting 2013). Those from EU8 countries had higher proportions working full-time (79% of all EU8 workers), followed by those from the EU2 (75% of all EU2 workers)]. Non-EEA migrants and the UK born were – on average – most likely to be working part-time (LFS quarterly; April-June, 2013).

**Labour market characteristics of economic migrants**

Migrant workers are, on average, slightly younger than UK-born workers, with 39% of foreign-born workers aged between 25 and 35 years old in 2012 compared with around 24% of UK-born workers (Rienzo 2013). Compared to the early 2000s, the presence of foreign-born workers has grown fastest in low-skilled sectors and occupations, increasing fastest among process operatives (e.g. transport drivers, food), up from 8.5% in 2002 to 25.3% in 2012 (see Table 1).

**Table 1: Top 10 occupations of foreign-born workers (2012)**

<table>
<thead>
<tr>
<th>Top 10 by workforce share, all migrants</th>
<th>%</th>
<th>Occupation share</th>
<th>Top 10 by workforce share, recent migrants</th>
<th>%</th>
<th>Occupation share</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Elementary Process Plant Occupations</td>
<td>41.6</td>
<td>0.84</td>
<td>(2) Elementary Process Plant Occupations</td>
<td>20.5</td>
<td>0.84</td>
</tr>
<tr>
<td>(2) Food Preparation and Hospitality Trades</td>
<td>28.6</td>
<td>1.46</td>
<td>Process Operatives</td>
<td>19.7</td>
<td>0.66</td>
</tr>
<tr>
<td>(3) Health Professionals</td>
<td>20.4</td>
<td>1.56</td>
<td>Elementary Cleaning Occupations</td>
<td>9.2</td>
<td>2.46</td>
</tr>
<tr>
<td>(4) Process Operatives</td>
<td>22.3</td>
<td>0.06</td>
<td>Cleaning and Housekeeping Managers and Supervisors</td>
<td>8.3</td>
<td>2.23</td>
</tr>
<tr>
<td>(5) Textiles and Garments Trade</td>
<td>55.2</td>
<td>0.15</td>
<td>Elementary Storages Occupations</td>
<td>8.2</td>
<td>1.50</td>
</tr>
<tr>
<td>(6) Cleaning and Housekeeping Managers and Supervisors</td>
<td>24.8</td>
<td>0.23</td>
<td>IT and Telecommunications Professionals</td>
<td>6.3</td>
<td>2.67</td>
</tr>
<tr>
<td>(7) Elementary Cleaning Occupations</td>
<td>24.4</td>
<td>2.46</td>
<td>Assemblers and Production Workers</td>
<td>6.0</td>
<td>0.64</td>
</tr>
<tr>
<td>(8) Elementary Storage Occupations</td>
<td>21.8</td>
<td>1.39</td>
<td>Natural and Liberal Science Professionals</td>
<td>6.7</td>
<td>0.61</td>
</tr>
<tr>
<td>(9) Natural and Social Science Professionals</td>
<td>21.7</td>
<td>0.01</td>
<td>Elementary Construction Occupations</td>
<td>6.5</td>
<td>0.48</td>
</tr>
<tr>
<td>(10) Assemblers and Routine Workers</td>
<td>21.0</td>
<td>0.04</td>
<td>Food Preparation and Hospitality Trades</td>
<td>5.3</td>
<td>1.49</td>
</tr>
</tbody>
</table>

*Note: Occupation share indicates the share of total employment represented by the occupation. Source: Labour Force Survey 2012, Q1-Q4.*

Source: Rienzo (2013).

Male migrants have been concentrated in the lowest paid occupational category (elementary occupations) and in the two highest paid occupational categories (managerial and professional) while

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\(^3\) Countries in the EEA are: Austria, Belgium, Bulgaria, Cyprus (Southern), Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovakia, Spain and Sweden.
female migrants are more concentrated in the associate professional (e.g. nurses, financial and investment analysts and advisers), elementary (e.g. cleaners, kitchen and catering assistants) and professional occupations (LFS quarterly; April-June, 2013).

Table 1 highlights how the share of foreign-born workers in employment in the UK has been highly differentiated – such that not all migrants will be susceptible to poverty in respect of their engagement with the labour market (and associated financial and material resources). However, growth in foreign-born workers has been fastest among lower skilled occupations and sectors.

About one-third of the total number of migrant employees in the UK are in London, with more than 50% of Romanians and Bulgarians living in the capital. In contrast, EU8 migrants, including Polish-born migrants, are spread more evenly around the UK (including eastern England and the Midlands), with only 27% living in London, according to the 2011 census.

‘Poverty’ position by migrant group

Statistics from Eurostat (2011) show that the higher risks of poverty or social exclusion of foreign-born persons in the UK arise mainly in the context of non-EEA nationals, 35% of whom are at risk of poverty. Migrants from other EEA countries have a similar risk to that of the UK-born (18-20%) (Eurostat 2011).

European Union Labour Force Survey (EU-LFS) data, focusing on the 25–54 age group in order to minimise the effect of migration related to non-economic reasons (such as study and retirement), highlights that levels of poverty are particularly high among migrants from outside Europe (29%), compared to 16% for EEA migrants and 18% for UK citizens (Eurostat 2011).

Analysis of the Understanding Society dataset (Waves 1–3, 2009–2013) reveals a similar pattern across a whole series of ‘proxy’ poverty variables.\(^4\) Longitudinal analysis reveals that patterns on some indicators have remained unchanged but with some slight improvement on others, especially for those non-EEA born. This is in contrast to those born in the EEA who have actually experienced a slight decline in several areas. This is summarised in Table 2 below.

Table 2: Overall patterns – susceptibility to poverty by country of birth (% of group

<table>
<thead>
<tr>
<th></th>
<th>UK born (n=41,234)</th>
<th>EEA born (n=1,425)</th>
<th>Non-EEA born (n=7,406)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Send remittances</td>
<td>9.79% (N/A)</td>
<td>8.65% (N/A)</td>
<td>26.52% (N/A)</td>
</tr>
<tr>
<td>Not struggling financially</td>
<td>61.47% (↑)</td>
<td>61.34% (↑)</td>
<td>43.27% (↑)</td>
</tr>
<tr>
<td>Have a holiday</td>
<td>65.17% (↑)</td>
<td>60.00% (↑)</td>
<td>42.72% (↑)</td>
</tr>
<tr>
<td>House in decent state of repair</td>
<td>81.44% (↑)</td>
<td>72.42% (↑)</td>
<td>63.11% (↑)</td>
</tr>
<tr>
<td>Have contents insurance</td>
<td>84.33% (↑)</td>
<td>65.00% (↓)</td>
<td>54.89% (↑)</td>
</tr>
<tr>
<td>Save regularly</td>
<td>69.00% (↑)</td>
<td>70.02% (↑)</td>
<td>61.24% (↑)</td>
</tr>
<tr>
<td>One car or more</td>
<td>84.17% (↑)</td>
<td>79.03% (↑)</td>
<td>68.45% (↑)</td>
</tr>
<tr>
<td>Up-to-date all bills</td>
<td>93.00% (↑)</td>
<td>93.58% (↓)</td>
<td>87.17% (↑)</td>
</tr>
</tbody>
</table>

Source: Understanding Society (2009-13; Waves 1-3).

Note: (Trajectory over time (↑ improvement; = decline; (no significant change). Not all information is available for all variables across Waves 1-3.

\(^4\) This is despite the data including those who may have moved for non-economic reasons, as well as refugees and people arriving on spousal visas from non-EEA countries.
Methodology

Definitions

The report adopts the JRF’s broad definition of poverty as:

When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).

The emphasis on material resources – and particularly income and financial assets – figured strongly in most of the studies reviewed for the report (e.g. Dickens and McKnight 2008).

We use the Office for National Statistics (ONS) / United Nations (UN) definition of an economic migrant, which refers to an individual who has moved country to find employment for a period of at least a year (12 months). The definition includes dependents of economic migrants. This definition does not include refugees and asylum seekers, undocumented workers or students.

Most datasets focus on migrants per se – i.e. the foreign-born population – many of whom will have moved to the UK for non-economic reasons (e.g. for education). In a bid to focus on economic migrants our analysis looks at working age migrants who are more likely to have migrated for work. But it is important to acknowledge that this data will include some who are economically inactive.

We focus on economic migrants who are more likely to be at risk of – or currently experiencing – poverty. The so-called ‘migrant division of labour’ (Wills et al. 2009) is a key factor in shaping patterns of privilege or vulnerability in the labour market, with those on the bottom rungs of the division of labour more likely to face problems, as are those who have become unemployed or are without any recourse to public funds.

The review concentrates on three main groups of economic migrants:

1. EEA citizens (and those from Switzerland) exercising their right to free movement and right to work and live in the UK. Such individuals are not considered to be ‘persons subject to immigration control’. They are eligible to apply for all benefits open to UK citizens. They must meet the residence conditions attached to some benefits – for example, the Habitual Residence Test. However, from July 2014, all EEA nationals will no longer have the right to claim child benefit and child tax credit during their first three months of residence in the UK. In addition, those who secure employment but then become unemployed will only be able to claim housing benefit for a maximum of six months. After the initial three months, EEA nationals can only reside in the UK if they are working, studying or are a family member of someone with a right to reside (Maternity Action 2013).

   The rights of EEA citizens vary according to when their country of origin joined the EEA. In this respect, those from the ‘Accession 8’ (A8/EU8) countries are included in this group.

2. EEA citizens from Bulgaria or Romania (A2/EU2). Such individuals are – where possible – considered separately as until December 2013 they were subject to specific employment conditions that restricted access to the labour market and benefits. They now have the same rights as other EEA workers.

3. Non-EEA citizens (or ‘Third Country Nationals’). These can be divided into two groups. The first group, individuals with indefinite leave to remain (e.g. after a period in the UK as a worker or partner of a UK national), have no limit on their stay or access to benefits. The second, those with limited...
leave to remain (for example visitors or those with fixed term work permits), have no recourse to public funds.

Research design

A call for evidence was initially made through a number of blogs, on-line discussion groups and in conjunction with key partners on the ‘virtual’ advisory board that was created to support the review. Following this, a review of the existing literature was instigated – focused within and beyond the UK, and which had both a qualitative and quantitative element. The qualitative analysis involved the identification, collection and analysis of over 220 items or documents of relevance. The literature collected, collated and analysed included academic papers focused broadly on poverty and economic migrants (UK and beyond), European, national, regional and local policy documents (for example, those of the EU, Home Office, Department for Work and Pensions and the Migration Advisory Committee), as well as other ‘grey’ literature.

A quantitative analysis comprised two elements. First, studies that had used the EU-LFS, the 2011 UK Census and the UK LFS were drawn upon to bring together and analyse poverty-associated information relating to economic migrants, but proved to be rather partial. The second consisted of a broader scoping exercise looking at other datasets that could help to identify the type and level of poverty experienced by economic migrants in the UK. The Labour Force Survey (LFS) and the Understanding Society dataset were selected for further analysis.

Drivers of poverty for economic migrants

A range of studies have pointed out that the wellbeing of economic migrants is largely determined by where they end up in the economy (e.g. Migge 2007; Wills et al. 2009; Child Poverty Action Group 2011; ICF/GHK Consulting 2013).

Fusing together insights and drawing inferences from available evidence allows a series of contentions and assertions to be generated regarding the key interconnections informing experiences of poverty within the migrant worker population. The result is the complex inter-relationships and connections detailed in Figure 1. The crucial starting point – as already highlighted and well demonstrated empirically – is the nature of migrant employment. The deregulated nature of the UK’s labour market provides the context for the recruitment of cheap, flexible labour (frequently migrant) to reduce production costs. Economic migrants have arrived in the UK with differing rights, responsibilities and entitlements, as well as different skills and attributes. Their labour market position and legal status is central in determining poverty (or non-poverty) outcomes and is not static.

The precariousness of employment is important, and is likely to have been exacerbated given the recent economic downturn (ICF/GHK Consulting 2013). Some may have patchy access to the labour market or have lost their jobs and have been forced to look for lower skilled and lower paid employment. Others may be underemployed due to the lack of recognition of overseas qualifications, or experience irregular employment (Wilkinson 2012). Those that do enter the labour market may be discriminated against by employers regardless of job (Anderson et al. 2006). This could take the form of gender discrimination, a lack of occupational mobility, illegal deductions, long
hours, delays in the payment of wages, or even non-payment (Scott et al. 2012). English language proficiency (and an appreciation of what constitutes discrimination and employment rights), the nature of labour market entry, personal motivation and self-esteem can all affect progression, along with family commitments and the availability of support networks (Sim et al. 2007; EHRC 2010).

Figure 1 Interconnections and influences on poverty

In turn, such precarious circumstances can mean that many enter or remain in what is frequently a cycle of low paid, low-skilled work. This can be intergenerational (Anderson and Ruhs 2012) and can force migrants to engage in income maximisation strategies, such as working long hours and reducing costs (Datta et al. 2006a), especially given their need to remit (see de Lima et al. 2007).

Poor working conditions and a lack of security and low pay has impacts beyond the workplace, especially in terms of housing, health and debt. With regard to the former, a lack of rights and knowledge, discrimination and exploitation by landlords, and a need to reduce outgoings often reduce housing options and result in migrants living in overcrowded accommodation lacking basic facilities, furniture and security (see Robinson and Reeve 2006; Pemberton 2009). The poor state of migrant accommodation and overcrowding can lead to tensions with long-term residents who blame migrants, rather than neglectful landlords, for deteriorating housing stock (ibid.).

Such labour market and housing experiences have a knock-on effect on health (Spencer 2005; Datta et al. 2006b). For example, physical illnesses such as gastro-intestinal complaints (e.g. ulcers, stomach aches) and respiratory problems, mental health issues (depression, anxiety, sleep disorder, low self-esteem), and the worsening of chronic health conditions (diabetes, high blood pressure, heart conditions etc.) have all been recorded (Access Alliance 2013). Other healthcare needs, such as dental care, may also be neglected, as well as leisure and recreation (Phillimore et al. 2010). A lack of
knowledge about rights and entitlements to certain health and welfare benefits and poor language ability, as well as lack of transport to access health and other services, can exacerbate the situation. Food can be in short supply, especially where work is seasonal or irregular (Jayaweera 2011). Debt dependence can also emerge and some migrants may even become reliant on support ‘back home’ to survive (see Mazzucato 2008). All of these pressures and strains can damage family relationships and impinge on overall wellbeing (Collis et al. 2010).

Socialising and networking may be restricted as a result of working long hours, and there may be few opportunities to improve English language skills (Spencer et al. 2007). Lack of English restricts access to a range of services, including education, housing and health (McNaughton 2008) as well as to advice and guidance about rights. The lack of opportunities to mix with local residents and pressure on services in some areas can exacerbate discrimination and fuel anti-migrant sentiment (Brown et al. 2013). This may be compounded where local residents have been displaced from either employment or housing markets (Pemberton 2009). Questions over migrants’ net contribution versus the demands they make on the system then inevitably come to the fore and can prompt the media and politicians to call for further restrictions on access both to the labour market and to benefits and services (Bell et al. 2009). This increases the risks of poverty for those migrant workers in insecure employment.

The poverty experiences of economic migrants; developing the foundation of poverty reduction

The analysis which follows involves the development of a number of assertions of relevance to the poverty experiences of economic migrants that have been generated from the evidence available. In so doing, we draw attention to both the ‘material’ and ‘relational’ aspects of poverty, including attitudes and perceptions, discrimination, engagement, participation, networks and mobility.

Also embedded within the discussion are a series of recommendations aimed at supporting moves towards securing the foundations of poverty reduction and/or reducing the susceptibility to poverty for such groups. Such recommendations are based on a consideration of ‘what works’ – in both the UK and elsewhere – and on ideas developed by the team based on their knowledge of the field.

Assertions of relevance to poverty of economic migrants and policy recommendations

Migrant workers are an attractive source of cheap labour and have been actively recruited by employers in particular sectors of the economy

In recent years, migrant workers have been a rapidly increasing presence in relatively low-skilled sectors and occupations (Rienzo 2013) despite many having relatively high levels of education (Drinkwater et al. 2006; Sumption and Somerville 2009; Netto et al. 2011). Stereotyping of personal characteristics has led to workers being assigned to or excluded from specific roles, resulting in a ‘migrant division of labour’ (Matthews and Ruhs 2007; Wills et al. 2009; EHRC 2010).

A number of factors appear to have encouraged employers to develop a preference for new migrants. These include migrants’ lower expectations and knowledge about wages and employment conditions, their willingness to down-skill and to take jobs that are unattractive to UK workers (Dench et al. 2006; Datta et al. 2007; Anderson and Ruhs 2012). The availability of new migrants
provides an opportunity for employers to fill vacancies without improving pay or conditions (May et al. 2006). In short, migrant workers appear to be ‘greasing the wheels’ of the flexible labour market (Ruhs 2006).

Low pay, insecurity and underemployment are common within the working experiences of economic migrants

Low pay, poor working conditions, underemployment and a lack of progression at work (coupled with a lack of knowledge of employment rights) frequently appear in the literature.

De-skilling is often the only way migrants can enter the UK labour market (Datta et al. 2006a). This is often exacerbated in more remote rural areas where a reliance on seasonal agricultural jobs means that many migrant workers face underemployment and homelessness at certain times of the year (Scottish Government 2009). Relatively low wages are common upon arrival in the UK. Analysis has revealed that when migrants first find work, they typically earn less than British-born counterparts: over 30% less for men and 15% less for women (Dickens and McKnight 2008). Different nationalities experience different rates of wage convergence, with Europeans catching up the fastest and Asian men showing little sign of catching up at all (Jayaweera and Anderson 2008).

Many insecurities and uncertainties are linked to the predominance of agency work within the low skilled sectors of the economy where migrant workers are concentrated. Agencies have flourished in the UK, which now has more temporary workers than any other European country. Agencies serve as labour market intermediaries supplying low-cost, unskilled migrant labour to clients through outsourcing.

Evidence suggests the vast majority of migrants would prefer permanent work and associated improvements in security and rights. The Agency Workers Directive is intended to give agency workers ‘equal treatment’ in relation to basic pay and working conditions, after a 12-week qualifying period in the same job. However, the trend towards hyper-flexibility involves regular changes in employment. The Directive might incentivise employers to hire for less than 12 weeks, thereby actually reducing worker security (Sporton 2013).

Migrant workers are at risk of workplace exploitation

Employer exploitation and abuse has been widely documented for economic migrants. Some 20,000 foreign domestic workers who come to the UK each year to undertake work within private households (Poinasamy 2011) are reliant upon their visa for residence status. In order to remain, they must be in continuous full-time employment in a private household for the duration of their stay. Evidence shows they are subject to unrealistic expectations: that they will be on call 24 hours a day, not leave their employer’s house, have no private space of their own, and have their passports and other identity documents retained by employers, preventing them from seeking alternative employment (Poinasamy 2011).

A further source of vulnerability is lack of information, as migrants may not know they have the right to move jobs or to be employed in any sector. They may be unaware of the consequences of being self-employed for rights and protections. The most recently arrived and those with poorest language skills are less likely to be aware of their rights (Spencer et al. 2007).
Workers may put up with poor conditions and long hours in exchange for high earnings compared to those in their home country. They accept poor conditions, perceiving their situation to be temporary (Spencer et al. 2007). These vulnerabilities are overlaid by other predictors of disadvantage such as being young, female, or black (EHRC 2010; Anderson and Ruhs 2012).

A number of studies have revealed routine, systematic and widespread exploitation of economic migrants (Anderson et al. 2006; Datta et al. 2006a; Datta et al. 2007; Wilkinson 2012). These include immediate dismissal, witholding of holiday and maternity rights, refusal of time off for medical treatment and failure to return accommodation bonds. Working conditions are often reported to be poor and sometimes dangerous. Unsocial hours are commonplace, and failure to comply with employers’ demands can result in unemployment and loss of tied housing. Racist remarks, verbal abuse and harassment by gangmasters, employers and fellow workers have also been reported. Light touch regulation and a limited inspection and enforcement regime exacerbate the problems encountered (Geddes et al. 2007: 5). In some cases, the exploitation and abuses experienced amount to forced labour; a situation made possible by economic circumstances, limited language ability, tied housing and reliance on gangmasters (Scott et al. 2012).

The enforcement of labour standards, better provision of information and advice in multiple languages, and access to language training can improve circumstances (Sumption and Somerville 2009).

**RECOMMENDATION: Employment rights**

Ending the unequal treatment of agency workers and introducing a legal guarantee of equal treatment would help address discrimination and enhance employment rights and job security. Ending the reliance on self-employed workers, a practice that denies workers the legal protections enjoyed by employees, will serve to improve working conditions.

**Labour market regulation, inspection and enforcement is relatively light touch in the UK, but there are examples of regulation and enforcement tackling exploitation.**

The UK labour market is one of the least regulated labour markets in Europe and workplaces are subjected to low levels of inspection (Geddes et al. 2007). Furthermore, monitoring and enforcement are reported to have deteriorated following the financial crisis (Wilkinson 2012). This compounds insecurity and vulnerability to exploitation.

There are, however, examples where regulation and enforcement have limited exploitation and improved working conditions for migrant workers. The protections afforded to migrant domestic workers through the Overseas Domestic Worker visa reforms demonstrate the potential to reduce vulnerability to abuse and exploitation by improving their ability to seek justice through the authorities (Sporton 2013). The Gangmaster Licensing Act (GLA) has made it an offence to use labour provided by an unlicensed gangmaster. The GLA is reported to be highly effective by labour providers, unions, retailers and representatives of vulnerable workers, for its work in improving working conditions and creating a more level playing field for employers (TUC 2008; Home Affairs Select Committee 2009; Wilkinson 2012). However, the GLA’s remit is limited to labour for agriculture, forestry, horticulture, shellfish gathering and related food processing and packaging. Other sectors reliant on migrant labour remain beyond the GLA’s remit.
**RECOMMENDATION: Resourcing regulation**

Tighter regulation is needed of the sectors where risks are greatest. The GLA’s approach could be introduced to other sectors. There is an urgent need for better resourcing and more proactive inspection, offering protection to those who report their experiences.

Migrant workers are rarely informed about their rights or organised to challenge poor working conditions and exploitation.

As migrant workers become more embedded their aspirations develop beyond poor quality work. Grievances tend to emerge once it becomes apparent that migrant workers are doing the same job as their UK counterparts but on different terms and conditions. These experiences point to a role for trade unions in organising workers whose lack of power leads to acceptance of minimal terms and conditions (MacKenzie and Forde 2009). Although migrant workers often form strong social networks offering mutual support (Holgate 2005), engagement in formal organisations, including trade unions, is limited despite the TUC's potential for involvement (TUC 2008).

The activities of trade unions are important in tackling employer abuses and examples do exist, for instance, migrant employer charters setting out minimum workplace standards (see Scullion and Pemberton 2013). However, efforts could focus upon outreach activity and offering support to those with ‘pre-existing’ problems (prior to membership) and / or helping those who are unable to afford union fees.

**RECOMMENDATION: Information, advice and representation**

Action is needed to improve migrant workers’ employment rights awareness.

**RECOMMENDATION: Trade Union support and outreach.**

Trade Unions should ensure economic migrants can take up membership and/or access their advice services. They might develop their outreach work to share information on housing tied to employment and perform a ‘policing’ role for economic migrants who are non-members.

**Economic migrants engage in strategies to maximise income and minimise outgoings**

Migrant workers develop a range of coping strategies in order to survive in low paid, insecure employment. These strategies include income-maximising and consumption-minimising. Income maximising strategies include accepting jobs that do not match education or skill level; working longer hours; taking on more than one job; and moving jobs to try and optimise income (Datta et al. 2006b).

Consumption minimising strategies include the use of networks to share information about accessing work and to minimise costs by, for example, sharing housing (Bloch 2006). Household coping strategies involve multiple household members being in work, sharing accommodation with other
households, absorbing newcomers to share costs and tight money management and budgeting (Datta et al. 2006b).

A deterioration in the financial situation of many economic migrants has impinged on their resources.

Table 3 draws on recent UK LFS data. Migrants – with the exception of those from the EU2 – were more likely to be ‘in-group’ benefit claimants (the proportion of individuals from within each group claiming benefits) than those born in the UK. Accepting the small sample sizes, the data indicates that those from non-EEA countries were more likely to respond that they were claiming.

Of those claiming benefits, in general terms Child Benefit was most likely to be claimed, especially by those from the EU8. They were also more likely to claim tax credits, although this was also the case for non-EEA nationals. Few were claiming sickness or income support.

Table 3: Benefits – UK born and other migrant groups

<table>
<thead>
<tr>
<th>Claiming benefits</th>
<th>UK born</th>
<th>EEA other</th>
<th>EU 8</th>
<th>EU 2</th>
<th>Non-EEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number in sample claiming a benefit</td>
<td>24,042</td>
<td>614</td>
<td>449</td>
<td>63</td>
<td>2,470</td>
</tr>
<tr>
<td>Total sample</td>
<td>85,865</td>
<td>2,116</td>
<td>1,449</td>
<td>286</td>
<td>7,485</td>
</tr>
<tr>
<td>Proportion ‘in-group’ claiming a benefit</td>
<td>28%</td>
<td>29%</td>
<td>31%</td>
<td>22%</td>
<td>33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Of those claiming benefits, type of benefits claimed (% of all benefits claimed in-group)</th>
<th>UK born</th>
<th>EEA other</th>
<th>EU 8</th>
<th>EU 2</th>
<th>Non-EEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment benefit</td>
<td>3.57</td>
<td>3.37</td>
<td>2.75</td>
<td>0</td>
<td>4.01</td>
</tr>
<tr>
<td>Income support</td>
<td>3.57</td>
<td>1.68</td>
<td>1.33</td>
<td>0</td>
<td>4.01</td>
</tr>
<tr>
<td>Sickness or disability</td>
<td>8.93</td>
<td>6.82</td>
<td>1.33</td>
<td>0</td>
<td>5.33</td>
</tr>
<tr>
<td>State pension</td>
<td>16.1</td>
<td>15.24</td>
<td>0</td>
<td>0</td>
<td>5.33</td>
</tr>
<tr>
<td>Child benefit</td>
<td>21.43</td>
<td>22.05</td>
<td>32.95</td>
<td>37.12</td>
<td>26.66</td>
</tr>
<tr>
<td>Housing or council tax benefit</td>
<td>10.71</td>
<td>11.87</td>
<td>12.31</td>
<td>15.15</td>
<td>12</td>
</tr>
<tr>
<td>Tax credits</td>
<td>12.5</td>
<td>13.55</td>
<td>24.72</td>
<td>21.97</td>
<td>15.99</td>
</tr>
<tr>
<td>Other benefits</td>
<td>1.79</td>
<td>1.68</td>
<td>0</td>
<td>0</td>
<td>1.34</td>
</tr>
<tr>
<td>Job seekers allowance</td>
<td>3.57</td>
<td>3.37</td>
<td>2.75</td>
<td>0</td>
<td>4.01</td>
</tr>
<tr>
<td>Housing benefit</td>
<td>8.93</td>
<td>10.18</td>
<td>12.31</td>
<td>12.88</td>
<td>10.67</td>
</tr>
<tr>
<td>Council tax credit</td>
<td>8.93</td>
<td>10.18</td>
<td>9.56</td>
<td>12.88</td>
<td>10.67</td>
</tr>
</tbody>
</table>

Source: LFS quarterly (April-June 2013).

Understanding Society data (Tables 4 and 5) reveals that non-EEA migrants are more likely to be struggling financially in the UK. Those who are non-EEA born are around five to six per cent less likely to be up-to-date with bills or save regularly (Table 6) in comparison with UK born and EEA born individuals.

Table 4: Financial situation by country of birth
The problematic financial situation for many migrants illustrated by LFS and Understanding Society data leads us to recommend that careful consideration is given to the establishment of a national Credit Union for economic migrants to protect them from complete destitution if their circumstances change. This could be funded through contributions by migrants themselves, as well as from other sources such as a variable ‘foreign-worker levy’ for employers (as is the case in Singapore). The fee levels would be based on the proportion of migrants in a company’s workforce, the skill level required to do the job (with higher charges for employing low skilled workers) and the sector (Migration Observatory 2011). A key challenge is to identify and justify the ‘right’ level of fees and to ensure employers do not deduct fees from migrant workers’ wages (ibid.). This approach might be considered in the UK using the funds generated to offset the local impacts of migration and to support vulnerable economic migrants.

Table 6: Save regularly by country of birth
A proportion of visa fees being charged to non-EEA migrants could also be re-invested to support the vulnerable and offset the local impacts of migration. In essence, we propose a new form of the ‘Migration Impact Fund’ (MIF) which was introduced under the last Labour government. New ways of delivering services to economic migrants through outreach activity could also help respond to need. For example, NHS Outreach vans could encourage economic migrants who require medical assistance to register with a GP.

The financial situation of economic migrants and vulnerable UK born could be improved through recycling existing resources. For example, unwanted clothing and furniture could be donated to impoverished migrants or locals. The award winning Sydney Bridge Project in Leeds provides an example of such a service.

**RECOMMENDATION: Credit Union**

Consider the establishment of a National Credit Union for Migrant Workers to protect migrants from complete destitution if their circumstances change.

**RECOMMENDATION: Taxing employers of migrant workers and re-investing visa fees**

Some employers profit from low-paid migrants who are to some extent subsidised by in-work benefits. Such employers might be taxed and economic migrants’ visa fees invested, in a fund developed to support vulnerable workers (for example, free language support or a ‘living wage’) and ameliorate local migration impacts.

**RECOMMENDATION: New provision**

Develop accessible forms of provision and outreach – for example, GP outreach vans.

**RECOMMENDATION: Recycle**

Devise a scheme to collect unwanted clothing and furniture and provide to those who are impoverished.

---

**Regular savings 2009-11 (Wave 1)**

<table>
<thead>
<tr>
<th>/we have this</th>
<th>/we would like but can’t</th>
<th>/we do not want/need this at the moment</th>
<th>Does not apply</th>
<th>Total</th>
<th>/we have this</th>
<th>/we would like but can’t</th>
<th>/we do not want/need this at the moment</th>
<th>Does not apply</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK born</td>
<td>28,492</td>
<td>10,287</td>
<td>2,087</td>
<td>236</td>
<td>41,102</td>
<td>6,799</td>
<td>1,286</td>
<td>337</td>
<td>29,029</td>
</tr>
<tr>
<td>%</td>
<td>69</td>
<td>25.02</td>
<td>5.08</td>
<td>0.57</td>
<td>100</td>
<td>71.06</td>
<td>23.42</td>
<td>4.36</td>
<td>100</td>
</tr>
<tr>
<td>EEA born</td>
<td>1,142</td>
<td>393</td>
<td>86</td>
<td>17</td>
<td>1,631</td>
<td>709</td>
<td>210</td>
<td>48</td>
<td>984</td>
</tr>
<tr>
<td>%</td>
<td>70.03</td>
<td>19.57</td>
<td>0.67</td>
<td>0.10</td>
<td>100</td>
<td>71.05</td>
<td>21.34</td>
<td>4.88</td>
<td>100</td>
</tr>
<tr>
<td>non-EEA born</td>
<td>4,662</td>
<td>2,576</td>
<td>907</td>
<td>68</td>
<td>7,613</td>
<td>2,724</td>
<td>2,307</td>
<td>135</td>
<td>4,296</td>
</tr>
<tr>
<td>%</td>
<td>61.34</td>
<td>33.84</td>
<td>4.03</td>
<td>0.89</td>
<td>100</td>
<td>64.41</td>
<td>32.29</td>
<td>3.14</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>34,296</td>
<td>13,254</td>
<td>2,475</td>
<td>321</td>
<td>50,346</td>
<td>24,060</td>
<td>8,396</td>
<td>1,449</td>
<td>34,309</td>
</tr>
<tr>
<td></td>
<td>68.12</td>
<td>26.33</td>
<td>4.92</td>
<td>0.64</td>
<td>100</td>
<td>70.13</td>
<td>24.47</td>
<td>4.22</td>
<td>100</td>
</tr>
</tbody>
</table>

**Regular savings 2010-12 (Wave 2)**

The housing options of economic migrants are frequently inflexible and may lead to migrants living in overcrowded poor quality accommodation.

Restricted eligibility for social housing and the financial requirement to minimise costs and maximise capital accumulation directs many to the lower end of the private rented sector and to poor-quality housing in neighbourhoods characterised by high turnover (Spencer et al. 2007). Furthermore, the need for short-term housing or inability to pay a deposit can limit migrants to what has been described as a ‘migrant housing market’, where migrants can only access housing identified via word of mouth (Spencer et al. 2007; Phillimore et al. 2008). In addition, restriction to unpopular neighbourhoods exposes migrants to severe deprivation, high unemployment, restricted service provision, and limited local amenities (Spencer et al. 2007) and puts additional pressure on the poorest areas.

Those from the EU8 in particular have focused upon accessing available and affordable accommodation (Robinson et al. 2007). But competition for low priced housing can put up rents (Green et al. 2007), impacting upon entry-level rental and purchase prices (Cook et al. 2011). High rental costs mean accommodation sharing is often necessary (Robinson et al. 2007) with some sharing with friends, or ‘hot bedding’ (Dench et al. 2006; McNaughton 2008; Netto et al. 2011; Wilkinson 2012).

Table 7 indicates how the majority of EU8 and EU2 nationals rent their property, with those from the EU8/EU2 most likely to be accommodated in the private rented sector. Non-EEA nationals and those from other EEA countries are less likely to rent and are more likely to be owner-occupiers.

Table 7: Accommodation – UK born and other migrant groups

<table>
<thead>
<tr>
<th>House ownership</th>
<th>UK born</th>
<th>EEA other</th>
<th>EU 8</th>
<th>EU 2</th>
<th>non-EEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned outright</td>
<td>28</td>
<td>25</td>
<td>3</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>Being bought with mortgage or loan</td>
<td>42</td>
<td>31</td>
<td>12</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Rented</td>
<td>29</td>
<td>43</td>
<td>84</td>
<td>85</td>
<td>50</td>
</tr>
<tr>
<td>Partly rented</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accommodation tied to job</th>
<th>UK born</th>
<th>EEA other</th>
<th>EU 8</th>
<th>EU 2</th>
<th>non-EEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>22</td>
<td>36</td>
<td>81</td>
<td>80</td>
<td>42</td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Of those renting, type of landlord</th>
<th>UK born</th>
<th>EEA other</th>
<th>EU 8</th>
<th>EU 2</th>
<th>non-EEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Authority</td>
<td>30.01</td>
<td>18.15</td>
<td>10.43</td>
<td>2.44</td>
<td>21.55</td>
</tr>
<tr>
<td>Housing association</td>
<td>26.67</td>
<td>13.64</td>
<td>8.1</td>
<td>2.44</td>
<td>15.69</td>
</tr>
<tr>
<td>Employing organisation</td>
<td>0</td>
<td>2.26</td>
<td>1.21</td>
<td>0</td>
<td>1.96</td>
</tr>
<tr>
<td>Another organisation</td>
<td>0</td>
<td>2.26</td>
<td>2.34</td>
<td>0</td>
<td>1.96</td>
</tr>
<tr>
<td>Relative of household member</td>
<td>33.32</td>
<td>2.26</td>
<td>1.21</td>
<td>0</td>
<td>1.96</td>
</tr>
<tr>
<td>Individual employer</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.81</td>
<td>0</td>
</tr>
<tr>
<td>Other individual private landlord</td>
<td>40</td>
<td>61.43</td>
<td>76.7</td>
<td>94.31</td>
<td>56.88</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Of houses rented, furnished property?</th>
<th>UK born</th>
<th>EEA other</th>
<th>EU 8</th>
<th>EU 2</th>
<th>non-EEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furnished</td>
<td>20</td>
<td>47.7</td>
<td>25.58</td>
<td>37.4</td>
<td>43.15</td>
</tr>
<tr>
<td>Partly furnished</td>
<td>23.33</td>
<td>27.28</td>
<td>20.93</td>
<td>26.83</td>
<td>33.32</td>
</tr>
<tr>
<td>Unfurnished</td>
<td>56.67</td>
<td>25.02</td>
<td>53.49</td>
<td>35.77</td>
<td>23.53</td>
</tr>
</tbody>
</table>

Note: All figures are percentages. Source: LFS quarterly (April–June 2013).
If a broader EEA / non-EEA comparison is undertaken through the Understanding Society dataset, lower proportions of non-EEA migrants state that their house is in a decent state of repair compared to UK or EEA born (Table 8 in Appendix). High proportions of non-EEA migrants do not have contents insurance (Table 9 in Appendix).

We recommend the development of new forms of accommodation that enable access to temporary, self-contained housing for those without resources such as a deposit. Such accommodation should be cheap to construct but of reasonable quality (for example, Japanese style 'accommodation pods'), and accessible. It could be provided by social landlords or licensed private developers to offer non-exploitative housing with tenures of varying lengths. Accommodation could be constructed on in-fill or 'brownfield' sites in low-demand inner city areas, with flexibility of use in-built. The provision of loan deposit schemes would enable migrants to have a greater housing choice.

**RECOMMENDATION: Flexible accommodation**

Challenge architects and developers to develop flexible, short term, good-quality accommodation which can alleviate exploitation and overcrowding: examples could include 'brownfield bedsits', 'migrant pods' and loan deposit schemes.

### Table 8: House in decent state of repair by country of birth

<table>
<thead>
<tr>
<th>House in decent state of repair (enough money for house) 2009-11 (Wave 1)</th>
<th>House in decent state of repair 2010-12 (Wave 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>/we have this</td>
</tr>
<tr>
<td>UK born</td>
<td>27,749</td>
</tr>
<tr>
<td>%</td>
<td>61.44</td>
</tr>
<tr>
<td>EEA born</td>
<td>668</td>
</tr>
<tr>
<td>%</td>
<td>72.42</td>
</tr>
<tr>
<td>non-EEA born</td>
<td>2,737</td>
</tr>
<tr>
<td>%</td>
<td>63.31</td>
</tr>
<tr>
<td>Total</td>
<td>26,174</td>
</tr>
<tr>
<td>%</td>
<td>78.79</td>
</tr>
</tbody>
</table>

*Source: Waves 1-2 Understanding Society (2009-12).*

### Table 9: Have contents insurance

<table>
<thead>
<tr>
<th>Contents insurance 2009-11 (Wave 1)</th>
<th>Contents insurance 2010-12 (Wave 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>/we have this</td>
</tr>
<tr>
<td>UK born</td>
<td>23,531</td>
</tr>
<tr>
<td>%</td>
<td>84.33</td>
</tr>
<tr>
<td>EEA born</td>
<td>618</td>
</tr>
<tr>
<td>%</td>
<td>65</td>
</tr>
<tr>
<td>non-EEA born</td>
<td>2,359</td>
</tr>
<tr>
<td>%</td>
<td>54.89</td>
</tr>
<tr>
<td>Total</td>
<td>26,498</td>
</tr>
<tr>
<td>%</td>
<td>79.95</td>
</tr>
</tbody>
</table>

*Source: Waves 1-2 Understanding Society (2009-12).*
The assets of economic migrants are often limited or non-existent and act to further restrict housing and neighbourhood choices

The available evidence suggests that 'a typical A8 migrant cannot supplement his or her income with savings accumulated previously as he or she has typically been poor prior to migration' (Netto et al. 2011: 20). In turn, this impacts on the choice of residential location. However, the work of Migge and Gilmartin (2011) and Phillimore (2011) highlights that those with greater financial assets often have greater choice.

The other interesting point that the literature raises in respect of migrant assets and susceptibility to poverty concerns the living arrangements of economic migrants. Kesler (2007) discusses how for non-EEA migrants, having a partner who is UK born is often a good buffer against poverty, but immigrant disadvantage may be exacerbated where immigrants partner with each other. Lelkes and Zolyomi (2011) also highlight how the risk of poverty may increase according to the number of migrants within the household. The increase is more pronounced in the case of non-EU migrants where households with three or more migrant members tend to have a poverty rate twice as high as those where there is no or only one migrant.

With reference to variation in assets by migrant group, Table 10 uses a proxy indicator for assets – car ownership. It suggests that non-EEA migrants are less likely to access such items, although the position has slightly improved over time.

Table 10: Number of cars by country of birth

<table>
<thead>
<tr>
<th>Percentage</th>
<th>UK born</th>
<th>EEA born</th>
<th>non-EEA born</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009-11 (Wave 1)</td>
<td>2010-12 (Wave 2)</td>
<td>2011-13 (Wave 3)</td>
</tr>
<tr>
<td>Number of cars</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>15.82</td>
<td>15.14</td>
<td>16.09</td>
</tr>
<tr>
<td>1</td>
<td>41.97</td>
<td>38.93</td>
<td>41.39</td>
</tr>
<tr>
<td>2</td>
<td>32.46</td>
<td>30.62</td>
<td>32</td>
</tr>
<tr>
<td>3</td>
<td>7.12</td>
<td>7.14</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>2.03</td>
<td>2.05</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>0.59</td>
<td>0.49</td>
<td>1</td>
</tr>
<tr>
<td>more than 5</td>
<td>0</td>
<td>5.64</td>
<td>0.26</td>
</tr>
</tbody>
</table>


Both labour market and housing experiences influence the health and wellbeing of economic migrants

The low wages, dangerous working conditions, long hours and poor housing conditions that many economic migrants experience, have a detrimental effect upon their health and wellbeing. Collis et al. (2010) and Jayaweera (2010) both argue that the low wages of economic migrants can impact on access to good (fresh) food and lead to a reliance on low cost food with high levels of fat and salt. Scott et al. (2012) show how a combination of low wages, high costs and the need to send remittances can leave some migrants without enough money to purchase food for themselves. Compounding such problems is a lack of time to either exercise or register with a GP because of long or unsocial working hours (Phillimore et al. 2010). This can mean migrants are hindered from accessing preventative treatments. A lack of information, lack of trust and fear of being charged can also prevent uptake of health services (Bell et al. 2009) and indeed the health outcomes of migrants are not frequently measured, only those of ethnic minorities (Jayaweera 2011).
From a housing perspective, overcrowding and exploitation impact on their wellbeing and may increase communicable disease, respiratory problems and stress. Migration, unfamiliarity and isolation may also add to stress (Spencer 2005; Collis et al. 2010; Phillimore et al. 2010; Jayaweera, 2011). Indeed, economic migrants are often lonely, experiencing emotional problems related to separation from their families. Migrants often have very small friendship networks, reflecting a lack of time and trust, and an inability to speak fluent English that can prevent wider network formation (Datta et al. 2006b).

A World Health Organisation (WHO) report strongly advocates focusing on a wide range of sectors (including working and living conditions) to improve migrant health; moving away from a ‘deficit’ model of immigrant communities and harnessing assets in such communities; and adapting services from ‘majority’ needs to ‘all’ needs (WHO 2010).

Remittance behaviour can act positively and negatively on the resources of economic migrants

Studies have revealed that the majority of migrant workers send money home. However, economic migrants from outside the EEA are more likely to remit (Datta et al. 2007). In London, it has been reported that remittances are a way of life for most non-EEA migrants. Some 70% average £100 of remittances each month (Datta et al. 2007). Most remit for altruistic reasons, whilst some must repay travel debt. Personal sacrifices are made to remit, for example, skipping meals or having multiple jobs (ibid.).

A study conducted by Sim et al. (2007) in Scotland noted that 40% of respondents from the EU8 sent money home to their families, with the average amount sent worth 40% of their monthly salary (de Lima et al. 2007).

Analysis of the Understanding Society dataset of recent remittance behaviour in the UK (Table 11) indicates that non-EEA migrants are more likely to be sending remittances compared to EEA migrants or those UK born. This may impact upon their overall resources.

Finally, it must be noted that levels of remittances may change over time. For example, numbers of Polish migrant workers sending remittances from the UK to Poland decreased between 2007 and 2009 from 34% to 16% of workers respectively (CASE 2012). Indeed, there is now evidence that economic migrants from the EU8 are increasingly receiving remittances from their families. Mazzucato (2008) refers to this as ‘reverse remittances’ and involves economic migrants requiring financial support from their family ‘back home’ due to unforeseen difficulties in the host country (UK) in terms of securing employment or to address low income.

Language proficiency coupled to Information, Advice and Guidance (IAG) services can both reduce economic migrants’ vulnerability to exploitation and support integration within the workplace and society

Spencer et al. (2007) argue that for economic migrants the key to resilience is good English language skills. Blume et al. (2007) also note how migrants who have exercised occupational mobility tend to have good English language skills. In addition, they are more aware of their rights and ‘rules of the game’ in relation to employment and income maximisation (Cook et al. 2011).
However, it has been reported on numerous occasions how migrants’ ability to attend English language classes is frequently restricted by the need to work long shifts and overtime in order to earn a living wage. Costs are often prohibitive (see Cook et al. 2011), childcare is frequently unavailable and classes may be inflexible and of low quality (Phillimore et al. 2010).

A critical starting point in respect of vulnerability to discrimination, exploitation and potential poverty is the extent to which information, advice and guidance is both accessible and understood at the initial ‘reception’ stage when economic migrants arrive in the host country (for example, on obtaining a National Insurance number; on what might constitute exploitation or discrimination see Bloom and Tonkiss 2013). Indeed, a lack of English language proficiency along with a lack of information on issues such as rights to work and rights within work can increase vulnerability to exploitation and discrimination in the labour market (TUC 2008).

A lack of accessible information and support, coupled with poor language proficiency and ‘cultural mistrust of people in office’ can lead to immigrants becoming unwittingly dependent on sources that lead to precarious employment. There may also be a rural penalty at work in respect of a lack of access to particular information, advice and support services in rural areas, as these tend to be more concentrated in cities with a longer history and greater experience of dealing with diversity (Phillimore et al. 2010).

RECOMMENDATION: Information on entry.

Provide fact sheets and regularly updated webpages in a range of formats relative to language proficiency to newly/recently-arrived economic migrants on employment and housing rights and responsibilities and on where to seek help and advice.

RECOMMENDATION: Language support.

Provide additional language support through ‘buddying’, voluntary organisations and ‘English language cafes’ (see http://www.languagecafe.eu/en/intro.html).

Restricted opportunities for economic migrants to network and participate in everyday activities can also further restrict access to employment, education, housing and health opportunities, as well as fuelling negative perceptions of economic migrants’ contributions.

The importance of networks to economic migrants for ‘getting by’ in terms of day-to-day life and ‘getting on’ (in respect of employment, health or housing choices) is much reported in the literature (for example, see Stenning et al. 2006; Smeeding et al. 2009). Migrant workers often form strong social networks in order to provide mutual aid, and often rely on personal contacts to secure positions (Datta et al. 2006a). This can result in the clustering of ethnic groups in different sectors of the economy (ibid.). However, there is some evidence that a lack of support organisations to help economic migrants ‘move on’ has led to ‘in-group’ as well as ‘out-of-group’ exploitation, with some (for example, EU8) charging others for help (Phillimore et al. 2010).

Furthermore, economic migrants often have little or no time for anything else but work; lacking opportunities to socialise with anyone from outside the workplace and thus to develop a sense of
settling into local communities and address negative perceptions by others of their contribution to community life (see Spencer et al. 2007; Pemberton 2009).

Compounding such problems are issues around restricted mobility. Smith and Ley (2008) note how low pay, antisocial working hours and heavy workloads can trap workers in a particular place with the consequence that they are often unable to travel within or beyond the UK. This is exacerbated for those without a car (for example, non-EEA migrants – see earlier). The upshot is lack of access to particular services. Evidence suggests that the arrival of large numbers of migrants in some areas puts pressure on local schools and leads to a shortage of school places. Sometimes newly arrived migrant children cannot access local schooling and have to take multiple bus journeys to access education. In these circumstances attendance can be low and lateness common (Phillimore et al. 2008, 2010).

On the other hand, it has been reported that the education of migrant children can facilitate the integration of migrant parents into wider society. This can range from conversations at the school gates to membership of school governing bodies (Moskal 2011).

Civil society organisations can also be important in the survival mechanisms of economic migrants. These can include faith-based institutions and nationality-based organisations that are oriented towards the welfare and the provision of advice for migrants – in essence the provision of networks for ‘getting on’ (Datta et al. 2006b) or support to those who are isolated (Phillmore et al. 2010; Phillimore 2011).

**Conclusions**

The review focused upon the poverty experienced by economic migrants in the UK. Whilst there are a multitude of studies on how the process of migration may help to alleviate poverty, much less has been written on the poverty of economic migrants themselves and the factors influencing the type and severity of poverty experienced by economic migrants in the UK.

A key distinction exists between low-skilled and low-paid migrants who are often more vulnerable to poverty and dependent on in-work benefits, and others who may be more highly skilled and relatively well paid. The latter group may descend into poverty, particularly if they become unemployed and are without any recourse to public funds, and we have sought to recognise this in the report wherever possible. However, our main focus has been on those who are most likely to encounter poverty: low-paid economic migrants. This reflects the fact that the growth in employment of foreign-born workers has been fastest among lower skilled occupations and sectors (Rienzo 2013).

A wide range of evidence clearly highlights that the wellbeing of economic migrants – irrespective of the routes that have been used to access the UK economy – is largely determined by where they end up in the economy (Migge 2007; Wills et al. 2009; Child Poverty Action Group 2011; ICF/GHK Consulting 2013). The legal status, individual attributes and material and financial assets of economic migrants are also of relevance in terms of susceptibility to, and experiences of, poverty (Migge 2007; McDowell 2009). In this respect, we have drawn attention to:

- the lower level of assets associated with many non-EEA migrants;
- the lower employment rates of non-EEA migrants;
• the higher levels of remittance behaviour amongst non-EEA migrants;
• higher levels of benefit claimants for non-EEA migrants (but with considerable numbers of those recently arrived having no recourse to public funds); and
• evidence of discrimination and exploitation of migrants – and especially non-EEA migrants – in the workplace.

Thus in simple terms, across a whole range of ‘proxy’ poverty indicators, non-EEA economic migrants – on average – have a higher risk of experiencing or being susceptible to poverty. Such issues are important to recognise given the changing policies of ‘managing migration’ in the UK and the imposition of a ‘migrant cap’ on non-EEA workers under the present Coalition Government.

But paradoxically, non-EEA migrants are being increasingly marginalised from contemporary policy and (arguably) academic analysis at the expense of asylum seekers/refugees and EU8 migrants who moved from Eastern Europe following accession. There is also a lack of distinguishing data between non-EEA migrants in the UK with leave to remain and those without – but such differences in status are important in respect of exposure to risk or experience of poverty.

In addition, most studies in the existing literature tend to concentrate on singular processes or outcomes of poverty rather than the interconnections that exist between opportunity structures and the individual agency of migrants in relation to key determinants of well-being, including employment and income, housing and key services (Netto et al. 2011). In an attempt to draw out and discuss such complexity, an ‘interconnections and influence’ model (Figure 1) for economic migrants was developed based upon an exercise wherein we analysed the interconnections between different determinants of poverty. This illustrates that the crucial starting point in terms of susceptibility to poverty is poor quality employment. Migrants’ positioning with regard to the labour market and their legal status is central in determining access to employment, rights, responsibilities and entitlements and vulnerability to poverty. These factors can and do change over time (McDowell et al. 2008).

Bringing some of these key points together, we find with Siddiqui (2012) that employers’ preference for new economic migrants – based on their relatively low expectations about wages and employment conditions; their acceptance of underemployment; and the ability to retain such individuals even when pay and conditions are poor – is a key driver for the continued employment of migrant labour which is likely to continue without greater labour market regulation. So to some extent migrants’ susceptibility to poverty is unlikely to change without labour market interventions that reduce reliance on low-skilled, low-paid, low-security jobs. Beyond this, more investment in education and training, better wages and conditions in some low-waged public sector jobs, improved job status and career tracks, and a decline in low-waged agency work is necessary to improve employment quality, making jobs more attractive to the UK born and of better quality for all. Ending the unequal treatment of agency workers (both migrants and those UK born) compared to directly employed staff undertaking the same work would also represent a positive step (see EHRC 2010).

Finally, the discourse on economic migration needs considering. There are clearly both positive and negative impacts associated with immigration. But at present, the terminology that is being used can be confusing and sometimes misleading. Many of the arguments that are currently rehearsed on the ‘displacement’ effects associated with economic migrants are beyond the scope of this review. But what we have sought to highlight is that poverty is of considerable importance to the debates taking place, and attempts to either tighten or relax regulations on ‘managing migration’ will have effects
on both the host and migrant population in terms of levels and costs of service provision and accessibility, the competitiveness of employers and community relations.
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