

A need for migrant labour? Labour shortages, immigration and public policy

Aims and Objectives

This project aims to analyse the nature and determinants of staff shortages in key sectors of the UK economy and to explore the implications for public policy. The research includes conceptual analysis of labour demand, supply, and the role of migrant workers during economic growth and crisis. It also includes empirical analysis of these issues in different sectors: health; construction; agriculture and food processing; hospitality; social care; and financial services. The in-depth analysis of specific sectors will explore the determinants of the changing shares of migrants in the workforce over time, consider the likely effects of the current economic downturn on staff shortages and the employment of migrants, and discuss policy implications.

Background

Public debates about labour immigration typically include discussions of its effects on the labour market, macro-economy and fiscal balance of the host country. A key point of controversy in virtually all immigration debates concerns the role that migrants can and, some argue, should play in reducing domestic labour shortages. Employers and other stakeholders often claim that there is a “need” for migrants to “help fill labour and skills shortages” and/or to “do the jobs that locals will not or cannot do.” These claims, already contentious, have become increasingly challenged as unemployment rises. By early 2009 headlines were more likely to claim “British jobs for British workers” than “Farms need migrants or fruit will be left to rot” Given that labour demand and supply critically depend on, among other things, the price of labour, how shall employers’ claims of staff shortages be understood and evaluated, and what are the implications for labour immigration policy particularly at time of recession?

The ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford conducts high quality research in order to develop theory and knowledge, inform public opinion and contribute to policy debates on migration.

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Methods

The analysis in this project is grounded in economics but also includes discussion of theories and insights from other disciplines such as sociology, geography and politics. The conceptual discussion draws on a small but rapidly increasing multi-disciplinary and international body of research on employers' attitudes, incentives and recruitment decisions vis-à-vis migrant labour as well as more long-standing research on skills, labour supply and staff shortages.

The empirical analysis will include analysis of Labour Force Survey data as well as in-depth analysis of specific sectors and occupations.

The project comprises two parts. The first, completed in the summer of 2008, comprised a report, commissioned and published by the Migration Advisory Committee (MAC) and co-ordinated by COMPAS. This discussed the demand for migrant labour both conceptually and empirically in the context of the UK. Based on academic and policy research, the conceptual discussion integrates theories and existing literature on four fundamental issues:

(i) the characteristics, dimensions and determinants of employer demand for labour (*What are employers looking for?*); (ii) characteristics of and segmentations in labour supply (*Who wants to do what?*); (iii) employers' recruitment practices and use of migrant labour (*How and whom do employers recruit?*); and (iv) immigration and alternative responses to perceived staff shortages (*A need for migrant labour?*). Seven separately authored expert reports on different sectors were commissioned, with COMPAS providing an overview.

The second develops the reports and overview paper, taking into account the ongoing impacts of recession in different sectors and will be published as an edited volume in 2010.

Outputs

Commissioned by the UK's Migration Advisory Committee (MAC) and available on the MAC website (<http://www.ukba.homeoffice.gov.uk/aboutus/workingwithus/indbodies/mac/>):

- Anderson, B. and Ruhs, M. 2008, "A Need for Migrant Labour? The micro-level determinants of staff shortages and implications for a skills based immigration policy". A paper prepared for the Migration Advisory Committee (MAC).
- Seven papers discussing staff shortages and immigration in the health sector (Stephen Bach, King's College London); construction (Paul Chan, Northumbria University; Linda Clarke, Westminster University; Andrew Dainty, Loughborough University); food processing (Andrew Geddes, University of Sheffield); agriculture (Sam Scott, University of Liverpool); finance (Andrew Jones, Birkbeck); the hospitality sector (Rosemary Lucas and Steven Mansfield, Manchester Metropolitan University); and social care (Jo Moriarty et al, King's College London).

Book manuscript in progress and expected in 2010

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