

Discussion Paper

Managing Foreign Labour Immigration to the UK: Learning the Lessons

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Abstract

The paper adopts an historical approach, focusing on the period between the end of the Second World War and Britain leaving the EU. Using predominantly government statistical sources, our analysis notes that the UK economy has always required substantial labour immigration in a variety of forms; that consequently no 'one-size-fits-all' approach can work: and that within a competitive international labour market, ensuring a continuing flow of the necessary labour at all levels is crucial. We show that throughout the period, management of labour immigration was balanced across the skill spectrum. In addition to the main work permit scheme and its successor points-based system, the UK government has introduced into its immigration management a series of, largely temporary, schemes, mainly designed to recruit less-skilled workers. We conclude that: on past evidence the UK economy has been unable to manage without substantial labour immigration from both the EU and elsewhere; labour immigration management needs to be flexible enough to change as conditions change; in order to balance labour requirements with supply, a continuing management symbiosis exists between government and business.

Keywords

Immigration, limitations, work permits, points-based schemes, UK

JEL Classifications

J2

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1 Introduction

One of the most controversial and widely discussed phenomenon of our time is the increasing numbers of immigrants (Castles, de Haas & Miller, 2014; Li, Isidor, Dau & Kabst, 2017). Today, it is estimated that nearly 300 million people (almost 3.5% of the world's population) reside in a country other than where they were born (IOM, 2020). The direction of such movements is changing too, with increasing number of countries supplying the migrants and a decreasing number of (mainly more developed) countries as the hosts. Britain is a good example of one of the latter countries; an example which is unique both in terms of Britain's links with the rest of the world as a colonizing nation and the recent decision to leave the European Union.

The decision by the British government to leave the European Union ('Brexit'), and to make the schism as complete as possible, which came into effect at 23:00 GMT (00:00 CET) on 31st January 2020, had many consequences – amongst which a key, intended one, was that open access to the UK labour market for citizens of the European Union (EU) came to an end. Since then, the country has experienced a succession of problems created by labour shortages in various sectors. We offer a detailed review of the history of British government attempts to control entry into the UK labour market¹ as a prelude to drawing conclusions about the current situation and suggesting how employers may deal with it and areas requiring further research.

The paper adopts an historical approach, focusing on the period between the end of the Second World War and Britain leaving the EU. We show that throughout the period management of labour immigration was balanced across the skill spectrum². We examine the relationship of labour immigration to changes in the UK economy overall. Recent rhetoric has emphasised the importance of bringing in highly qualified individuals, mainly through the work permit and points based system. In this regard the UK is similar to other developed countries with which it is engaged in intensive global competition for such labour (Vaiman, Sparrow, Schuler & Collings, 2019). It is also clear that throughout the period there has been a consistent demand for lower-level skills, met partly through

¹ In line with most texts and government documents, we use the terminology of 'immigration' for entry into the UK. We note, however, that this encompasses a range of modes of entry from those intending only to stay a short period to those intending to settle for life; and that our focus is on those coming into the UK to work and does not include those coming in for non-work purposes.

² In line with most texts and government documents, we use the terminology of 'skill'. We note, however, that what is usually measured is educational qualifications. We make no assumption that all highly qualified people are skilled or that all lesser qualified people have no skills: in fact, clearly the latter group includes important skilled trades.

government positive action, and partly through acquiescence to employer requirements, provided that minimum standards were met.

Our analysis notes that the UK economy has always required substantial labour immigration in a variety of forms; that consequently no ‘one-size-fits-all’ approach can work and that, within a competitive international labour market, ensuring a continuing flow of the necessary labour at all levels is crucial to economic success; that access to the British labour market has never been fully managed (there have always been and continues to be uncontrolled access for some people); and that the relationship between government and business for influencing labour entry into the UK needs a ‘re-set’.

2 The changing UK economy

The UK economy grew fitfully and unspectacularly, but continuously, from a low point at the end of the Second World War to the late 1960 and into the early 1970s, when the oil price shock that followed the Yom Kippur war in the Middle East initiated the much-discussed boom and bust cycle. The early and late years of Mrs Thatcher’s Prime Ministry, at the beginning and end of the 1980s saw another period of ‘bust’ with a boom in between. Slow but noticeable growth followed until the global financial crisis of 2008/9, which arguably hit Britain as hard as, or harder than, most other countries. By the time of the COVID pandemic in 2020, which led to another economic crash, the economy had continued to grow slowly, barely reaching its position before 2008. These broad trends, of course, mask significant differences at sector level and in different areas of the country.

Through the period, birth rates declined and, even before that became apparent, the country was required to bring in foreign labour. An effective and efficient immigration control system would ensure that the numbers of immigrants rose and fell as the economy rose and fell, but ‘stickinesses’ in the system caused by both policy delays and administrative procedures mean that the ‘mapping’ of immigration onto economic cycles is far from precise.

3 A history of migrant entry controls

Serious attempts to control labour immigration are, historically speaking, comparatively new. Prior to the First World War most countries did not issue passports or have detailed operational systems to control entry. Between the Wars, and up to 1962, the British government assumed that all citizens of the British Empire had equal rights to live and work in the UK. During the period of Britain’s membership of the EU (1973–2020), EU citizens were able to work in the UK without any legal

constraints. There have never been controls on the ability of Irish citizens to work in the UK. Over time, and especially after 1945, there were increasing attempts to control at least some of the sources of labour coming into the country. We detail those controls; but note that there were and are always categories for whom there are no controls.

3.1 The early years: 1940s and 1950s

An initial concern in 1945 was whether there would be enough jobs for servicemen returning from the conflict and whether women, who had transitioned into the employed labour force, would return to their unpaid domestic duties. There was at first no change to the categories of people (British Empire or British Commonwealth citizens and Irish citizens) who had unrestricted access to the UK labour market, and it was widely felt that such labour was needed to help the country rebuild after the War. Work permits in this initial phase went mainly to unskilled and semi-skilled workers. During the 1950s the largest category was domestic service in private households, hospitals, nursing homes, schools and other institutions, which accounted for almost two-thirds of entrants in 1948 and still half in 1956 (Table 1). Artists and entertainers were another important category. Those working in hotels and restaurants were mainly seasonal and expected to return to their home countries at the end of summer. The number employed in industry and commerce grew over the period. Following the establishment of the National Health Service on 5th July 1948, and in a foretaste of things to come, a growing number of permits were granted for nurses, rising from around 700 in 1948 to 2,500 in 1956, although thereafter the trend levelled off as UK training programmes improved and domestic numbers increased. Students were an important group in several sectors. They were given permission to work in British firms to widen their experience and improve their knowledge of the English language, while being employed in a supernumerary capacity for a maximum period of 12 months – after which they had to return home. Subsequently, the Training and Work Experience Scheme (TWES) formalised this form of movement.

Table 1 – Work permits and first permissions by occupation, 1948–1972

Occupation group	Numbers						Per cent					
	1948	1952	1956	1964	1968	1972	1948	1952	1956	1964	1968	1972
<i>Domestic Service</i>				14783	10003	8077				25.3	16.1	16.8
Private households	18371	17014	22828				64.6	52.1	49.5			
Hospitals etc	299	680					1.1	2.1				
Schools and Colleges	524	915					1.8	2.8				
Miscellaneous institutions	201	351					0.7	1.1				
<i>Concert, stage, variety etc</i>				5628	6719	7625				9.6	10.8	15.9
Artists and musicians	2460	3566	4826				8.6	10.9	10.5			
Entertainers (misc)	263	424					0.9	1.3				
<i>Industry and commerce</i>			6037	13960	16281	11720			13.1	23.9	26.1	24.4
Student employees	1788	3181	5137				6.3	9.7	11.1			
Others	2207	2408					7.8	7.4				
Teachers (mainly foreign languages)	799	932	1025				2.8	2.9	2.2			
<i>Hotels and restaurants</i>			3343	3530	4307				7.2	6.1	6.9	
Student employees	203	231	253				0.7	0.7	0.5			

Occupation group	Numbers						Per cent					
	1948	1952	1956	1964	1968	1972	1948	1952	1956	1964	1968	1972
Others	439	802					1.5	2.5				
Nurses	697	1881	2535	2809	2581	2597	2.4	5.8	5.5	4.8	4.1	5.4
Film technicians	17	44	25				0.1	0.1	0.1			
<i>Miscellaneous</i>												
Student employees	33	17		7511	7452	5296	0.1	0.1		12.9	12.0	11.0
Others	159	186	108	647			0.6	0.6	0.2			
Total	28460	32632	46117	58338	62267	48000	100.0	100.0	100.0	100.0	100.0	100.0
Others (1)	2746	3015	4016									

Data from Department of Employment, 1977; those in italics from Department of Employment Gazette (various issues).

The work permit system provided only part of the foreign labour recruited into the UK in the immediate aftermath of the end of the Second World war. Post-War labour shortages required further action, particularly to fill jobs shunned by domestic workers. In 1946, in order to accommodate members of the Polish armed forces who did not want to return to Poland, as well as providing much needed workers, the Polish Resettlement Corps was established (Department of Employment, 1977). Its main function was to provide training and employment and ease the incorporation of these military personnel into civilian life. Around 88,000 were placed in employment in the UK by 1949.

Displaced persons camps across Europe provided another reservoir of workers to be recruited in large numbers and in a controlled way (Kay & Miles, 1992; Mc Dowell, 2007). Those arriving were called European voluntary workers (EVW). The government view was that it could direct foreign labour into essential industries by controlling entry and preventing shifts to other occupations through a contractual system. Those recruited under the EVW scheme were mainly Poles, Baltics, Ukrainians and Yugoslavs. By December 1950 they numbered 74,000, and around three quarters of them were male.

29,000 of them were placed in agriculture, 12,000 in domestic work, and 11,000 in coal mining. 8,000 worked in the cotton industry and 4,000 in the woollen industry. For women the main focus was domestic work in hospitals, particularly in sanatoria (McDowell, 2007). The scheme did not last because of a number of inherent contradictions in its operation (Kay & Miles, 1992), particularly problems of under-employed workers moving to other industries, regions or countries, employers' annoyance with the turnover of workers and government unwillingness to enforce strict control of the movements of EVWs as being indefensible in peacetime: the system collapsed. New sources were tapped, e.g. the 'North Sea' scheme to bring in German women as domestics, and the 'Blue Danube' scheme to bring Austrian women into textiles on short-term (two year) contracts, but these quickly fell into abeyance.

3.2 1960s and 1970s

1st July 1962 saw the coming into force of the Commonwealth Immigrants Act and the end of the concept that the British Empire constituted a single territory, with all its subjects free to enter and work in the UK. Citizens of Commonwealth countries became subject to immigration control, like other foreigners. Irish citizens became for a while the only foreigners with the right to free entry into the country. Overall, the 1960s and 1970s was a period of change in the role of the work permit system. After the post-war rises, numbers began to fall. Although they were still important, there was a declining emphasis on permits for the less skilled. Domestic service remained an important sector, but numbers fell, in total and as a proportion of the total from a quarter in 1964 to not much more than half that in 1972. Although the number in industry and commerce declined, the proportion remained stable, around a quarter of the total. Nurses continued to be a significant group throughout. Artists, musicians and entertainers continued to be a significant, and increasing, proportion of the total, rising to 16% by 1972.

Statistics by industrial sector for the period 1960–72 (Table 2), derived from Department of Employment (1977), show the beginning of the shift in the economic balance away from manufacturing and into service industries – a shift that continued throughout and up to the present day. Business and professional services was a major growth sector, rising from 4% to 9% of the total.

Table 2 – Total permits and permissions granted to aliens in industry/occupation 1960–1976

	Numbers					Per cent				
	1960	1964	1968	1972	1976	1960	1964	1968	1972	1976
Agriculture/mining etc.	1524	1119	1002	536	<i>742</i>	3.1	2.2	1.8	1.3	3.0
Food, etc.	156	487	878	199	<i>310</i>	0.3	1.0	1.6	0.5	1.3
Coal, chemicals, etc.	364	646	806	509	<i>350</i>	0.7	1.3	1.5	1.2	1.4
Metals, engineering, vehicles, etc.	1318	2009	2266	1246	<i>1378</i>	2.7	4.0	4.1	2.9	5.6
Textiles, leather, clothing, etc.	1313	969	777	299	<i>143</i>	2.7	1.9	1.4	0.7	0.6
Bricks, timber, paper and other manufacturing	740	1250	871	377	<i>279</i>	1.5	2.5	1.6	0.9	1.1
Constructions and public utilities	332	633	895	547	<i>223</i>	0.7	1.3	1.6	1.3	0.9
Transport, etc.	421	588	686	595	<i>467</i>	0.9	1.2	1.3	1.4	1.9
Distribution	1007	1810	2461	1614	<i>1061</i>	2.1	3.6	4.5	3.8	4.3
Business and professional services	2354	2496	3067	4925	<i>6642</i>	4.8	5.0	5.6	11.5	27.2
Miscellaneous services and public administration	1345	1953	2572	873	<i>550</i>	2.8	3.9	4.7	2.0	2.3
Hotel and catering	6769	13000	19231	12685	<i>5087</i>	13.9	25.9	35.1	29.7	20.8
Entertainment	5142	5628	6719	7625	<i>6031</i>	10.6	11.2	12.3	17.9	24.7
Domestics	23350	14783	10003	8077	<i>1147</i>	48.1	29.5	18.2	18.9	4.7
Nurses	2454	2809	2581	2597	–	5.1	5.6	4.7	6.1	–
Total (excluding student employees)	48589	50180	54815	42704	<i>24410</i>	100.0	100.0	100.0	100.0	100.0
Student employees	7544	8158	7452	5296	–	–	–	–	–	–

Notes: Long-term and short-term permits and permissions.

Data in italics are taken from the Department of Employment Gazette.

Source is Department of Employment table B7 total number records only those where data available by sector.

Data for 1976 are not directly comparable with the previous years because of a classification change and because, after 1973, EU citizens no longer required work permits and were thus free to take any jobs they wished and could be hired to do: many of them took up lower skilled work. This may partly

explain the fall in permits for domestic services. The continuing growth in business and professional services to over a quarter of the total reflects a selection process that favoured more highly skilled foreign workers.

During the late 1950s an increasing number of immigrants from the New Commonwealth came to Britain to settle and to work (the 'Old Commonwealth' consisted of the 'white' countries of Australia, Canada, New Zealand and white-run South Africa). Many of them were recruited directly from overseas by companies experiencing labour shortages. Concerns about social problems associated with the influx of non-white people led to the 1962 Commonwealth Immigrants Act which, for the first time, restricted access to the UK for Commonwealth citizens. A system of employment vouchers was introduced, operated by the Ministry of Labour. There were three categories: Category A for those with a specific job to go to; Category B for those with a skill or qualification deemed to be needed; and Category C for other Commonwealth citizens wishing to come to the UK to work. Initially it was expected that numerical controls would mainly be through variations in the number of C vouchers issued. Applications for C vouchers were considerable, one estimate put the number at half a million (Davison, 1965). Moreover, the number of A and B issues was so great that from 1964 no new C vouchers were issued. Numbers of A and B vouchers were increasingly restricted and in 1971 the annual total was set at 2,700, compared with 900 per week at the scheme's inception.

In the period 26 December, 1964, to 26 November, 1965, the UK Government received 17,682 applications for A vouchers and 8,252 applications for B vouchers (Department of Employment, 1977). Of these, 7,755 A applications and 872 B applications were rejected, either because it turned out that a voucher was not necessary, or because the conditions of issue were not satisfied. Of the remaining 9,927 A and 7,380 B applications, 84% of the A and 94% of the B vouchers were granted. The great majority of the vouchers went to people from India and Pakistan. Jamaicans received 6.5% of the total, Barbadians 9.5% and people from the rest of the West Indies 5%. The reason Barbados received a disproportionately large number of the vouchers granted, in relation to its population, was efforts by the Barbados Government to make special arrangements with employers such as London Transport and Lyons teashops, to secure specific job offers for Barbadians in the UK.

Table 3 shows the numbers of vouchers issued between 1962 and 1972. Less than 10% of the total went to citizens of the Old Commonwealth although the proportion of the more skilled A and B vouchers they had were higher. Most vouchers went to the other Commonwealth states, mainly for less skilled work. Over the period as a whole, numbers gradually declined until the scheme was ended in 1972.

Table 3 – Commonwealth immigrants, employment vouchers issues, 1962–1972

	A			B			C			Total			Trainees (2)			Seasonal workers (2)		
	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total
1962 (Jul– Dec)	307	3063	3370	1163	3363	4526	667	16827	17494	2137	23253	25390						
1963	460	7002	7462	1369	9518	10887	470	22182	22652	2299	38702	41001						
1964	383	10219	10602	814	7187	8001	620	2159	2779	1259	19565	20824						
1965	283	8361	8644	842	6560	7402	1757	41168	42925	1125	14921	16046						
1966	23	2852	2875	461	4964	5425				484	7816	8300	111	525	636	20	209	229
1967	26	3013	3039	348	5022	5370				374	8035	8409	212	643	855	19	223	242
1968	24	2865	2889	429	4802	5231				453	7667	8120	195	592	787	23	243	266
1969	89	2731	2820	905	3044	3949				994	5775	6769	180	668	848	29	79	108

	A			B			C			Total			Trainees (2)			Seasonal worker (2)		
	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total	Old	New	Total
1970	130	2736	2866	1295	1402	2697				1425	4138	5563	170	632	802	30	76	106
1971 (1)	169	1788	1957	887	1974	2861				1056	3762	4818	105	376	481	4	50	54
1972	236	1191	1427	704	2152	2856				940	3343	4283	120	296	416	24	78	102
–	2130	45821	47951	9217	49988	59205				13104	13641	14952						
–	16.5%			15.6%						8.8%								

Notes:

1. From June 1971 a new system operated by DHSS and not involving the issue of an employment voucher was introduced to control immigration of doctors and dentists from Commonwealth. But the Department of Employment were confused about the issue of an entry certificate for such doctors and dentists. To maintain comparability with earlier figures recommendations that such entry certificates be issued are included in the figures for category B vouchers issued in 1971 and 1972.
2. Entry certificates recommended.
3. Old/New Commonwealth.

Understanding the occupational breakdown of immigration during this period is complicated by changes to the way in which jobs were classified in the later years. Category A vouchers were issued across a wide spectrum, indicating labour shortages across the economy (Department of Employment, 1977). Relatively small numbers were taken up in public services (health and education), the largest skilled group in the period to 1969 being 'other graduates and professions'. In 1971 and 1972, after the number of available vouchers was curtailed and individual occupations were not listed, most skilled vouchers were for professionals, managers and executives. Among the less skilled, waiters and kitchen workers, unskilled factory workers and 'others' were the main groups, along with domestic workers and shop assistants. Overall, the pattern broadly replicates that of migrants in previous years and suggests that employers were continuing to offer jobs to incomers. Category B vouchers (Department of Employment, 1977. Table B12) were given more selectively and went particularly to professionally qualified people. Those in public service occupations, notably medical and educational staff, along with others in a range of science, technology and engineering occupations were granted vouchers and allowed to enter and search for jobs.

The 'voucher years' were years with national unemployment rates mostly under 2%. Annual work permit issues were around 60,000, vouchers averaged 13,500, so the main scheme was dominant. What the voucher system did was integrate Commonwealth labour immigration, formerly open, into mainstream foreign labour management. In doing so it provided a small but still substantial supplement to the process of dealing with shortages of specific skills.

Supplementing these schemes, and initially reflecting a 'leftover' from the free Commonwealth movement era, the Working Holiday Makers Scheme (WHMS) was designed after the Second World War to allow young people aged 17–30 from Commonwealth countries to come to the UK for a holiday of up to two years. They were allowed to work for part of their holiday for any 12 out of a 24 months' stay. The scheme brought in a significant, additional, temporary, flexible workforce and allowed them to experience life in the UK. It is not possible to know how many were working at any time, though estimates ranged up to over 60,000. While little is known about the characteristics of working holidaymakers, it is reasonable to assume that they were generally well-educated and adaptable (Inkson & Myers, 2003). Similarly, there are no statistics on what jobs they perform but anecdotal evidence points to occupations such as hospitality, customer services, childcare, teaching and healthcare. Although the scheme attracted people from a wide range of countries, four 'Old Commonwealth' countries (Australia, the clear leader, South Africa, New Zealand and Canada) dominated and continue to dominate flows.

3.3 1980s and 1990s

The 1980s and 1990s was a period during which the issue of work permits began to rise again. In terms of relative importance, four sectors occupied the top positions throughout the 1980s and much of the 1990s: professional services; insurance, banking and finance (IBF); miscellaneous services; and metal and engineering – reflecting the UK's retreat from manufacturing and the growth of its service-based economy.

Long-term work permits were mainly for the highly skilled (Table 4). The UK developed a network of 'brain exchanges' with other advanced industrial countries, so that, in 1988, for example, 85% of long-term work permits went to professional and managerial people, though there were some significant variations in the constituent categories. The professional and managerial support (middle level management) category was consistently the largest, but the proportion of professional and managerial workers in education, health and welfare rose markedly in the early 1990s, with a continuing but smaller rise later in the decade. Numbers of science and technology professionals and managers were more responsive to the state of the national economy than others. The rise in their number was probably a consequence of the increasing 'technification' of UK industry, allied to a growing international corporate culture, with foreign experts brought in to support and further these changes. Among the non-professional/management/technical group, long-term work permit issues to those in catering and personal services fluctuated over the period, while those to 'others' rose sharply to become the largest individual group.

Table 4 – Work permits and first permissions by occupation, 1979–1996

Numbers long term (including TWES)	1979	1980	1984	1988	1992	1996
General Management	405	536	1286	2265	1848	2781
Prof/Manag Support	1967	1774	2634	4656	4271	4096
Prof/Manag in Educ, Health & Welfare	1983	1316	947	1348	2916	2087
Prof/Manag in Science & Tech	1710	1489	1690	2291	2630	4267
Other Managerial	499	496	300	229	124	87
All Prof/Managerial	6564	5611	6857	10789	11789	13319
Literary, Art, Sport	274	195	774	1175	1440	1409
Clerical & Related	208	89	22	84	14	12
Catering, Personal Services	781	232	276	517	746	296
Others	449	295	168	154	442	3970
Total	8276	6423	8097	12719	14431	19005
Per cent	1979	1980	1984	1988	1992	1996
General Management	4.9	8.3	15.9	17.8	12.8	14.6
Prof/Manag Support	23.8	27.6	32.5	36.6	29.6	21.6
Prof/Manag in Educ, Health & Welfare	24.0	20.5	11.7	10.6	20.2	11.0
Prof/Manag in Science & Tech	20.7	23.2	20.9	18.0	18.2	22.5
Other Managerial	6.0	7.7	3.7	1.8	0.9	0.5
All Prof/Managerial	79.3	87.4	84.7	84.8	81.7	70.1
Literary, Art, Sport	3.3	3.0	9.6	9.2	10.0	7.4
Clerical & Related	2.5	1.4	0.3	0.7	0.1	0.1
Catering, Personal Services	9.4	3.6	3.4	4.1	5.2	1.6
Others	5.4	4.6	2.1	1.2	3.1	20.9
Total	100	100	100	100	100	100

Note: Management Data from Department of Employment for UK SOPEMI report; those in italics are taken from the Department of Employment Gazette.

In addition to these methods of entry, there was the Seasonal Agricultural Workers Scheme – a scheme designed to allow farmers and cultivators in the United Kingdom to recruit low-skilled overseas workers to undertake short-term agricultural work. It was only after the 1990s that British

agriculture became heavily dependent upon international migrant workers. By then the SAWS was being used to address a widespread difficulty in recruiting to relatively low-skill, often seasonal jobs in the sector, such as harvesting, planting and other crop work. A large horticultural operation providing bedding and other plants to DIY stores and garden centres used SAWS workers, as well as other migrant workers, to plant up and pack plants ready for dispatch (Dench et al, 2006). Workers were paid at least the agricultural minimum salary, were usually provided with accommodation by the farmer or grower employing them and were subject to the same tax and national insurance rules as resident workers.

3.4 The new millennium

From the late 1990s, a different industrial classification used in the Department of Employment/Home Office management information system provided more detail (Table 5). The Government introduced a new 'points-based' system (PBS) that, together with free movement for workers from the EU, including Ireland, ushered in a period of relative stability for most sectors. Workers could earn points according to their earnings, their skills and the need for those skills, with accumulation of sufficient points giving the right of entry to the UK. The points were related to the former separate 'tiers' of workers.

Table 5 – Work permits and first permissions approved by industry, 2000–2007

	Number			Per cent		
	2000	2003	2007	2000	2003	2007
Administration, business and management services	9026	9638	11273	14.0	11.3	12.8
Agriculture activities	267	822	405	0.4	1.0	0.5
Computer services	12726	10386	23677	19.7	12.2	26.9
Construction and land services	751	1663	2953	1.2	1.9	3.4
Education and cultural activities	3832	6603	7087	5.9	7.7	8.1
Entertainment and leisure services	4235	4469	4619	6.6	5.2	5.3
Extraction industries	1044	741	1401	1.6	0.9	1.6
Financial services	6997	4549	9666	10.8	5.3	11.0
Government	228	700	492	0.4	0.8	0.6
Health and medical services	14516	24621	7526	22.5	28.9	8.6
Hospitality, hotels, catering and other services	1751	12116	4799	2.7	14.2	5.5
Law related services	881	781	1216	1.4	0.9	1.4
Manufacturing	2747	2779	2958	4.3	3.3	3.4
Real estate and property services	94	211	329	0.1	0.2	0.4
Retail and related services	927	1487	1536	1.4	1.7	1.7
Security and protective services	58	127	144	0.1	0.1	0.2
Sporting activities	989	1582	2360	1.5	1.9	2.7
Telecommunications	2228	1071	3699	3.5	1.3	4.2
Transport	780	1005	834	1.2	1.2	0.9
Utilities: gas, electricity, water	498	435	817	0.8	0.5	0.9
Unconfirmed	-	-	177	-	-	0.2
Total	64570	85341	87968	100.0	100.0	100.0

Among Tier 2 workers, professional, scientific and technical services remained the most popular common immigrant sectors; and education was consistently in the top five. Unsurprisingly, the demand for immigrants in the IT sector rose rapidly, with it moving from eighth largest number of immigrants in 2000 to first place by and after 2009. Other sectors, partly consequently and partly because they were filled by EU citizens, became less significant: notably health and social care following lower public investment, administrative and support services, arts, entertainment and

recreation and hospitality (accommodation and food services). Fewer migrants filled jobs in manufacturing although the position was fairly stable. Overall, the period saw a major sectoral shift, with the rise to dominance of IT, business services and financial services. On the eve of the PBS, these three accounted for 27%, 13% and 11% respectively of the total.

As part of the response to perceived shortfalls in highly qualified labour, the Highly Skilled Migrants Programme (HSMP) was launched in January 2002 as a new initiative to allow individuals with exceptional skills and experience to come to the UK to seek and take up work or self-employment. The assumption was that these migrants would enter occupations with skill levels commensurate with their qualifications. Unlike the main work permit scheme, no prior offer of employment was necessary, permission being granted to the individual worker and not tied to a post offered by an employer. It was therefore novel in not being directly related to a perception of labour shortages. Furthermore, for the first time, a UK scheme used a points scored system similar to those in Australia and Canada. It was based on five areas: educational qualifications; work experience; past earnings; achievement in the chosen field; and HSMP priority applications (mainly qualified medical General Practitioners). In the new points-based main managed migration system, HSMP was replaced by Tier 1 in February 2008. Between 2002 and 2008 68,372 HSMP applications were approved and citizens of 74 countries made use of the scheme. The Indian sub-continent was the main source of supply, 24,451 (36%) were Indians, 7,081 (10%) Pakistanis. Australia and South Africa were other major providers, along with Nigeria (Table 6).

Table 6 – Highly skilled migrant programme applications, approved by nationality, 2003–2008

	Number				Per cent			
	2003	2005	2007	2008	2003	2005	2007	2008
India	837	6716	10502	6396	17.1	38.1	37.4	36.0
Australia	327	1518	3216	1814	6.7	8.6	11.4	10.2
Pakistan	309	2080	2360	2332	6.3	11.8	8.4	13.1
Nigeria	215	93	2180	1734	4.4	0.5	7.8	9.8
New Zealand	140	847	1647	979	2.9	4.8	5.9	5.5
South Africa	438	861	1460	1015	9.0	4.9	5.2	5.7
USA	848	619	936	505	17.3	3.5	3.3	2.8
China	171	49	839	398	3.5	0.3	3.0	2.2
Sri Lanka	46	269	652	329	0.9	1.5	2.3	1.9
Malaysia	40	174	492	179	0.8	1.0	1.8	1.0
Russian Federation	137	279	342	200	2.8	1.6	1.2	1.1
Canada	146	178	334	198	3.0	1.0	1.2	1.1
Bangladesh	58	245	222	170	1.2	1.4	0.8	1.0
Turkey	63	88	198	169	1.3	0.5	0.7	1.0
Nepal	16	111	163	115	0.3	0.6	0.6	0.6
Kenya	39	59	159	77	0.8	0.3	0.6	0.4
Zimbabwe	101	105	149	62	2.1	0.6	0.5	0.3
Ghana	30	70	147	63	0.6	0.4	0.5	0.4
Iran	43	91	120	78	0.9	0.5	0.4	0.4
Ukraine	36	91	120	97	0.7	0.5	0.4	0.5
Singapore	37	48	118	47	0.8	0.3	0.4	0.3
Egypt	50	135	116	31	1.0	0.8	0.4	0.2
Rest of World	208	2251	221	235	4.3	12.8	0.8	1.3
Total	4891	17631	28090	17760	100.0	100.0	100.0	100.0

A major problem with the scheme was that little follow up was made into the jobs actually entered, so no statistics were kept on which occupations and sectors benefitted. It is therefore impossible to say how far the scheme lived up to the government's expectations. Later evidence from the Scheme's successor (Tier 1) suggested that many applicants were employed in jobs not requiring high skill levels: a small sample survey found that 29% of Tier 1 visa holders were employed in unskilled roles and a second small sample survey of Tier 1 applicants found that 30% of applicants were in low-skilled employment or unemployed at the time of the survey (UK Border Agency, 2010).

After 2008 a new industrial classification was used (Table 7), with increasing use of Certificates of Sponsorship (CoS, replacing work permits) by employers and there were further sectoral shifts, although, with around a third of all cases, IT continued to hold prime position. Within that sector, the main demand for foreign workers at the end of the period came from two occupations: (i) programmers and software development professionals and (ii) business analysts, architects and systems designers; each accounting for 34% of all IT workers. IT project and programmers accounted for a further 9.4%; 15.6% were classified as IT and telecommunications specialisms not elsewhere specified. The proportions remained high through these years, indicating a prevailing shortage. The other two principal business services – professional services and insurance, banking and finance – also increased in number and proportion. Business, research and administrative professionals were the second largest group (10,463 issues, 11% of the total). The largest occupational group among these was management consultants and business analysts with 5,329 issues, 51% of the group. Chartered and certified accountants, with 2,894 issues were another 28%, while 1,298 (12%) were business and financial project management professionals. Again, these seem to be areas of continuing shortage. The big change was the health sector which doubled its proportion between 2012 and 2018 as several of its occupations were added to the shortage list, in part because of the loss of available workers from the EU after the 2016 referendum on leaving the EU. The number of health professionals who were mainly doctors and anaesthetists rose from 7,144 to 9,720, 10% of all issues; that of nurses and midwives rose from 4,494 to 7,215, 8% of all issues. We note, of course, that many EU citizens stayed on in the UK. As we write, there are still 2.3 million EU citizens working in the UK on a permanent basis (Labour Force Survey, July 2021).

Table 7 – Tier 2. Certificates of sponsorship by industrial sector, 2009–2018

	Number					Per cent				
	2009	2012	2015	2016	2018	2009	2012	2015	2016	2018
Total	53952	68114	86947	89167	94087	100.0	100.0	100.0	100.0	100.0
Accommodation and food service activities	2336	2498	1470	882	522	4.3	3.7	1.7	1.0	0.6
Activities of extraterritorial organisations and bodies	20	18	19	19	16	0.0	0.0	0.0	0.0	0.0
Activities of households as employers etc.	5	6	5	5	4	0.0	0.0	0.0	0.0	0.0
Administrative and support service activities	627	847	1041	965	932	1.2	1.2	1.2	1.1	1.0
Agriculture, forestry and fishing	141	50	50	51	31	0.3	0.1	0.1	0.1	0.0
Arts, entertainment and recreation	610	812	1075	1253	1357	1.1	1.2	1.2	1.4	1.4
Construction	658	742	861	902	827	1.2	1.1	1.0	1.0	0.9
Education	4580	5059	6637	7448	8169	8.5	7.4	7.6	8.4	8.7
Electricity, gas, steam and air conditioning supply	139	252	386	324	296	0.3	0.4	0.4	0.4	0.3
Financial and insurance activities	5259	8244	10877	11113	11297	9.7	12.1	12.5	12.5	12.0
Human health and social work activities	7951	6485	8426	10328	17356	14.7	9.5	9.7	11.6	18.4
Information and communication	17619	23474	29832	30089	29275	32.7	34.5	34.3	33.7	31.1
Manufacturing	2330	3663	4214	4306	3767	4.3	5.4	4.8	4.8	4.0
Mining and quarrying	852	1235	974	791	788	1.6	1.8	1.1	0.9	0.8

	Number					Per cent				
	2009	2012	2015	2016	2018	2009	2012	2015	2016	2018
Other service activities	980	1138	2498	1242	1009	1.8	1.7	2.9	1.4	1.1
Professional, scientific and technical activities	7994	11386	16073	16637	15858	14.8	16.7	18.5	18.7	16.9
Public administration and defence; compulsory social security	583	354	272	295	306	1.1	0.5	0.3	0.3	0.3
Real estate activities	51	84	251	267	290	0.1	0.1	0.3	0.3	0.3
Transportation and storage	387	538	548	566	623	0.7	0.8	0.6	0.6	0.7
Water supply; sewerage, waste management etc	37	59	54	30	40	0.1	0.1	0.1	0.0	0.0
Wholesale and retail trade; vehicle repair	793	1170	1384	1654	1324	1.5	1.7	1.6	1.9	1.4

What seems to have been happening is an increasing concentration of certificates on a small group of occupations relating to IT, corporate management and business services. This implies that UK employers are systematically failing to train a domestic workforce. The health sector ebbs and flows, depending on the identification of shortage occupations. The data demonstrate particularly the growing importance of non-European Economic Area nationals entering via intra-company transfers in the business services sector of the UK economy (Salt & Brewster, 2022).

At the other end of the scale, in the years after 2004 the agricultural workers scheme was also amended as employers began supplementing their SAWS employees with workers from the EU 'new accession' states; and following the introduction of the PBS in 2008 the scheme was restricted to Bulgarians and Romanians, supplemented with very small numbers from elsewhere where there were existing contracts. In response to actual and projected labour shortages in light of Brexit, in September 2018 the Home Office launched a new pilot SAWS which allowed fruit and vegetable farmers to employ up to 2,500 migrant workers from outside the EU for seasonal work for up to 6 months, alleviating labour shortages during peak production periods. In response to seasonal labour shortage

in agriculture post-Covid and post-Brexit, the Seasonal Workers Scheme was expanded to 30,000 in 2021 and 40,000 in 2022.

In 2003 a sector-based scheme was introduced to address shortages in lower skilled occupations, initially in food processing and hospitality (hotels and catering), and recruiting mainly from Eastern Europe; it was discontinued once those countries joined the EU. The working holidaymakers scheme (WHMS) continued in operation and to be dominated by the Old Commonwealth countries, even though after 2003 the scheme broadened its supply base, notably to India and Ghana. The WHMS was replaced by the Tier 5 Youth Mobility Scheme under the PBS. Points are awarded on the basis of nationality, age, and availability of funds. The Scheme remains open to countries which have a special reciprocal agreement with the United Kingdom: Australia, Canada, New Zealand, Japan, Hong Kong, Korea, Taiwan and Monaco. Numbers recruited were smaller than under the WHMS, totalling 21,593 in 2018 and reflecting the exit from the original scheme of several large suppliers.

Almost as a footnote, the UK was one of three countries, with Ireland and Sweden, which allowed citizens of the countries acceding to the EU in May 2004 immediate free access to its labour market. To monitor the flow a Workers Registration Scheme was introduced. Citizens of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia or Slovenia who wanted to work for one month or more for a United Kingdom employer were supposed to register under the WRS and pay a small fee: in practice many workers did not register. Once they had been working legally in the United Kingdom for 12 months without a break, they had full rights of free movement and no longer needed to register. They were then able to get a registration certificate confirming their right to live and work in the UK. Self-employed workers were exempted under the right of establishment provisions of the EU Treaties. Hence, although WRS data provide an important indication of the trend in recruitment from the A8 countries, they do not provide a definitive account of numbers. Poland was the leading supplier, accounting for about two-thirds of the total. Most workers coming in under this scheme took up less skilled jobs, such as process operatives in factories, warehouse operatives, kitchen and catering assistants and cleaners. There is evidence from studies in both the UK and sending countries that many were under-employed, with skill and educational levels above what was required for the jobs taken up, an echo of the situation of EVWs in the late 1940s (Anderson et al., 2006; Kaczmarczyk & Okolski, 2008). The 2011 Census showed that the largest group, from Poland, had spread themselves widely across the main economic sectors.

4 Irish citizens

Throughout the whole period there were no limits on the movement or employment of Irish Citizens in the UK (and, although the numbers were very much smaller, vice versa). Traditionally the bulk of the Irish were employed in lower skilled routine and intermediate occupations. In 1951 Irish male employment tended to be in manual occupations with building the largest activity (18%) followed by 'Unskilled Labour' (14%), 'Metal manufacture' (13%) and 'Transport' (9%). Professions, Administration and Clerical occupations occupied only 15%. The Irish female occupational distribution was much more heavily concentrated, with over 70% of the workforce concentrated in only three activities: 'personal services' (39%), 'professions', mainly nurses (22%) and 'clerical' (9%) (Glynn, 1981). As the Irish economy developed, and with less skilled labour becoming available from other sources, notably Mediterranean countries and parts of the New Commonwealth, the employment structure of the Irish shifted. By 1992-3 25% of them were in professional occupations, 31% were classified as intermediate and 44% as routine (lower skilled). Ten years later the respective proportions were 51% professional, 26% intermediate and 22% routine, heralding a stable situation to the present – by 2018 55% were professional, 29% were intermediate and 16% routine.

5 Summary

From this summary of the evolution of the UK government's attempts to manage immigration since 1945, we draw three major conclusions with resonance for future labour immigration policy, particularly in light of Brexit. Even when government policy was to 'reduce immigration to the irreducible minimum', in the 1990s, migrant labour still came in substantial numbers: the number of work permits was low but free movement from Irish and EEC sources was unhindered. At both ends of the skill spectrum the geographically proximate European spring has provided a readily available labour source allowing employers to make more flexible responses to economic and social conditions. Our first conclusion, therefore, is that past evidence is that the UK economy has been unable to manage without substantial labour immigration, from both the EU and elsewhere. This suggests that unless there is a major collapse of the UK economy, immigrant workers will still be required – and in broadly similar numbers. Alternatives are unlikely: the UK is and will continue to be competing in a global skills market; any major training effort for domestic workers would take years to produce the skills required; greater capital investment in automation, robotisation and artificial intelligence might reduce labour demand throughout the skills spectrum but is likely at the best to be a medium-term solution. Controls are necessary, politically at least, even though there is evidence (Moody, 2009) to indicate that tightening up of emigration controls results in increased human trafficking, which suits

unscrupulous employers, and indeed some entire industries (e.g. labour intensive areas of agriculture). As for the lower paid and arguably lower skilled and often temporary jobs currently performed largely by migrants, there is little evidence that the domestic workforce has any great yearning to undertake such roles. By the end of 2021, there were well over one million vacancies, many of them in these less attractive jobs.

Second, because of the range of types of job that are inevitably required in any modern, complex, economy, a one-size-fits-all approach does not work; in consequence management needs to be pragmatic and nimble. In theory, a points-based system ought to be flexible, changing as conditions change. In reality, reviews occur only periodically, largely for bureaucratic and political reasons, so system adaptation is slow. Throughout the period covered here the emphasis on work permits and the PBS has been on the link between skills and the competitive position of the UK economy. Over the years the nature of skills recruited from overseas has shifted in response to the changing economy. Fewer now enter manufacturing, knowledge intensive business services have grown in importance, government investment in public services has resulted in a roller-coaster effect with periodic phases of recruitment into health and education. Furthermore, the UK system does not act in isolation but within an international competitive environment. All 'western' economies have policies designed to attract skills. Often these involve 'brain exchanges' between countries with reciprocal flows. Other moves are in response to perceptions by mobile workers of relative attractions in the form of pay, conditions and lifestyle. Increasingly skills have been drawn from hitherto developing economies, in the UK case notably from India, more recently China. Withdrawal of EEA labour since 2016 has increasingly opened the UK labour market to non-EEA skill sources.

Furthermore, there have, throughout, been vacancies for lower qualified workers. This is partly owing to the temporary nature of, especially seasonal, jobs and partly to the unwillingness of the domestic population to fill low-skilled roles, especially in richer areas such as London and other major cities. The relative immobility of domestic workers, particularly when getting a job involves moving from lower to higher cost housing areas, makes it more difficult to satisfy labour demands and types in any one location by supply from elsewhere. Hence, part of the UK story since 1945 is of an availability of foreign workers willing to take these jobs, including western Europeans post-war, ethnic minority immigrants, Mediterranean citizens and recently eastern Europeans. There is research evidence that, for example, some employers in hospitality and agriculture have found it easier to recruit from overseas, with regulars coming year after year, often to live in employer-provided accommodation.

Third, and finally, in order to balance labour requirements with supply, a continuing symbiosis between labour management by the government and by business has developed. With globalisation

and international competition any immigration management system must take into account the needs of employers. At the same time employers must operate within the policy framework set out by government. History shows that the UK political system has developed in co-operation with (mainly large) employers. Small and medium sized companies often lack the administrative skills and knowledge of overseas sources necessary to navigate the bureaucracy of overseas recruitment, particularly when numbers needed are low. The problems are particularly acute in relation to lower-skilled workers where many employers are SMEs. For them the availability of European labour has reduced bureaucracy. A new post-Leave system increases bureaucracy for all employers, with the burden being particularly hard for SMEs. If bureaucracy is too onerous, skilled workers will go elsewhere. At the other end of the skill spectrum a myriad of special schemes (e.g. agricultural workers, HGV drivers, abattoir workers) adds a further management complication.

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