Migration and Differential Labour Market Participation: Theoretical Directions, Recurring Themes, Implications of Brexit and Areas for Future Research

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Research on migrant participation in the labour market has been carried out from a number of disciplinary perspectives. Within the context of high levels of political and public attention on levels of immigration in Western Europe and the US, this review brings together recent attempts to theorise migrant employment, identifies recurrent themes, considers the implications for Brexit and outlines areas for future research.

Extensive research in a number of disciplines, including economics, social policy, sociology, geography and management have been undertaken relating to migrant participation in the labour market. Given the highly topical nature of migrant employment in Western Europe and the US, the aim of this brief review is to draw together some of the more recent attempts to theorise the presence of migrants in the labour market, discuss some of the recurrent themes which have emerged from empirical research in this area, consider some of the main implications for policy-making in what now seems likely to be known as the post-Brexit era and to outline areas for future research. In doing so, the intention is to contribute to further inter-disciplinary theory-building and to a more nuanced
understanding of the complexity of this highly politicised area and the implications of this for policy and future research.

**Theorising migrants in the labour market**

In this section, we explore some of the significant attempts to theorise and explain the position of migrants in the labour market spanning from the post-war era, with a particular focus on the UK. In doing so, we focus on the dynamics within receiving countries, while acknowledging the importance of understanding the multiple factors which contribute to decisions to migrate within sending countries and the interplay between these factors and experiences in destination countries. We acknowledge that migration to European countries considerably predates the Second World War, but it is nevertheless the case that the major thrust of debates about immigration have emerged in the post-war period and particularly, as the numbers of those migrating became significant in relation to settled populations, in the past twenty years.¹

Neoclassical economic theory, which is based on the underlying assumption that migration is stimulated primarily by rational economic considerations of relative benefits and costs, has played an influential role in migration research (Greve, 2011; Kurekova, 2011). Within such accounts, economic factors such as differences in income or living standards between sending and receiving countries are prominent factors in explaining migratory patterns (Greve, 2011). Demand for labour and supply are also recognised as influencing these patterns. Demand factors relating to the performance of the economy and the expansion or contraction of (parts of) the economy, employers’ racialised attitudes towards migrant workers and the geographical distribution of employment opportunities help to explain why migrants are heavily represented in certain sectors of the economy and some geographical areas. These patterns change considerably over time. Supply factors relating to human capital in the form of skills, knowledge and experience or educational qualifications and the ‘work ethic’ that migrants bring with them also contribute to explaining patterns of employment. However, such factors alone are clearly limited. For instance, the definition of
‘skills’ is heavily contested and there is well-documented evidence of the under-utilisation of migrant skills, knowledge and experience as some of the articles here demonstrate (see also Netto et al., 2015).

Boswell (2008) has argued that while economics methodologies can be usefully applied within interdisciplinary research on migration, some of the main assumptions which underpin economic theories relating to migration are flawed. These include methodological individualism, that is, a tendency to focus on the individual as the unit of analysis, the uniformity of rationality and the view of individuals as utility-maximising. Instead, she argues that more attention should be paid to the social context in which decisions about migration are made, and which impact on the opportunities and constraints that migrants face in the labour market. Reinforcing the importance of social and political contexts, Greve (2011) has argued that it is also important to examine the ways in which the labour market is regulated as well as the various reasons for migration, which include traditional ‘push’ and ‘pull’ factors.

Within migration research, the relationship between structure and agency has been extensively studied, with Bakewell (2010) suggesting that critical realist approaches may offer fruitful lines of further enquiry. Multi-levelled approaches have provided the opportunity to reveal the complexity of migration participation in the labour market by revealing the interaction of structure and agency at various levels (see for instance, Kamenou et al., 2012; Netto et al., 2015). Macro-level factors include the supra-national factors of globalisation which act to ‘pull’ migrants to certain destinations or historical relationships between sending and receiving countries, for example, arising out of colonialism, or geographical proximity. At a national level, they include immigration policies, labour market shortages, cultural norms, linguistic factors and the presence of established migrant communities. Meso-level factors have included household dynamics, which may contribute to gendered patterns of migration (e.g. Hoang, 2011) or organisational factors, such as employer attitudes to migrant women or equal opportunities policies (Kamenou et al., 2012). Micro level-factors which are studied
may include the career aspirations and decision-making processes of migrants themselves (Christensen and Gulvik 2014.

Within this broader landscape of attempts to theorise labour migration, we can place the attempts of scholars working within the sociology of race or ethnicity to identify and explain racialised or ethnicised inequalities in employment outcomes. Within the UK context, the Fourth National Survey of Ethnic Minorities, carried out in 1994, was the first study to map the changing employment profile of minority groups who had been encouraged by the government to migrate to the country in the post-war era due to labour shortages (Modood, 1997). This study revealed that while similar proportions of ‘white’ and Indian men were in non-manual work, men of Caribbean, Pakistani and Bangladeshi origin continued to be over-represented in manual jobs compared to white men and those of African and Indian origins. He explained these differences by drawing on the extensively-documented concept of ‘ethnic penalty’ (Heath and McMahon, 1995: 1), that is, ‘sources of disadvantage that might lead an ethnic group to fare less well in the labour market compared to similarly qualified whites…although discrimination is likely to be a major component.’ However, Modood (1997) stressed that this alone was not sufficient to explain the labour market disadvantage experienced by some groups. Other explanatory factors were the impact of economic restructuring which resulted in the loss of jobs in manufacturing in which some ethnic groups were concentrated – again often for historical reasons - and the different levels of educational achievement among these groups.

More recently, Virdee (2006) has argued that the geographical distribution of different minority groups, anti-racist activism and racism were also significant contributory factors in accounting for the specific disadvantages experienced by Pakistani men and Bangladeshi men within the labour market. Focusing on the persistent labour market disadvantage of Bangladeshi men, Salway (2008) has revealed that strong forces of inclusion within the Bangladeshi community interact with forces of exclusion from ‘mainstream’ society to constrain aspirations and limit opportunities. She argues that this calls for greater understanding of the ways in which ethnic identity influences access to resources and
opportunities in different contexts in order better to understand labour market outcomes. Within organisational contexts, Kenny and Briner (2015) have examined how ethnicity is actually experienced within organisations and identified increases in ethnic identity salience at work and responses to such increases. Relatedly, Hudson et al. (2017) explore the consequences of social homophily - the tendency to associate and bond with people who are similar - in privileging the labour market opportunities of some and eroding those of others.

Reflecting a growing interest in the role of gender in migration, scholars have found that within a complex constellation of social relations, this dimension of identity plays a strong role in determining ‘who stays, who moves, where, why and how often’ (Kofman, 2004; Donato et al., 2006) as well as ‘what they do once they get there’ (Mushaben, 2009). An important insight from the study of migrant women is that gendered relations are always mediated by other socially-constructed categories such as ‘race’, ethnicity and class, and that conversely, the analysis of ‘race’, ethnicity, class or nationality needs to be advanced by examining its gendered aspects (Anthias and Yuval-Davis, 1992; Lutz, 2010). This is exemplified in Salway’s (2007) study of Bangladeshi and Pakistani women which found that although economic activity was far more common among well-qualified Bangladeshi and Pakistani women than those without such qualifications, marriage and young children still significantly inhibit economic activity. The possession of basic qualifications was not sufficient to ensure access to jobs, suggesting that gendered roles are not challenged unless women from these ethnic groups have sufficient human capital to compete for high status, well-paid employment. Nuanced insights such as these which are generated from considering the intersection of multiple dimensions of identity are now explored using the concept of ‘intersectionality’ (Crenshaw, 1989), including within the workplace (McBride et al., 2015; Mooney, 2016). This necessarily brief review of some significant attempts to theorise migrants in the labour market indicates the value of multi-disciplinary and multi-levelled approaches and the importance of methodologies and analysis which are sensitive to the complex ways in which ethnicity interacts with other dimensions of identity within the
workplace and other social contexts to influence the position of migrants in the labour market. It also points to continuing lacunae in our understanding, most particularly perhaps in relation to gender and age.

**Recurrent themes**

*Impact of migration on local economies*

Craig (2015) has found that the weight of available valid research evidence (Glover et al., 2003; Somerville and Sumption, 2008; Lucchino et al., 2012; Dustmann and Frattini, 2013) does not support the view that migrants have displaced host country nationals from jobs, although there may be a few very specific situations in which such displacement has taken place. Somerville and Sumption (2008) have found, for example, that the impact of immigration on wage levels is small, and concentrated. Where immigration has negative impacts, this tends to be in those sectors in which immigrants can easily find work because they do not require forms of country-specific human capital, such as fluency in English, cultural knowledge or local experience, and the low competition from native workers. These findings highlight the importance of sectoral analysis of the labour market. Overall, in contrast to the picture presented by sections of the media, the impact of migrants in terms of the economy tends to be positive.

*Labour market segmentation*

The over-representation of migrants and ethnic minorities in low-paid work is well-established (Eurostat, 2010; Low Pay Commission, 2013; European Commission, 2014). Within the UK context, Pakistanis and Bangladeshis and some recent migrants tend to be over-represented in low-paid work, although there is considerable polarisation between and within groups (Brynin and Güveli 2012; Low Pay Commission, 2013). Anderson and Ruhs (2010) have argued that a sectoral analysis of migrant worker employment in the UK and migrants’ willingness to accept low pay and poorer terms and conditions are dominant factors that help explain their presence in particular parts of the labour market. This has led
Anderson and Ruhs (2012) to argue that in order to reduce employer reliance on migrant workers and to counter claims that these workers are under-cutting wages and working conditions for other workers, fundamental changes need to be made to the policies and institutions that create demand. These include greater labour market regulation, 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. Unfortunately, the trend has been in the other direction with the UK in particular now becoming one of the least regulated labour markets within OECD countries (Bell and Elliott, 2016).

*Lack of social protection and increasing labour market precarity*

The International Organisation of Migration has argued that a major agenda that remains for most countries lies in ensuring universal workers’ rights, including the right to belong to a trade union, employment protection and the removal of barriers to participating in the labour market. They noted that most countries perform better on theoretical employment rights (such as *equal access*) and employment security (although even this is poor for some groups of migrants) than actually facilitating entry into the labour market. Consequently, the rewards of employment are thus not available to migrants due to their inability to surmount the barriers facing them, including discrimination, eligibility restrictions, and language fluency (Behtoui, 2013). Further, specific groups remain largely unprotected by legislation, for example, domestic migrant workers (ENR, 2011).

Relatedly, significant changes in labour markets linked to processes of neo-liberalism and the outsourcing of low-skilled work have contributed to increasing the precarity of labour migrants. Often involving a multinational web of contractors and subcontractors, outsourcing has blurred issues of accountability and responsibility for employees (Ruckelshaus *et al.*, 2014). This has contributed to fragmented pay structures, temporary employment and zero hour contracts. Both Bloch and McKay (2016) and Lewis *et al.* (2014) have highlighted the particularly vulnerable position of asylum-seekers and undocumented migrant workers in
such conditions. Craig (2016) has found that in many areas of the economy in every EU member state, migrants of all kinds are prone to exploitation with low wages and poor working conditions. Additionally, in subareas in certain sectors, *illegality* is the norm, with new and previous migrants more likely to be affected due to their disproportionate presence in such sectors; these migrants are likely to be subjected to very high levels of exploitation as employers take advantage of their vulnerability (Lewis *et al*., 2014).

*The lack of transferability of human capital*

The challenges that migrants face in transferring human capital to their destination countries have been established in diverse international contexts, including the US (Borjas, 1995), the UK (Bachan and Sheehan, 2010), Canada (Creese and Wiebe, 2009) and Norway (Christensen and Guldvik, 2014). Creese and Wiebe (2009) identify a number of structural factors to account for this, including labour market shortages in low-paid sectors and economic restructuring. Bachan and Sheehan (2010) outline factors related to migrant agency, including migrants' willingness to take up work for which they are over-qualified, perhaps due to lack of choice, and their use of recruitment agencies, which may not make efforts to find them jobs that match their qualifications. These factors contribute to the phenomenon of ‘occupational downgrading’ where migrants take up jobs in their destination country which are not commensurate with their educational qualifications and skills (Creese and Wiebe, 2009). Although the studies cited here relate to so-called economic migrants, the difficulty that many refugees face in obtaining skilled work which matches their educational background and skills is also well-established (see for instance, Phillimore and Goodson, 2006).

*Discrimination within the workplace*

The discrimination experienced by migrants and other ethnic minorities through both formal policies and processes as well as informal practices or cultures is well-established. For instance, in a large and systematic discrimination-testing experiment, Wood *et al*. (2009)
evidenced discriminatory recruitment practices in seven British cities. Qualitative, case-based research continues to uncover manifestations of discriminatory attitudes in informal workplace practices such as racist stereotyping, overt and covert acts of banter, bullying and harassment even among organisations publicly advocating commitment to equal opportunities (Hudson et al., 2013; Ogbonna and Harris, 2006). These phenomena indicate the hegemony that dominant ethnic groups may exert over ethnic minority groups in organisational settings.

**Implications of Brexit**

The policy implications of Brexit for migrants within the UK labour market – as far as they can be judged within the current political climate - can be considered in terms of the protection of existing migrant workers and their family members; the treatment of asylum-seekers; and future immigration policies and public concerns about immigration.

**Protection of existing workers and their families**

At the time of writing, the position of EU migrants currently residing in the UK is not known and is likely to take some considerable time to be resolved as part of the negotiations of the country’s departure from the EU. It is likely that strong business and moral arguments will be mounted for their continued residence in the country. However, since many of the rights and regulations which currently protect migrant workers’ rights in the labour market in the UK stem from EU law, this is an area which will need continued scrutiny. The UK Prime Minister, Theresa May, has indicated that to ensure a smooth transition when the UK leaves the EU, she will pass a new law that would make all current EU laws binding in the UK, allowing the government to then remove or adapt legislation as it views appropriate. She has also indicated that she will seek to enhance workers’ rights. Consequently, although legislation protecting workers rights, including equality and human rights legislation which prohibits discriminatory treatment in employment may initially survive, this could be scrapped in the
future. This would increase the current vulnerability of migrant workers to exploitation and possibly aggravate current levels of hostility to them.

Also of relevance here are the welfare provisions available to EU migrants and members of their family, which were already substantially reduced in 2014 through a series of measures and have the cumulative impact of increasing their vulnerability to poverty and destitution, including through loss of work (O’Brien, 2015). While EU migrants are net contributors to the economy, the nature of their low-waged employment which typically involves short term, casual and agency work indicates that social protection for these individuals needs to extend beyond workers’ rights to include welfare rights, including those of their children. Proposals to further restrict welfare provisions for EU migrants have been mooted, leading O’Brien (2015) to question the extent to which the UK is willing to neglect issues related to social responsibility and justice. This is clearly an area where continued scrutiny is required.

*Treatment of asylum-seekers*

As a signatory of and ratifier to the 1951 Geneva Convention on the Status of Refugees and the 1967 Protocol, the UK is committed to honouring international commitments which are not specific to the EU. Individuals fleeing from war and political persecution will continue to have the right to claim asylum in the country and not to be deported before their application is refused and appeal rights are exhausted. However, as Mayblin (2016) has pointed out, it is anticipated that on leaving the EU, current obligations to adhere to EU directives of the Common European Asylum System (CEAS) which relate to the reception and treatment of asylum-seekers and refugees may be diluted. If so, this is likely to increase the vulnerability of asylum-seekers to either destitution or participation in precarious employment, exploitation and forced labour.

*Future immigration policies and public concern about immigration*
Demand for labour in key sectors of the economy as well as analysis of skills shortages and demographic patterns across the UK should play a significant role in informing future immigration policy. This should take into account regional variations and challenges in the labour market. Given public concerns about levels of immigration which led to the outcome of the referendum, the development of such policies should allow for the continued communication of factual analysis and engagement with different sectors of the public in order to facilitate informed debate and discussion.

**Areas for future research**

Continued research attention relating to the position of established migrants and second and third generation migrants and new arrivals is clearly important given current and potential future policy shifts associated with Brexit. Given the increasing presence of female migrants in the workforce globally and changes in household dynamics in both sending and receiving countries, it is important to continue to study continuities and discontinuities relating to gendered roles as individuals continue to juggle the balance between workplace and domestic responsibilities. The intersection of other aspects of identities with migrant status is an area that is relatively unexplored, but worthy of further study. It is also important to continue to study the position of asylum-seekers and undocumented migrant workers in order to continue to raise awareness of their specific vulnerabilities to exploitation and forced labour.

From a labour market perspective, there appears to be an unambiguous case to continue to study the role that migrants play in various sectors of the economy at national, regional and local levels and the extent to which their skills are recognised and utilised. This applies not only to short-term effects but also the longer term effects relating to the integration of migrants and their children over time. Relatedly, from a human rights perspective, it is important to continue to view the extent to which labour markets are regulated in order to protect the rights of vulnerable workers.
It is also important to continue to study and inform the direction of future immigration policy. Research in this area should not only contribute to a reliable and authoritative evidence base on the labour market and the extent to which all workers’ rights are protected, but with exploring how such evidence can be effectively communicated to different sections of the population. This might help not least to counter the growing trend towards the mythologies emerging under the banner of ‘fake’ news.

Notes

1 Craig (forthcoming)

References


European Network on Racism (ENR) (2011) Working on Integration at Local Level, Brussels: ENR.


