UK migration policy in light of sectoral dynamics: the case of the construction sector

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Draft: Not for citation.

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Paper presented to the 3rd meeting of the UACES sponsored study group on evolving EU migration law and policy

The research presented in this paper is drawn from an on-going EU funded Framework 5 project 'The Political Economy of Migration in an Integrating Europe' (PEMINT). Details of the PEMINT project can be found at: http://pemint.ces.uc.pt/index.htm

Introduction

Since the mid-1990s there has been a re-orientation of UK labour migration policy in a more 'positive' direction marked, for example, by the establishment of a High Skilled Migrants Programme and, more recently, by the statement of Home Secretary David Blunkett that he can see no obvious upper limit to numbers of labour migrants entering the UK. Yet, while there has been a positive re-orientation towards (skilled) labour migration, there has been a hardening of the response to those forms of migration defined by government policy as 'unwanted, particularly asylum-seeking migration. The result is that at the beginning of the twenty first century, migration is a salient political issue, but as never before, perceptions of migration flows have become bifurcated into 'wanted' and 'unwanted' categories with the government increasingly conscious of the possibility to extract competitive advantage by marrying the country's economic needs to the global supply of migrant labour. Meanwhile the UK government's tentative attempts to manage (particularly lower skilled) migrant labour are undermined by media reports describing the often shocking conditions endured by large numbers of irregular workers in the construction, agricultural and food processing industries, focusing on poor working conditions and the criminal activities of gangmasters associated with the hiring and trafficking of workers.[1]

This paper attempts to probe the dynamics of UK migration more closely and explore what can be called the social and institutional pre-conditions of this positive re-orientation of migration policy. To do this we explore developments in the construction sector. Construction is a fascinating case because of the current construction boom that has brought large numbers of migrant workers to the UK (employed both regularly and irregularly) and also because foreign workers (particularly Irish workers) have been intensely present within the UK construction sector for well over 100 years. Our central argument is that patterns and trends located within particular economic sectors such as construction have become embedded over time. We show that there is an in-built structural reliance on foreign workers within the UK construction sector, combined with features of sectoral organisation (particularly extensive sub-contracting) that contribute to particular conditions within the construction sector that may not always rest easily with the overall thrust of government policy. Indeed, it can be argued that the social and institutional pre-conditions of 'positive' migration policy are embedded within the particular social, political and economic relations found within particular sectors. Consequently, any attempts to 'manage' migration need to account for the diverse characteristics of particular economic sectors within which migrant workers are present. This paper thus develops the argument that, in order to understand patterns of migration and the linkages between labour market exigencies and recruitment of migrant workers, special attention should be paid to developments within particular sectors where foreign workers are present. It is at the sectoral level that we can more fully explore labour market characteristics, and see how contextual issues react with the fluctuations in labour supply and demand to produce outcomes in terms of migratory flows.

Essentially the sectoral approach involves a recasting of the analytical relationship between migrants and the countries to which they move. Our analysis focuses on the recruitment decisions made within particular economic sectors (in this case the UK

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[1] For example, the BBC Radio 4 documentary "File on Four" 22/07/03
http://www.bbc.co.uk/radio4/news/fileon4/index.shtml

construction sector[2]). – exploring ways in which distinct sectoral dynamics (organisation of the sector and patterns of labour recruitment and migration) play a role in structuring current and future needs for foreign workers. These decisions occur in the light of perceived labour market conditions and the impact of national, European and international regulatory frameworks.

The UK construction sector is useful in illuminating the discussion about the shift in labour migration policy, because it is an area of economic activity with distinct characteristics in terms of its organisation, regulation and labour market, and also one where significant numbers of foreign workers are present. Defining features of the sector such as the fragmentation of production, the profusion of subcontracting chains, relatively weak regulatory enforcement (linked to fragmentation and sub-contracting), and apparently wide diffusion of irregular employment practices can provide useful insight into 'managed migration' and state capacity to regulate migration flows. Construction is also interesting because acute skills shortages in the late 1990s (particularly in the south east of England) and the increased presence of central and eastern European workers have helped bring the question of migrant labour to the top of the agenda. Thus by analysing a sector such as construction we can go to the heart of the discussion about economic migration. We focus on the social and institutional pre-conditions of 'positive' migration policies. We identify the relevance of sectoral dynamics and assess extent to which broad migration policy objectives can be attainable given specific sectoral factors.

Trends in UK labour migration policies and flows

Until the recent re-orientation to a more 'positive' labour migration policy, restriction was the leitmotif during the 1960s, 1970s and 1980s (see Layton-Henry, 1994, Hansen 2000; Geddes, 2003). Indeed, flows of labour migration have long been central aspects of the UK economy even though they tend not to protrude too often or directly within public debate, which is often starkly focused on 'unwanted' forms of migration.

An investigation into recent patterns and trends in international migration commissioned by the Home Office showed steady rises in net flows into the UK throughout the 1980s and 1990s. There was a particularly sharp increase during the second half of the 1990s. Net annual immigration (for non-British migrants) rose from 35,500 in 1981 to 189,900 in 1999 (Dobson et al, 2001: 40). Total inward flows of non-British migrants went from 104,500 in 1981 to 331,800 in 1999. Asylum applications meanwhile rose from 38,195 in 1990 to 91,200 in 1999 (for UK migration statistics see Dobson et al. 2001). One response by the Labour government after 1997 was to commission research that looked at all the various aspects of immigration, followed by two significant pieces of new legislation in 1999 and 2002, with the latter including provisions for new routes for economic migrants (Glover et al., 2001).

This shift could be seen to imply a pragmatic attempt to reconcile policy objectives with practical considerations. Labour governments have long been fearful of the powerful political undertow that migration brings with it, as Richard Crossman put it. Labour in office have been at least as 'tough' on those forms of migration defined as 'unwanted' as have been Conservative government. Yet, there has also been a growing recognition of the potential economic benefits that labour migration can bring. Arguments about

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[2] Similar research on the construction sector has been performed within the PEMINT project that analyses Germany, Italy, the Netherlands, Portugal and Switzerland. In addition to this the sectoral dynamics within the health and ICT sectors have also been analysed. Research that develops this insight in the

'needs' and 'resources' have been re-focused in such a way that a more positive approach to labour migration has found relatively fertile ground. This has been reinforced by research that underlines the inevitability of migration and the necessity to develop an approach that seeks to regulate it because of the globalisation of labour markets, increased mobility of workers and overseas recruitment by organisations (Glover et al. 2001). The idea is that the 'UK Inc.' is engaged in a global competition for skilled migrant workers. By the late 1990s the debate about economic migration gained had thus momentum as labour shortages and bottlenecks became apparent in key economic sectors. Businesses in the booming 'new economy' were keen to recruit skilled workers. Other gaps were appearing in areas linked to government spending such as health, education and construction. Added to all this, problems associated with demographic change and an ageing population were pushed to the fore through the controversial UN report on replacement migration. Although these problems are not so acute in the UK, it has become received government wisdom that, although immigration cannot be the magic solution to problems of population change, it is likely to be part of the solution.

These general considerations do, however, need some contextualisation. Migration to the UK has long possessed a strong spatial and sectoral dimension. Certain parts of the country have been particularly exposed to migration, while certain economic sectors, such as construction, have well-established reliance on migrant workers. Data produced by Home Office research establishes that distribution of the foreign workforce is very uneven both geographically and in terms of the sectors where foreign workers are present. It also shows that different national groupings among the foreign workforce are also unevenly spread, but remain relatively constant over time (Dobson et al. 2001). This adds weight to the argument that we need to pay attention to the developments within particular sectors where foreign workers are present to understand the patterns and features of labour migration. Moreover, there is also a temporal dimension to add to these spatial and sectoral considerations because of the ways in which migration patterns within particular sectors have become embedded over time. This suggests, as stated earlier in this paper, that it is important to explore the social and institutional pre-conditions that underpin 'positive' labour migration policies.

Construction is an interesting sector to explore in this context due not only to the significant presence of foreign labour that has remained relatively consistent over time with fluctuations linked to market conditions, but also to a disproportionately high number of certain national groupings, particularly Irish workers. As the evidence we present will show, there are sectoral features in construction that can be seen to establish social and institutional pre-conditions for the use of foreign workers. In other words, patterns of recruitment of foreign workers are nested within a sectoral context with longer-term patterns of reliance on sources of foreign labour. This continues to have a strong influence on the UK construction sector and to be a factor structuring the recruitment of regularly and irregularly employed migrant labour from inside and outside the EU.

Developing the sectoral approach

The research that we present in this paper forms part of a wider cross-European project that seeks to develop an innovative approach to the analysis of labour migration by assessing the ways in which recruitment decisions within organisations play a role in shaping patterns of labour mobility and migration. These organisations operate within particular settings linked to the organisational structure of the sector (modes of production, forms of regulation, enforcement of regulations and so on). Rather than seeing migration as something 'out there' that 'happens' to states, our research stresses the importance of investigating the ways in which states (and in the contemporary era the EU) play a role in shaping patterns, flows and understandings of international migration in its various forms. As Zolberg (1989) has observed, the dynamics of migration policy in advanced liberal democracies can be captured by the observation that we need to explain the walls that these states build and the small doors that they open in them. Our research seeks to develop this insight by exploring situations where labour market dynamics linked to particular sectors can also help open doors for flows of regular and irregular migrants. Indeed, they may be able to open these doors beyond the prying eyes of the state. The remainder of this section of the papers explores the sectoral characteristics of the UK construction sector

The basis of the sectoral approach has been a solid analysis of distinct macro-level features such as market conditions, regulatory context, labour market conditions, organisational characteristics and employment practices. Economic indicators and industry surveys show the UK construction sector has experienced steady growth since it retracted during the recession of 1989-90. This expansion has meant more jobs with the sector employing in 20003 an estimated 2 million people. Since 2001, while other manufacturing sectors have struggled, high levels of investment in public services have partially offset the impact of global economic uncertainty. Most forecasts agree that the sector will grow over the next few years, albeit at a slower pace than in the late 1990s (Department of Trade and Industry, 2001).

The enforcement of regulations is a key issue for this sector because of the fragmentation of production and the intense use of sub-contracting chains. Health and safety inspections, when they do occur, typically result in the temporary closure of up to 50 per cent of sites because of poor and/or dangerous working practices. There is a tradition of employing people 'cash in hand' and tax avoidance through incorrectly classifying employees as self-employed. These are estimated to cost some £2.5 billion each year to the UK government in terms of tax contributions, affecting over 300,000 workers (Harvey, 2001). Although levels of regulation are low there is a set of minimum standards with respect to materials etc. but there are no barriers to entry to stop any companies or individuals from setting up business or working as a professional in the sector. This is counterbalanced in UK law, however, by company liability. This situation contrasts quite markedly with countries such as Germany where tight regulations linked to corporatist structures have governed entry to the sector, although this came under challenge because of, for instance, the use of 'posted workers' from other EU member states benefiting from EU free movement provisions (Hunger, 2000).

A key feature of the UK construction sector is its fragmentation with relatively few large companies and a large number of small and medium sized enterprises. This fragmentation adds to the difficulties of regulation because, with 96 per cent of construction firms employ 13 people or less, and one-third of all those in the sector are classed as self-employed, then there are obvious challenges to regulatory authorities. The construction trade unions point out that this picture is distorted because informal practices mean that in reality many companies employ more people, but often with self-employed status in order to avoid tax and other liabilities. The end result is that the relatively few major contractors in the industry manage all the larger projects while a vast number of predominantly smaller firms supply the necessary skills and labour through subcontracting chains. Architects and consultancies provide design and planning services, although these functions are also becoming absorbed into the major contractors with increased use of 'design and build' contracts.

Although some major contractors are still in the process of shedding their operatives, a legacy of an era of greater direct employment, the strategy to subcontract almost all tasks has emerged since the 1960s as the dominant strategy, partly because of sharp peaks and troughs in the economic cycle making direct employment more cumbersome, but also due to many other factors such as aversion to risk, low levels of regulation and changes in employment legislation.

The Construction Industry Training Board (CITB) produces an annual report that forecasts sectoral skills requirements. The 2002 edition predicted that 76,000 new recruits would be needed each year for the period 2002-2006, based on a predicted annual average growth in the industry of 2.6% (Construction Industry Training Board, 2002). Steady growth in the sector combined with a marked failure to attract school leavers or graduates to the industry has led to an increasingly tight labour market with shortages especially severe in London and the South East and spiralling wages for the mid and high-skilled areas. A survey by the main industry body - The Construction Confederation - reported that in the building industry, bricklayers (86 per cent), carpenters & joiners (82 per cent) and plasterers (85 per cent) continue to present the most serious recruitment problems. However the construction industry's most acute difficulties during the third quarter of 2002 were experienced in recruiting skilled civil engineering operatives (91 per cent). Sectoral growth has also sustained informal employment practices at lower skill levels in parallel with a growing influx of immigrant workers, mainly from central and eastern Europe. Unions have warned that tax avoidance is widespread and low levels of inspections are allowing informal working practices to continue.

The problems of enforcing regulations in the construction sector, combined with a lack of policing suggests that the authorities turn a blind eye to foreign workers in the construction sector and that the dynamics of this particular sector open small doors for the employment of regular and irregular migrant workers beyond the prying eyes of the state. This also demonstrates the problems that can be associated with lower and medium skilled (such as trade skills) migration. Formal government efforts have been concentrated more towards the higher skilled and professional end of the labour market with various construction occupations placed on the register for fast-track work permits, especially where there have been loud complaints made about shortages. The CIC (Construction Industry Confederation) informed us that it made several written representations to Work Permits UK on behalf of its members to lobby for more professions to be included within the HSMP scheme.

Public awareness of the large numbers of foreign workers (regular or irregular) from central and eastern Europe at work on British construction sites, added to the prospect of EU enlargement, led the government to propose an extension of holiday visas already available to many thousands of eastern European agricultural workers. The CITB, employer associations and unions were invited to a meeting to discuss the proposal; however, the result was a firm rejection by all present due to fears of further casualisation of the workforce.

The preference of sector organisations is for the self-regulation of skills through the CSCS (Construction Skills Certification Scheme) card. The stated aim of the scheme is to eliminate irregular working practices, but the deadline of the end of 2003, when contractors will not be allowed onto sites of members of the MCG (Major Contractors Group), is adding pressure. As subcontractors employ most of the site workers, there has been a big effort to push large numbers of people through the tests (which are carried out in vehicle license testing centers) via employer associations representing these kinds of firms. Unions have voiced concerns of fudging, claiming that criteria for these tests, such as language proficiency, are already being relaxed to achieve the numbers required.

Features of the regulation and organisation of construction sector therefore supplement the argument about foreign labour being best understood at the sectoral level. A system where there are major problems regulating activity combined with a large labour market dominated by small companies, with low entry requirements and persistent shortages and bottlenecks offers an accommodating environment for attracting migrant labour. The next section of the paper looks at observable numbers and flows of migrants in construction. It then explores exploring historical and structural factors that we argue provide a better understanding of why construction companies are more likely to turn to certain types of migrant labour. Our contention, as noted earlier, is that reliance on relatively cheap sources of foreign labour has become embedded within the recruitment decisions of construction sector organisations and has a powerful and prevailing influence on current patterns of recruitment. The recruitment of Irish workers may have diminished because of the economic boom in Ireland, but the quest for foreign labour has been sustained as too have the employment opportunities for regular and irregular construction sector workers from central and eastern Europe, in particular.

Stocks and flows of migrant workers in the construction sector

According to Labour Force Survey (LFS) data the numbers of foreign workers in construction has remained relatively stable – an average of 49,000 in the 1980s and 51,000 in the 1990s (Dobson et al. 2001: 95). Numbers of work permits and first permissions rose significantly from 182 in 1995 to 751 in 2000, an increase of 313 per cent. The fact that the LFS figures are extrapolated from a relatively small sample and are from voluntary surveys is likely to significantly underestimate the numbers of foreign workers because of the factors suggested in the article's previous section.

Given these drawbacks in the official figures, however, we can deduce from the overview of international migration commissioned by the Home Office, that the various nationalities entering the UK to work are unevenly spread across industrial sectors. North Americans, Australians and New Zealanders, for example, are more likely to be in the financial and business service sector, while the Irish are over-represented in manufacturing and construction despite an overall decline in numbers of Irish nationals working in the UK. Recent years have seen increases in the numbers of work permits issued for the UK. In 2000, the total number of work permits issued was 64,571, in 2001 it rose to 85,144 and in 2002 88,622. In 2000 only 649 of the total were for construction related occupations (1.01 per cent of the total) with 3,550 for other engineering occupations (5.5 per cent of the total), some of which were for construction. In 2001 this nearly doubled for construction to 1203 (1.41 per cent) while the number for other engineering profession stayed stable at 3570 (4.19 per cent). In 2002 the numbers rose again with permits for construction rising to 1483 (1.67 per cent) and 4042 (4.56 per cent) for other engineering professions.

The research within the PEMINT project involved a survey of a sample of construction companies, using a 'snowballing' method that began by speaking to the major contractors and consultancies at the top of the subcontracting chain and then following the route downwards to smaller companies that carry out the work on sites. Employees were split into three skill levels in order to map and differentiate varying recruitment strategies with numbers of foreign workers. The typical high-skilled profession was building engineering, the mid-skilled was bricklaying, and the low skilled was general labouring. As far as was possible, each company was asked for employee data and recruitment strategy for each of the three skill levels. This method relied on following subcontracting chains to speak to the various levels of construction firm obviously carries certain risks because it cannot claim to be representative. However, our method of selection provided real insight into the dilemmas of recruitment, the organisational features of the construction sector and the relationships between companies involved with the same project, but with differing perspectives on recruitment problems. For each company our survey involved recording of numbers of foreign workers coupled with an extensive analysis of recruitment practice and policy through structured interviews with those involved in the process of hiring and firing. The survey of construction companies was complemented by extensive interviewing of the various interested parties in the sector including government agencies, unions and employers' federations.

When asked about how many employees were from outside the UK, companies were often reluctant to divulge detailed information. The current situation with regards to irregular workers on construction sites (widely understood to be an important issue in the industry, and made public through media reports) has made companies understandably nervous about the possibility of getting caught out. The devolved nature of contracting and subcontracting make this a distinct possibility, either through lax procedures in site management, or dishonesty on the part of employees. Poor record keeping compounded the problem with obtaining reliable employee data sets, with companies finding it difficult to keep central records up to date, and others often failing to register employee nationality, or confusing ethnicity with nationality etc.

Employer sanctions against irregular working for all the subcontractors simply involved having the right paperwork at the office so as not to consciously break any employment laws; in other words, the minimum to cover the company in terms of its liabilities. In the absence of a standard National Insurance (NI) number, employees need other evidence to support their right to work. Paperwork normally involved a form with an emergency NI number from the local tax office, or alternatively a form from the IND (Immigration and Nationality Directorate) authorising a person who has applied for asylum to work in the UK. Those interviewed privately admitted that these documents are relatively easy to forge.

Bearing these issues in mind, and the likelihood that these methodological problems would tend to underestimate numbers of foreign workers, it is interesting that ten of the twelve companies surveyed in the UK branch of the PEMINT sample showed higher percentages of foreign workers than those expressed in the LFS. Those companies employing high skilled workers reported between 0.5 per cent and 8.93 per cent foreign workers, with higher numbers for companies operating in more that one country. Those employing operatives and labourers had between 0 per cent (regional subcontractor in the northwest) to 18.25 per cent (subcontractor based in the southeast). In terms of the provenance of these migrants, high skilled foreigners mainly came from non-EU English speaking countries such as New Zealand, Australia, South Africa, which suggests the continued use of post-colonial migration chains with language and compatible higher education systems cited as relevant factors. Companies seeking work permits for high skilled workers agreed that the process had become much easier in the previous two years. For the mid and low skilled, the consensus of those surveyed was that traditional sources of labour from Ireland had been replaced in recent years by an influx of workers from central and eastern Europe – a finding that will be more fully explored in the next section. Our research suggested that highly-skilled professional migrant workers were more likely to be present in companies that operate in several different countries. For mid-range and lower skilled occupations foreigners tend to be concentrated in subcontracting companies based in the London or the south east of England. This geographical and occupational spread of foreigners was also confirmed qualitatively in our interviews with key informants in the sector.

The key factors impacting on the recruitment process were found to be high levels of informality, the weak enforcement of regulations and labour shortages/bottlenecks. Taken together these have led to a reliance on trust relations within the contracting chain and the use of formal and informal networks. Informal networks such as those between companies and workers in the sector and more formal networks in the shape of recruitment agencies are traditionally an important route for recruitment for all skill levels. However, companies employing highly skilled workers were found to be building an internal human resource functions to improve recruitment and retention in an era of shortages (this also reflected a slow response within the sector to more general changes in management techniques).

The recruitment of foreign workers as engineers, surveyors etc. was seen as a useful - albeit minor - solution to shortages, facilitated by the availability of work permits, but limited by other cost and time factors. For the mid and low skilled the weak regulation of the sector results in greater informality and a more open labour market. For recruitment this means informal networks such as business contacts and ex-employees are crucial for recruitment. Importantly, recruitment for these firms is more decentralised than for those employing high skilled workers, and often takes place on-site.

Employment agencies provide significant numbers of operatives on sites, but none of the companies surveyed admitted to using this type of labour, except in exceptional circumstances. The agencies are often blamed by employers (and unions) for problems of irregular working practices including the employment of large numbers of irregular central and eastern European workers. However, the consensus across the industry seems to be that employment agencies are a ‘necessary evil’. For high-skilled workers, recruitment agencies are the chief source of new staff (50-75 per cent), along with informal networks. Standard routes such as advertising provide relatively small numbers. For mid and low-skilled informal routes dominate, such as word of mouth, ex-employees, workers presenting at the start of work at the gates and notification by friends and acquaintances. Agencies are also important, but mainly for lower skilled workers. All companies that we spoke to expressed dissatisfaction with the cost, quality and suitability of agency workers, and, in the case of low skilled labourers, had concerns about irregular foreign workers. All used recruitment agencies regularly, however, citing problems with shortages and popularity of agencies with people looking for work.

One aspect of the recruitment of foreign workers in which we were particularly interested was the use of migratory chains. These were found to be relatively weak at the high skilled end of the construction sector labour market, although there were cases where patterns emerged of migration from South Africa and to a lesser degree, Australia and New Zealand. For the mid and low-skilled workers however, there was more evidence that migratory chains played an important role, particularly in the past with Irish workers, and now for central and eastern European workers. This is to some extent fostered by the recruitment methods mentioned earlier, where workers are usually hired locally or at the site level which can strengthen the importance of networks with a strong national origin dimension.

The data and our research raise the question of how best to understand the relationship between the organisational context of the sector and the continued presence of foreign labour. One way would be to explore links between 'Anglo-Saxon' economic organisation (a liberal welfare state and deregulated labour markets) and patterns of labour recruitment. But we would argue that while this can be relevant it is too general when pitched at a sectoral level. Both LFS data and PEMINT survey evidence show that patterns of foreign labour have a distinct sectoral component and that this is embedded within a sector that displays problems of fragmentation and regulation. Moreover, a reliance on relatively cheap sources of foreign labour is an embedded, structural feature of the UK construction sector. The 'reserve army' of Irish labour was a central component of the UK construction sector. Since the Irish economic boom, central and east European workers have begun to fill some labour market gaps. An instructive way of understanding the relationship between the key features of the construction sector and patterns of foreign labour would therefore be to focus on this structural element, looking at the longer-term, historically embedded characteristics of the UK construction sector with a reliance on sources of foreign labour. These introduce distinct elements to the labour market that are not seen in other sectors, even those with a reliance on the use of foreign workers. The next section of this paper explores more fully the role of Irish migrants and look at what this phenomenon might tell us about the formation of a structural reliance on certain forms of labour.

Irish labour in the UK construction sector

This section discusses the ways in which a structurally embedded reliance on cheap and 'flexible' sources of regularly and irregularly employed migrant workers has been a key feature of the UK construction sector. This was apparent with the large numbers of Irish workers that have been employed in the UK construction sector and that benefited from the special travel and work arrangements that exist between the UK and Ireland. The increased numbers of central and east European workers entering the UK migrate into a rather different legal, political and social context, but with a legal position that will strengthen following enlargement.

It would be difficult to talk about migrant workers in the UK construction sector without discussing the role and importance of Irish labour. The two have become synonymous over several centuries in Britain. Irish labour's role in the construction sector is widely acknowledged and popularised with the image of the nineteenth century Irish navvy (from canal 'navigators'). While many blame the current skills crisis in construction on poor planning and a lack of training, others have pointed to the Irish economic 'miracle' as one of the biggest challenges facing the industry because of the well-known dependency on Irish workers. By the end of the 20th century unprecedented net outflows of Irish migrants were registered.[3]

Our framing of UK migration policies from the sectoral perspective raises two questions: (i) the extent to which the UK construction sector dependent on migrant labour and (ii)

[3] According to the Office for national Statistics there was, in 1997, a net outflow of 10,000 migrants to Ireland from the UK.

given the observed shift in patterns of Irish migration, are construction companies now turning to new migrant groups for their employment requirements?

First some historical background can be useful in illustrating the ways in which a reliance on flexible sources of migrant labour developed. The Act of Union in 1800 and introduction of full free trade since the 1820s, including freedom of movement for persons, meant that it was impossible for the British government to place obstacles in the way of Irish migration. Even in the twentieth century, as a separate and sovereign nation, observers report the Irish economy operating much like a regional economy (Walsh, 2000). As a result of this legal and historical context, along with the fact that Irish workers were often recruited from the mainland, and by subcontractors with poor record keeping practices, numbers are difficult to ascertain and are prone to underestimation (Jackson, 1963). This situation is mirrored by current uncertainties surrounding numbers of central and eastern European migrants.

Not only was there an important flow of labour across the Irish Sea, there was a pattern of employment where male Irish migrants were predominantly located within certain sectors of the UK economy, particularly construction. Walter (1997: 61) identifies this as an 'ethnic niche'. There is also anecdotal evidence that companies such as McAlpine specifically and openly targeted Irish workers (Cowley, 2001). Moreover those firms that exploited the migrant labour pool then went on to become the most successful in the industry, leading others little option but to emulate in order to compete. Irregular working practices and tax avoidance - endemic within the construction sector – fitted with Irish workers' preference for 'cash in hand' to send or take home (Cowley, 2001). Irish labour helped provide the flexibility required for the UK economy to make its extraordinary and rapid shift to industrialisation. The theme running through Irish labour from its beginnings in agriculture through to transport infrastructure and construction work is the willingness to do *disagreeable* jobs, not necessarily much more cheaply than local labour. As Cowley (2001) relates:

> John told me he had just come from a meeting with one of his veteran gangermen. Most of his crew were Romanian. John asked him how they were performing and the gangerman replied, 'Jaysus, Boss, I can't give them enough to do -they never stop! They're just like we were, twenty years ago - hungry!'

Between 1995 and 2001 the pattern changed: output in the Irish construction industry doubled, and employment in the sector rose from less than 100,000 persons to 180,000. Meanwhile shortages in the UK construction sector have increased significantly over the 1990s and into the 21st century. The UK Office for National Statistics has recorded net outflows of migrants to Ireland in the late 1990s. There has been a concerted campaign to increase labour capacity in the Irish construction industry through increased apprenticeship numbers and promoting Ireland as a location for Irish construction workers who emigrated in the past. In 1997 advertising posters were placed around Britain in a pastiche of the famous World War I appeal for soldiers, saying 'We need you back in Ireland!' This time addressed to Irish workers who had emigrated to Britain. It was reported that the campaign generated around 2,000 telephone calls from Irish workers within days. Our research would suggest that central and eastern European migrants are serving as a functional substitute for departing Irish counterparts. This is especially the case in those parts of the construction sector that are particularly prone to casualisation.

Conclusion

This paper has explored the social and institutional pre-conditions that underpin the shift towards 'positive' migration policies. It has taken the UK construction sector as an example because of the labour market shortages and bottlenecks that are apparent within this sector and the longer-term reliance on migrant labour. We have attempted to show that any discussion of labour migration policies needs to be grounded in a consideration of particular features of certain economic sectors where need for migrant workers has been identified. The UK construction sector was shown to be fragmented with a strong reliance on sub-contracting and associated problems of regulation. This provides the setting for the insertion of regularly and irregularly employed migrant workers. Indeed, our research also suggests that sectoral dynamics, particularly when there is no clear route for lower skilled migrants to enter the UK, can confound formal state policies. Thus, while the usual focus of migration policy analysis is on the state, we suggest that the national (and to some extent, European), dynamics of labour markets, can open the small doors that appear in the walls that states build, to use Zolberg's analogy. While this paper has focused on construction, although similar insights have been developed into the movement of health care and ICT workers.

Our research suggests that the UK construction sector can be characterised as displaying structurally and historically embedded preferences for migrant workers. The utilisation of flexible and mobile Irish labour over time, facilitated by the political and economic relationship of Ireland to the industrialising UK, has been internalised within the recruitment decisions of construction sector companies. Simple cost differentials between native and foreign workers have probably been a factor, but migrant labour also possesses the attractions of flexibility, mobility, willingness to do dirty jobs, and a shared aversion to government regulation or taxation.

The situation between Ireland and the UK is well captured by the idea of economic 'periphery' and 'core', with the periphery supplying the higher demand for labour from the more dynamic core. If we take this analysis and apply it to the current situation, which has seen reversals in migration patterns between the Republic of Ireland and the UK, combined with increasing demand for migrant construction workers (in the south east in particular) through market conditions of steady growth, then the increase in the numbers of central and east European workers can be seen as a continuation of the tendency for sectors such as construction to pull in migrant workers from peripheral economic areas. This is hardly surprising given what we would expect to occur as a result of European economic integration, which helped to energise the economies of member states such as Ireland, Portugal and Spain that traditionally acted as reservoirs of cheap labour, turning them from countries of emigration to immigration. That said, levels of intra-EU mobility remain low and have actually declined.

In terms of the specific regulatory dynamics of the construction sector, there is an obvious friction between employment legislation, and the embedded preferences for mobile, flexible, hard-working migrant labour. Job security, pension schemes and career progression tend not to be high priorities for either migrant workers or construction companies that want the work done quickly and have little time for personnel issues once the job is finished. The gap left by Irish labour is now being filled by central and east European workers who share the same willingness to do dirty jobs with little security for (relatively) good money. As (currently) non-EU citizens this is combined with the fact they do not enjoy the same rights to move and work freely within the UK. The result has been a continued drift within the sector towards informal employment practices for migrant workers with all the associated problems of exploitation, health and safety concerns and financial irregularities.

The implications of this research are, first, at the level of migration policy-making. Our findings support a disaggregated, demand-driven approach to labour migration that in the words of David Blunkett, does not impose an upper limit on the numbers of workers entering the UK. The market has so far been a fairly effective regulator of the employment of migrant workers in the UK construction sector. Second, our research suggests that importance of opening the door to flows of lower skilled migrants, who are likely anyway, to find a way into the UK if there are job opportunities. Without channels for lower skilled migration then workers will enter positions of irregularity where they are open to exploitation and where they undercut native construction workers. Our research thus suggests some power for particular economic sectors to create spaces for both regular and irregular migration that can sometimes be beyond the view and control of these states.

The UK construction sector has been shown to be an interesting case when UK migration policy is assessed. This is because of its fragmented nature, loose regulatory structure, historical embedded preference for migrant workers, and the current situation of labour shortages. The implications for those that seek to manage migration are that sectoral dynamics must be accounted for and that a demand driven approach sensitive to labour market needs across the range of skills is essential to effective managed migration policies. If not, then policies are likely to disadvantage employers, employees and migrant workers. Our research has suggested that in certain aspects of economic activity, sectoral dynamics are likely to trump attempts by states to impose limits or quotas on the numbers of migrants. The sectoral approach can thus offer interesting insight into the very real dilemmas that states face when they seek to 'manage migration'.

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