



# Managing migration better for Britain

What the government should be doing *now*

**WORKING PEOPLE  
MUST NOT PAY THE  
PRICE OF BREXIT**



## Introduction

The EU referendum campaign gave a voice to communities who feel abandoned by globalisation, deindustrialisation and the pace of change. In many of those communities – often, but not always, outside London and the south-east – good, skilled, unionised jobs that pay enough to raise a family have been lost. Deindustrialisation and the hollowing out of local labour markets has been decades in the making, and has only got worse since the financial crash in 2008. The average wage is still £20 per week lower than it was before the crisis.

Many of these communities are commonly described as ‘left behind’ although trade union members in those areas know that what has happened has not been an accidental by-product of unstoppable economic forces, but the result of conscious economic and political decisions to abandon domestic industries and the communities they relied on, which have only exacerbated the growing inequality in Britain today.

In these communities, voters feel alienated by the pace of change, and by the pressure that they feel poorly managed immigration has put on wages, housing and public services.

Throughout the EU referendum campaign, trade union campaigners for Remain heard workers say they were planning to vote Leave because of their concerns about immigration. TUC polling conducted immediately after the EU referendum revealed that controlling immigration was one of the top concerns (although by far not the only concern) of Leave voters, and also a concern for many Remain voters. It was highest in areas where EU migration has been new and has grown quickly, regardless of the level of immigration from the EU.

Migrant workers from both the EU and further afield are employed in a range of industries, from highly skilled IT professionals to dedicated nurses and midwives. However, public concern is particularly focused on the use of migrant workers as a source of cheap labour – although with nearly six million workers in Britain earning less than the independently set living wage, migrants are certainly not the only group used by unscrupulous employers to undercut a fair rate for the job.

It is clear that the government, other political parties and civil society need to respond constructively to the concerns expressed at the referendum. One of the main problems that our polling indicated put off potential Remain voters was the perceived failure of the Remain campaign to tackle the issue of uncontrolled immigration from the rest of the EU.

Instead, we need clear practical policies to reduce the impact of migration on communities that feel left behind – including actions that build solidarity and community cohesion. The increase in racist attacks and incidents since the referendum – which suggest that a minority consider that widespread concerns about migration legitimise racism – does mean that policies to manage migration have to be accompanied by action against racism.

What follows is a set of initial ideas that could guide the new government towards a more honest relationship with the British people with respect to immigration. In addition to the proposals put forward here, the government needs urgently to bring forward proposals to return economic prosperity and good jobs to all communities of the UK and also to tackle racial harassment and attacks. Where those policies directly impact on migration, we also refer to them here, but other TUC reports cover these issues separately.

These are steps that the government could take immediately – they do not need to wait until we have left the EU, nor established a new relationship with the rest of the EU or the world. They are vitally important and urgent, and unions are ready to play our part.

## **1. Take action against undercutting and exploitation**

In TUC polling conducted in 2014, we found that one of the highest concerns about immigration was the perception that immigrants drive down wages and working conditions. We know that over the economy as a whole, migration does not reduce wages or increase unemployment, but there are many specific cases where unscrupulous employers' abuse has indeed had these effects. The TUC has therefore long called for better regulation for the labour market to prevent employers exploiting free movement rules to get cheap labour and using migrant workers to undercut other workers, in the same way that in the past we have advocated equality legislation to address concerns about the exploitation of women entering the labour market, and in the same way we still advocate adult rates for younger workers. Unscrupulous employers will always seek someone to exploit so they can undercut existing workers.

For too long, bad employers have been able to get away with using migrants in that way. Too many employers have been able to get away break the law, paying workers under the minimum wage and housing workers in illegal and unsafe conditions such as sheds and trailers. This has driven down conditions for all workers and forced an increased number of workers into insecure employment. Nearly two million workers are now in some form of temporary, insecure job and nearly six million workers are being paid less than the voluntary living wage. The only choice for many workers, and the employment future they see for their children, is to take low pay jobs with precarious contracts or face unemployment.

We need new rules to tackle exploitation, such as action on zero hours contracts and bogus self-employment, as well as closing the loopholes in the rules covering posted workers and temporary and agency workers. A stronger approach to supply chain management domestically is also needed, allowing local labour clauses and modern procurement arrangements. Stronger enforcement would be a major step forward, yet the government has cut the resources and powers available to enforcement bodies such as the HMRC (which enforces the national minimum wage), the Gangmaster and Labour Abuse Authority (GLAA – originally set up after the Chinese cockle-pickers' tragedy at Morecombe Bay) and the Employment Agencies Standards Inspectorate. Now, the Migration Advisory Committee notes that an average employer can expect a visit from a national minimum wage inspector just once in 320 years.

But as well as better regulation and stronger enforcement by the government, trade unions have always relied on collective bargaining as a tool to establish greater equality and fairness at work. That is why the TUC's call for industry-level wage setting institutions such as modern wages councils has a major part to play in eradicating exploitation and preventing undercutting.

The government should:

- Provide significant increases in funding for enforcement bodies: HMRC, the GLAA and the Employment Agencies Standards Inspectorate.
- Increase the number of people employed in border control, and give them explicit responsibilities to prevent trafficking and other forms of exploitation.
- Support unions and employers to identify and address exploitation taking place, including more effective laws against exploitation and more proactive use of existing powers to prevent trafficking and modern slavery.
- Close loopholes in the laws on use of agency workers and posted workers.
- Prevent employers only advertising jobs based in the UK in other countries – often in Eastern Europe.
- Work with unions to ensure workers are informed of their rights to prevent them being exploited by employers.
- Encourage employers to negotiate collective agreements with unions to create decent conditions for all workers, including migrants. This would promote good community relations too, and there are many examples of unions and employers working in partnership to promote this.
- Tackle insecure forms of work such as zero hours contracts, close loopholes in the rules governing agency workers and ensure that bogus self-employment does not shift risk from the employer to workers.
- Establish modern wages councils to make such collective agreements at sectoral level which would help prevent undercutting of good employers in profitable sectors.
- Allow local labour clauses and respect for union agreements in procurement contracts.

## **2. Ensure fair access to housing, education and health**

Pressure on the NHS, on schools, and on housing is often cited as a reason to oppose immigration and limit migrants' access to services. It is clear that most of the pressure on public services is as a result of the extreme budget-cutting approach of this government and the last, which has left many local services, not least the NHS, disastrously underfunded. EU migrants, like migrants generally, contribute more in taxes than they take out in services and benefits, but that contribution is not shared fairly. The benefits of migration to the economy as a whole should be used to ensure

that the services which local communities rely on do not suffer as a result of often rapid population increases.

The government should:

- Create a much expanded migration impacts fund so that areas of high immigration and high pressure on services get the extra funding they need. Every community should be able, annually, to take part in an inclusive process to map need and understand the pressure points for local services – and local services need to respond (and have the funding to do so, through the expanded migration impacts fund).
- Build more homes for families and for young people, both to rent and to buy - the TUC has already called for 75,000 to 100,000 new homes to be built every year in addition to the approximately 150,000 built annually – and crack down on rogue landlords, especially those who put their tenants at risk in dangerous overcrowded so-called “beds in sheds”.
- Follow through on the Leave campaign’s promise of hundreds of millions of pounds of extra resources for the NHS, even though the money needed will almost certainly not be delivered by leaving the EU itself.

### **3. Tackle economic insecurity**

Many of the communities that feel abandoned need more than action against undercutting and exploitation, and will not necessarily benefit immediately from measures such as the national action plan that the TUC has proposed to improve the economy as a whole. They did not benefit from the growth in overall economic wealth that characterised the decade before the economic crisis, and we need to take action that will ensure not only that growth returns to such areas, but that that future economic gains from that growth are fairly shared.

The major increase in infrastructure investment that the TUC and many employers are calling for will require many more skilled workers. The TUC has always argued that migration should not be used as a long term solution to skill shortages such as in education, engineering and the 130,000 jobs in the NHS and social care – currently filled by EU migrants. These could be filled by local labour with the right training and apprenticeships, but training places and the funding required are often not in place.

These problems will require a mix of responses, and we would therefore want to see the government develop:

- A fairer taxation system, including the measures outlined above to ensure that spending is directed to areas where population growth due to migration has put pressure on public services.
- Skills training that is more relevant and readily available for young people (eg through a Youth Guarantee) and for older workers, and expansion of measures to support adult learning in basic skills like literacy and numeracy (where the OECD estimates 48% of 16-34 year olds in England have under GCSE levels).

## 4. Promote shared values and a shared language

Too often, communities from different ethnic and cultural backgrounds live parallel lives, without meaningful opportunities to interact, develop friendship and understanding. To build a strong, tolerant society, the government needs to prioritise community cohesion and good relations. That means rearticulating and celebrating shared modern British values – which are also the values of the trade union movement: doing your bit, respect for difference, a profound opposition to racism and extremism. And it means creating meaningful opportunities to show those values and mark their pride in their communities and in the nations and regions of the UK. Faith groups, tenants associations and other community groups have done much to promote such modern British values, which is essential for effectively opposing racism and extremism.

Trade unions have always been a bridge between communities and a support for new arrivals – and we are now needed to play that role more than ever. A recent example of this was in a TUC, Migrant Voice and Hope not Hate project linking unions, local authorities and voluntary sector groups in Corby, Manchester and Southampton. One of the outcomes of the project was that participants helped to form the Southampton Fairness Commission with Southampton Council which called for better jobs, pay and services for the city. The project also featured the major Corby employer RS Components, which had signed a collective agreement with Usdaw guaranteeing that migrant and local workers would be treated equally and have access to skills training. Trade unions play a key role in reinforcing shared values.

We also need to make sure that everyone has the opportunity and the support necessary to learn English, and access the opportunities that a common language brings. Unions are at the forefront of teaching speakers of other languages English (ESOL), so they can play a full part in the life of their communities and in their workplaces. In the last 3 years, unionlearn have delivered English language training for 10,000 migrant workers. However, both unionlearn and further education more generally have suffered significant cuts in funding with the government making a 24% reduction in spending on non-apprenticeship related training in 2015 in England– and ESOL has suffered some of the largest cuts.

The government should:

- Support and encourage local community and cross-sector initiatives to encourage diverse parts of the community to promote volunteering, inclusive events at moments of national unity such as royal occasions, Remembrance and sporting events and other events that showcase inclusive expressions of local pride, commemoration and cultural diversity.
- Significantly increase funding to workplace and community-based ESOL learning.

## **5. Protect the rights of EU citizens in Britain and tackling racism and xenophobia**

Understandably, the vote for the UK to leave the EU has caused considerable worry amongst EU member state nationals who live and work in the UK. The then-Foreign Secretary Philip Hammond MP recently suggested the status of EU citizens in the UK depends on a deal being struck with other EU countries on the status of UK citizens. This approach is opposed by many across business, the unions and civil society, who believe that the status of EU migrants after Brexit is a matter that is within the competence of the UK government to determine unilaterally.

The week after the referendum, the TUC and CBI issued a joint statement stating that as a matter of urgency, government needs to act to allay the concerns of EU nationals living and working in the UK, and UK citizens living and working in the EU. This statement was backed in a letter to the Sunday Telegraph signed by the TUC, the Institute of Directors and Conservative and Labour politicians from both sides of the referendum debate, alongside a long list of academics, commentators and experts. A number of individual employers have also moved quickly to assert that their employees should have the right to remain in the country and continue to be a valued part of the workforce.

In addition, the Government needs to make clear that refugees and migrants from communities long established in the UK are welcome, to recognise their contribution to the economy and society, and to ensure they are able to integrate easily and fully into local communities. Measures to achieve that are set out in a separate report from the TUC, but will, crucially, include measures to engage local communities in building social cohesion.

The government should:

- Make clear that EU citizens still have full rights to work in the UK and equal rights with UK citizens.
- State that any discrimination against EU citizens is unlawful and will be prosecuted.
- Take steps with employers and unions to tackle racism at work, and with local communities to tackle racism in society generally.

## **Conclusion**

Managing migration better for Britain means providing practical solutions to the problems that people see in their communities. The government must crack down on exploitation, invest in local areas that are feeling increased pressures from population change and provide the chance for everyone to learn English.

And more importantly, it is time to make sure that all communities across the UK – whether they voted to leave or to remain – feel that they have a share in rebuilding UK economic prosperity after Brexit. Working together, and emphasising the importance of workplaces and local communities as places to build opportunity for all working people, we can start to mend the fractures the EU referendum has exposed. These divisions only

benefit bad bosses, rogue landlords and extremist politicians. As Jo Cox MP said in her maiden speech in the House of Commons in 2015, we have more in common than that which divides us.