



Who will do the work?

News that the numbers of migrants from countries such as Poland are falling, and the numbers now leaving the UK is on the increase¹ has led the Commission for Rural Communities to ask, 'who will do the work?'

The Commission already has evidence that the employment sectors most dependent on migrant workers from Eastern Europe are largely those same sectors, often low waged, with larger employment share in rural areas² such as agriculture, manufacturing, distribution, hotel and retail. Public interest and media emphasis in immigration has largely concentrated on the impacts of large numbers entering the workforce in Britain. We are now investigating the possibility that some rural communities and businesses could be vulnerable to an economic shock if there was to be a sudden slowdown or even a reversal of the current influx of migrant workers.

Recent findings from the Institute for Public Policy Research (ippr) highlight four main factors that might be expected to lead to fewer migrants arriving in the UK from the new EU member states and, perhaps significantly for rural areas, more of those who are in the UK returning home in the coming months and years. These factors have been summarised in the ippr report as follows:

1. *Development in sending countries* - as the economic conditions in the new member states improve in comparison with the UK, economic motivations for migrating could be expected to weaken.
2. *Diversion to alternative destinations* - as other EU member states loosen their restrictions on workers arriving from the new member states, it can be expected that many more may begin to choose alternative destinations to the UK.
3. *Demographic patterns in member countries* - as a consequence of declining birth rates the pool of potential migrants to the UK is actually getting smaller.
4. *Devaluation of the pound sterling* - the value of the pound has fallen relative to the Polish Zloty in recent years, reducing the incentive for many of the potential migrants to the UK, and conversely increasing their incentive to return home or move on.

The ippr report, 'Floodgates or turnstiles?' illustrates the high mobility of these migrant workers, moving to the regions and sectors where there is work, in rural as well as urban areas. As such it is likely to have contributed to regional development and addressed labour shortages in key sectors including those that find it hard to attract local workers such as agriculture.

News that the numbers of migrants arriving from Eastern Europe has slowed substantially, with 17% fewer WRS³ registrations in the second half of 2007 than during the same period of 2006, raises a potential cause for concern.

¹ *Floodgates or turnstiles? Post EU-Enlargement migration flows to (and from) the EU*, by Pollard, Latorre and Sriskandarajah, ippr, April 2008

² *A8 migrant workers in rural areas*, Commission for Rural Communities, January 2007

³ WRS is the government's Workers Registration Scheme.

To get a more accurate picture of these changes, and to examine the potential for immediate and possibly damaging consequences to businesses suddenly faced with shortages of labour and associated higher costs, the Commission is sponsoring some further research by the ippr. This aims to assess what impact the migration of workers (from outside the UK) is currently having on local and regional rural labour markets, and to identify the extent to which migrants have been substituting for or complementing local workers.

The findings and recommendations of this study, the 'Economics of Migration', will be aimed at government at all levels to inform their planning for the future. It will identify where different policies and solutions might be needed in rural and urban areas. Ippr expect to reach conclusions from the research in spring 2009.

The full research brief can be found at: www.ruralcommunities.gov.uk