

## INTERNATIONAL MIGRATION IN INTERESTING TIMES: THE CASE OF THE UK

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*Immigration to the UK is changing and growing. This paper focuses on developments in labour migration and the policies designed to manage it, as well as the entry of foreign students. It pays particular attention to the role of intra-company transfers and the internal labour markets of large trans-national corporations in fostering labour migration, and the way in which the Labour Government's new policies attempt to facilitate and manage this movement.*

### INTRODUCTION

These are interesting times for the British immigration scene. The latest statistics, for 2004, show the highest ever annual net migration gain of 223,000. This comes on top of a run of large net gains that have put migration in pole position as the leading component of national population change. Opening up the labour market to citizens of the new member states of the European Union (EU) from May 2004 initiated what is almost certainly the largest single wave of immigration (with Poles the largest ever single national group of entrants) that the British Isles have ever experienced. Furthermore, the Home Office has just begun the launch of the single biggest change in migration policy of recent times, a points-based management strategy for economic migration, due to come into full operation from 2007.

The aim of this paper is to chart some of the most important developments, particularly in relation to the immigration of foreign skilled labour, and to assess their significance for both policy makers and researchers. The paper draws on a current project investigating global movements of expertise, part of a programme of research funded by the Leverhulme Trust. We begin by reviewing the background to the policy changes before focusing on the highly skilled for whom we present the latest data on the trends and patterns of movement. We pay

particular attention to those parts of the proposed new management strategy designed to attract the highly skilled people deemed essential for the development of the UK economy, including intra-company transferees (ICTs) moving within the internal labour markets of large transnational corporations (TNCs). These organisations use different types of employee mobility in their global operations. One consequence of ICTs is that close partnerships develop between employers and government in the management of migration. The closeness of this partnership varies between sectors of the economy and along selected geographical channels of movement.

### MIGRATION IS A COMPLEX PHENOMENON TO MANAGE

Complexity is a common feature of migration in all countries that, more often than not, is ignored by the media and only partly understood by officials and politicians in at least some governments. As researchers and policy makers in the field of international migration, we confront the confusion that surrounds the issue daily. Concepts are unclear. Statistics are partial and frequently quoted by the media in ways that alarm rather than inform. Commentators often present a very incomplete picture of population movement. Reductionism is rife as the rich complexity of migration is

reduced to sound bites where all types of inflow are given the single soubriquet 'immigration' or, worse, 'asylum'.

The answer to the question 'what is migration?' is by no means straightforward. Aggregate figures cover a multitude of rationales and processes behind a set of diverse movements. We prefer to view 'migration' as a subcategory of a wider concept of 'movement', embracing various types and forms of human mobility from commuting to permanent immigration. What we then define as migration is an arbitrary choice about where we draw the line between categories and that choice may be time specific.

The existence of different routes of entry for migrants complicates government attempts to manage flows. Each of the major streams, such as labour, family, humanitarian, students, is capable of subdivision into a series of component parts. The labour stream may be subdivided by level and type of occupational skill, each subdivision needing to be managed in a different way. For example, among the highly skilled there is a clear distinction between intra-company transferees (ICTs) and others. In most countries, including the UK, the former group receives more privileged entry.

### **MIGRATION POLICY IN THE UK**

It is only since the late 1990s in the UK that government has made a concerted attempt to introduce a managed approach to international migration. Even then, policy development and action within the Home Office have been dominated by the perceived need to reduce the number of asylum seekers. Their annual numbers peaked at 84,130 in 2002, falling to 33,930 in 2004 and again to 25,720 in 2005. More significantly, their proportion of total immigration rose from 24.1 per cent in 1995

to a peak of 27.0 per cent in 1999, falling to 8.2 per cent in 2004. (The proportion in 2005 will not be known until new total flow figures become available.) Numbers entering for purposes of family reunion and family formation have also largely been outside direct policy intervention and have generally been rising, to 39,600 (spouses, fiance(e)s and children) in 2004. The dependents of work permit holders, but not those entering under most other labour migration schemes, are allowed entry and access to the labour market. Table 1 indicates the situation for dependents in the proposed new migration system.

Students are another group whose numbers have been largely unmanaged, at least by government, which has been content to allow educational institutions to determine numbers. In 2004, 294,000 students, excluding those from the EU (15) and the European Free Trade Association (EFTA), were granted entry. However, this is a diverse group that includes substantial numbers coming to learn English as well as those entering higher education.

The government's new managed migration policy (below) is largely devoted to labour flows and students. The policy development is described in a series of documents produced by several government departments, notably the Home Office, H.M. Treasury and the Departments of Trade and Industry and of Education and Skills.<sup>1</sup> The principal driver behind labour immigration policy is the desire to increase the UK's economic competitiveness, linked with the need to compensate for skills shortages in certain sectors.

One complication in the development of a managed migration policy is freedom of movement among citizens of the European Economic Area (EEA) which, since 2004, comprises the EU (25) plus the four EFTA countries, Iceland,

Liechtenstein, Norway and Switzerland. In the spring of 2005 the Labour Force Survey (LFS) recorded a total of 3.035 million foreign nationals living in the UK, 1.504 million of whom were working. Of these, 962,000 EU (15) and EFTA nationals lived in the UK, 487,000 of whom were working. Proportionately, this is just under a third of all foreigners in both groups.

A major development in foreign labour flows to the UK in 2004 resulted from the accession of ten new EU states in May of that year. Unlike most of its Union partners, the UK allowed citizens of the new eastern European members (the A8 group)<sup>2</sup> immediate access to its labour market without requiring a work permit. All they had to do was register (in the Worker Registration Scheme) and pay a small fee (£50, later raised to £70). By March 2006 there had been 375,000 registrations (around 40,000 registrants were already in the UK at the time of accession). It is thought that a large proportion of these have stayed only temporarily, although there are no statistics. The A8 inflow is almost certainly the largest flow into the UK ever. As yet, little is known about the implications of this migration. The only major study has suggested that there have been no adverse effects on the indigenous workforce.<sup>3</sup> The A8 inflow has allowed the government to cut back on the quota for the Seasonal Agricultural Workers Scheme and to phase out the Sectors Based Scheme. If policy towards the citizens of new EU member states remains the same, further inflows may be expected with the accession of Bulgaria and Romania, with other potential European sources in the wings.

### **Current labour migration management**

The main mechanism for managing labour immigration to the UK is the work permit

system. Work permits apply only to citizens from outside the EEA because EEA nationals have freedom of movement into the UK labour market to compete for jobs. There are two main channels for employer-sponsored temporary migration within the work permit system: Tiers 1 and 2. Tier 1 covers ICTs, shortage occupations and those connected with incoming investment. It does not stipulate resident labour market testing by employers but it does require employers to attest to the same principles of non-displacement (immigrant labour cannot be used to displace existing staff) and additionality (immigrant labour is to be used to fill genuine and additional roles in the UK) that pertain to the other Tier of entry. Tier 2 covers all other non-shortage occupations, usually at NVQ3<sup>4</sup> educational level and above, and it does demand that sponsoring employers conduct a resident labour market test. Employers are required to provide evidence to Work Permits (UK) that they have advertised their positions for at least one week using any appropriate media including the internet. They are also obliged to give their reasons for rejecting applications from 'resident workers' who, in principle, are defined to include all EEA nationals (since May 2004, incorporating the new accession states). In practice, it is almost impossible for any employer to apply the labour market test to the whole of the EEA. In consequence, it is easy for unscrupulous employers to misuse the system.

Six Sector Skills Advisory Panels, covering Health, Information, Communications, Technology and Electronics, Engineering, Education, Finance, and Hospitality, review shortage occupations on an ongoing (quarterly) basis. Their task is to assess labour market conditions in their respective economic sectors, to monitor the degree and nature of skill shortages and to make appropriate recommendations. For example, the

Advisory Panels may recommend the addition of a particular occupation to the published shortage list or its removal. Theoretically, at least, assessments of skill shortages should span all countries in the EEA. In practice, however, monitoring skill shortages on such a scale is impractical and, typically, a national focus is adopted.

### **Future labour migration management**

In the run-up to the May 2005 general election the government announced its intention to replace the existing labour migration framework, based on work permits and other routes of entry, with a points-based system that would be rolled out over the ensuing five years.<sup>5</sup> Following the election, it embarked on a period of public consultation regarding the basic principles of change.<sup>6</sup> Notwithstanding the outcomes from the consultation exercise, the government proceeded with its original points-based plan and published details of the new system in March 2006.<sup>7</sup>

This document outlined a points-based system for migration into the UK (see Table 1) for workers, students and some dependents. It would replace the existing system with one that, arguably, would make it easier to identify, source and retain migrants with attributes considered desirable for the UK. The new system comprises five tiers, each of which relates to a certain category of migrant. For example, Tier 1 enables the highly skilled to enter the UK and compete for work whereas Tier 2 provides for employer-sponsored migrant workers. Within each tier, points will be awarded according to certain defined attributes and for other 'control' features, such as availability of funds.

Tiers 1 and 2 of the new system will be the main conduits for migration into the UK labour market and they also provide

routes to settlement—most likely after two years for Tier 1 entrants and after five years for those entering via Tier 2. The two main differences between Tiers 1 and 2 are, first, that the qualification level for entry via Tier 1 is higher, oriented towards the international post-graduate population and, second, that Tier 1 will enable people to come to the UK and compete for work in the domestic labour market whereas Tier 2 applicants will require sponsorship by UK-based employers. Policy makers anticipate that most 'low skilled' immigration, provided for in Tier 3 of the new system, will be phased down, as demand for these occupations will be met by those entering the UK from the newly enlarged EU.

The new system is supported by an architecture that shares some features with the Australian General Skilled Migration (GSM) program and the employer-nominated 457 temporary visa scheme. It has been designed to meet the criteria of objectivity, transparency, operability, usability, flexibility, robustness and cost-effectiveness. It replaces an existing system branded by government as complex, unclear, bureaucratic, inefficient, and having scope for subjective, inconsistent and incorrect decisions.

There are eight main differences between the new system and the existing system and these are largely administrative. First, the eighty-plus distinct routes, most of them very specific, that currently provide access into the UK for work, study or training will be condensed into five broad tiers (see Table 1). Second, the current two-stage process that involves an application for a work permit by an employer and a request for entry clearance or leave to remain by a potential migrant will be replaced by a single-step application process that can be self-assessed in advance by the applicant. Third, applications made

**Table 1: Summary of the proposed points-based system in the UK**

Tiers	Points required	Route to settlement	Dependents	Duration	Attributes				Bonus points
					Certificate of sponsorship	Qualifications	Salary	Age	
Tier 1 Highly skilled or post study in a UK institution	75	Yes (possibly after 2 years)	Yes	2 years for highly skilled, 12 months for post study	No	Bachelor (30 points) Masters (35 points) PhD (50 points)	Previous earnings (5-45 points) 27 or under (20 points) 28-29 (10 points) 30-31 (5 points)	None	If previous qualifications were in the UK (5 points)
Tier 2 Skilled workers (employer sponsorship)	50	Yes (after 5 years)	Yes	Linked to length of contract	Yes, from approved employer	NVQ3 (5 points) Bachelor (10 points) Masters (10 points) PhD (15 points)	Prospective earnings in the UK (5-20 points)	Shortage occupation (50 points) Non-shortage occupation that passes labour market test (30 points) Intra-company transfer (50 points)	—
Tier 3 Low skilled shortage occupations	Quota-based, operator-led, and only for countries that have effective return arrangements with the UK	No	No	12 months	Yes	—	—	—	—
Tier 4 Students	Yes (under consideration)	No	Yes, except for those under 18 attending school.	Linked to length of course, plus 'reasonable' additional period	Yes, from approved educational institution	—	—	Three categories of course with varying requirements.	—
Tier 5 Youth mobility and temporary workers	Under consideration, numbers may be capped	No	Only for temporary workers	24 months, 12 months in some cases	Yes, from government in a participating country	—	18-30	Able to work part-time Five categories of work with varying requirements	—

through the main labour migration routes, Tiers 1 and 2, are subject to two tests. One is an attributes test with points awarded, for example, for qualifications and earnings. The other is a control test that allows points to be accumulated, for instance, for English language competence, funds, a valid certificate of sponsorship (for Tier 2 applications) and a history of compliance with immigration conditions. No points are available for broader skills and experience because assessment of these factors is considered subjective. According to the proposed plan, points are set at a minimum threshold which may vary between different tiers. For example, the points threshold for Tier 1 is 75 and for Tier 2 is 50 (see Table 1). However, much of the detail remains under consideration.

Fourth, and reflecting the drive for greater objectivity, employers will have less influence than at present over their chosen candidates' applications. Under the current system, sponsoring employers apply for work permits on behalf of their nominated candidates. Many employers, particularly those who are heavy and/or regular users of the system, build up close relationships with caseworkers in Work Permits (UK) and negotiate their work permit applications with these caseworkers. Under the new system, the potential migrant initiates the process. The role for the sponsoring employer will be to issue a certificate of sponsorship to their chosen migrant worker that acts as an assurance that the applicant has the capability to undertake the job on offer and should be considered trustworthy. This certificate will be examined as one part of that candidate's application to enter the UK. For recruitment into non-shortage occupations, it is likely that the certificate will only be issued once the sponsoring employer has failed to recruit in the EEA labour market as a whole. Fifth, and further

distancing employers from involvement in the application process, checks for integrity will be decentralised to entry clearance officers and caseworkers in the country where the application is made. A major concern is about the capacity of such a geographically distributed system to meet the criteria of objectivity, consistency and transparency.

Sixth, despite their relative loss of control over the application process, employers will be held responsible and made accountable for their own behaviour and that of their sponsored employees. Employers will be risk-assessed and rated (A or B) with points allocated in accordance with their trustworthiness as demonstrated, for example, by their track record of conforming to their immigration responsibilities and the extent to which their migrant workers have complied with their immigration conditions. The post-entry compliance infrastructure, including the vetting and registration of approved sponsors, will be based in the UK. Seventh, penalties for non-compliance have been designed to spur conformity. They include a downgraded ranking that will accrue fewer points in the application process (a migrant applicant will get fewer points if their employer sponsor has a poor track record), removal from the approved sponsors list and possible prosecution. Finally, the right of appeal against refusal to enter the UK will be removed except for instances where an applicant believes a factual error has been made in considering their application. However, no appeal will be available in cases where there may have been an error of law.

Much of the 'devil' remains in the detail and a number of critical issues remain to be resolved. Examples include the question of how Tier 2 shortage occupations will be identified and reviewed or how salaries will be defined and, for Tier 2 applicants, the extent to

which the definition of ‘salary’ will reflect corporate relocation costs.

## CURRENT PATTERNS AND TRENDS IN LABOUR IMMIGRATION

### Work permits and the worker registration scheme

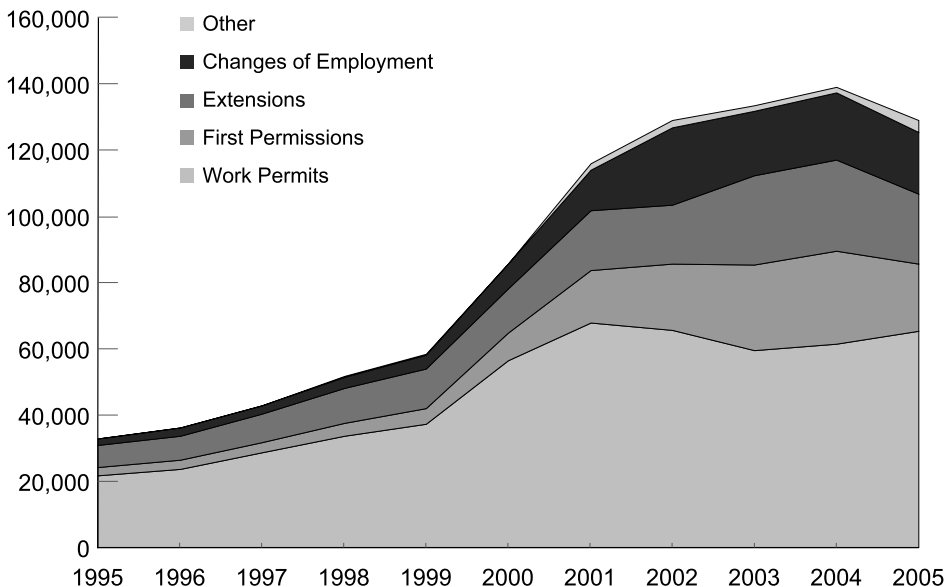
The current pattern and scale of labour immigration to be inherited by the new management system are in a state of flux. The last decade saw a rapid rise in the number of work permits issued, from 32,704 in 1995 to a peak of 138,999 in 2004. However, 2005 saw a 7.3 per cent fall to 128,893. The fall was entirely due to declining numbers of work permits issued to non-EEA citizens already in the UK.<sup>8</sup> Work permits to foreign nationals living outside the UK continued to rise (Figure 1).

It is too soon to say if this shift heralds a longer-term downturn in work permit numbers, but there are some signs that it might be more than a passing change. The

decline was particularly marked in two sectors, Health and Medical Services (-15.4 per cent) and Hospitality, Hotels and Catering (-28.2 per cent). In contrast, numbers in Computer Services rose by 11.5 per cent.

The reduction in numbers of work permits in the health sector may be attributed in part to the increasing numbers of indigenous nursing and other medical staff coming out of training and seeking employment. It also reflects the slowing down in new funding coming into the National Health Service from central government. There is some circumstantial evidence that the reduction may also be a consequence of the availability of suitably qualified staff from the A8 countries who have, since May 2004, been able to come to the UK to work without requiring a work permit. Since then, some 2,500 of these have taken skilled medical jobs. There is no way of knowing how far these new workers might have displaced other

**Figure 1: Work permit applications approved by type, 1995–2005**



Source: Based on data provided by Work Permits (UK)

Note: For an explanation of the different types of work permits see endnote 8.

**Table 2: Occupational breakdown of worker registration scheme (WRS) and work permit (WP) approvals, 2005**

Occupations	WRS (%)	WP (%)
Managers and senior officials	9.5	15.7
Professional occupations	1.2	40.7
Associate professional and technical occupations	6.5	32.3
Administrative and secretarial occupations	1.4	0.1
Skilled trades occupations	13.4	5.3
Personal service occupations	4.5	3.0
Sales and customer service occupations	3.1	0.1
Process, plant and machine operatives	30.2	0.0
Elementary occupations	30.2	2.8
Total number	194,953	86,190

Source: Based on data provided by Work Permits (UK)

foreigners who would have required work permits but it would be surprising if there had been no effect. Similarly, among the 11,000 A8 nationals who became care assistants some are likely to have been employed in a senior capacity for which a work permit would normally be required. The reduction in the number of work permits in the hospitality sector may also be in part attributed to the arrival of A8 citizens, for example, among the 4,800 or so of them who took employment as chefs or the 760 who became hotel, restaurant and other managers.

Although there is some overlap between the skills profile of A8 citizens and non-EEA citizens working in the UK, in general the Worker Registration Scheme (that records new employment among A8 accession nationals) and the Work Permit System (that reflects employer-sponsored immigration among non-EEA citizens) serve different occupational niches (see Table 2). Most (82 per cent) of those entering the UK from A8 states occupy lower-skilled jobs whereas the majority (89 per cent) of work permit approvals are for people who take up managerial, professional and associate professional or technical positions.

### **The highly skilled migrant programme (HSMP)**

The new Tier 1 route bears striking similarity to the existing Highly Skilled Migrant Programme (HSMP) although it will also provide a route for foreign students graduating from UK higher education institutions to remain in the UK and compete for work for up to 12 months post-graduation.

While the HSMP approved applications from people in over 100 different countries, in 2005 people from India and Pakistan dominated the programme, accounting for half of all approvals (see Table 3). Indeed, 70 per cent of approvals were to people from

**Table 3: HSMP first applications and extensions approved by country (top 5), 2005**

Country	Applications Approved	
	Number	Per cent
India	6,716	38.1
Pakistan	2,080	11.8
Australia	1,518	8.6
Nigeria	1,187	6.7
South Africa	861	4.9
Total number	17,631	100.0

Source: Based on data provided by Work Permits (UK). Note: other countries not shown.



only five countries: India, Pakistan, Australia, Nigeria and South Africa. The programme's geographical scope is clearly narrow.

### **Intra-company transfers (ICTs)**

The proportion of work permits accounted for by ICTs varies by sector and nationality. Sectors that are noted for the existence of large TNCs that have global staffing policies and are heavy users of ICTs (see Table 4).

ICT mobility is particularly important in the Computer Services sector where large numbers of staff are sent, often for relatively short periods, to work with clients.<sup>9</sup> The dominance of large and mature energy and mining companies accounts for the high proportion of ICTs in Extraction Industries. Similar reasons explain their prevalence in Manufac-

turing. In these and the other sectors that use ICTs heavily, mobility is the result of a suite of reasons that include career development, project management and client relations. Furthermore, TNCs have a range of different types of mobility within their internal labour markets at their disposal, including long-term, short-term and commuting assignments, business travel and virtual mobility, not all of which require a work permit.

This sectoral pattern helps explain the geographical pattern of origins of ICTs (see Table 5). The large role played by India-based companies and subsidiaries in the Computer Services sector helps explain the large number of ICTs from that country. The high proportion of ICTs from Azerbaijan, Angola and Kazakhstan reflects the activities of global energy and mining companies in the Extraction

**Table 4: Intra-company transfer and other work permits by sector, 2005**

	ICT	Others	Total	ICT as % of total
Computer Services	17,394	4,162	21,556	80.7
Extraction Industries	973	469	1,442	67.5
Manufacturing	2,000	1,779	3,779	52.9
Utilities—Gas, Electricity, Water	307	324	631	48.7
Financial Services	3,863	4,595	8,458	45.7
Telecommunications	595	755	1,350	44.1
Transport	607	834	1,441	42.1
Admin, Bus & Man Services	5,397	9,182	14,579	37.0
Security & Protection Services	40	97	137	29.2
Construction & Land Services	766	2,033	2,799	27.4
Retail & Related Services	436	1,320	1,756	24.8
Law Related Services	290	1,027	1,317	22.0
Real Estate & Property Services	28	286	314	8.9
Agriculture Activities	23	510	533	4.3
Entertainment & Leisure Services	189	4,773	4,962	3.8
Education & Cultural Activities	208	10,217	10,425	2.0
Hospitality & Catering	159	10,073	10,232	1.6
Government	13	1,025	1,038	1.3
Health & Medical Services	450	39,818	40,268	1.1
<b>Total</b>	<b>33,738</b>	<b>93,279</b>	<b>127,017</b>	<b>26.6</b>

Source: Based on data provided by Work Permits (UK)

Industries. The situation with Japan and the United States is somewhat different in that the high proportions of permits granted to nationals of these countries are a response to the importance of ICTs within global companies operating in a wide range of sectors. Management migration also accounts for the bulk of movements from Mexico and Costa Rica.

How large companies in different sectors operate their internal labour markets, therefore, plays a highly significant role in the geography of labour migration. Most of these organisations operate in dynamic environments characterised, for example, by the drive to consolidate existing markets ('farming') and to develop new and emerging markets ('hunting') through global corporate restructuring, often involving strings of mergers, acquisitions and divestments. All of these activities require accommodations with governments in the countries in which they operate. Hence any single government's role in managing migration is inexorably intertwined with the mass of corporate global management of human resources. It is this symbiotic relationship between employers and governments with which

the new Tier 2 route will have to grapple.

The new Tier 2 route will incorporate all aspects of employer sponsored high-to-medium skilled migration. These will include recruitment into shortage occupations (however assessed), non-shortage occupations that will be subject to a resident labour market test and ICTs that are available for people who have been employed in the overseas company for more than six months. In the new system, employers will sponsor individual recruits but work permits will no longer be issued.

A Skills Advisory Body will be established to identify skill shortages that will not be subject to the resident labour market test. Migrants entering to fill shortage occupations will not need to receive points for salary or skills to qualify, although they will need to meet the minimum skill levels for the Tier.

## CONCLUSION

This paper has summarised the recently proposed changes to migration policy in the UK that, we suggest, are concerned more with administrative tidying up than with the introduction of any major new initiatives. The main novelty of the proposed

**Table 5: Intra-company transfer work permits by nationality, 2005**

	ICT	Others	Total	ICT as % of total
Costa Rica	23	12	35	65.7
Japan	2,042	1,215	3,257	62.7
Angola	13	9	22	59.1
Azerbaijan	39	35	74	52.7
USA	5,355	6,130	11,485	46.6
Kazakhstan	49	58	107	45.8
India	19,459	23,818	43,277	45.0
Mexico	189	259	448	42.2
Total	33,750	95,910	129,660	26.0

Source: Based on data provided by Work Permits (UK)

Note: Only includes countries where ICT approvals account for more than 40 per cent of total approvals from that country.

new system is the launch of a points-based approach to migrant assessment across a wide spectrum of moves. Economic and student migrants are the focal groups. There are no specific initiatives regarding family members, except as dependents of migrants in Tiers 1 and 2 as well as some of those entering via Tiers 4 and 5. However, whether family members will be allowed to work will depend on the status of the prime mover. The proposed changes are silent on the issue of asylum.

A major theme underlying this paper has been the need to disaggregate mobility into its component streams if we are to understand and manage the scale and characteristics of the movement. Thus we have, for example, demonstrated the significance of a sectoral approach and of the roles of employers in orchestrating migration. The drive for economic growth and competitiveness underlies labour immigration in the UK. The existing system is driven by the perceived need to acquire high level skills in order to compete globally with other developed economies and to compensate for skill shortages in some areas. The resulting patterns of immigration are very selective, with different mobility streams sectorally and geographically interlinked. In these circumstances, obtaining the correct balance between macro- and micro-management is a major challenge for the proposed new managed migration system. Too much of the former risks creating a system unable to cope with the complexities of mobility; too much of the latter risks putting government and employers into a circuit of second guessing.

Economic migration is always going to involve a range of actors but the greatest

tension is between government and business. Of particular concern is that almost all the developments discussed here have been framed during a period of economic growth. What is by no means clear is what might happen when the inevitable downturn occurs. How robust will the points system prove to be and how will it cope with differential growth and decline between sectors?

The biggest single development in recent immigration has been the inflow of A8 nationals, on a scale that was not foreseen and which, in any case, was largely unplanned. The long-term consequences of this flow are unknown. Most A8 incomers have taken up less skilled employment, although this does not mean that the workers themselves are low-skilled. As we have seen, there is some evidence that they may be impinging on the work permit system, taking jobs for which non-EEA nationals may hitherto have been sought.

It is in this context that European political decisions will continue to exert a major role, in two regards especially. The first relates to further EU enlargement, which might ensure a continuing supply of cheap labour at lower skill levels for the foreseeable future. The second is whether those EU (15) countries currently not allowing free entry of A8 citizens into their labour markets relax their controls, in consequence diverting flows to themselves that would otherwise have gone to the UK.

#### **Acknowledgement**

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## References

- <sup>1</sup> The main contents of these documents are discussed in J. Salt, 'Skilled Migration: The UK and Australia', in B. Birrell et al., *Evaluation of the General Skilled Migration Categories*, Department of Immigration and Multicultural Affairs, Canberra, March 2006 (ISBN 1 920996 01 X).
- <sup>2</sup> The A8 group of countries includes the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.
- <sup>3</sup> N. Gilpin, M. Henty, S. Lemos, J. Portes and C. Bullen, *The Impact of Free Movement of Workers from Central and Eastern Europe on the UK Labour Market*, Department for Work and Pensions, UK, 2006 <<http://www.dwp.gov.uk/asd/asd5/wp29.pdf>> last accessed 5 June 2006
- <sup>4</sup> National Vocational Qualifications at level 3 relate to college-level, post-compulsory education. In the UK, NVQ3 is equivalent to 'A' level.
- <sup>5</sup> Home Office, *Controlling our Borders: Making Migration Work for Britain*, The Stationery Office, UK, February 2005 <<http://www.archive2.official-documents.co.uk/document/cm64/6472/6472.pdf>> last accessed 5th June 2006
- <sup>6</sup> Home Office, *Selective Admission: Making Migration Work for Britain*, UK, 2005 <<http://www.homeoffice.gov.uk/documents/238408/cons-selective-admission-190705?view=Binary>> last accessed 5 June 2006
- <sup>7</sup> Home Office, *A Points-Based System: Making Migration Work for Britain*, The Stationery Office, UK, March 2006 <<http://www.homeoffice.gov.uk/documents/command-points-based-migration?view=Binary>> last assessed 5 June 2006
- <sup>8</sup> There are four types of work permit. The first, confusingly called 'work permits', are issued on behalf of foreign workers who are outside the UK at the time of application. 'First permissions' go to overseas nationals who are already resident in the UK but not working. 'Extensions' prolong the tenure of existing work permits issued to a sponsoring employer. Finally, 'changes of employment' include changes of employer.
- <sup>9</sup> J. Millar and J. Salt, 'The mobility of expertise in transnational corporations', presented at the Mobility, Ethnicity and Society Conference, University of Bristol, UK, 16–17 March, 2006 <<http://www.bristol.ac.uk/sociology/leverhulme/conference/conferencepapers/millar.pdf>> last accessed 5th June 2006