

Immigrants in the competitive and segmented labour markets



Elli Heikkilä

Will Somerville and Madeleine Sumption, Migration Policy Institute, have recently published “Immigration and the labour market: Theory, evidence and policy” -report which raises interesting aspects to the relevant topic. According to them, immigrant competition is likely to be concentrated on certain kinds of jobs that immigrants can easily fill, particularly those that do not require language fluency, cultural knowledge or local experience. This means that previous immigrants, i.e. foreign-born workers already present in the country bear the effects of competition from new immigrants. Most native workers are sheltered from immigrant competition, since they can work in jobs in which they have a comparative advantage over immigrants. Some natives might also lose out due to new immigration if they are unable to move into these ‘language-intensive’ jobs, for example due to poor communication skills. Language is crucial to labour market achievement in many jobs but some natives lack good linguistic ability, particularly in the group of children of immigrants.

New immigrants share many characteristics with previous immigrants, making them close substitutes from the employer’s point of view. Previous immigrants’ vulnerability declines over time as they learn the language and gain relevant experience. Immigrants and natives are likely to have different sets of skills, preventing employers from viewing them as perfect substitutes.

Immigrants are also willing to work hard in jobs with no clear potential for upward mobility such as most seasonal agricultural work. The reasons are for example that they see this ‘low-status’ work as temporary; because they are gaining non-financial benefits such as learning the language; or because the wage does not seem low in comparison with earnings in their home country. Immigrants increase also economic growth by working in cyclical or seasonal sectors such as construction or agriculture.

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Scott et al. (2008) research tells that British-born employees no longer see agriculture as offering a viable career-path, and to address this, farmers have turned to migrant workers. 84 percent of harvest-based agricultural workers during times of peak production are now foreign born in the UK. To put this in an historical context, in the 1970s only 1.3 percent of agricultural workers were born abroad. Migrant workers are more willing than British workers to supply their labour to UK farmers if the income they receive rises in value when transferred to their home country; if they see the work as a platform to upward socio-economic mobility; and/or if they are desperate and there are no other alternative, for example, if they are irregular migrants. The employers were asked to list advantages of the migrant workers and the most important advantage that came through relates to the perceived work ethic of migrants. The employers were enquired about the best solutions to address current and future labour shortages and skills gaps. Just under 80 percent of respondents felt that immigration had an important role to play within UK agriculture.

Sources

Scott, Sam, Ashley McCormick & Maja Zaloznik (2008). Staff shortages and immigration in agriculture. A paper prepared for the Migration Advisory Committee. Web published by the Migration Advisory Committee. 85 p. www.ukba.homeoffice.gov.uk/mac

Somerville, Will & Madeleine Sumption (2009). Immigration and the labour market: Theory, evidence and policy. Equality and Human Rights Commission and Migration Policy Institute. 52 p.