

MIGRATION TRENDS REPORT

Migrants in the Welsh Labour Market

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This report is the first of three migration trends reports to be produced as part of the Migration Services in Wales project, providing quantitative analysis on migration in Wales. The report provides an overview of the key characteristics and labour market outcomes of working age migrants in the Welsh labour market. The discussion begins with a summary of the main demographics of non-UK born and non-UK nationals who live in Wales and continues with an analysis of data on employment, earnings, occupations and industries.

To ensure information contained in the reports reflects the latest available evidence, this series of Migration Trends Reports is being updated on a six-monthly basis for the duration of the Migration Services in Wales project (ending March 2017). Updates are made to each report taking into account new releases on the various sources of data used in the reports.

Key Points

The number and population share of working age non-UK born residents in Wales has increased in the past decade from 89,000 in the mid-2000s to 149,000 in 2015 (5% of the working age population in mid-2000s to 7% in 2016).

Working-age residents in Wales who are born outside the EU remain the largest non-UK born group at 48% of all foreign born (2016).

Individuals born outside the UK represent a smaller proportion of those in any form of paid work in the Welsh labour market (7% in 2016) compared to the whole of the UK (17% in 2016).

In 2016, 59% of non-UK born and 63% of UK-born who lived in Wales were employees. For the same year, only 9% of UK-born and 11% of non-UK born in Wales reported being self-employed.

In 2016 about 16% of non-UK born residents in Wales worked in elementary occupations compared to 11% of those born in the UK.

A large proportion of non-UK born residents in Wales work in public administration, education, and the health sectors (30% of non-UK born in 2016), as well as in distribution, hotels and restaurants (23% of non-UK born).

Understanding the evidence

Definitions have a significant impact on the analysis of the number and characteristics of working age migrants in Wales. In most cases, this report defines the migrant population as the non-UK born population. There is no information on place of birth within the UK for the UK-born or place of first arrival for those born outside of the UK. Therefore, those born outside of Wales but within the UK are considered UK-born in this analysis. Wherever relevant and indicated, the briefing also provides data on non-UK nationals residing in Wales. There is significant overlap between those who belong to the non-UK born group and those who belong to the non-UK national group, but many non-UK born individuals are UK nationals and many UK born individuals are non-UK nationals.

All data in this briefing is taken from the four quarters of the Labour Force Survey (LFS). Unlike other data sources, such as the Census of England and Wales, the LFS provides regularly updated information on the number and characteristics of workers in Wales. The LFS is a UK wide quarterly survey of 60,000 individuals. A share of those interviewed for the LFS are of working age and reside in Wales (about 5% each year), and a proportion of the Wales working age residents interviewed are non-UK born (about 6% each year, rising to 7% in 2014).

Although the LFS is helpful and provides frequently updated information, its sample size limits the detail it can provide. The reader should note that, due to sampling limitations, the characteristics of non-UK born people in Wales are not considered in detail e.g. by age. As a result, the Census is a more reliable source for detailed statistics with breakdowns by local areas, all age groups, countries of birth, passports held and languages spoken. For more information on the migrant population in Wales, please see the Wales 2011 Census Profile. The Maps section of the Migration Observatory website also provides a wide range of maps at local authority level using 2011 Census data for England and Wales.

The characteristics of all non-UK born workers living in Wales are inferred from the responses of those non-UK born Wales residents who are interviewed. This means that while the estimates presented in this briefing are the best possible estimates, these are still subject to margins of error. Readers should exercise caution when comparing figures over time or between groups, as the differences may to an extent be driven by sample variation and not be statistically significant. We use the latest available calendar year for which data is available, 2014, and compare it to the average for the years 2004–2007 and 2010–2011 to highlight changes over time. Pooling together the earlier survey years expands the Welsh survey sample size and improves the reliability of the information presented.

This briefing includes both men and women aged between 16 and 64 years old, working both part-time and full-time. The average annual wages are estimated for all those respondents of the LFS who are employees and those on a government scheme. Salary figures include wages from the main and secondary jobs.

In UK immigration debates, mobile EU citizens are a key group as they enjoy free movement within the European Union and the government cannot limit their rights to live and work in the UK in the same way that it does for non-EU citizens. The boundaries of the EU have changed significantly in the previous decades. A brief timeline of EU expansions follows:

- Members pre-2004: EU15 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom)
- 2004 expansion: A8 plus Malta and Cyprus (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia)
- 2007 expansion: A2 (Bulgaria and Romania)
- 2013 expansion: Croatia

To facilitate the analysis and allow for more consistent classifications over time, breakdowns by country of birth or nationality include:

1. U14 (EU15 except UK),
2. Accession (joined 2004–2013),
3. other non-EU countries grouped together.

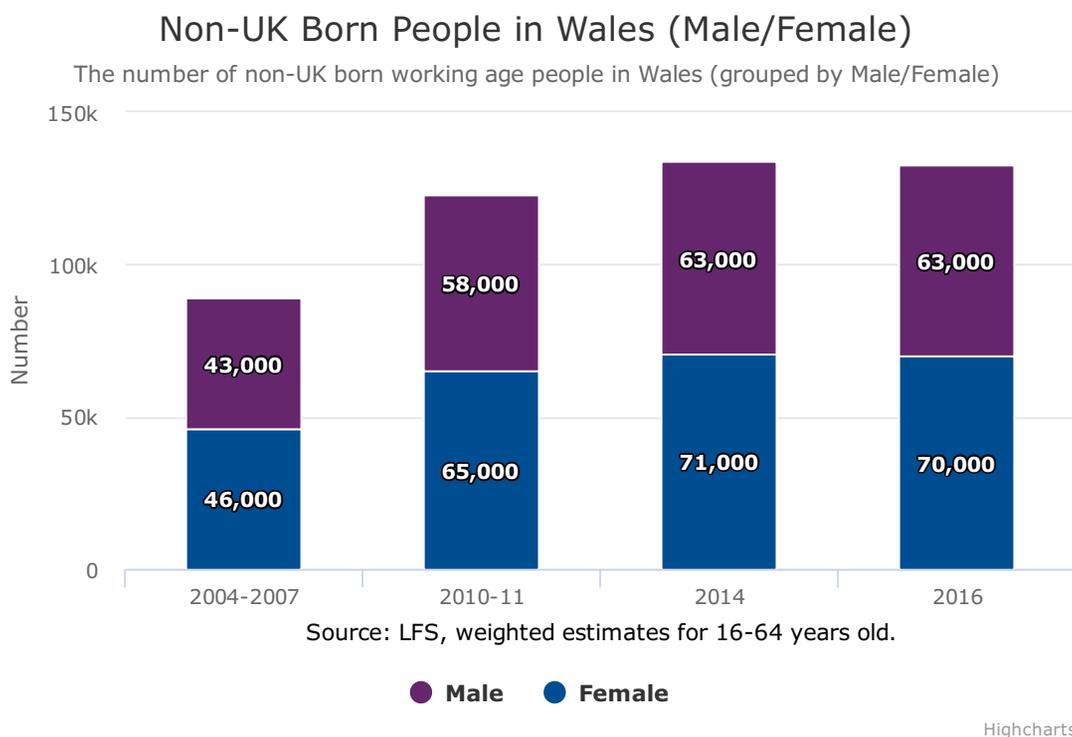
BASIC DEMOGRAPHIC CHARACTERISTICS

The number and population share of working age non-UK born persons in Wales has increased in the past decade from 89,000 in 2004-07 to 133,000 in 2016

Figure 1 shows the number of working age non-UK born people who live in Wales by gender. The number of working age non-UK born residents in Wales was approximately 133,000 in 2016, up by 8% since 2010-11 and 49% since 2004-07. The share of migrants in the overall working age population was estimated 5% in 2004-07 and 7% in 2016. Increases in the number of non-UK born working age people who live in Wales over time are similar across genders, while women make up just over half of working age migrants (70,000 in 2016).

The overall upward trend over time in foreign-born residents in Wales is also corroborated by more reliable Census data for 2001 and 2011 (92,263 non-UK born in 2001 Census versus 167,871 non-UK born in 2011 Census, for more details see here). However, caution should be taken when using survey information to infer on changes over time for particular subgroups, such as across genders, different countries of birth or types of employment.

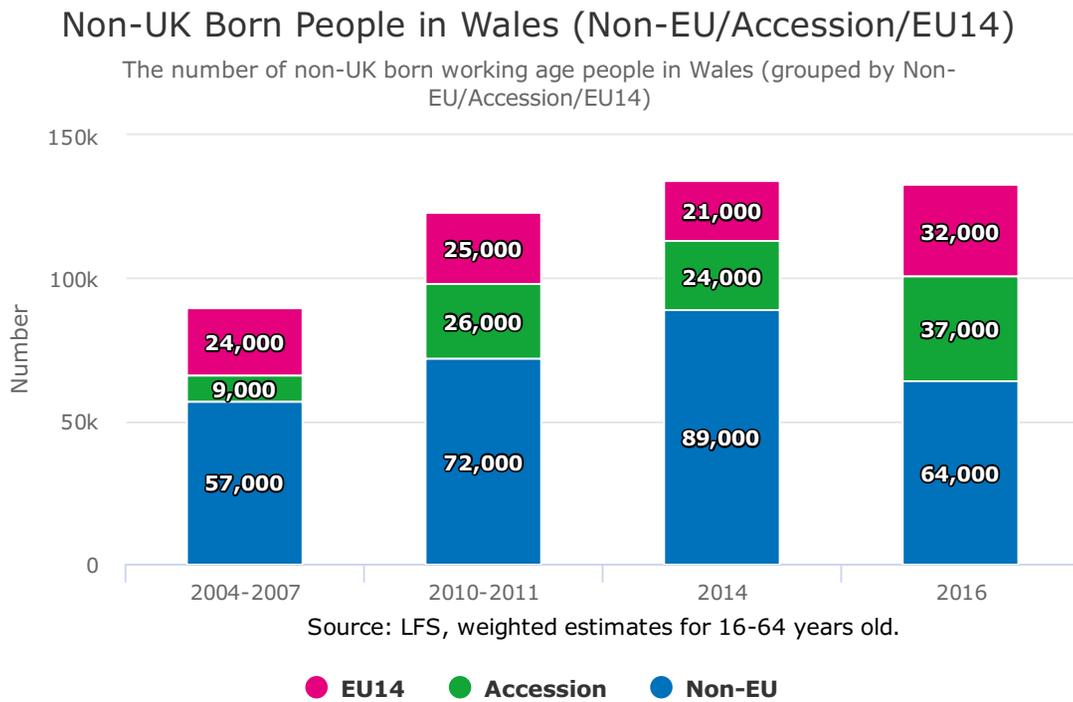
Figure 1



Working-age residents in Wales who are born outside the EU remain the largest non-UK born group at 48% of all foreign born

Figure 2 shows the number of non-UK born working age residents in Wales by country of birth. The number of EU14 born working age Wales residents stood at 25,000 in 2010-11, 21,000 in 2014, and 32,000 in 2016. The number of working-age migrants in Wales who were born in accession countries (A8, A2, Cyprus, Malta and Croatia) is estimated at about 9,000 for the 2004-07 period, about 24,000 in 2014, and 37,000 in 2016. Out of an estimated total of 133,000 working age non-UK born residents in Wales in 2016, the largest group of migrants was born outside the EU (48% of non-UK born). Between 2004-07, approximately 57,000 non-EU born were resident in Wales. In 2016, this is estimated at 64,000.

Figure 2



EMPLOYMENT AND SALARIES

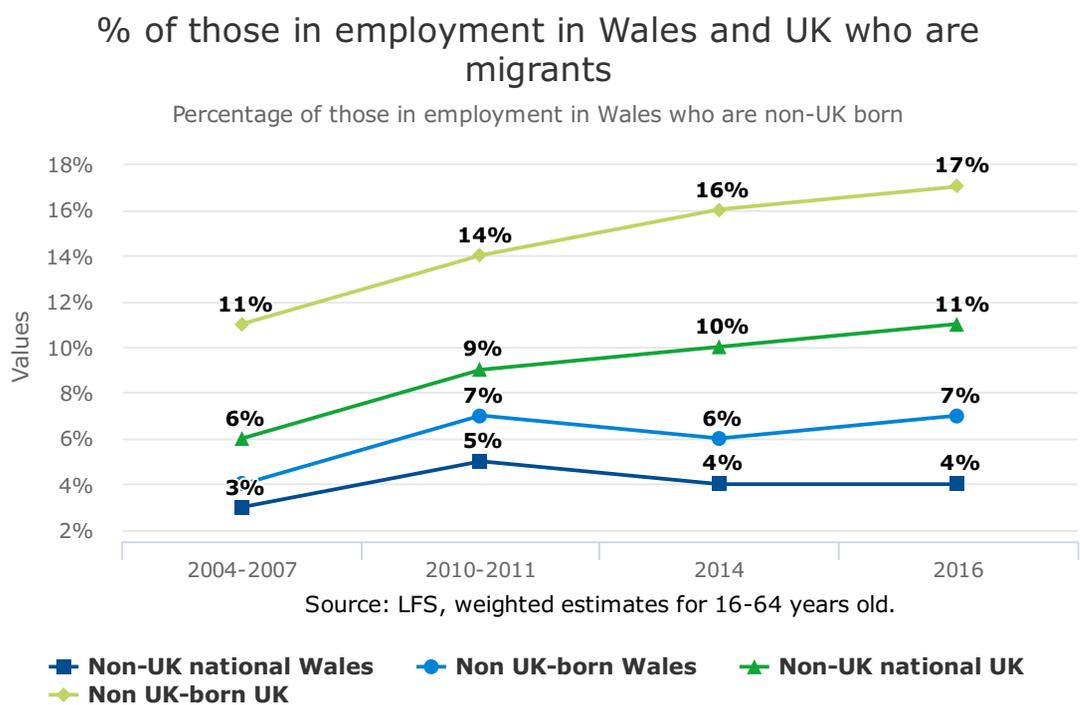
Non-UK born residents represent a much smaller share of all those in work in the Welsh labour market (7%) compared to the whole of the UK (17%)

Figure 3 shows the proportion of those in employment who are non-UK born and non-UK nationals for Wales and the UK. In this discussion, employment refers to those who are in paid work, including employees, the self-employed and those in some government schemes.

In 2016, about 7% of those in employment in Wales were non-UK born and 4% were non-UK nationals. The equivalent for the whole of the UK is much higher at 17% of all those in employment being non-UK born and 11% being non-UK nationals. The share of non-UK born and non-UK nationals in employment has not changed much over time, ranging between 4% and 7% in its

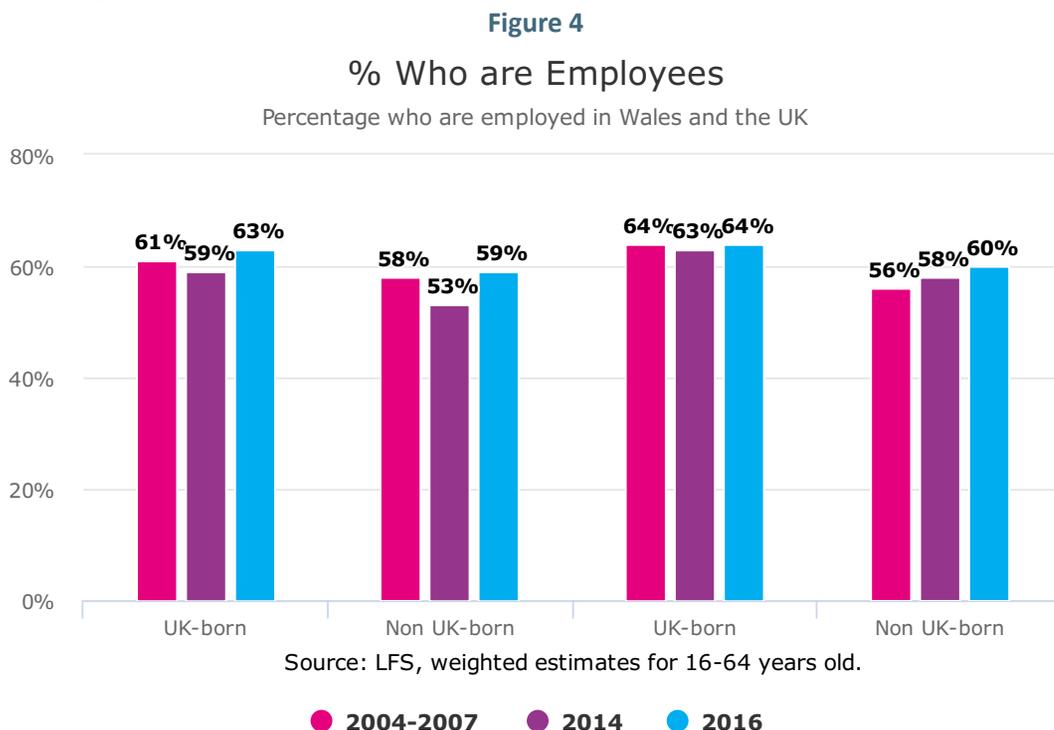
2010-11 peak. For the whole of the UK, the trend over time is upward at approximately 11% in 2004-07, 14% in 2010-11, and 16% since 2014.

Figure 3



In 2016, 59% of working age non-UK born and 63% of UK-born who lived in Wales were employees. For the same year, only 9% of UK-born and 11% of non-UK born in Wales reported being self-employed

Figure 4 shows the share of working age population who are employees, by country of birth and residence in Wales or the whole of the UK. According to broad labour force categories, working age persons are classified either as employees, self-employed, in a government scheme/ unpaid family workers, unemployed or inactive. Due to sample size limitations, here we focus on the two largest groups, employees and self-employed.



In Wales in 2016, 59% of non-UK born were employees, compared to 63% of the UK-born. During the same year, in the UK as a whole, 60% of non-UK born were employees, compared to 64% of the UK-born. In 2016, differences in employee rates between residents of Wales and the whole of the UK appear minimal. Due to survey sample size, small variations between years are unlikely to represent significant changes.

Figure 5 shows the percentage of working age population who are in self-employment by country of birth and residence in Wales and the UK.

In 2016, 11% of working age non-UK born and 9% of working age UK-born in Wales reported being self-employed. In comparison with the previous chart, we can see that a smaller proportion of the working age population is in self-employment than employees. Changes over time and differences between UK and non-UK born, however, are small and not statistically significant.

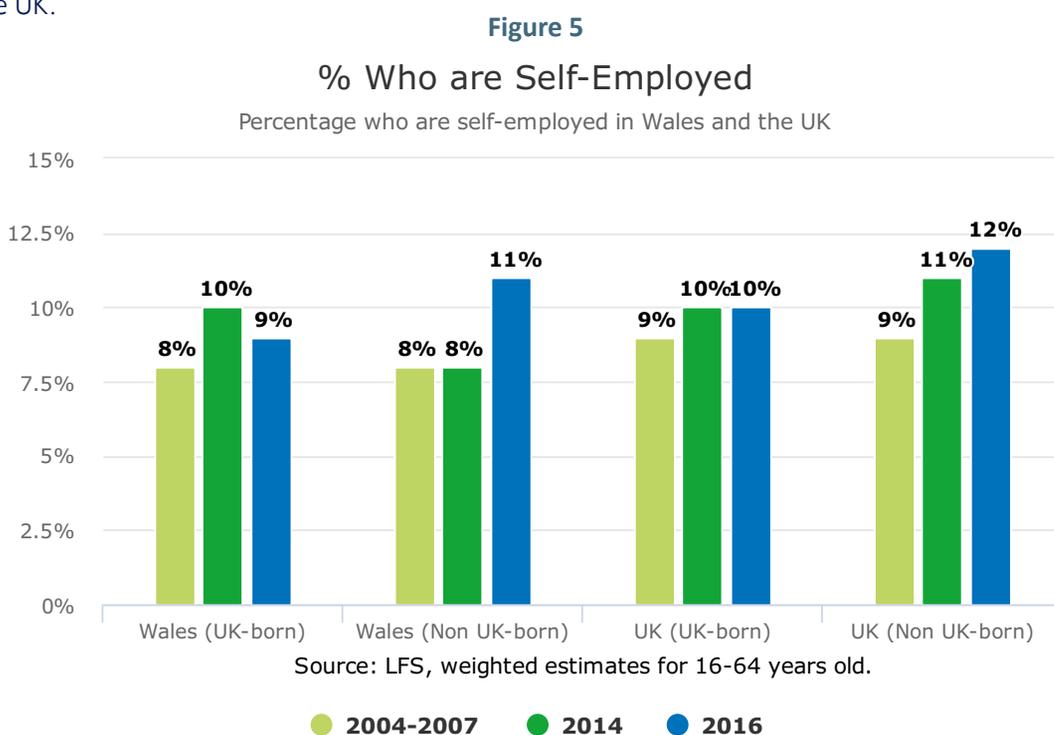
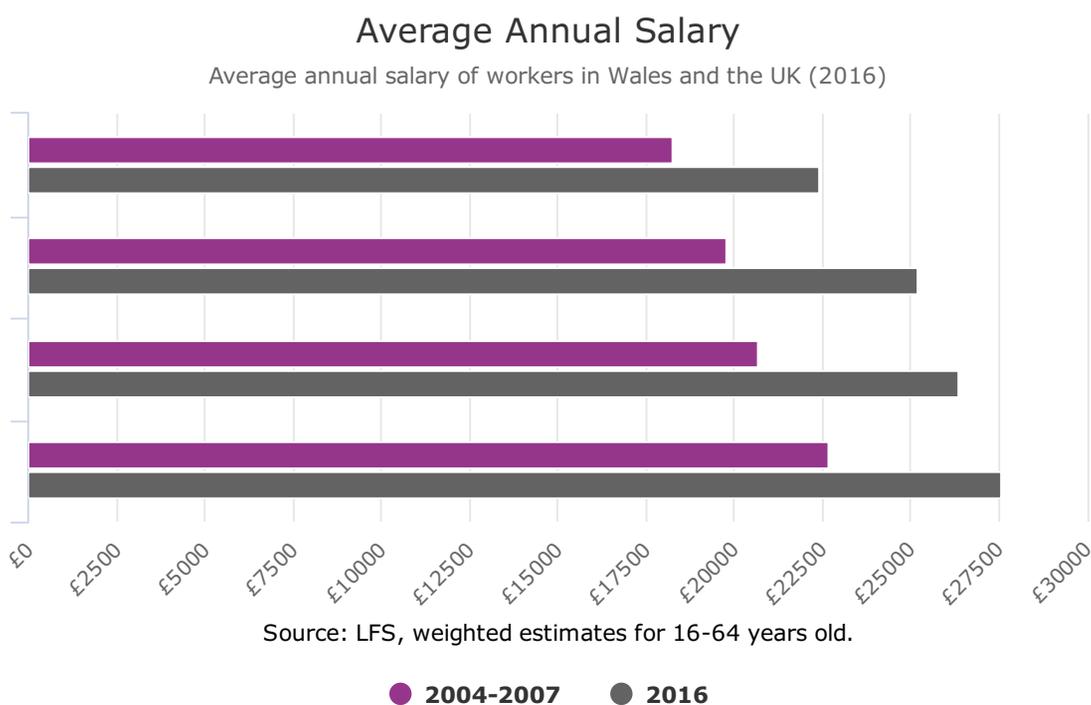


Figure 6 shows the average annual salary in GBP for workers in Wales and the UK who are non-UK and UK born.

In 2016, average annual wages were approximately →£22,000 for UK-born and →£25,000 for non-UK born workers in Wales. The equivalent average for the UK is higher at →£26,000 for UK-born and 28,000 for non-UK born. It is important to point out that the differences in average salaries between the UK and non-UK born are not statistically significant. This may be driven by the small sample size of the survey or by other factors. UK and foreign-born workers differ in education, age, and work experience. When comparing the wages of the two groups as a whole, these differences are not taken into account (Manacorda et al 2008; TUC Commission 2007; Markaki 2014). The disparity in salaries between the UK and Wales is also likely to be driven by higher salaries in areas such as London.

Figure 6



Highcharts

OCCUPATIONS AND INDUSTRIES

In 2016 about 16% of non-UK born in Wales worked in elementary occupations compared to 11% of UK-born

Table 1 shows the top three major occupation groups amongst of non-UK born workers in Wales in 2016. Amongst non-UK born workers in Wales, the largest proportion work in Professional Occupations (26%), followed by Elementary Occupations (16%), and Associate, and Technical Occupations (12%). These represent broad occupational groupings and include a wide range of different jobs across industries (see below for industries), from farm workers, cleaners and car park attendants in Elementary Occupations, to chemists and solicitors in Professional Occupations.

When focusing on each occupational group, data for 2016 suggests that about one in ten workers in Elementary Occupations in Wales were non-UK born. While non-UK born may be more likely to work in Professional Occupations (26% of non-UK born), they still make up a small proportion of all workers in those occupations (10%). The distribution and shares of non-UK born workers across occupations in the UK remained largely the same since 2014.

Table 1 - Top 3 major occupation groups in percentage of non-UK born, Wales 2015

Major occupation group	Share of non-UK born	Share of UK born	Share of all in occupation who are non-UK born	Examples of occupations in category
Professional occupations	26%	17%	10%	Chemists, electrical engineers, pharmacists, solicitors
Elementary Occupations	16%	11%	10%	Farm workers, cleaners, messengers, car park attendants
Caring, Leisure and Other Service Occupations	12%	12%	6%	Care assistants and home carers, travel agents, hairdressers, barbers, undertakers and mortuary assistants

Source: LFS 2016 - Wales residents 16-64 years old.

Large proportions of non-UK born residents in Wales work in the public administration, education and health sectors (30% of non-UK born), as well as in distribution, hotels and restaurants (23% of non-UK born)

Table 2 shows the top 3 industry sectors in the percentage of non-UK born workers in Wales in 2016.

The largest proportion of non-UK born residents in Wales work in public administration education and health sectors (30% of non-UK born), and in distribution, hotels and restaurants (23% of non-UK born). Approximately 16% of non-UK born in Wales worked in Manufacturing in 2016. On average, the spread of workers across these industries is similar between UK and non-UK born, while on the whole, foreign-born workers make up just about 6-10% of all workers in those industries.

Table 2 - Top 3 industries in percentage of non-UK born workers, Wales 2016

Industry sector in main job	Share of the non-UK born	Share of UK born	Share of all in industry who are non-UK born
O,P,Q - Public admin, education and health	30%	34%	6%
G,I - Distribution, hotels and restaurants	23%	20%	8%
C - Manufacturing	16%	10%	10%

Source: LFS 2016 - Wales residents 16-64 years old.

Evidence gaps and limitations

The LFS does not contain information on short-term migrants because the survey excludes individuals who have been resident in their households for less than 6 months (Dustmann et al. 2010). Also, the LFS excludes those who do not live in households, such as those in hotels, caravan parks, and other communal establishments; it also excludes halls of residence, thus missing many overseas students (many of whom are known to be working in the UK). Furthermore, the LFS does not include asylum seekers. Finally, the LFS is unlikely to capture migrants working without the legal right to live and/or work in the UK.

Estimates using the LFS are subject to significant sampling variability, as with any sample survey. In each quarter of the LFS, between 143 and 218 working age respondents who reside in Wales are non-UK born. To increase sample

size and improve the reliability of the statistics, the analysis pools together all quarters for 2004–2007 (2,798 respondents), 2010–2011 (1,557 respondents), and four quarters from 2014 (773 respondents) onwards. For further discussion see the data sources and limitations section of the Migration Observatory website.

References

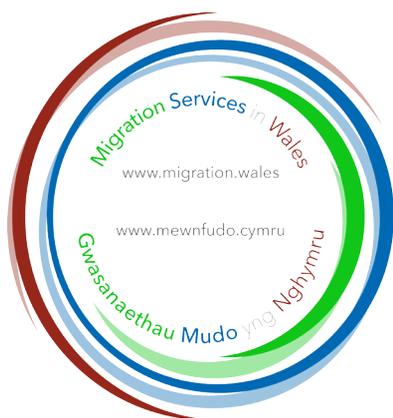
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- Marco Manacorda, Alan Manning, and Jonathan Wadsworth. 2012. The Impact of Immigration on the Structure of Male Wages: Theory and Evidence from Britain. *Journal of the European Economic Association*, p. 120–151
- Markaki, Yvonne. 2014. Do Labour Market Conditions Shape Immigrant–Native Gaps in Employment Outcomes? A Comparison of 19 European Countries, ISER Working Paper Series, 2014–41
- TUC Commission on Vulnerable Employment. 2007. *Hard Work, Hidden Lives*. Trades Union Congress

Additional information

- The Migration Services in Wales Project Portal – <http://wrc.wales/migration-information>
- The Wales Migration Portal – <http://wmp.infobasecymru.net/IAS/>

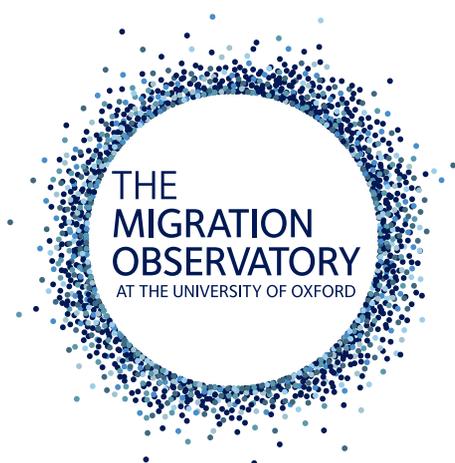
Related material

- Migration Observatory Briefing – Migrants in the UK Labour Market: An Overview
www.migrationobservatory.ox.ac.uk/briefings/migrants-uk-labour-market-overview
- Migration Observatory Briefing – Characteristics and Outcomes of Migrants in the UK Labour Market
www.migrationobservatory.ox.ac.uk/briefings/characteristics-and-outcomes-migrants-uk-labour-market
- Migration Observatory Briefing – Migrants in the UK: An Overview
www.migrationobservatory.ox.ac.uk/briefings/migrants-uk-overview
- Migration Observatory Briefing – Wales Census Profile
www.migrationobservatory.ox.ac.uk/briefings/wales-census-profile



Migration Services in Wales

Funded by Welsh Government, Migration Services in Wales is a project led by the Welsh Refugee Council in partnership with COMPAS that aims to increase understanding of migration policy and practice in Wales, and to support and facilitate the development of a 'strategic approach' to migration in Wales, one that will ensure relevant stakeholders are able to access detailed and up-to-date information.



The Migration Observatory

Based at the Centre on Migration, Policy and Society (COMPAS) at the University of Oxford, the Migration Observatory provides independent, authoritative, evidence-based analysis of data on migration and migrants in the UK, to inform media, public and policy debates, and to generate high quality research on international migration and public policy issues. The Observatory's analysis involves experts from a wide range of disciplines and departments at the University of Oxford.



COMPAS

The Migration Observatory is based at the ESRC Centre on Migration, Policy and Society (COMPAS) at the University of Oxford. The mission of COMPAS is to conduct high quality research in order to develop theory and knowledge, inform policy-making and public debate, and engage users of research within the field of migration.

www.compas.ox.ac.uk



Welsh Refugee Council

The Welsh Refugee Council has over 25 years' experience working with refugees and asylum seekers in Wales. It aims to ensure that Wales is a place of welcome through the delivery of specialist services in Cardiff, Wrexham, Newport and Swansea and by influencing policy and practice to improve the lives of migrants across Wales.



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