

## House of Lords Economic Affairs Committee Submission to the Inquiry on the UK Labour Supply

September 2022

### **About us**

Focus on Labour Exploitation (FLEX) is a UK based charity that works to end human trafficking for labour exploitation. To achieve this, FLEX conducts research and policy advocacy to prevent labour abuses, protect the rights of trafficked persons and promote best practice responses to human trafficking for labour exploitation.

### **Overview**

The end of free movement, and linked developments in the UK's immigration policy, has propelled a series of *ad hoc* changes with little consultation or proper evaluation from the government regarding the risks and their mitigation.<sup>1</sup> Workers are being treated as commodities who cannot access legal rights or safeguards, brought in to fill gaps in the labour market and then sent away.<sup>2</sup> As such, the UK is creating a two-tiered workforce, with those entering on short term visa routes cut off from basic rights or access to employment law - both of which are key to preventing exploitation.

In this environment, the government opens and closes routes without proper scrutiny or consideration of the risks of exploitation caused by such policies. In relying on global inequality to shore up the UK's labour supply needs, the UK has created a system that is unsustainable, poorly planned, and rife with risks of exploitation and abuse.

### **Question 1. What are the recent trends in labour supply?**

The Government has responded to labour supply issues by creating a series of Temporary Migration Programmes. This *ad hoc* and short-termist response avoids scrutiny, does not build on learning, and has resulted in unsustainable schemes that push costs onto workers and are associated with increased risks of exploitation.<sup>3</sup> Temporary migrant visas are known to produce conditions by which labour exploitation can proliferate. Research conducted by FLEX<sup>4</sup> has identified the following risks as present within such temporary migrant visas:

- Debt bondage due to upfront migration costs and illegal recruitment fees
- Deception in recruitment

<sup>1</sup> <https://migrationobservatory.ox.ac.uk/resources/reports/how-is-the-end-of-free-movement-affecting-the-low-wage-labour-force-in-the-uk/>

<sup>2</sup> <https://www.labourexploitation.org/news/treating-workers-commodities-short-term-work-visas-and-risks-exploitation>

<sup>3</sup> <https://www.labourexploitation.org/publications/risks-exploitation-temporary-migration-programmes-flex-response-2018-immigration-white>, p.8.

<sup>4</sup> <https://www.labourexploitation.org/publications/risks-exploitation-temporary-migration-programmes-flex-response-2018-immigration-white>, p.6.

- Barriers to changing jobs or sectors
- Discrimination
- Temporariness and lack of pathways to permanent residency
- Multiple dependencies
- No recourse to public funds
- Barriers to accessing justice
- Lack of guaranteed working hours

As the UK continues to rely on temporary migration programmes, these risks must be safeguarded against when developing and managing visa routes for workers.<sup>5</sup>

## **Question 2. Which sectors and regions are most affected?**

The UK's restrictive immigration policies' interaction with the demand for migrant labour will result in an increased reliance on irregular migrants, including workers in semi-compliance with fewer protections and a hampered ability to access their rights, as employers find themselves unable to recruit from abroad. Several low-paid sectors in the UK were historically reliant on EU workers and have now found themselves unable to avail of their previous channels under the New Plan for Immigration. For instance, EU citizens constituted 19.7% of all workers in Elementary Occupations, 13% of 'Process, Plant and Machine Operatives, 7.7% of Caring, Leisure and Other Service Occupations and 5.4% of Sales and Customer Service Occupations.<sup>6</sup>

In responding to the reduced number of workers from the EU, the UK has introduced an expanded the Shortage Occupation List and introduced new focused on specific sectors, such as the Seasonal Worker Visa and Health and Care Visa. In this sense, visa schemes have been rolled out to low-paid jobs in high-risk sectors without sufficient efforts to ensure the schemes are not exacerbating risks of exploitation. For instance, agriculture is recognised as a high-risk sector for human trafficking for forced labour due to the nature of its supply chain, remote working and isolation, and high prevalence of migrant workers who often face additional barriers accessing information and support.<sup>7</sup> These risks are massively increased by bringing workers on 6 month-long, non-renewable visas. Similarly, live-in care workers are noted as particularly vulnerable to labour exploitation<sup>8</sup> and there are concerns of workers on the Health and Care visa being tied into contracts through the use of exit fees which are due if they leave early.

The Seasonal Worker Scheme, Health and Care Worker Visa and inclusion of other 'lower pay' jobs on the Shortage Occupation List may leave workers vulnerable to

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<sup>5</sup> <https://www.labourexploitation.org/publications/risks-exploitation-temporary-migration-programmes-flex-response-2018-immigration-white>.

<sup>6</sup>

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/11312employmentbynationalityandmajoroccupationalgroup2008to2019>

<sup>7</sup> <https://www.labourexploitation.org/publications/assessment-risks-human-trafficking-forced-labour-uk-seasonal-workers-pilot>

<sup>8</sup> Hopfgartner, L., Seubert, C., Sprenger, F. and Glaser, J. (2022) Experiences of precariousness and exploitation of Romanian transnational live-in care workers in Austria. *Journal of Industrial Relations*, 1-23.

debt bondage. Increasingly, evidence is coming to light of illegal fees and debt bondage across sectors, including amounts in excess of £10,000.<sup>9</sup>

Additionally, recent developments such as the war in Ukraine has resulted in recruitment challenges to the Seasonal Worker Scheme and recruiters having to recruit from new countries. The government's statistics demonstrate that Ukrainian nationals made up 41% of approved Seasonal Worker Visas in the first quarter of 2022, marking a significant decline from 79% of approved Seasonal Worker Visa recipients in the equivalent period in 2021. This percentage was further reduced in the following quarter, sitting at 23%. FLEX is concerned that the rapid shift to recruiting seasonal workers from other countries, to make up for the shortfall in workers, has resulted in insufficient due diligence in recruitment and a heightened risk of labour abuse and exploitation. The expansion of countries where workers can be sourced from has heightened risks, particularly as recruiters have sought to recruit from countries in central Asia, where Scheme Operators themselves recognise risks regarding recruitment fees and corruption.<sup>10</sup> However, other issues include the influx of workers less experienced in such agricultural work, and the absence of community networks to support these workers, also mean newer workers often feel less able to challenge or seek support in relation to abuse and exploitation.

As the increase in labour shortages in most low-paid roles becomes evident, the UK's reliance on migrant labour to bolster its labour supply is increasingly visible. The temporary routes for workers in the agriculture, logistics and food processing sectors have been created to minimise significant disruptions. However, other sectors such as hospitality have not been able to avail of such dedicated routes, and routes such as the Youth Mobility Scheme and student visas are insufficient to properly address these gaps.

FLEX has heard anecdotal evidence from the trade union sector and migrants' rights organisations that migrant workers in the health and social care sector being charged up to £10,000 as an exit fee if they wish to leave their position before a specified period.<sup>11</sup> Such exorbitant exit costs prevent workers from being able to exit abusive or exploitative work and produces a serious risk. This is likely to be an increasing issue as care work and other 'lower pay' jobs have been added to the Shortage Occupation List, with these kinds of fees having a greater impact on those with less financial security. The absence of proper monitoring and checks to visa schemes such as the UK Health and Care Workers Visa Scheme, presents such a risk. Organisations supporting workers in the sector (such as BASNET) have seen examples of 'irresistible' job adverts on social media, with offers of high salaries, free travel and accommodation and enticing terms and conditions of work.<sup>12</sup>

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<sup>9</sup> <https://www.theguardian.com/world/2022/jun/18/migrant-care-workers-uk-debt>; [https://www.theguardian.com/uk-news/2022/aug/14/uk-farm-workers-kent-debt-indonesian-brokers?CMP=Share\\_iOSApp\\_Other](https://www.theguardian.com/uk-news/2022/aug/14/uk-farm-workers-kent-debt-indonesian-brokers?CMP=Share_iOSApp_Other); <https://www.theguardian.com/global-development/2022/may/27/migrant-fruit-pickers-charged-thousands-in-fees-to-work-on-uk-farms-investigation-shows>.

<sup>10</sup> For instance, Fruitful jobs has highlighted that they do not have any authorised representatives in Uzbekistan, Tajikistan, Kyrgyzstan or Kazakhstan due to the prevalence of fraud and charges/collection of fees for job-finding and service provision. See: <https://www.fruitfuljobs.com/>

<sup>11</sup> *Ibid* note 9.

<sup>12</sup> <https://bmeantislavery.org/news/statement-on-interational-labour-day-2022/>

Additionally, the aging population and labour shortage has created an increasing demand for health and social care workers in the UK. In December 2021, the Government introduced a temporary Health & Care visa for social care workers earning over £20,480. Non-British nationals have been relied on in London, together with online platforms and introductory agencies, leading to an 'uberisation' of health and care work with precarious work as a hallmark of the sector.<sup>13</sup>

### **Case study: Seasonal Worker Scheme**

The UK's increasing reliance on temporary worker visas is creating an environment in which workers cannot access rights in practice, creating risks of labour exploitation. The agricultural Seasonal Worker visa is one such scheme. Despite the UK's own concerns regarding the scheme as contained in the Department for Environment, Food and Rural Affairs and Home Office review of the Seasonal Workers Pilot in December 2021, the Government have considerably expanded the scheme. The Seasonal Worker Visa was introduced as a pilot of 2,500 workers in 2019 and has since been rapidly expanded first to 10,000 in 2020, 30,000 in 2021 and finally to 40,000 this year. The countries that workers are being recruited from has also grown, from five to now more than 50, with workers coming from as far afield as Uzbekistan, Nepal and Indonesia. These expansions have come with little warning from the Government, creating short timeframes for carrying out due diligence checks in countries of origin. The poorly designed immigration schemes are exposing workers to the likelihood of being financially exploited by agents and other intermediaries who are benefitting from the scheme. Rather than focusing almost exclusively on the role of private actors in exploiting vulnerable individuals and viewing prosecution as the main deterrent to prevent this crime from taking place, the UK must look at the structural labour market policies that give rise to exploitation and must implement necessary mitigations to prevent these abuses from taking place.

These concerns have materialised, as the scheme has been expanding. With workers bearing high costs, there is a very real risk of dangerous levels of indebtedness. Workers concerned about paying back debts are more vulnerable to exploitation, as they are more liable to put up with poor working conditions out of a pressing need to make back their out-of-pocket costs. Additionally, the uneven power dynamic where workers fear losing work if they raise an issue, and the limited duration of their stay, language barriers and lack of knowledge on how to seek support impacts their ability to access justice, for instance through Employment Tribunals. The issues with the Seasonal Worker Scheme replicate and expand the concerns relating to the Overseas Domestic Worker (ODW) visa, long criticised by workers and civil society. Rather than mitigating the harms that were embedded within the ODW visas, the UK has sought to make it the model for their labour market. As such, workers are finding themselves unable to access their rights through the short term and non-renewable nature of their visas. As the UK continues along this trajectory towards worsening standards for workers, it is doing so with little planning, limited transparency and scant scrutiny. This will undoubtedly increase exploitation risks in the UK and must be proactively addressed.

<sup>13</sup> <https://www.labourexploitation.org/publications/vulnerability-paid-migrant-live-care-workers-london-modern-slavery>.

## **Question 5. What effect are wage levels having on the supply of labour?**

The low wages and poor conditions in certain essential sectors like farming and health and social care have dissuaded workers from these professions. Rather than address this the UK has developed temporary migration programmes.

The approach of treating migrant workers as a short-term commodity which can be brought in to fill gaps in the labour market and then sent away is unsafe, unethical, and unproductive. It facilitates exploitation by commodifying key workers, imagining people who do vital jobs to be available on tap to fill gaps and then leave without providing for the practicalities which could make the work viable. It does very little to address labour shortages and it does nothing to address the root causes of the labour shortages of poor pay, long hours, and unsatisfactory working conditions. These migrant workers are often unable to access legal rights or safeguards – exacerbated by a grossly unequal power imbalance. Additionally, given the costs needed to work on these schemes, for instance, travel and the visa fees, workers take on personal debts which they hope to pay back from earnings made in the UK. The low wages afforded to workers mean that they may end up in situations of debt bondage, particularly where they have been provided with incorrect information on how much they will be earning, or where they are not offered sufficient hours.

Research conducted by the NFU found that 17 per cent of workers recruited did not turn up and that 9 per cent of workers left their contract early. Whilst we do not know the reasons for this, there is anecdotal evidence that low wages (including receiving fewer working hours than promised) and poor conditions are playing some part in the determination.<sup>14</sup>

In the health & social care sector, low wages, and poor conditions, such as the widespread use of zero-hour contracts, has led to an inability to attract and retain care workers. The vacancy rate in adult social care is approximately 10 per cent higher than pre-pandemic levels in 2020.<sup>15</sup> Over 165,000 vacancies in social care in England reported in September 2022.<sup>16</sup> As such it's apparent that more visas will be issued to address this gap without the issues having been addressed.

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**For further information, please visit our website at:**

[www.labourexploitation.org](http://www.labourexploitation.org)

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<sup>14</sup> <https://www.workrightscentre.org/case-studies/a-ukrainian-migrant-who-fled-exploitation-on-a-farm-explains-why-undocumented-ukrainians-need-protection-now>.

<sup>15</sup> <https://www.labourexploitation.org/publications/vulnerability-paid-migrant-live-care-workers-london-modern-slavery>, p.13.

<sup>16</sup> <https://www.theguardian.com/society/2022/sep/21/adult-social-care-in-england-is-in-crisis-say-tory-council-leaders>.