



# Knowledge Migrants

The Motivations and Experiences of Professionals in the UK on Work Permits



November 2002

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## Final Report

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Prepared for Department of Trade and Industry (DTI) and the Home Office

By: NOP Business/Institute for Employment Studies (IES)

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# Contents

<b>Executive summary and conclusions</b>	<b>7</b>
<b>1. Background and introduction</b>	<b>15</b>
1.1. Aims and Objectives	15
1.2. Research Methodology	16
1.3. The Review of Key Research, Data and Policy Issues	16
1.4. Sampling for the Survey	16
1.5. Achieved interviews	18
1.6. This report	18
<b>2. The UK context</b>	<b>19</b>
2.1 Introduction	19
2.2 Recent reviews of migration issues and trends	20
2.3 The factors affecting mobility	20
2.4 UK Policy developments	26
2.5 Data on inward migration	27
2.6 Routes of entry	28
2.7 Trends in Work Permit Applications	29
2.8 References	31
<b>PART ONE: OVERVIEW OF FINDINGS</b>	<b>35</b>
<b>3. Profile of the skilled migrant workers surveyed</b>	<b>37</b>
3.1 Country of Origin	37
3.2 Gender	38
3.3 Age	38
3.4 Marital Status and Children	38
3.5 Highest qualification	39
<b>4. Motivations to work abroad</b>	<b>41</b>
4.1 Situation before coming to the UK	41
4.2 Why work in another country?	42
4.3 Importance of motivational factors	44
<b>5. Choosing the UK</b>	<b>47</b>
5.1 Sources of information about the UK	47
5.2 Factors that influenced decision to move to UK	49
5.3 Most important factor	50
5.4 Opportunities in their sector	51
5.5 Other countries considered	52
5.6 How other countries are better	53
5.7 Summary	54

<b>6. Migrants' experiences in moving</b>	<b>55</b>
6.1 The entry process	55
6.2 Finding employment	57
6.3 Where and how they live	58
6.4 Working experience	59
6.5 Advice for others	60
<b>7. Links with home country and future intentions</b>	<b>61</b>
7.1 Links	61
7.2 Sending money home	63
7.3 Future intentions	64
7.4 Leaving before work permit expires	66
7.5 Applying for British citizenship	66

## Charts and tables in Part One

Table 2.1 Possible impacts of migration of skilled individuals on sending and receiving countries	25
Table 2.2 Inflows of foreign national workers, UK, 1991, 1997 and 1999	28
Table 2.3 Estimate of UK immigration: routes of entry, 1999	28
Table 2.4 UK Work Permit applications cleared, 1995-2000	29
Table 2.5 Work permits & first permissions granted in key sectors, 1995 & 2000	30
Table 2.6 Work permits granted to workers in IT, Financial, Medical and Biotechnology, 2000	31
Figure 3.1 Age, gender and marital status	38
Figure 3.2 Highest qualification	40
Figure 4.1 Reasons for working in another country	42
Figure 4.2 Importance of motivation factors	45
Figure 4.3 Motivational factors	46
Figure 5.1 Where did you get information about living and working in the UK?	48
Figure 5.2 Previous experience of UK	48
Figure 5.3 Factors that influenced decision to move to UK	49
Figure 5.4 Which other countries did you seriously consider working in?	52
Figure 5.5 Motivation factors within developed and developing countries	54
Figure 6.1 Satisfaction with the processing of the application	56
Figure 6.2 Finding employment	57
Figure 6.3 Where and how they live	58
Figure 6.4 Working experience	59
Figure 7.1 Links with home countries	62
Figure 7.2 Proportion of salary sent home	63
Figure 7.3 Future intentions	65
Figure 7.4 Why will you leave before your work permit expires?	66
Figure 7.5 How likely are you to apply for British citizenship?	67

**Note: Part Two and the appendices of this report, which contain the findings for each occupational group, source country and sector, as well as summaries of the responses of migrants on intra-company transfers (ICTs) and supporting methodological information are available via the DTI and Home Office websites at the following addresses:**

<http://www.dti.gov.uk/migrantworkers>

<http://www.homeoffice.gov.uk/rds/pdfs2/skilledmigrants.pdf>

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# Executive summary and conclusions

## The context

The global mobility of skilled workers has increased in recent years due to the expansion of the knowledge economy, the progressive globalisation of markets and companies, the growing demand for scarce skills, and wider political and economic issues. As many western countries encourage inward migration as a means of easing domestic skill constraints, there has been a growing debate about the motivations and consequences of such migration.

There is, however, very little evidence as to the characteristics, and social and economic aspects of migration, nor about the factors affecting skilled migrants' decisions to come to the UK in particular.

Non UK nationals who come from outside of the European Economic Area (EEA) primarily to work, require a work permit to work in the UK, the main exceptions being commonwealth citizens who can enter the UK as 'working holidaymakers'. In response to growing concerns about skill shortages there has been a refocusing of the work permits criteria to facilitate the easier inward migration of those with key skills in relation to the UK economy. This has included the easing of the criteria which employers need to address when seeking a work permit in relation to shortage occupations, the speeding up of the processing of applications, and the easing of the criteria by which entrepreneurs can enter the UK. A marked recent development has been the introduction of a pilot programme whereby individuals with key skills, and who can meet certain criteria, can enter the UK to seek work without already having a job with a UK employer.

To inform future policy the Department of Trade and Industry (DTI) and the Home Office (HO) therefore commissioned the Institute for Employment Studies (IES) and NOP Business (NOP) to undertake research into the factors that have influenced skilled workers who have come to work in the UK on work permits.

## Research objectives

These were to:

- assess the influence of factors that affect a skilled individual's decision to migrate to work in the UK; and
- collect information on factors relevant to possible future migration decisions.

The research focused on four professional groups:

- information technology, electronics and communications (ITEC);
- financial services;
- hospital consultants; and
- biotechnologists.

The majority of the sample in the ITEC group were, in fact, in IT and they have therefore been referred to as IT throughout this report.

The methodology included a review of the available statistics, literature and policy developments, and a survey of over 300 migrants who entered the UK with a work permit in 2000/01. The research had a specific focus on the motivations and experiences of those who had chosen to come to the UK from outside the EEA. It thus excluded those entering the UK to work from within the EEA, those choosing other countries, the employers' perspective, the possible impact on the source country, and the wider impact on the UK.

## The labour market context

The four occupational groups are not clearly defined in the national data sets. Both the IT & financial services groupings are large categories of professionals. In IT there are over 400,000 professionals employed across all sectors of the economy. Longer term skill shortages had eased somewhat in 2001. There are over 1 million professionals employed in financial services, mainly in the private sector, and particularly in London and the South East. Here skill shortages have also abated in the last year. In contrast hospital consultants total over 20,000 with most being employed in the NHS. Shortages exist and demand is rising fast with the expansion of the NHS. Biotechnology in turn is a small, eclectically defined group of professionals believed to total over 10,000 who are employed across the private, public, HE and 'not for profit' sectors. Skill needs and shortages are focused on small, highly specific sub groupings. IT and biotechnology have a relatively young age profile, in finance it is more mixed, while the long training times mean that hospital consultants will be aged in their 30s or older. Women are a minority in each of these four occupational groupings.

These occupations are all part of global labour markets. In the IT sector the products are relatively standardised across the world, albeit at varying levels of sophistication; in Finance the global trading environment has London, New York and Tokyo as the main centres. In Health and Biotechnology, there is a great deal of sharing of expertise across and between countries, with individuals gravitating to particular centres of excellence within their specialism.

## Migration trends

There are a range of factors encouraging employers and individuals to increase the levels of migration including skill shortages and enhanced employment and career prospects. There are also many potential positive and negative impacts on both UK and the source countries. There is, however, little evidence as to the actual (or relative) impact on the countries concerned.

The inflow of foreign nationals to work in the UK has increased significantly over the last decade (the precise amount depends on which measure is used). Over 60,000 work permits were issued in 2000. IT professionals accounted for one in five, and financial services 8 per cent of that total.

## The surveyed migrants

The migrant workers vary markedly by sector, demographics and source country. They were drawn from both developed and developing countries. Those in the finance and IT sectors are mostly under 35, male, and under half are married. Those in Finance were drawn mainly from the developed countries. The IT sector had a strong contingent from India/Pakistan but also developed countries. The hospital consultants were older, mainly over 35 and correspondingly more likely to be married with children. In biotechnology they were mainly aged 25-34 and they came from a mix of countries: the Far East, Eastern Europe, and Australia/Canada/New Zealand.

## Deciding to work abroad

Skills, lifestage and country of origin are key influences on an individual's motivations and choices when deciding to work abroad. The research specification suggested that there were likely to be a mix of *push* factors, particularly levels of satisfaction relating to the individual's home circumstances, and a number of *pull* factors, particularly opportunities for career and economic advancement which attracted them to particular destinations.

The surveyed migrants shared two common factors: their career ambition and the fact that most were leading a relatively advantaged life in their home country. In broad terms, the skilled migrants were drawn to career advancement and to global centres of excellence, while a high proportion also attached value to the personal development resulting from travel and experiencing another culture *ie pull* factors. Improved earnings and economic advancement were not dominant reasons for migrating although they were of importance for some of those from developing countries.

Their relatively settled lives in the source country meant that the *push* factors were less prevalent although in some cases they did not have the quality of opportunities available for them to apply their expertise, or there was political uncertainty in their home country (mentions of the latter came almost exclusively from South Africa). Many intended to carry what they have learnt back to their home country where this was possible.

## Deciding to work in the UK

Forty two per cent had only considered the UK as a destination. Amongst the others, the most common alternatives were the US, Europe, or Australia/New Zealand. The driving factors for choosing the UK were familiarity with the country and the language, and/or an opportunity having been made available. UK culture was also important for those thinking of other destinations. The UK sometimes gained an edge against the USA because it had been the first to provide a job offer, it was perceived to offer a more relaxed style of working, and a better quality of job *ie* the job offered was more interesting and challenging.

However, the UK had no particular advantage when it comes to salaries or the buying power of those salaries, other than for some from developing countries. Many respondents volunteered that they could have earned more elsewhere but they had sacrificed the money in order to take advantage of a more interesting opportunity. This could take the form of a specific technical challenge, being offered responsibility or simply being “at the centre of things”. The latter motivation was strongest in the finance and biotechnology sectors.

The factors that deterred individuals from choosing the UK to some degree were the climate (60% said they were discouraged by this); distance from family/friends (38%); the standard of public services (31%); and the difficulty of getting work permits (26%). There is no evidence, however, from the sample that obtaining work permits for other countries was judged to be any easier.

## The entry process

The work permit application is the responsibility of the employer. The vast majority of respondents were satisfied with the way in which their application had been processed. Those who had encountered problems mainly attributed these to delays in processing of applications. Other problems related to having to return to the source country while the application was being processed, while some had problems relating to the entry process for other members of their family.

## Their experience in the UK

On average the individuals had been in the UK on their current work permit for around 6 months. The average reported earnings after tax varied by sector with biotech the lowest at £24,600 p.a., followed by IT at £30,300 p.a., health at £41,200 and finance at £54,700.

The majority found the experience to be either better (41%) or the same as expected (51%). Given the high proportion already familiar with this country, expectations were clearly founded on a good basis of knowledge. Cases where the experience has been better than expected generally stemmed from the quality of the job and the overall working experience. Respondents were also often pleasantly surprised by the variety and challenge offered by their jobs and by the style of working.

The main problems they have faced relate to high living costs, principally housing costs, and to some of the bureaucracy/Catch 22 situations involved in setting up bank accounts, obtaining credit cards *etc.* when they had no settled UK credentials.

### Linkages with their home country

Most still had strong ties with their home countries. This is not surprising given the relatively short time that most have been in this country. It is noteworthy, however that the ties involve relatively strong commitments e.g. business and property investments. In IT and Finance around three quarters have savings and are maintaining links with their profession, and nearly a third have a job to return to. For those in biotechnology and health, the proportion holding savings in their home country is substantially lower. Around 4 in 10 respondents had a property in their source country.

Half sent money home, this averaged about 10% of earnings across the whole sample. The only source countries from which the majority are sending money home were India/Pakistan and the US. There were no significant differences between developed and developing countries.

### Future Intentions

A relatively high proportion of the skilled migrant workers we interviewed are planning to stay on by either applying for an extension to their work permit (30%) or applying for settlement (14%). Over half (57%) of these are planning to apply for British citizenship. Those with the strongest intention to stay are in the Health sector. South Africans are the nationality most likely to be planning to apply for settlement and to apply for British citizenship.

Comparatively few intend to leave the UK before their work permit expires (9%). Those who did tended to have had problems settling down and were feeling homesick. A further 19% were planning to stay for the duration of their current work permit and then leave. Of this 28% who were definitely planning to leave, 62% plan to return to their home country, 26% plan to live and work in another country and the remaining 12% are unsure of their likely destination.

Just over a quarter (28%) were not sure what they intended to do, this proportion was highest amongst those from the Far East (46%).

## Advice to others

Most would encourage others to follow them and take advantage of the opportunities available. They would also advise potential migrants to:

- make sure they have a job to come to (particularly for IT and Finance sectors where jobs are in shorter supply than they were 2 or 3 years ago);
- do some research about the country first. Most of the respondents were heavily reliant on previous visits and what friends/family had told them. Few had done any concerted research about the country, although the internet was the most common source for those who had;
- be prepared for the high cost of living, particularly the cost of housing; and
- be prepared for the culture and climate.

## Conclusions

The entry of these professionals on work permits is clearly **contributing to the UK's need for scarce skills**. The numbers involved, are however, small in relation to the total numbers working in these occupations in the UK. This study cannot draw conclusions about ways in which the UK's competitiveness may be enhanced by being a destination for skilled migrants.

The skilled migrants are **not a single generalisable group**. Motivations and intentions varied by occupation, by source country and individual circumstances. This study also excludes those who may have considered the UK but decided to go elsewhere, those who did not consider the UK in the first place, and those who come from within the EEA.

Contrary to some expectations, many migrants are from developed countries, and most had settled lives in their source country. The **key motivations** to migrate were for:

- career advancement (including expansion of knowledge); and
- personal development (including experience of a different culture).

While prospects for economic improvement in terms of earnings were a significant factor for some from developing countries it was not a dominant factor overall. As such the surveyed migrants can be considered **knowledge migrants rather than economic migrants**.

UK-based employers and others who are unable to fill vacancies from within the domestic labour force, and who may be seeking **to attract future knowledge migrants**, should consider:

- Targeting relevant national, occupational and local labour markets, making sure the marketing reflects the factors of importance to the different groups of potential migrants;
- Promoting the opportunities to work in global centres of excellence and the variety and challenges offered in such jobs;
- Promoting the UK 'style of working', culture and the ease of integration; and
- Selling the attractions of UK careers to overseas undergraduates and postgraduates already studying in the UK, and encouraging family networks to promote the benefits of working in the UK.

There may also be a role for government in supporting or assisting in these processes. The provision of information on the Internet covering FAQs (frequently asked questions and answers) for people thinking of working in this country is one area suggested by this study. This could also include a section on “What is it like to work in the UK?” featuring the experiences of skilled migrant workers already here; and how to deal with issues such as settling family members and partners. At the same time, recognition should be given to the relatively less attractive features of the UK weather and concerns relating to the standards of public services, and the overall context of the UK Government’s commitment not to worsen skills shortages in developing countries.

While few encountered problems with the **work permit application processes** for themselves, where they did encounter problems, improvements could be made in relation to:

- providing assistance with their family’s entry processes; and
- removing the need for those who are already here to return home whilst waiting for their application to be processed.

The **changes to the work permit regime** to allow those with relevant skills to enter the UK without jobs arranged should widen the pool of people seeking to enter the UK. It is not possible to assess the likely impact from this study.

It was not an objective of this study, nor has it been possible to assess **the impact on the source countries**. However, the respondents’ feedback suggest there will be a degree of knowledge exchange in that they will develop their skills in the UK, and many will return to their home country or another country, with enhanced, more up to date knowledge and expertise having worked in a global labour market. Linkages with their source country while in the UK, and those returning will build bridges and lead to a degree of **brain circulation** and not just a brain drain.

If effective policies are to be developed by employers and governments in relation to this critical, and growing part of the labour market then a **better understanding** of the nature and consequences of these flows is required. The *International Passenger Survey* could be enhanced to collect relevant data such as more detailed occupation information, this would cover migrants from both within and from outside the EEA. Likewise the data collected via work permit applications could also be usefully enhanced. Further research could also look at the longer term experiences of migrants; the characteristics and motivations of those coming from within the EEA; and other key professions such as teaching. An employer perspective could also be valuable along with the experiences of other source countries, and other key destination countries such as the United States, Australia/New Zealand and other European countries.



# 1 Background and introduction

There has been a pronounced increase in the global mobility of skilled workers in recent years. This is due to the expansion of the knowledge economy, the growing need for scarce skills, and the progressive globalisation of markets and many companies. This increase in global mobility has sparked a debate about the causes and consequences of skilled migration with many western countries encouraging inward migration as a means of easing domestic skill constraints. The debate has mostly been about the potential impact of migration on the competitiveness of individual countries and employers. As the market for skilled migrant workers has become increasingly competitive, rather less attention has been given to, and research undertaken about the factors affecting skilled migrants themselves and their motivations and choices.

To address these latter factors, the Department of Trade and Industry (DTI) and the Home Office (HO) commissioned the Institute for Employment Studies (IES) and NOP Business (NOP) to undertake research into the factors that influence skilled migrant workers to choose the UK and their subsequent experiences here. The focus of the research was on migrants from outside the European Economic Area (EEA), who require work permits to work in this country. The research specification suggested that there were likely to a mix of *push* factors relating to the individuals' dissatisfaction with their home circumstances including their domestic political context, levels of pay, job availability, prospects for future development for themselves and their families. It also suggested that there were *pull* factors such as ease of entry, pay, climate, public services and political stability which influenced their decision to migrate and their choice of the UK as a destination, while there would also be factors affecting their *future* in the UK such as ease of settlement, links with their home country and plans to move or stay.

## 1.1 Aims and Objectives

The aims and objectives of the research were set out in the initial DTI/HO brief. These were to:

- > Assess the influence of factors that affect a skilled individual's decision to migrate to work in the UK;
- > collect information on factors relevant to possible future migration decisions.

The research specification covered four groups of highly skilled workers in:

- > Financial Services;
- > Information technology, electronics and communications (ITEC) although the majority of the sample were in IT;
- > Hospital Consultants; and
- > Biotechnology.

Apart from hospital consultants, the other three groups were not precisely defined, embracing as they did a mixture of occupational and sectoral characteristics.

The research review for this study showed that there are a wide range of factors relating to the mobility of the highly skilled, as summarised in Chapter 2. The survey itself was designed to focus only on the motivations of the individuals who came to the UK and their early working experiences and longer term intentions. It was not designed to address the motivations of those moving to the UK from within the EEA who do not require work permits. Nor was it intended to address the motivations of those who may have thought about coming to the UK, but decide to go elsewhere. It was also not designed to seek the views, motivations and experiences of their employers, nor to address the consequences for the source countries or the broader impact on the UK. These are all important issues for policy makers.

## 1.2 Research Methodology

The focus of the research was skilled migrants from outside the European Economic Area, and the main emphasis was on those individuals who took up an independent posting, as opposed to moving via an intra company transfer. A small number of those entering on intra company transfers were, however, included in the sample.

The research had the following elements:

- A review of previous research, key data sources and trends in inward migration of skilled workers.
- A qualitative stage which explored the issues affecting skilled migrants' decisions and experiences to establish the scope and coverage for the main quantitative stage.
- A quantitative survey to deliver a comprehensive overview of the role different factors play in the decision making process.

## 1.3 The Review of Key Research, Data and Policy Issues

The purpose of the literature and data review was to identify the relevant issues and assess key trends to provide a context for the survey, rather than to comprehensively analyse all research undertaken on immigration.

The key data and information sources relating to the four chosen occupations were reviewed by IES, as was the available data on inward migration. Data from Work Permits UK was provided by the Migration Research Unit and other national data sets were reviewed, as was OECD work in this area. Approaches were also made to the National Training Organisations covering the sectors under investigation: e-skills NTO, Healthwork UK NTO, and Financial Services NTO, as well as to the British Medical Association and the Bio-technology Council to seek any data they had on inward migration. The key findings and trends are set out in Chapter 2.

## 1.4 Sampling for the Survey

Work Permits UK supplied NOP with the contact details of employers who had work permit applications relating to one of the four occupational groups approved between January 2000 and November 2001.

The data collected by Work Permits (UK) did not include clear definitions of the occupations of employees who had been awarded work permits. This made the process of finding skilled migrants in the four occupational groups difficult. For this reason, an additional screening question was added to the questionnaire for employers confirming into which occupational group the employee fitted.

### **The biotechnology sample**

Due to the lack of clarity around the definitions of biotechnology as an occupational group or a sector, Work Permits UK was unable to provide any sample for skilled migrants in the biotech sector. Therefore, we drew off our existing knowledge of the market to identify potential employers in the public and private sectors. Their HR departments were contacted and asked if they were willing to pass on the details of any skilled migrants working for them. We achieved 19 biotech interviews, three of which were face-to-face.

Sampling took place in several stages over the period January to March 2002.

### **Approaching the employers**

In order to secure participation, it was important for employers to be given a clear idea of the study's aims and how the research would be used. This was conveyed in a letter from NOP (Appendix 2).

Employers were telephoned and asked if they were willing to co-operate with the survey. If they were, the details of the employee(s) were then confirmed.

### **Letter to employees**

A letter was then sent to employees informing them of the research and asking them to take part (Appendix 3).

### **The survey**

The final stage in the process was a telephone call to the employees to book a face-to-face interview with a small sample to develop the questions set (qualitative stage). Thereafter further calls were made to arrange co-operation and times for the main telephone survey (the quantitative stage).

Overall there was a fairly low rate of refusal, but a high proportion of inaccurate names and numbers. The tables in Appendix 4 detail the sampling exercise for the qualitative and quantitative stages.

## 1.5 Achieved interviews

### Qualitative Stage

18 skilled migrants were interviewed face-to-face. The breakdown of occupation type was:

- > 6 financial services.
- > 6 IT.
- > 6 hospital consultants.

The topic guide is attached as Appendix 5.

### Quantitative Stage

308 telephone interviews were undertaken. A copy of the questionnaire is attached as Appendix 6. The breakdown of occupation type was:

- > 121 IT (including 20 intra company transfers (ICTs)).
- > 144 financial services (including 21 ICTs).
- > 24 hospital consultants.
- > 19 Biotech (including 3 face-to-face).

The survey was based on a sample of 308 respondents who, while they were chosen to be a cross section, were not necessarily completely representative of the inflows over the period, as the Work Permits UK database did not allow for detailed stratification of the sample. In the case of biotechnology the sample size was particularly small, 19, and given the diverse population in the sector the sample may not be fully representative.

## 1.6 This report

This report is based on the desk research and the 308 interviews achieved during the quantitative stage; the latter is further illustrated with the results from the qualitative stage.

The report is structured in the following way:

- > Chapter 2
  - Covers the key data and trends in migration into the UK and a short review of the policy issues surrounding such migration.
- > Part 1 – Chapters 3-7
  - Gives an overview of the findings across all four occupational groups.
- > Part 2 which is available on the web at the addresses given on the contents page of this report provides
  - more detailed profiles of the findings for each **occupational group**.
  - more detailed profiles for those **source countries** and **sectors** for which there are sufficient responses to justify separate analysis.
  - summaries of the responses of **intra company transfers (ICTs)**.
- > Appendices, which are also available on the web, provide
  - details of the methodology including sampling and interview guides.

## 2 The UK Context

### 2.1 Introduction

#### The four occupations

While the four occupational groups are all highly skilled they all form contrasting parts of the UK labour market.

Hospital consultants are a clearly defined occupational group with over 20,000 employed in the NHS in England (DoH 2002). Data for those working outside the public sector is more difficult to obtain, however the Labour Force Survey shows that amongst the wider medical practitioner category, a third work for the private sector. Hospital consultants are predominantly aged over 30 given the long training times, and the majority are men. There are currently shortages of hospital consultants in some specialisms in some parts of the country, and with the increased spending planned for the NHS the demand for such people is expected to grow significantly.

While the initial remit was to focus on those in information technology, electronics and communications (ITEC), the majority of the sample were in IT. IT professionals are not a precisely defined group. For this study it was taken to include all those qualified at degree level or equivalent and who may work in the IT roles in the IT industry, or in the wider economy and the public sector. Only a small minority are employed in multinational organisations. The Labour Force Survey identifies some 430,000 who classify themselves as working as ICT professionals, this total excludes those whose primary role is management. They have a young age profile and the majority are men. There are many estimates of the scale of shortages in this sector (IES, 2001). Post Y2K and with the subsequent economic and dot.com downturn, the scale of skill shortages has abated, although it has not gone away.

In the case of financial services the potential definitions are also wide and the Labour Force Survey identifies over 1 million as being in this category of diverse occupations. Such people are predominantly employed in the private sector, with a high concentration in London. The majority are again men. A minority are employed by multi-national companies. Shortages have been highlighted as affecting many of the constituent occupations, but again the economic downturn has reduced the scale of such shortages in the last year.

Finally biotechnology is a much smaller grouping of specialists and it also embraces a very wide range of numerically small occupations, although the wider community of those with associated skills in *eg* biological sciences and electronics is much larger. Given the difficulty of defining biotechnologists it is hard to give precise numbers working in these jobs, across pharmaceutical and biotechnology sectors, higher education, the NHS, the Research Councils and 'not for profit' research centres *eg* in Cancer Research. There were believed to be about 14,000 working in some 250 biotechnology companies in 1998, although some of these workers will not be biotechnologists. Most have postgraduate and some postdoctoral qualifications. Most are employed in the South East or Central Scotland.

## 2.2 Recent reviews of migration issues and trends

Relative economic conditions and political and cultural factors, along with organisational needs and individual motivations and capabilities all combine to underpin international migration. There is an extensive general literature on the general subject of migration. Two recent Home Office reports *International Migration and the United Kingdom: Recent Patterns and Trends* (Dobson *et al.* 2001) and *Migration: an economic and social analysis* (Glover *et al.* 2001) provide a valuable context for considering migration in these occupations, as does the OECD report *International Mobility of the Highly Skilled* (OECD 2002) and the *International Mobility of Scientists and Technologists* (Pearson, 2002a). Other research of relevance includes *Foreign Labour in the United Kingdom: Patterns and Trends* (Salt 2001); *Trends in Immigration and Economic Consequences* (OECD, 2001); *International Movements of the Highly skilled* (Salt 1997); *Managing Mobility Matters* (PWC, 2002); and the *International Mobility of Scientists and Engineers to the United States – Brain Drain or Brain Circulation* (Johnson and Regattas 1998). The recent DfiD White Paper also addresses the broader issues relating to less developed countries (DfiD, 2000).

None, however, focuses in detail on the occupations being addressed here. The most occupationally focused are the UK case studies which focus on the inflow of highly skilled researchers in ICT and biotechnology into UK public sector research and reported in *The Mobility of Academic Researchers* (Pearson *et al.*, 2002b); while an earlier report *Assessing the Supply and demand for Scientists and Technologists in Europe* (Pearson *et al.*, 2001) provided a broader overview of flows and employment in science and technology occupations. There was no data available about migration collected by the relevant sectoral and occupational bodies.

## 2.3 The factors affecting mobility

This next section report highlights some of the factors behind the organisational and individual decisions and some of the consequences for the receiving and ‘sending’ countries (Pearson, 2002). That paper categorises four dimensions of mobility which are of relevance to professional occupations:

- Why organisations may seek skilled foreign workers.
- Why skilled foreign workers may seek to migrate.
- The potential impact of immigration on the receiving country, the UK.
- The potential impact of emigration on the source country.

### Why organisations may seek skilled foreign workers

There are a number of factors that lead organisations to recruit the highly skilled from overseas. These include:

- The need for unique skills that are only to be found abroad, as in the case of certain types of R&D where leading edge research is undertaken only in certain locations, or in terms of specialist knowledge of foreign markets for products and services, business practices and local regulation.

- Inward investment which requires an immediate availability of certain types of skills associated with particular 'start up' activities such as specialist management and technical skills.
- To alleviate an actual or perceived shortage of relevant skills (at suitable local wage rates) in the domestic market to support innovation, competitiveness and growth.
- A wish to reduce wage costs by recruiting from lower cost locations.
- A desire to widen cultural diversity and international expertise to create new ideas and/or to provide a wider skill base to address cross international market challenges.
- Intra company transfers within 'internal labour markets'. As well as being responses to the above cases, these may also be facilitated as part of corporate management development programmes to enable, usually senior staff and young graduates, to build skills and competencies relating to working in other environments and cultures.

In some cases, organisations also take advantage of the growing population of foreign students who have studied in the UK, and foreign nationals already working in the UK and who apply for jobs in the UK. This is a more accidental form of recruiting foreign nationals.

In science and technology, and particularly in research, many organisations also seek to meet their needs for advance skills or knowledge either by working in partnership or joint ventures with overseas organisations possessing such scarce skills. In other cases they may export the jobs or work, as illustrated by some studies covering the ITEC sector. (Huws and O'Regan, 2001)

### Why skilled individuals may seek to migrate

The factors encouraging individuals to migrate can be considered under two inter related headings, first the desire or motivation **to leave** their home country and to seek employment elsewhere, and second **their choice** of where to seek employment.

Among the inter related factors that may encouraging an individual **to leave** are those relating to **'push'** factors *ie* dissatisfaction with the status quo:

- Adverse political, security, social and economic conditions as evidenced by the case of asylum seekers.
- Unemployment, or the under-utilisation of their skills.
- Perceived inadequate economic (inc. pay and cost of living) and intellectual returns to their skills, for themselves, and their families.

and what may be thought of as **'pull'** factors related to the economic, career or other attractions of another country such as:

- A desire to work with leading workers in their specialism, or state of the art equipment, or in a specialist working environment not available locally *eg* the roles only available in the global financial centres of London, New York and Tokyo.
- An approach by an employer or head-hunter seeking the 'best staff', this is particularly likely in the research community where the pool of advanced level researchers is well known and networked globally.

- International mobility schemes, although these are mainly aimed at students, and intra company transfers.
- A desire for travel and to work in another society.

A number of factors will then influence their **choice of destination** including many of which are the obverse, or complement those above:

- The availability of suitable employment.
- Manageable immigration rules.
- Language compatibility and the transferability of their skills and competencies to the new culture and working environment.
- Possible experience of the country whilst a student, as a visitor or in previous employment.
- The experiences of family or other connections *eg* colleagues.
- Knowledge of job and career availability.
- Financial returns in absolute terms, and relative to local living costs and taxation.
- Prospects for career advancement.
- Enhanced working environment *eg* working with leading knowledge workers, state of the art equipment, conditions, institutions, the ability to publish *etc.*
- Cultural and lifestyle factors including education and health facilities.
- Employment and social conditions for family members.

It is, however, hard to draw firm distinctions between the *push* and *pull* elements which affect those in different countries, occupations, stages of their careers and family circumstances in different ways.

While there is little evidence on why people choose to migrate, one important reason is believed to be the potential to increase earnings (OECD, 2001). In the case of academic researchers in the UK IT and biotechnology sectors one of the key reasons highly skilled researchers, including those from within the EEA, came to work in the UK was a desire to work with 'leading edge' researchers, 'state of the art equipment' and in a 'meritocratic' system. Here, potential growth in earnings was not a significant factor (Pearson, 2001).

Mahroum (1999) in a review of the possible motivations for different types of highly skilled migrants suggested a typology as follows:

- **Managers and executives** – described as 'accidental tourists', because the decision to relocate is often temporary and involves intra company transfers, or is driven by mergers, expansion or career development plans.
- **Engineers and technicians** – described as 'economy-class passengers', because they are pulled to where their skills are most needed and best rewarded.
- **Academics and scientists** – described as 'pilgrims' because they are attracted by the type of work and working conditions in terms of the strength of a discipline or area of research, and the international prestige of an institution.

- **Entrepreneurs** – described as ‘explorers’ who bring capital and ideas aimed at setting up business activities. These individuals are attracted by supportive government policies in areas such as taxation and employment flexibility, the availability of finance and the openness of markets.

### The possible impact of inward migration on the receiving country

These reflect in part a summation of the benefits to the domestic employing organisations and include:

- An increase in the pool of available skills and the easing of domestic wage pressures.
- Alleviating skill shortages.
- Boosting research, innovation, competitiveness and growth via the advent of new skills, eg migrants, who represented around one sixth of ICT ‘experts’ in the US in 1997, are often credited with the rapid development of ICT industries. (OECD, 2002).
- Boosting entrepreneurship and an inflow of capital. An illustrative example is provided from the USA, where in 1998 a quarter of Silicon Valley companies were said to be run by Chinese and Indian immigrants. It was also estimated that in 1999 venture capitalists from Chinese Taipei brought at least US \$400m to Silicon Valley (OECD, 2002).
- Enhancing cultural diversity and creativity.
- Widening international market links and understanding, and the potential for trade.
- Contributing to global humanitarian challenges (the asylum dimension).

In contrast, concerns are also articulated about possible increases in unemployment and under-employment, and additional education, health and social security costs. In addition the high proportion of foreign nationals in key roles (eg research and higher education) has been seen in the US as a dangerous ‘dependency’ on the skills of migrants.

An examination of the economic growth and immigration levels in the 15 EU countries, drawing on an OECD approach, argues that a one per cent growth in population due to immigration is associated with between 1.25 and 1.5 per cent growth of GDP in the UK (Glover *et al.* 2001). However, as the authors assert, the relationship is not quite that simple, as the impacts are variable depending on the skill level of migrants: *‘most studies suggest that immigration confers small net gains in terms of per capita output to the host country, but the distribution of the benefits is not necessarily even and depends on the qualification structure of the immigrant and native born workforce’*, (OECD, 2001). The migrant population in the UK was also estimated to make a net financial contribution of £2.5bn in 1999/00 although this was a tentative estimate and a number of caveats were highlighted concerning the assumptions (Gott, Johnston, 2002).

While there is the argument that the use of foreign labour may moderate wage growth in high growth sectors with labour shortages there is very little empirical evidence that immigration either increases or decreases wages, especially at the aggregate level. However, there has been some evidence that when migrants enter a sector in large numbers, for example the IT industry, the sector can expand and wages have remained stable (Glover *et al.* 2001). The immigration of managers, professionals and IT workers is also credited with stemming wage growth in the IT sector in the South East of England in the late 1990s (OECD, 2002).

Glover *et al.* (2001) and OECD (2001) also both conclude that immigration has had no visible impact on native unemployment, and may be beneficial to the economy as it acts as a source of flexibility; that the net impact on expenditure levels has so far been negligible; and it can, to some degree, reverse negative impacts on living conditions due to an ageing population, although it cannot alone solve such problems. However these findings relate to migration as a whole, rather than the migration of highly skilled individuals.

### The possible impact of emigration on source countries

Finally an important policy issue for the UK is the way that immigration might impact, both positively and negatively on the countries losing such people, although there is little substantive evidence available. Positive impacts for countries experiencing the emigration of skilled individuals might include:

- Alleviating unemployment or under employment.
- Migrants returning with knowledge, skills and experience from abroad, boosting the indigenous economy through the creation of new opportunities and increased productivity as in *eg* India and Ireland. This is often called *brain circulation*.
- Increased business links, understanding of markets, export and other opportunities with the migrants' new country, business and research communities, *eg* the South African Network of Skills Abroad links skilled individuals living abroad with South African counterparts to enable them to participate in research, disseminate information and research findings, facilitate business contacts, and initiate research and commercial projects in their home country.
- The payment of remittances and possibility of venture capital from Diaspora networks to support families and businesses.
- The possibility that being able to move abroad may encourage more of the indigenous population to pursue education, and increase economic growth.

Against these potentially positive impacts is the concern that the skilled emigration from developing countries is creating a 'brain drain' of scarce skills, which may undermine the local economy and their health and education sectors. The latter is particularly relevant if, as Findlay (2001) suggests, that 'professional and managerial workers from developing countries (unlike their developed world counterparts) are relatively unlikely to return again after a few years working in the UK labour market'. This conclusion is reached by comparing inflows and outflows of skilled individuals over time in the UK, although it is acknowledged that it is not known whether this will change at all with the large numbers entering in the last few years.

A summary of the possible advantages and disadvantages for the 'sending' and the 'receiving' countries as drawn up by the OECD is set out in Table 2.1.

➤ **Table 2.1\_Possible impacts of migration of skilled individuals on sending and receiving countries**

Sending countries: possible positive effects	Receiving countries: possible positive effects
<p><b>Science and technology:</b></p> <p>Knowledge flows, collaboration, natives return with foreign education and capital, increased ties to foreign institutions</p> <p>Export opportunities for technology</p> <p>Remittances &amp; venture capital from Diaspora networks</p> <p>Successful overseas entrepreneurs bring management experience and access to foreign markets</p>	<p><b>Science and technology:</b></p> <p>Increased R&amp;D and economic activity due to availability of additional highly skilled workers</p> <p>Entrepreneurship in high growth areas</p> <p>Knowledge flows &amp; collaboration with sending countries</p> <p>Immigrants can foster diversity &amp; creativity</p> <p>Export opportunities for technology</p>
<p><b>Human capital effects:</b></p> <p>Increased incentive for natives to seek higher skills</p> <p>Possibility of exporting skills reduces risk/raises expected return from personal investment in education</p> <p>May increase domestic economic return to skills</p>	<p><b>Labour market:</b></p> <p>Wage moderation in high growth sectors with labour shortages</p> <p>Immigrant entrepreneurs foster company &amp; job creation</p> <p>Immigrants can attract other immigrant labour (network hiring effects)</p>
Sending countries: possible negative effects	Receiving countries: possible negative effects
<p><b>Human capital effects:</b></p> <p>‘Brain drain’ and loss of productive capacity due to (at least temporary) absence of highly skilled workers. Lower returns on public investment in education</p>	<p><b>Higher education:</b></p> <p>Decreased incentive to natives to seek higher skills</p> <p><b>Science and technology:</b></p> <p>Technology transfers to foreign competitors and possible hostile countries</p>
<p><b>Possible global effects</b></p> <p>Better international flows of knowledge, formation of research technology cluster (eg Silicon Valley)</p> <p>Better job matches for individuals, ability to apply unusual skills, work where most interesting to them</p> <p>International competition for scarce human capital may increase incentives for individual human capital investments</p>	
<p>Source: OECD 2002</p>	

## 2.4 UK Policy developments

### The UK Work Permit System

Entrants from outside the EEA can only normally work in the UK if they have a work permit, the main exceptions being commonwealth citizens who can enter the UK as ‘working holidaymakers’ for two years. The basis of the work permit system for non EEA skilled migrants was formalised in 1980, setting down the criteria of entry based on labour market needs. The underlying principle is that the UK employer applies for a work permit for a specific employee for a specific job, and needs to prove that no ‘resident’ workers are available. It needs to be demonstrated that the job is genuine, what the skills and qualifications required are, whether the applicant is suitable, and whether there are suitable UK or other EEA resident workers available. In the past employers had to advertise the post, in order to prove that there are no suitable ‘resident’ candidates. This has since been relaxed and applications are either dealt with on a case by case basis, or, in certain ‘acute shortage supply’ areas, shortages are assumed at the time of the application. The rules have also been relaxed for senior level intra company transfers, Board level posts, and those associated with inward investment. Occupations in acute shortage areas have historically focused on the health sector, as is reflected by the fact that 31 per cent of UK doctors are foreign born (Glover *et al.* 2001). However, certain IT occupations were added to the list in 2000.

The 1999 Budget also argued for a loosening of the rules limiting the skills and experience required for inward migration, especially for entrepreneurs and investors wishing to start businesses in the UK. Since October 2000, those with degrees can now enter without work experience, and those without degrees now need three years experience rather than five. Work permits can now also be granted for five, rather than four, years. Finally, unlike *eg* the work permit system in the US, no quotas are placed on the number of work permits issued. Other regulations apply for entrepreneurs whose aim is to establish a business in the UK.

In January 2002 the Government launched the Highly Skilled Migrant Programme, a points-based scheme designed to attract the most talented migrants to the UK to look for work. Migrants with high level skills can now come to the UK without an initial job offer. Individuals in key occupations, including IT and medicine, are now able to apply for work permits without the necessity of having a job lined up. Applicants have to supply appropriate evidence of, amongst other things, educational qualifications, work experience, past earned income and achievements in their chosen field. Successful applicants are initially granted leave to enter the UK for one year. Assuming that they find work at an appropriate level in their chosen field within one year, their stay will be authorised for four years. After this period they will be able to apply for settlement. The Government has said it is committed to providing information about the scheme abroad, so that those in other countries will be aware of the opportunities to work in the UK. These changes are likely to radically change the nature of the flow of those entering the UK on work permits. It should be noted, however, that the Department of Health is committed to an ethical approach to the international recruitment of health care professionals and states in its Code of Practice for NHS employers that developing countries should not be targeted for recruitment.

## Policies to attract skilled workers in other countries

The UK is not the only developed country to ease its entry rules for foreign nationals seeking to work in key, usually highly skilled occupations. For example, Australia and Canada have shifted their criteria for entry to make them more favourable to those with scarce skills, Germany has launched a programme to issue 20,000 immigration visas to fill IT job vacancies, the United States has temporarily increased the cap on the number of professional immigrants, whilst Ireland has been particularly active in attracting foreign workers through job fairs abroad, and introduced a work permit for highly skilled workers in shortage areas as well as seeking to attract Irish nationals to return to work in Ireland. Japan has also extended the maximum visa for some workers from one to three years (OECD 2001, 2002).

## 2.5 Data on inward migration

Figures for the inward migration of foreign national workers into the UK can vary dramatically according to the measure used and the population under investigation (Table 2.2).

Data on work permits covers migrants from non-EEA countries who have entered on the basis of skills and qualifications held. At the other extreme, National Insurance (NI) data covers all foreign workers, either from inside or outside the EEA, skilled or unskilled, registering or re-registering for NI purposes. Given the wider population covered, and the fact that some individuals will be re-registering, NI figures are considerably higher than those for work permits. As both sources are based on administrative data, numbers are precise.

The other two sources, the Labour Force Survey (LFS) and the International Passenger Survey (IPS), are based on cross sectional surveys. The LFS data refers to the number of foreign nationals, including those from the EEA, who were resident in the UK at the time of the survey but were not one year previously. The IPS is a voluntary sample survey of people using sea and air routes into the UK, and until 1999 it excluded those coming from Ireland. It refers to those who were resident abroad for a year or more at the time of entry, and who state an intention to stay in the UK for a year or more. The figures from IPS are considerably higher than those from LFS, despite covering broadly the same population. The reasons are unclear, although a contributing factor may be that IPS is based on the intention to stay for a year, rather than actually having stayed. The LFS is also effectively one year behind IPS, and IPS does not account for those that do not remain for the intended year.

It is interesting to note that the gap between work permit data and LFS estimates is narrowing, this may reflect the growing importance of skilled labour from outside the EEA in relation to worker immigration as a whole (Salt and Clarke 2001). Similarly, data covering professionals and managers from the IPS, including those from the EEA, show that whilst the numbers of such foreigners leaving has not increased substantially, the numbers entering have (Findlay 2001). This has been interpreted as meaning the UK has moved away from a situation of 'brain exchange' in the early 1990s, whereby inward and outward flows of skilled individuals were similar in number, to one of 'brain gain'.

This 'brain gain' is certainly reflected in relation to academics. In higher education 995 academics entered UK higher education institutions (HEIs) from overseas (inc. EEA nationals) in the academic year 1998/1999, compared with 307 who left UK HEIs to go overseas. This was within an overall population of 77,000 who were funded by HEIs (HESA, 2000).

The inflow of foreign nationals to work in the UK has increased significantly over the last decade (although the precise amount depends upon which measure is used).

## 2.6 Routes of entry

Work Permits, which are required by non EEA skilled migrants, were the largest route of entry in 1999, accounting for an estimated 30 per cent of inward migration flows. This is almost twice the proportion of EEA entrants, who do not require work permits (Table 2.3).

➤ Table 2.2\_Inflows of foreign national workers, UK, 1991, 1997 and 1999

	Coverage	1991	1997	1999
Work Permits	Non-EEA entrants, all skilled	28,978	42,844	58,245
Labour Force Survey (LFS)	All foreign workers (including EEA)	51,000	59,000	64,000
International Passenger Survey (IPS)	All foreign workers (including EEA)	75,000*	79,000*	127,000
National Insurance (NI)	All foreign workers (including EEA)	114,521	130,309	N/A

Note: Work Permits are first permissions and include Training and Work Experience Permits  
 LFS data: foreigners, including those from EEA, living and working in the UK, but living outside the UK 1 year ago (to nearest thousand)  
 IPS data: estimated inflow of foreign workers (to nearest thousand) \* excludes those coming from Ireland  
 NI data: No. of immigrant workers registering or re-registering (in financial year 1 April to 31 March)  
 Source: Salt and Clarke (2001)

➤ Table 2.3\_Estimate of UK labour immigration: routes of entry, 1999

	Number	%
Work Permits	55,494	30
Working Holidaymakers	45,800	25
EEA	30,000	16
Domestic Employees	14,900	8
Au Pairs	14,600	8
UK Ancestry	11,900	6
Seasonal Agricultural Workers	9,760	5
Ministers of Religion	1,050	0.6
<b>Total</b>	<b>183,504</b>	<b>100</b>

This is a composite table drawn from several sources  
 Source: Dobson *et al.* (2001)

## 2.7 Trends in Work Permit Applications

The number of Work Permit applications granted rose dramatically between 1995 and 2000, a period of sustained economic growth and declining unemployment, with the numbers rising quickly in the latter years as the criteria were also loosened (Table 2.4).

➤ Table 2.4\_UK Work Permit applications cleared, 1995 – 2000

	1995	1996	1997	1998	1999	2000	% Change 1995/2000
Work Permits	24,918	26,747	32,212	37,970	41,922	60,848	144
First permissions	3,929	4,215	4,473	5,490	6,514	10,625	170
Extensions	7,745	7,977	9,161	11,180	12,728	14,121	82
Changes of employment	2,024	2,772	2,973	3,697	4,591	7,863	288
Supplementary employment	1	0	9	263	204	95	–
<b>Total</b>	<b>38,617</b>	<b>41,711</b>	<b>48,828</b>	<b>58,600</b>	<b>65,959</b>	<b>93,552</b>	<b>142</b>

Source: Salt and Clarke (2001)

Throughout this period the number of refusals remained remarkably stable at about 5,000 pa.

Unfortunately current Work Permit data does not allow us to examine the proportion of work permit holders entering on the basis of intra company transfers (ICTs). Available data from 1997 showed that nearly half came in on intra company transfers, compared with around one quarter in 1992 (Dobson et al. 2001).

### Work Permits by sector and occupation

The USA and India were the largest sources and accounted for nearly 40 per cent of those receiving work permits in 2000. (Findlay, 2001). While the Work Permits UK data has details of the sector of the applicant's organisation, and the occupation of the post, the definitions used do not easily correspond with those used in other sources and do not easily combine to give the categories of interest for this study.

The available **sectoral** data shows that the highest growth in work permits given in the five years to 2000 was in computer services and the health sectors, both up six fold in five years; while growth in financial services and other categories, though lower, was still up twofold. Overall, computing and health accounted for over 40 per cent of the work permits granted (Table 2.5).

> Table 2.5\_ **Work permits and first permissions granted in key sectors, 1995 and 2000**

	<b>Totals 1995</b>	<b>Totals 2000</b>	<b>% Change</b>
Computer services	1,827	12,726	597
Financial services	3,194	6,997	119
Health and medical services inc. nurses	1,774	14,516	718
Other	17,366	30,336	150
<b>Total</b>	<b>24,161</b>	<b>64,575</b>	<b>167</b>

Source: Dobson et al. (2001)

On an **occupational** basis the largest higher level occupational groups were in IT, in particular software engineers, systems analysts and computer analysts/programmers. Large numbers were, however, classified as ‘other’ (Table 2.6). Bio-scientists only had eight applications granted, but this partly reflects the small population and also the difficulty of identifying biotechnologists as a discreet occupation.

In the broader engineering and technology grouping, India was by far the largest source country, accounting for 75 per cent of work permits granted. Among the smaller group of health professionals, South Africa and India were the key sources, while among business and financial professionals, Malaysia was a key source, followed by South Africa and India. (Findlay, 2001)

It is in the context of these trends and developments that the survey of over 300 professionals who had entered the UK on work permits during 2000/01 was carried out. The results from that survey are presented next.

➤ Table 2.6 **Work permits granted to workers in IT, Financial, Medical and Biotechnology, 2000**

Sector	Occupations	No.
<b>IT</b>	Computer Engineer	318
	Computer Programmer	795
	Software Engineer	2,418
	Systems Analyst	2,303
	Other IT Related Occupation	7,372
	Total	13,206
<b>Financial services</b>	Accountant	991
	Bank Manager	23
	Commodity Broker	3
	Insurance Broker	23
	Investment Analyst	86
	Investment Manager	58
	Stock Broker	8
	Trader	144
	Other Financial Occupation	3,554
	Total	4,890
<b>Health</b>	Medical Practitioner	322
<b>Biotechnology</b>	Biomedical Scientist	8
<b>Overall Total</b>	–	18,426
<p>Note: 11,443 out of 12,979 work permits / first permissions granted to managers were classed as 'other'; therefore totals for managers are likely to be substantially under-estimated.</p> <p>Source: IES/Work Permits UK</p>		

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# Part one

Overview of findings





# 3 Profile of the skilled migrant workers surveyed

## > Summary\_Profile of skilled migrants

The profile of migrant workers varies markedly by sector, both in terms of demographics and source country.

Those in the Finance and IT sectors are mostly under 35, mostly male and under half are married. The Finance sector draws mainly from the developed countries; the IT sector has a strong contingent from India/Pakistan but also draws from developed countries.

The Health sector draws older workers, mainly over 35 and they are correspondingly more likely to be married with children. This reflects the amount of study and experience needed to meet the requisite skill level for the jobs available in this sector.

In the biotech sector workers were mainly in the 25-34 bracket and they came from a mix of source countries: Far East; Eastern Europe and Australia/Canada/New Zealand.

### 3.1 Country of Origin

Overall, the nationality of respondents was wide ranging. For analysis purposes, nationality has been divided into seven groups:

- > USA (44 respondents).
- > Australia/Canada/New Zealand (61 respondents).
- > Far East (including Japan, Malaysia, China, Singapore, Korea) (37 respondents).
- > India/Pakistan (61 respondents).
- > Eastern Europe (33 respondents).
- > South Africa (47 respondents).
- > Others (25 respondents).

As might be expected, the majority of respondents working in the IT sector were from India/Pakistan (34%), followed by Australia/Canada/New Zealand, and then South Africa.

The finance sector was dominated by those from developed countries. Those working in the health sector were most likely to be from India or Pakistan (38%). This was followed by South Africa (25%) and Australia/Canada/New Zealand (17%). Workers in the biotechnology field were more likely to be from the Far East than any other part of the world (31%), followed by Eastern Europe.

### 3.2 Gender

74% of all respondents were male, and 26% female. IT had the highest percentage of men, 81%, whilst the biotech industry had a much closer mix of men and women, with 47% of respondents being women.

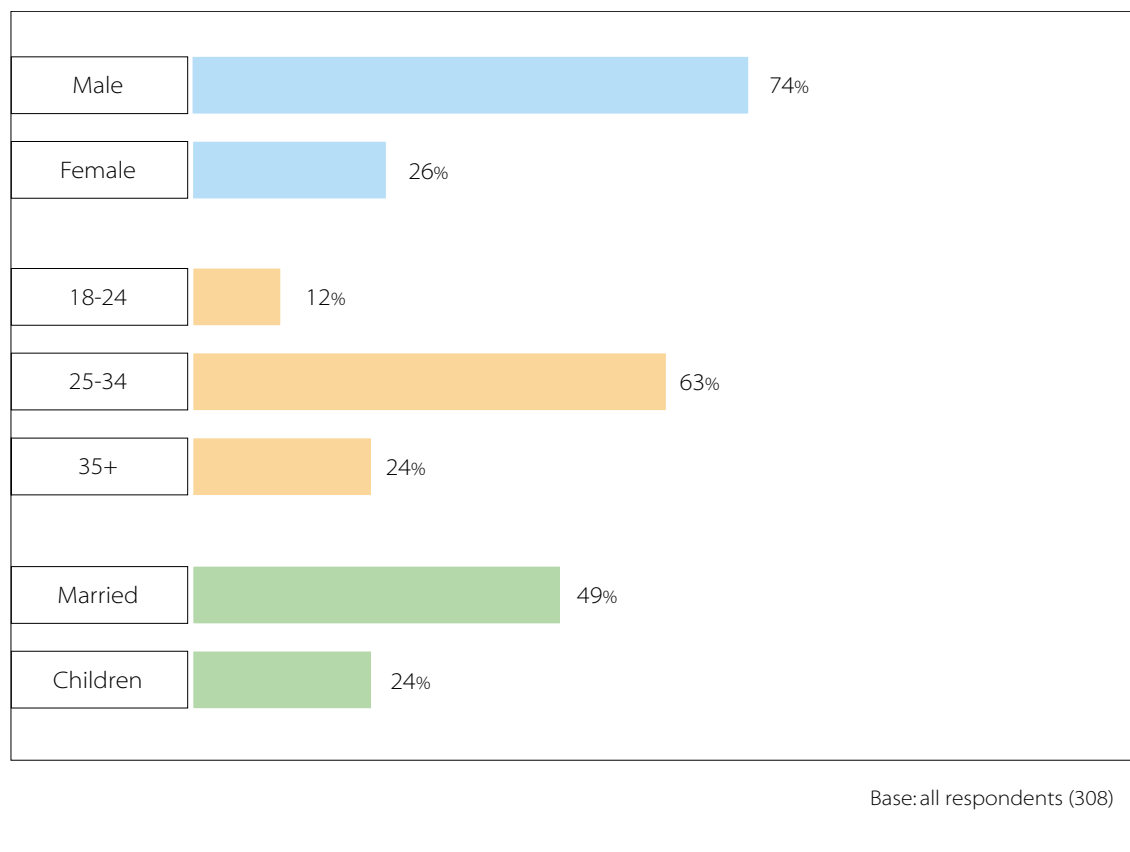
### 3.3 Age

The majority of respondents were 25-34 across all of the occupations except for health, where most were aged over 35. In both biotech and health, there were no respondents aged under 24. This reflects the time it takes to qualify for these occupations, particularly in biotech, where 74% have a doctorate. It also reflects the experience needed to be a hospital consultant.

### 3.4 Marital Status and Children

Those working in IT and finance were more likely to be single than married or living with a partner, although a significant number of respondents were married or living with a partner (46% and 44% respectively). Those working in health and biotech were more likely to be married/living with partner than single (79% and 69% respectively). This correlates with the age of respondents, as those working in health and biotech tended to be older.

> Figure 3.1 Age, Gender and Marital Status



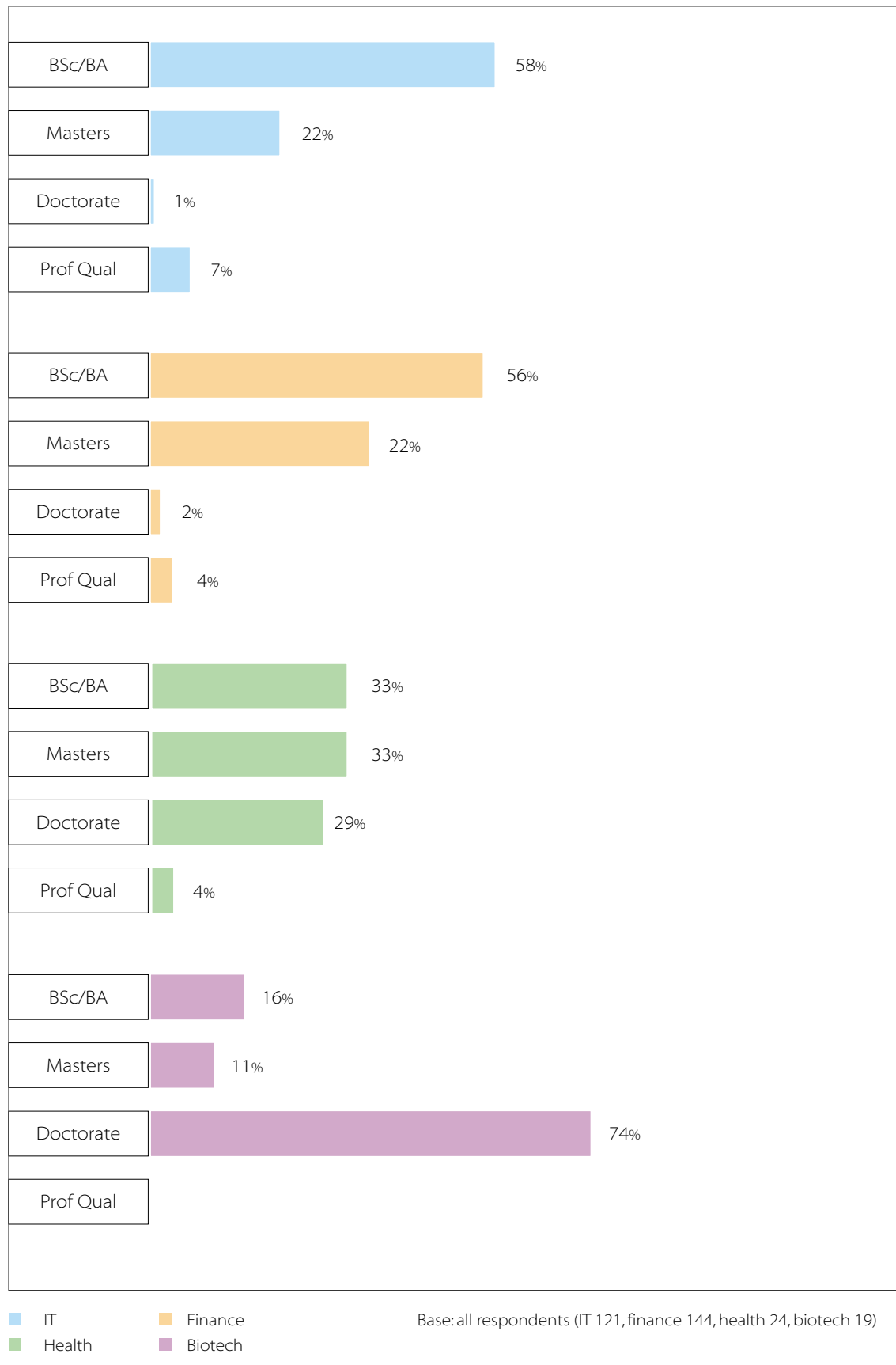
### 3.5 Highest qualification

Figure 3.2 below shows the highest qualification that an individual has obtained. Those working in IT had the lowest level of qualifications relative to the other occupational groups – 58% held an undergraduate degree as their highest qualification, whilst a further 22% had a Master’s degree. As one would expect, all Hospital Consultants hold a qualification at least to undergraduate degree level and the majority exceed that with 33% holding a Masters and 29% having achieved a doctorate. In the biotech industry sector, 74% of respondents had a PhD.

Those from developing countries tend to have higher qualifications than those from developed countries, as can be seen below:

- Undergraduate degree – 44% developed, 56% developing.
- Masters – 38% developed, 62% developing.
- Doctorate – 32% developed, 68% developing.

> Figure 3.2\_Highest Qualification



# 4 Motivations to work abroad

## > Summary\_Motivations for working abroad

It is clear that the decision to work abroad represents a different set of challenges depending on the sector and the lifestage of the individual.

Workers in the Finance and Health sector are more senior and have moved to the UK from a variety of backgrounds, and for many this is not their first experience of working or studying abroad. In the biotech sector, they are most likely to have been already studying away from home. Workers in the IT sector who are younger and more likely to come from developing countries, are more likely to be moving to the UK from work in their home country. It is therefore fair to assume that the move is more of a leap for this group.

The common theme across all sectors is that skilled migrants are drawn to world centres of excellence. The pull of such centres is a much more powerful driver of their decision than any negative factors about their home country. The only source country for which push factors played a significant role was South Africa. It is also true, however, that in the developing countries, lack of what are perceived to be appropriate opportunities does drive people to seek them elsewhere.

The motivation to work abroad can best be summed up as ambition both for one's career development and one's personal development, the latter stemming from the desire to experience another culture and to gain the confidence that living and working abroad can give you.

### 4.1 Situation before coming to the UK

The majority of respondents were working in their home country before moving to the UK. Those working in biotech were most likely to have been studying in the UK before taking up their current position (37%), and a further 16% had been studying elsewhere, either in their home country or abroad. Hospital consultants were more likely to have been studying, either in the UK (8%) or elsewhere (17%) than those working in finance or IT.

The main difference between developed and developing countries was that 17% of those from developing countries had been studying in the UK prior to taking up their job compared to 6% from developed countries.

## 4.2 Why work in another country?

The first question about working in the UK that respondents were asked was open ended: ‘Thinking back to your home country, why did you decide to work in another country, rather than work in your home country?’ Looking across all four occupational types, the most common answer was to gain experience/knowledge/exposure, followed by the desire to develop their careers and to take advantage of better opportunities. Better pay and financial reasons were mentioned, but were only the fourth most commonly mentioned.

This shows that pay and other financial reasons, although important, were not predominantly what encouraged these skilled migrants to move abroad, and this will be seen in greater detail later in the report (see Chapter 5). Figure 4.1 below shows the top responses. The responses can be grouped into five main areas: financial, career/expansion of knowledge, travel/culture, family and other reasons. The last column in the table below shows which area these top responses fit into.

> Figure 4.1\_Reasons for working in another country

<b>Q1: Thinking back to your home country, why did you decide to work in another country rather than work in your home country?</b>	<b>%</b>	<b>Area</b>
To gain experience/knowledge/exposure	17	Career
Career move/career development	15	Career
There were better opportunities	15	Career
Financial reasons	14	Financial
Studied in UK and decided to stay	13	Other
Wanted to travel	11	Travel/culture
Gain international experience	9	Career
Wanted work experience	8	Career
The culture/way of life	7	Travel/culture
For my partner/family	5	Family

Base: All respondents (308)

Below are some of the typical answers given by workers in each sector:

### IT

*“I was looking to move somewhere for some time and there was an opportunity in the UK. Well also my mother was born here and I wanted to experience her culture.”*

*“I did an MBA in England and decided to come back after 2 years of work experience in India and work here. It is very good for my field and I can get international experience.”*

*“To have some experience outside Iran. Improving my language, which I haven’t done as yet. I’m planning to have the opportunity to study.”*

*“ There are not that many jobs in Poland. I changed from programming to software and moved to Warsaw so thought if I could make that move I could move to another country to get work.”*

## Finance

*“I have a lot of experience of international business. I have a daughter who lives in the UK. Also I have a bit of experience in international reinsurance business and London is the centre of reinsurance.”*

*“Initially I wanted to travel and meet new people. I wanted to gain experience of working in a city. Some work and some travel. I thought if I started to enjoy it then I could get a permanent job in the UK. I wanted to get out of small places.”*

*“Much greater international exposure and the experience of working in one of the major international financial centres.”*

*“It was for the job opportunity and aspects of the job primarily. I needed this opportunity and I had been here before and knew London.”*

## Health

*“The opportunities in India for post graduate training are not so good and I wanted to get post graduate qualification in the UK.”*

*“I did my training and higher studies in the UK. The training was more sophisticated here and far more suited to the UK. My kids’ education is better here. They are the main reasons.”*

*“It was a number of factors. The opportunity came up here due to workforce in the medical field disappearing. I’ve always wanted to work here and there were all kinds of domestic issues pushing me into leaving: the education of my children; the ability to make a new start.”*

## Biotech

*“Well, it is difficult to answer because I left my home country a very long time ago. I left Poland to go to university in France and I did my Phd in France then I came to the UK three years ago to do post doctoral research.”*

*“In general the nutrition and biotechnology industry in South Korea is not that big compared to the IT industry or something. The development of agricultural science is relatively slow so I decided to study this subject abroad somewhere.”*

Those from developed countries had rather different motivations than those from developing countries. The top five factors for developed countries were:

- > To gain experience/knowledge/exposure (21%)
- > Wanted to travel (18%)
- > Career move/career development (14%)
- > Better opportunities (11%)
- > The culture/way of life (10%)

Those from developing countries gave financial reasons and career reasons as their top motivation factors. The top five were:

- > Better pay (18%).
- > Better opportunities (17%).
- > Career move/career development (16%).
- > Studied in UK and decided to stay (15%).
- > To gain experience/knowledge/exposure (14%).

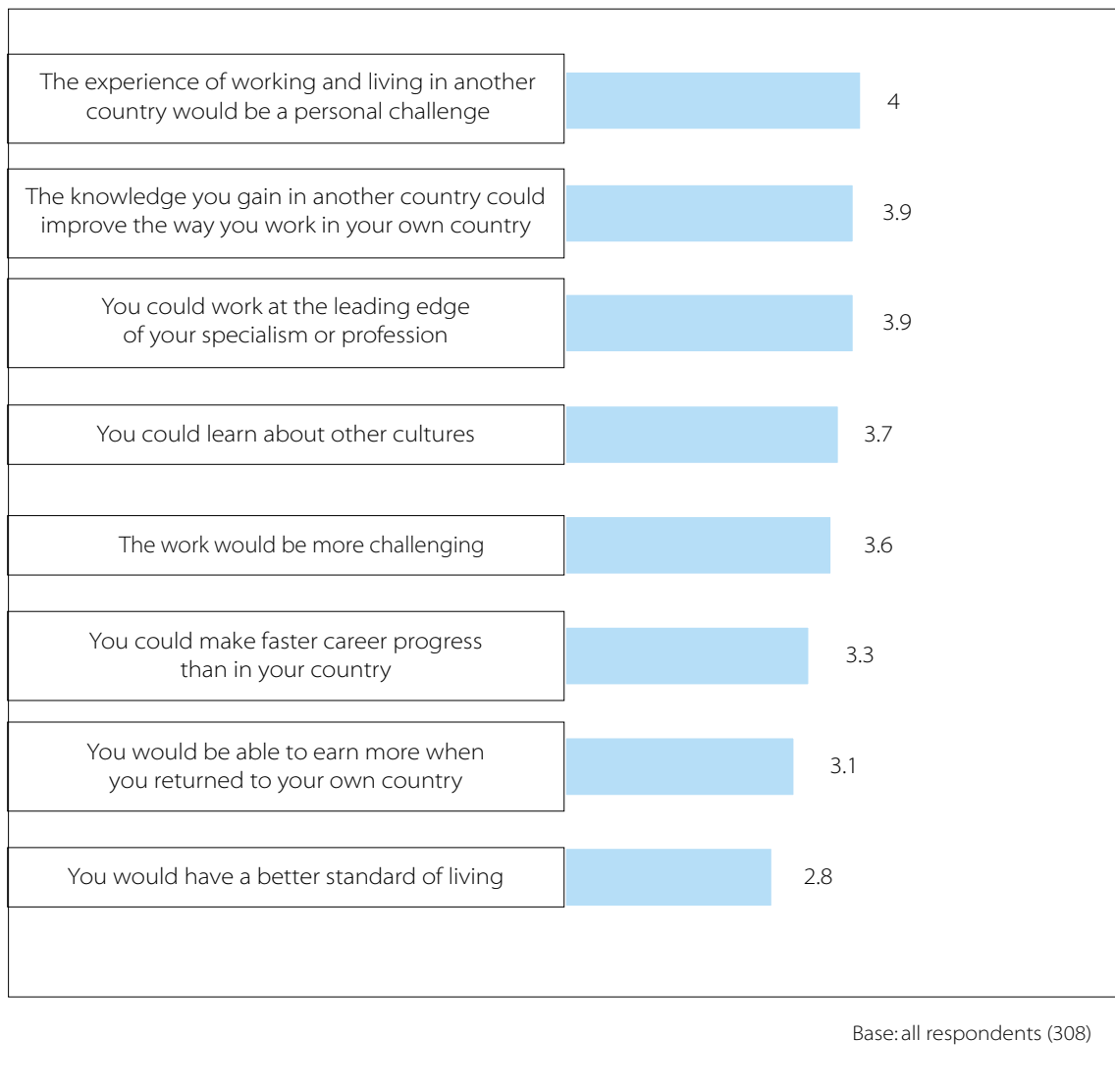
### 4.3 Importance of motivational factors

Respondents were next read out a list of eight factors that may have motivated them to work abroad, and asked to give them an importance rating. The exact question wording was as follows:

*Here are some things which people have told us about why they work in another country. Thinking about you personally, can you tell me how important each of these was in your decision to work in another country. Please answer on a scale of 1 to 5 where 1 is not at all important and 5 is extremely important.*

It is once again worth noting that ‘the experience of living and working in another country would be a personal challenge’ received the highest rating. Next came the career related factors, followed by others relating to travel and culture. Factors related to pay and standard of living were the least important across all occupations.

> Figure 4.2\_Importance of Motivation Factors



It was clear from the qualitative research that some had chosen their specialism because it represented a de facto “ticket to travel”. There were also different nuances in the verbatim reasons given for wanting to work in another country. These are summarised for each sector below, split by whether the source country was a developed or developing country.

> Figure 4.3\_Motivational Factors

Sector	Developed Country	Developing Country
<b>IT</b>	For specific opportunities For the 'experience' Opportunities to travel/access to Europe	More opportunities Better opportunities Better pay
<b>Finance</b>	Experience the London market Different culture Travel	Learn from a mature financial market  Greater international exposure
<b>Health</b>	Knowledge sharing Career move	Career move Looking for a more stable environment Trained abroad
<b>Biotech</b>	Area of research more developed elsewhere	

Having asked about their decision to work abroad, respondents were then questioned about their choice of country. The findings are set out in Chapter 5.

# 5 Choosing the UK

## > Summary\_Choosing the UK

The majority of skilled workers had first hand knowledge of the UK from previous visits to the country. Their other main sources of information were other people who had been to the UK and the Internet. Those in the IT sector were less likely to have made previous visits and were more reliant than any other group on the Internet.

In four out of ten cases, the UK was the only country considered. Those in the IT and Health sectors were more likely to consider other options.

Choice of the UK hinges on the fact that the UK is perceived to be able to offer both quantity and, perhaps more importantly, quality of opportunity. Then comes the English language which is an important factor in getting on the shortlist (the most commonly considered alternatives were nearly all English speaking). There also appears to be a comfort factor about the UK, based on familiarity with and liking for the society's values and approach to work. Factors which help to "clinch" the decision in favour of the UK revolve around personal development opportunities such as: opportunities for leisure, opportunities for the education of oneself and one's family. Substantially more people are encouraged by the ease of entry to the UK than are discouraged.

The most frequently named alternative destination was the United States where the potential for a higher standard of living was seen as a particular attraction.

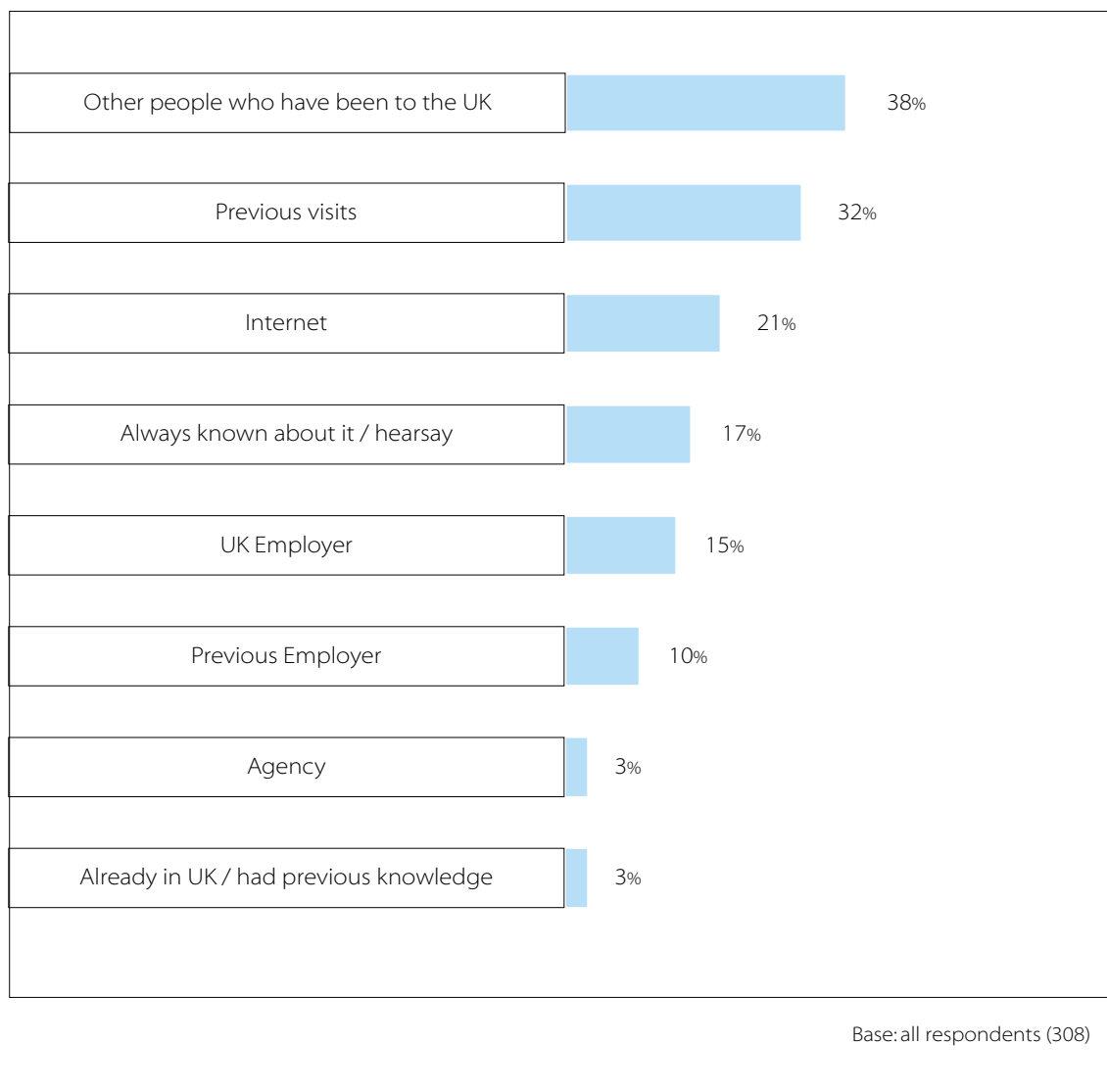
Factors which can deter are mainly cited by those in developed countries and include the climate, the public services and the standard of living.

The skilled migrants were asked a series of questions about how and why they choose to work and live in the UK.

### 5.1 Sources of information about the UK

They were first asked from where they obtained information about living and working in the UK. Other people who had been to the UK and previous visits were the top two sources, followed by the internet. This shows the importance that skilled migrants place on personal experience of some form. Those working in IT placed the internet in second place behind talking to other people; those working in finance, health and biotech were a little more likely to have gained information from previous visits than from other people.

> Figure 5.1\_Where did you get information about living and working in the UK?



### Previous experience of UK

Respondents were also asked if they had been to the UK previously, or if this was their first time. The majority had been to the UK before, but 31% of the total had never been before (Figure 5.2).

> Figure 5.2\_Previous experience of UK

	IT	Finance	Health	Biotech
First time	46%	23%	17%	21%
Been to UK before	54%	77%	83%	79%

Base: all respondents (308)

Just over a third of those from developing countries had never been to UK before, compared to 27% from developed countries.

## 5.2 Factors that influenced decision to move to UK

Respondents were read out 19 factors that may have influenced their decision to come and work in the UK. They were asked whether each factor had encouraged them, discouraged them or made no difference in their decision making process (Figure 5.3).

➤ **Figure 5.3\_Factors that influenced decision to move to UK**

<b>Factor</b>	<b>Encouraged %</b>	<b>Discouraged %</b>	<b>No difference %</b>
Opportunities to develop expertise or career	92	1	7
Opportunities in your sector	84	2	14
Availability of jobs in your specialism	71	3	26
Level of English	65	2	33
Opportunities to share your expertise and teach others	61	1	38
Knowledge of the country	61	2	37
The approach to work	59	4	37
Opportunities for leisure	60	8	31
Opportunities for own education	56	5	40
Personal safety	42	8	50
The society's values	38	7	55
Equal opportunities for women	27	3	70
The ease of getting a work permit	41	26	33
Standard of living	36	18	46
Opportunities for family	26	8	66
The ease of entry for partner or family	26	12	61
Public services such as education, health and transport	28	31	41
Proximity to family or friends	24	38	38
The climate	13	60	27

Base: all respondents (308)  
Note: Figures may not add up to 100% due to rounding

It is worth noting that, as previously, factors relating to career and expansion of knowledge rate the highest, but other factors relating to familiarity with the country and language and the approach to work and opportunities for leisure also appear to have helped steer skilled workers towards the UK.

The single most discouraging factor is the climate. Proximity to (or more precisely distance from) family and friends is the next most discouraging factor followed by the standard of public services.

Work permit related issues were a discouragement to a minority (25%) but there is no evidence from this research that the procedures involved are perceived to be any worse than in other countries. Indeed, ease of obtaining a Work Permit was a positive encouragement to over 4 in 10 of the skilled workers interviewed.

There were some strong differences between men and women. The main ones worth highlighting are that men were far more likely than women to have been encouraged to choose the UK by the following factors:

- > The society's values.
- > The ease of getting a work permit.
- > Standard of living.
- > Opportunities for family.
- > Ease of entry for partner or family.
- > Public services.
- > The climate.

And women were more likely than men to be encouraged by:

- > Opportunities for leisure.
- > Opportunities for own education.

There were also some differences between those from developed and developing countries, namely that those workers from developing countries were far more likely to be encouraged to choose the UK by the following:

- > Opportunities for own education.
- > The approach to work.
- > Their personal safety.
- > The standard of living.
- > Opportunities for their family.
- > Public services.

### 5.3 Most important factor

After being asked which of the above factors encouraged or discouraged them to move to the UK, respondents were then asked which one was the most important encouraging factor. The most encouraging factor, overwhelmingly, was opportunities to develop expertise or career, which was stated by 55% of all respondents. The breakdown by sector was:

- > IT – 45%.
- > Finance – 62%.
- > Health – 54%.
- > Biotech – 63%.

The second most important factor was opportunities in their sector, which was stated by 14% in total, followed by availability of jobs in specialism, which 13% thought was the most important factor.

#### 5.4 Opportunities in their sector

Those who said that opportunities in their sector was the most important factor were asked to tell us in what ways the UK offered better opportunities. This was an open-ended question.

For IT, the definition of better opportunities appears to relate mostly to the quantity of opportunities, but also to the fact that the UK sector is seen to be more advanced. A minority mention the fact that the jobs are higher paid.

*“Wider perspective plus exposure to a global world.”*

*“UK is starting to evolve in the network arena so I felt I could contribute and learn a lot.”*

*“More prestigious, better work, better to work here than in Australia.”*

*“Currently in the area of my expertise I am working in comparatively there are more opportunities in the UK/Europe than in the US.”*

In the finance sector, the importance of London in the world finance market is the main attraction.

*“It is a very big financial centre and it is the most deregulated and it is developing more and more.”*

*“It’s a bigger financial centre than in Hong Kong and has a longer history in that area. It’s also a better time zone.”*

*“Because it is much more developed here. The financial sector is huge. Finance is the core speciality of the UK.”*

In the health sector, ‘better opportunities’ means a variety of things. An important element is the enhanced scope for an individual to use and develop their skills. Pay is also a factor.

*“It offers structured education and gives you independence. Britain basically practices up to date systems of medicine taking the historical perspectives in this branch. The work conditions are flexible.”*

*“There is a more professional approach to my speciality. It is more organised. There is a better outcome and productivity and there are more opportunities to progress.”*

*“Bigger businesses, employing more people so we (UK) need different skill sets and people to deal with the problems that come up. As you are dealing with thousands and not hundreds of people it is a new challenge.”*

In biotech, the picture is one of specialists drawn to their specialism.

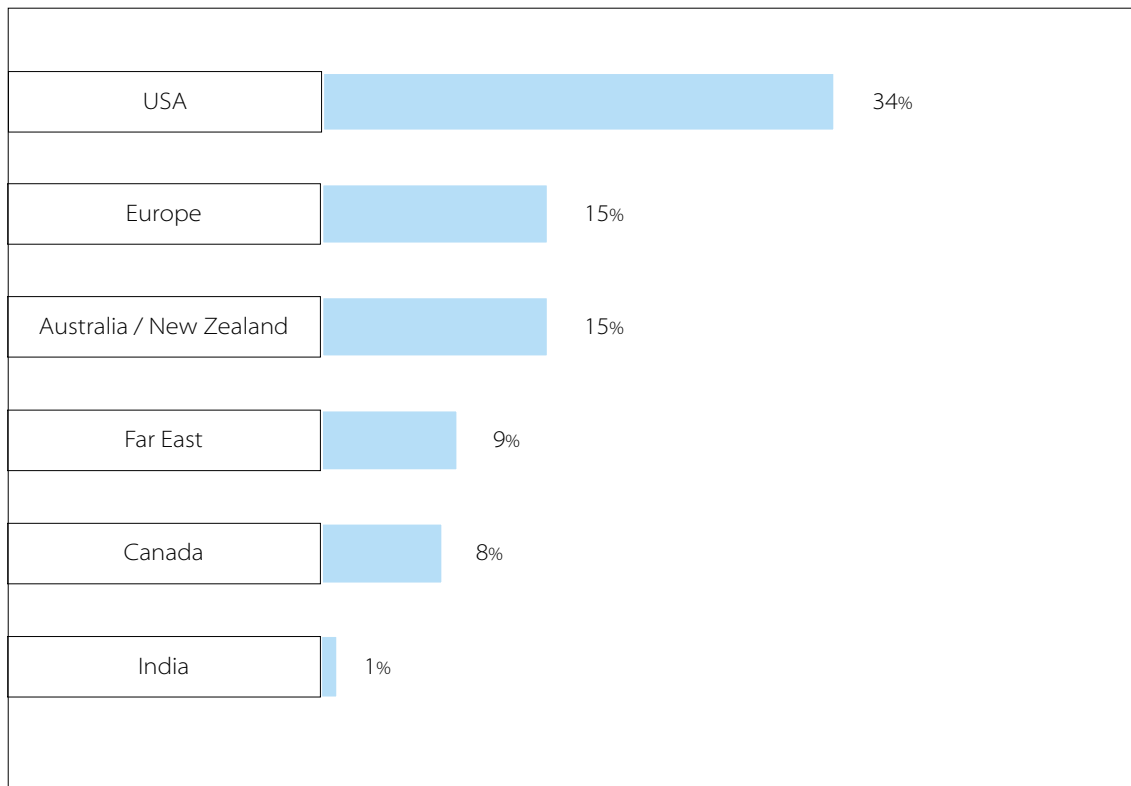
*“Resources and the lack of resources in Romania for research. Interest in research is so low in Romania among the public and the state, their perception of research is that it is unnecessary and making money is more important. In the UK, among the UK government and the people, research is the driver.”*

*“Because my field involves research and development which are not widely recognised in Malaysia.”*

### 5.5 Other countries considered

Respondents were asked what countries other than the UK they had seriously considered working in. 42% had not considered working in a country other than the UK. The chart below shows their choices. Not surprisingly, the USA was the frontrunner, followed by Europe. Of those who considered working in Australia or New Zealand, the majority (20%) worked in IT.

> Figure 5.4\_Which other countries did you seriously consider working in?



Base: all non ICTs who had a choice of country (277)

Those from developing countries were more likely to have seriously considered working in countries other than the UK. 48% of those from developed countries had not considered anywhere else compared to 38% from developing. Those from developing countries were also more likely to have considered working in the USA, 38% compared to 26%.

## 5.6 How other countries are better

Those respondents who were asked if they had ever considered working in another country were asked to name the ways in which other countries were better.

The countries that received enough mentions to analyse were the USA, Australia and Canada. The reasons why they were considered better were:

- > USA
  - Standard of living (25%).
  - Opportunities to develop expertise of career (20%).
  - Climate (19%).
  - Opportunities in sector (16%).
  - Availability of jobs in specialism (10%).
  - The society's values (10%).
- > Australia
  - Climate (73%).
  - Standard of living (24%).
- > Canada
  - The society's values (14%).

## 5.7 Summary

The following grid sums up the differing motivations by sector within developed and developing source countries:

> Figure 5.5\_Motivational Factors within developed and developing countries

Sector	Developed Country	Developing Country
<b>IT</b>	<ul style="list-style-type: none"> <li>Job availability</li> <li>Language</li> <li>Familiarity</li> <li>Ease of entry</li> </ul>	<ul style="list-style-type: none"> <li>Job availability</li> <li>More advanced opportunities</li> <li>Language</li> <li>Culture (more accommodating)</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Job availability</li> <li>Language</li> <li>Familiarity/personal connections</li> <li>Ease of entry</li> <li>Access to Europe (travel)</li> </ul>	<ul style="list-style-type: none"> <li>World Financial Centre</li> <li>Specialist opportunities available</li> <li>Language</li> <li>Liking for UK (lifestyle)</li> </ul>
<b>Health</b>	<ul style="list-style-type: none"> <li>Specialist opportunities available</li> <li>Language</li> </ul>	<ul style="list-style-type: none"> <li>Personal connections/contacts</li> <li>Job availability</li> </ul>
<b>Biotech</b>	<ul style="list-style-type: none"> <li>Opportunities</li> <li>Better working environment (than US)</li> </ul>	

## 6 Migrants' experiences in moving

### > Summary

For most the experience of both gaining entry to the country and of living and working here has been very positive.

In the majority of cases applications were processed by employers and levels of satisfaction with the process were high. The only complaints related to speed and, interconnected with this, cases where an individual had had to return to their home country during the process or had experienced delays in getting their family over here. These were, however, isolated.

Most skilled workers are earning above the average UK wage, with the highest salaries in the health and finance sectors reflecting the seniority of these groups.

A relatively high proportion (41%) have found the experience of working in the UK to be better than expected with half (51%) saying it was the same as expected. Where it is better than expected this mainly relates to the quality of the job or the quality of the employer. Comments often referred to the level of challenge, the diversity of tasks and the diversity of cultures. Some workers were also surprised by the relative ease of settling in.

Based on their experiences, the migrants we interviewed would advise others to prepare themselves as much as possible. This preparation includes lining up a job, understanding the expenses involved and being prepared for the climate. Many however, volunteered that they would positively encourage others to sample the experience of working in the UK.

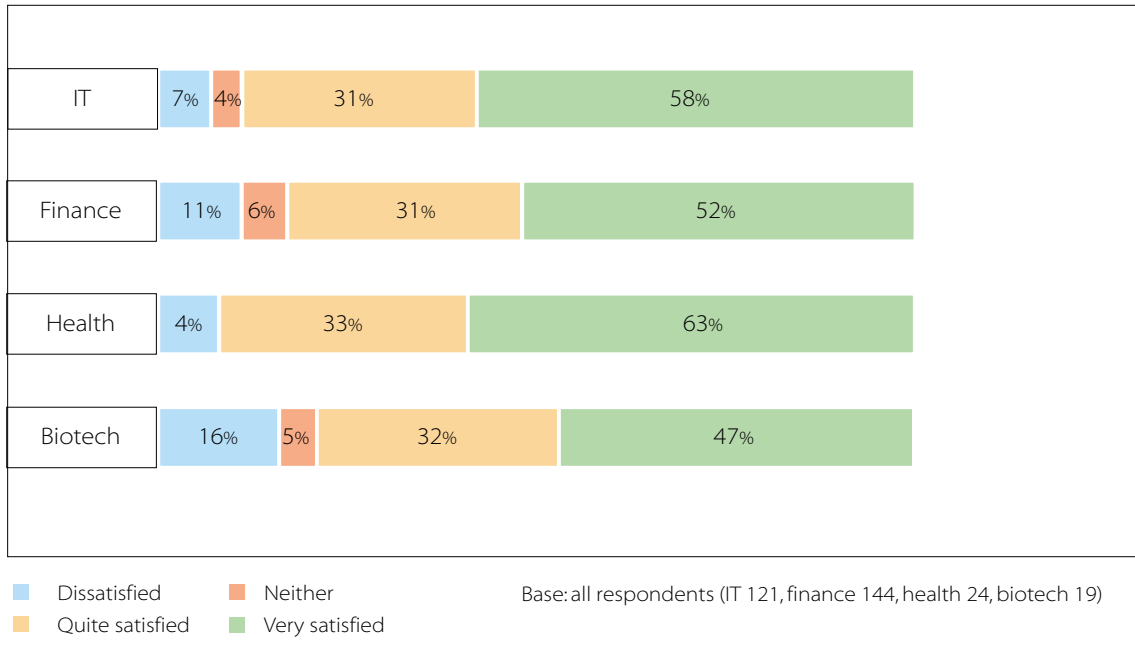
IT and Finance workers were largely concentrated in London and the South East. In Health and Biotech they were more evenly spread around the country but with a particular concentration of hospital consultants in the North of England. Those in Health were more likely to have bought houses than their counterparts in the other sectors, possibly reflecting both their intention to stay but also greater affordability of housing given their tendency to locate outside London and the South East.

### 6.1 The entry process

Respondents were almost always very satisfied or quite satisfied with the way their application was processed (Figure 6.1) As employers applied for the work permits, the skilled migrants themselves had very little to do with the process. Most administrative difficulties would have been dealt with by the employer. The employer's role is therefore a likely influence on the respondents satisfaction level.

> Figure 6.1 Satisfaction with the processing of the application

Q15: How satisfied or dissatisfied were you with the way your application was processed?



28 respondents were dissatisfied with how their application was processed. They were asked how the process could be improved, and 71% said to make it faster. Once again, this response is most likely because the skilled migrants were not directly involved with the application process which was managed by their employer, so the time element may have been what they noticed the most. Some complaints were more specific relating to having to return to their home country while the application was being processed or to difficulties synchronising the arrangement of work permits for themselves and their family.

*“It needs to be quicker – the process of handling documents and time involved in processing application. There were no communication lines to contact Australian commission.”*

*“Restrictions have been lapsed which is good. If the process could be more straight forward – it seems complicated you need a sponsor and not many employers want that responsibility”*

*“They say the system only takes 2 weeks but in reality it takes 2 months. I was offered the job in February so I came to the UK but had to wait until May. I think I had to be out of the country at the time and I was on a holiday visa anyway, it was just convenience that I was going home so I was out of the country when the application went in. I think that could be quite restrictive. I had been offered a job previously but the employer had no idea about work permits and I think there is quite a lot of ignorance in the UK about work permits. If you don’t have a large organisation with these skills it could be a very drawn out process.”*

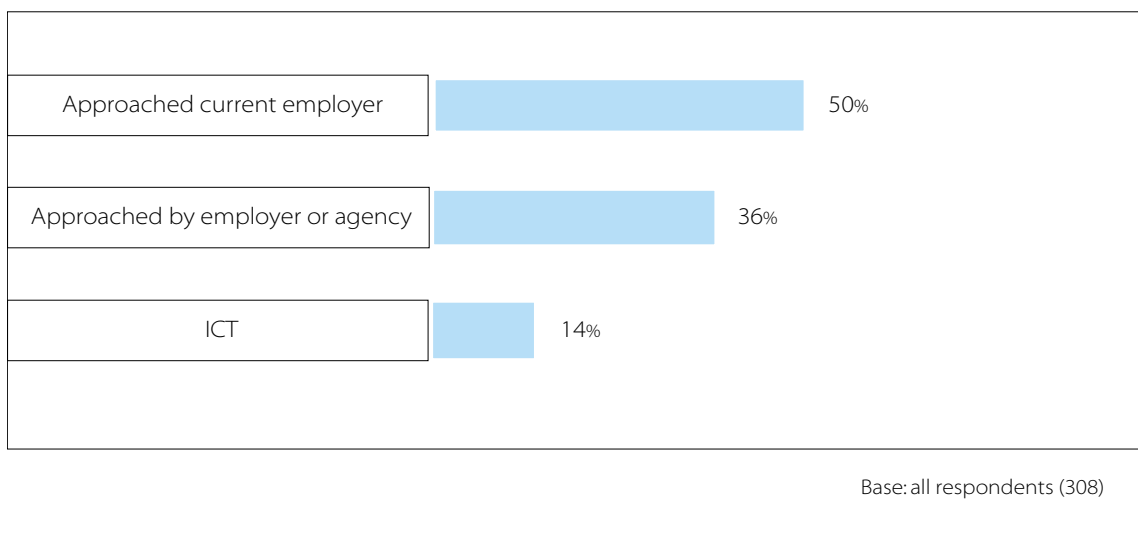
## 6.2 Finding employment

Fifty per cent of respondents approached their current employer about the job. This was most likely by applying for a post that the employer had advertised externally. Many of those working in finance or IT (40%) were approached by their employer or by an agency. This generally means that the employer mounted an active form of recruitment drive in the respondent's country, rather than broadly advertising that roles were available within the company. Not surprisingly, those who were studying in the UK prior to obtaining a job were more likely to have approached employers.

The final way that respondents obtained their jobs was via intra company transfers – 17% in IT and 15% in finance were intra company transfers. A higher proportion of those with children were intra company transfers. It should be noted that ICTs were undersampled given that the main focus of the survey was those who had decided to work in the UK on their own initiative.

### > Figure 6.2\_Finding Employment

S6: How did you get your current job in the UK?



### Duration of employment

On average, respondents had been in the UK for 6.4 months. The average for each occupational group is listed below:

- > IT – 6.8 months.
- > Finance – 6.4 months.
- > Health – 5.6 months.
- > Biotech – 4.4 months.

This reflects the fact that the sample was drawn from work permit applications approved between January 2000 and November 2001.

## Earnings

The total reported average earnings after tax were £41,600. The average for each occupational group is listed below:

- > £30,300 IT average.
- > £54,700 finance average.
- > £41,200 health average.
- > £24,600 biotech average.

Those working in IT and biotech earn considerably less than those in finance and health. Workers in the health and finance sectors were generally more senior.

In the IT sector the job titles were principally:

- > Software developer/engineer (29%).
- > Consultant (21%).
- > Systems analyst (12%).

In biotech the majority of respondents were research scientists.

## 6.3 Where and how they live

The table below details where respondents live. As can be seen, the majority live in London and the South East. However, those working in health were most likely to live in the North, but were spread more evenly throughout the country reflecting the more even distribution of health sector jobs.

> Figure 6.3\_Where and how they live

	IT %	Finance %	Health %	Biotech %
London	58	86	8	32
South East	17	5	4	26
North	2	1	46	11
South West	10	2	13	0
Scotland	3	2	13	5
Midlands	7	2	12	5
Wales	2	1	4	11
East Anglia	2	1	0	11

Base: All respondents (IT 121, Finance 144, Health 24, Biotech 19)

## Accommodation

The majority (83%) of respondents were renting their accommodation. Only 11% of the total have bought a home. People working in the health and biotech sectors were less likely to rent than those in the other sectors (71% and 63% respectively), and were more likely to buy a home (29% and 31% respectively).

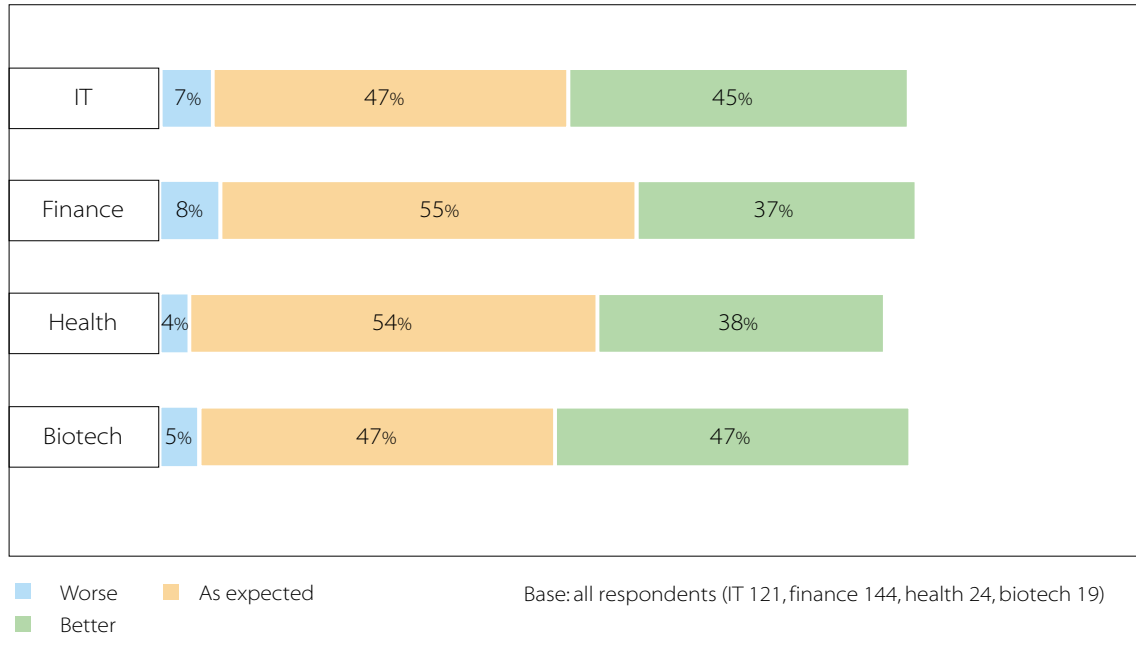
## 6.4 Working experience

Respondents were positive about their working experience. The majority felt that things had gone as expected, with nearly the same number claiming it to have been better than expected. The most positive aspect of this finding is that so few have been unhappy with their time in the UK. (Figure 6.4)

It is noteworthy that women were more likely than men to say their experience was worse than expected. 13% of women stated their experience was worse than expected, as compared to only 5% of men.

### > Figure 6.4\_Working experience

Q21: Has your working experience of the UK been better than you expected, worse than you expected, or as you expected?



Generally where the experience has exceeded expectations, people attribute this to the quality of the job, which they often describe as offering unexpected challenges, or to the attitude of the employer:

*“Exposed to a lot more aspects of my industry and to a host of different clients. I’ve moved up quite quickly.”*

*“More diversity than I expected. Both culturally and work wise. There’s a wider variety of tasks than I was anticipating.”*

*“Getting settled, setting up the office, all went through smoothly. There were no hitches. I am very pleased at how easy it was.”*

Conversely where the experience has proved worse than expected, this mainly relates to the job being unfulfilling and not meeting the individual’s career objectives or to salary being lower than expected.

## 6.5 Advice for others

The final question in the survey was open-ended. It was regarding what advice respondents would give to someone planning to work in the UK. The responses overall were positive. Although they were concerned about having a job and preparing for the country before arrival, they also said that it was a good experience and that they would recommend it. The top responses are listed below:

- Have a job to come to (12%).
- Do some research about the country first (10%).
- Be prepared for the expense/high cost (10%).
- Be prepared for the weather/climate (8%).
- It’s a good experience/would recommend it (8%).
- Be sure to have the funds to support self/family (6%).
- Be prepared to take advantage of the opportunities in the UK (6%).

*“It’s worth it. Be ready for a shock at how expensive it is. In general British employers are open and friendly.”*

*“I would encourage it. It’s a great experience but not at the moment as jobs are difficult to find right now.”*

*“Make sure you understand your job prospects before you accept the offer. Make sure you can get used to the European style of living and working environment.”*

*“Probably make sure that they are adapted to the culture and familiar with the traditions. Research into the career before starting it.”*

*“I would highly recommend it, just bring your golf clubs and a raincoat!”*

# 7 Links with home country and future intentions

## > Summary

Most migrants still had strong ties with their home country, ties which often implied strong commitments, for example business investments. In IT and Finance, around three quarters have savings in their home countries and a third have jobs to return to (reflecting the higher number of ICTs in these groups). The proportion holding savings in their home country is much lower in the Health and Biotech sectors.

Half the sample was sending money home and this averaged around 10% of earnings across the whole sample. There was no significant difference between developing and developed countries on this point. From the qualitative work, however, it would appear that those from the developing countries were more likely to be sending income home to supplement the income of the family they had left behind whereas those from the developed countries were sending money home for investment purposes.

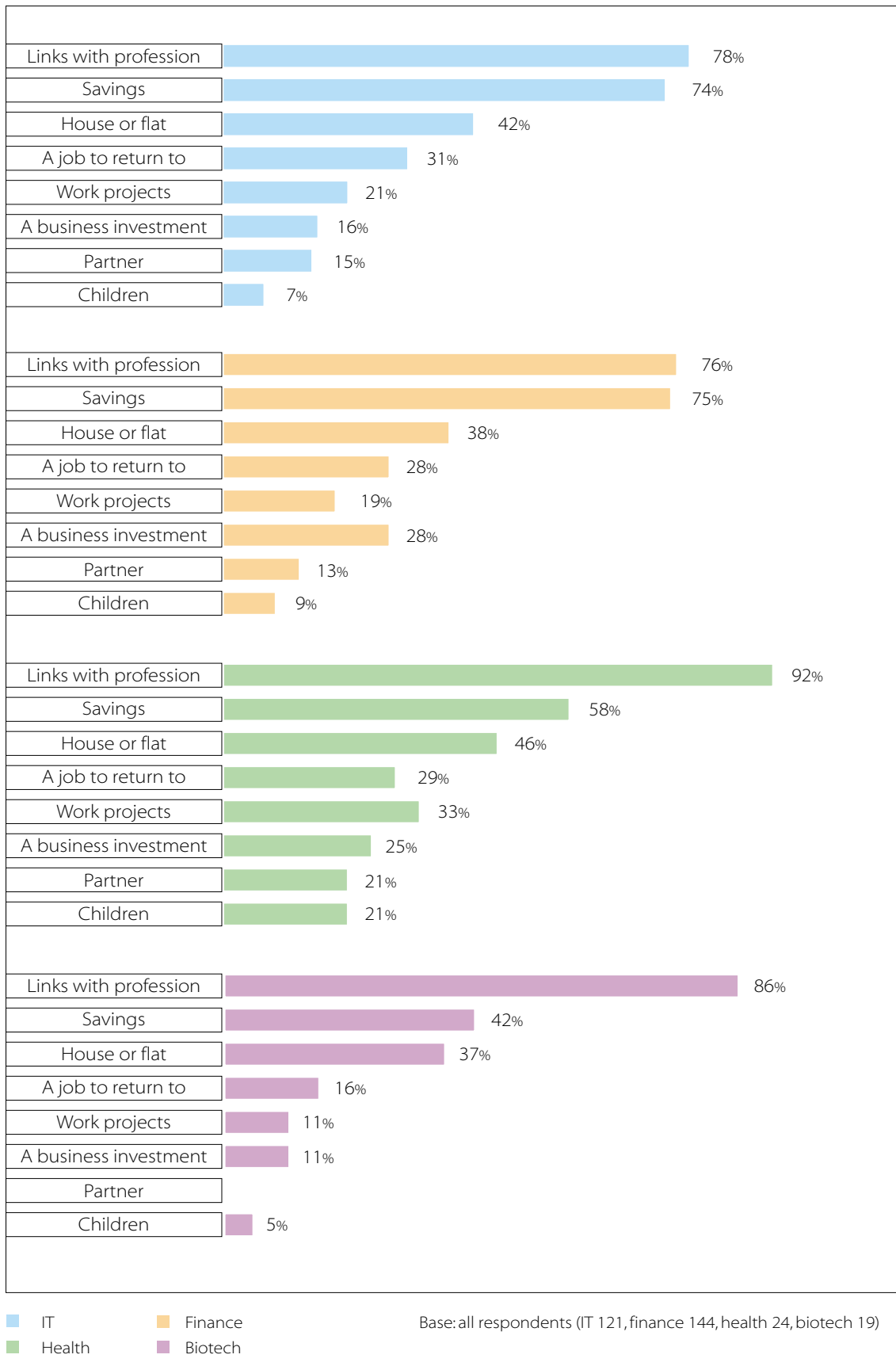
Few intended to leave the UK and return home before their work permit expires. A relatively high proportion are intending to extend their stay, with 30% saying they will apply for an extension and 14% saying they will apply for settlement. Those with the strongest intention to stay are in the Health sector and South Africans are the most likely to be planning to apply for settlement and for British citizenship.

### 7.1 Links

Respondents had strong links with their home countries, predominantly via their profession. They also had strong financial links, either in the form of savings or a home to go to. Figure 7.1 shows these links by sector.

> Figure 7.1\_Links with home country

Q28: Which of the following do you have in your home country?



Men were likely to have more links than women and more likely to have links for everything except savings. Areas where men had a considerably higher proportion of links than women were: have a job to return to (31% v 21%), have work projects (23% v 14%), have a business investment (26% v 9%), have a house or flat (44% v 30%).

Those from developing countries had stronger links with home in the following areas:

- > Own house or flat (52% developing, 24% developed).
- > Work projects (24% developing, 15% developed).

Those from developed countries had stronger links regarding:

- > Savings (78% compared to 66%).
- > A business investment (28% compared to 18%).

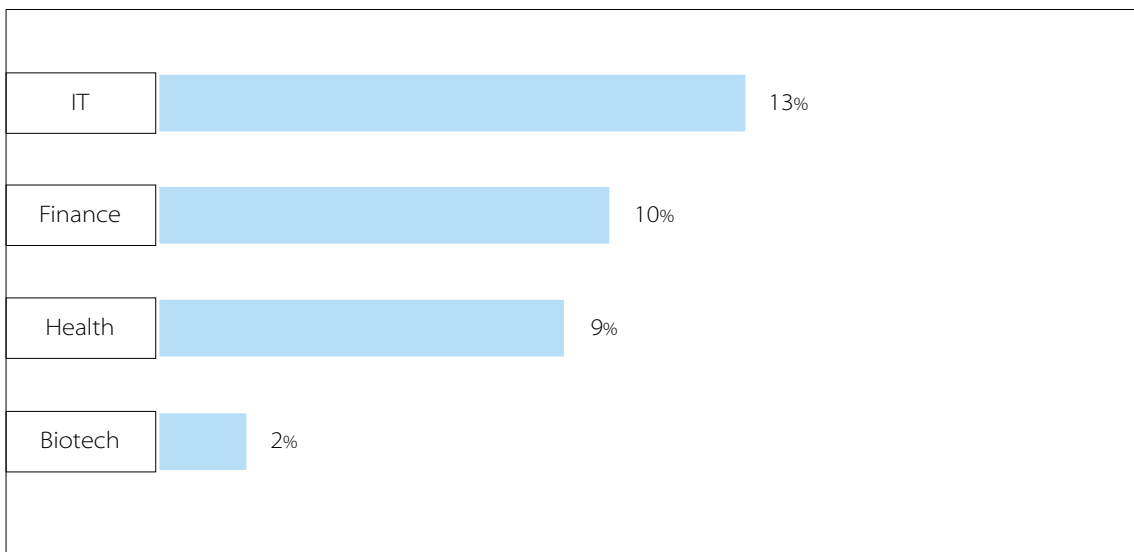
## 7.2 Sending money home

Just under half the skilled migrants were sending money home and many were sending a sizeable portion of their salary home. The average across the whole base of workers was 11%. As can be seen in the chart below those working in IT send home the greatest proportion, 13%. Those working in biotech send home the least, 2.2%. This could be due to 68% of them being married, and 37% having children as well as earning less than £25,000 per year on average.

### > Figure 7.2\_Proportion of salary sent home

Q29: Approximately what proportion of your take home salary, if any, do you send back to your home country?

Mean Proportion



Base: all respondents (IT 121, finance 144, health 24, biotech 19)

Women were more likely than men to send none of their salary home (68% women compared to 48% men). They were just as likely to send 1-10% home, but less likely than men to send more than 10% (14% compared to 30% men).

There is not a significant difference in the mean amount of money sent home. Those from developed countries are slightly less likely to send any money home (44% compared to 49%). Evidence from the qualitative research indicates that those from the developing countries who were sending money home were doing so to supplement household income, whereas those from developed countries were supplementing their own savings or paying off loans.

### 7.3 Future intentions

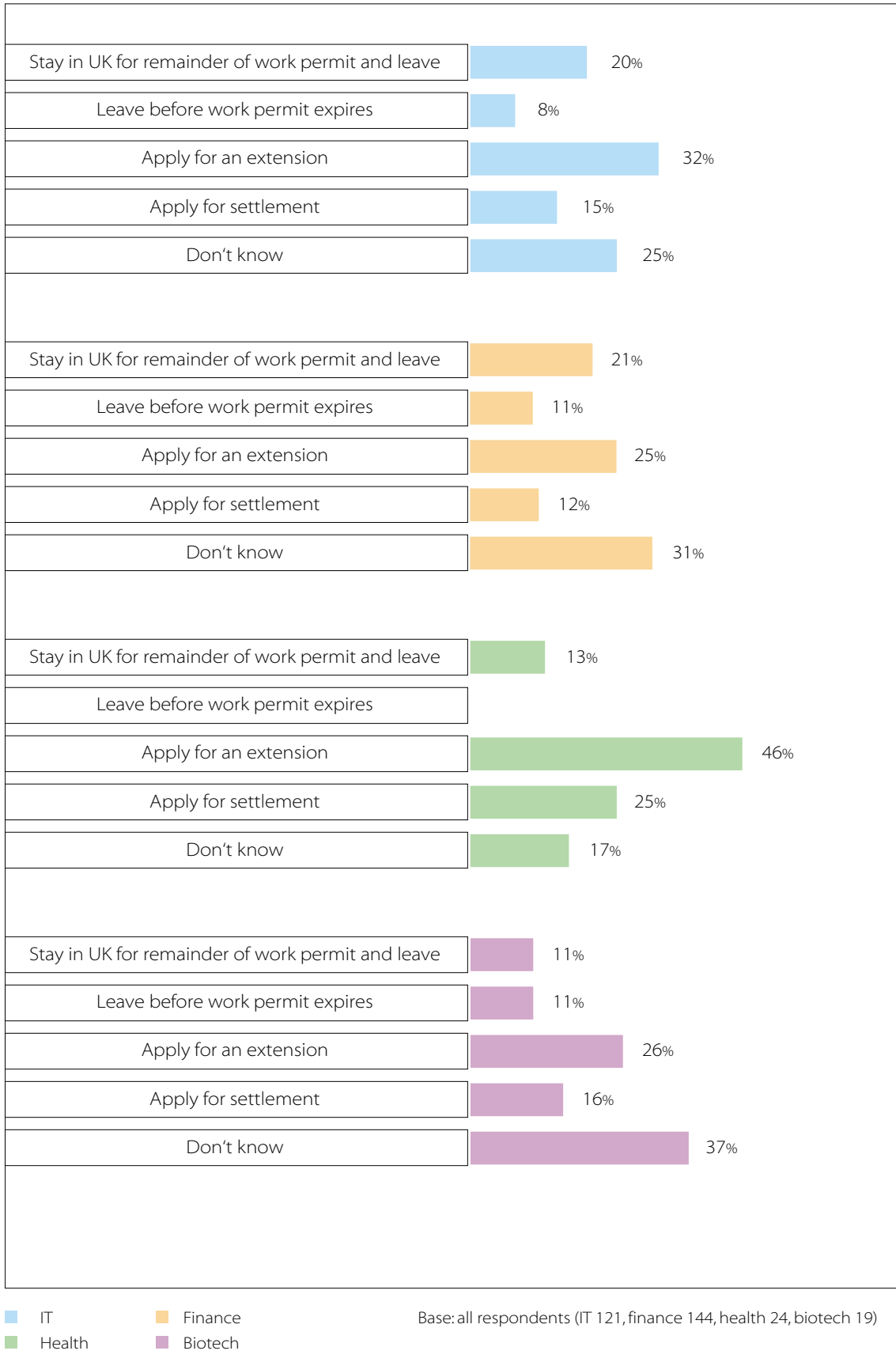
When asked about their plans, over a quarter (28%) were uncertain. Most of the remainder planned either to apply for an extension to their work permit (30%), or to apply for settlement (16%). Only 9% planned to leave before their current work permit expires and a further 19% intended to work for the duration of their current work permit and then leave. The majority of those with plans to leave were intending to return to their home country.

Women were less likely than men to be thinking of applying for an extension (23% of women compared to 32% of men). They were also more likely to wish to leave before their work permit expires (13% women compared to 8% men). This correlates with the percentage of women who said their working experience was worse than expected.

Those from developed countries are more likely to want to leave the UK before their work permit expires than those from developing countries (15% compared to 5%). Similarly, those from developing countries are more likely to want to stay in the UK for the remainder of their permit and then leave (22% compared to 16%) or to apply for settlement (17% compared to 11%) (Figure 7.3).

> Figure 7.3\_Future intentions

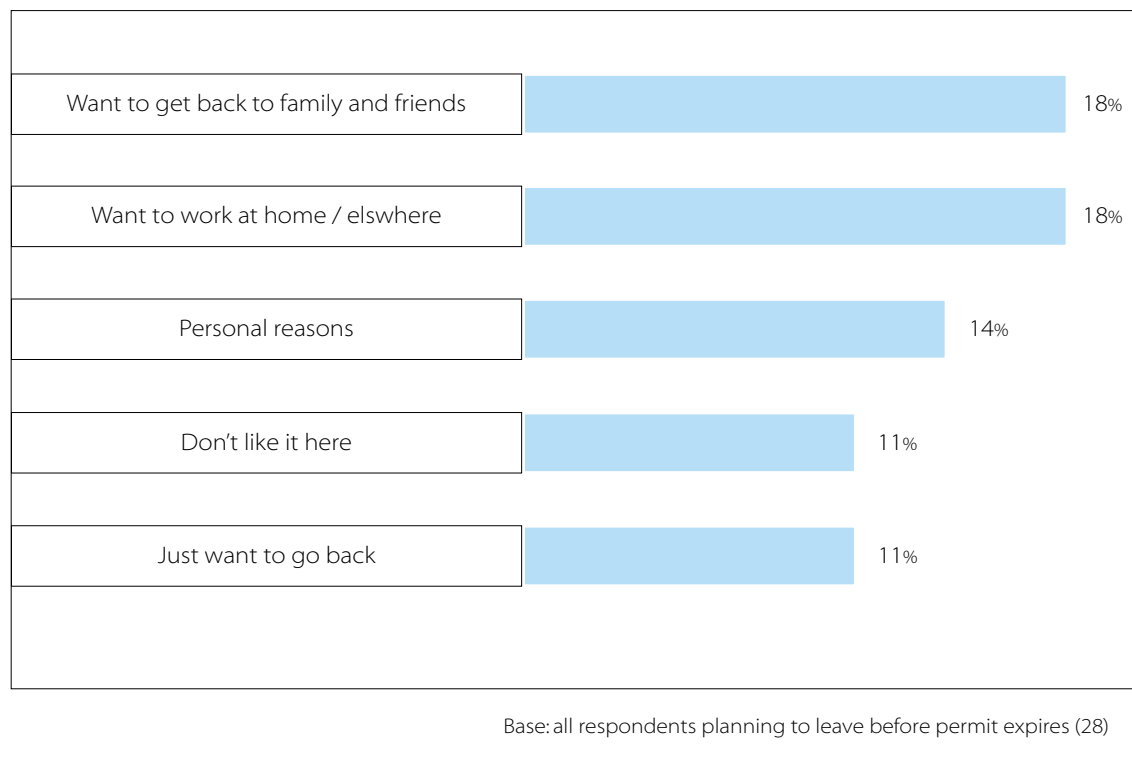
Q23: Do you now plan to...



## 7.4 Leaving before work permit expires

28 respondents said they plan to leave before their work permit expires. Most appear to have been unhappy and want to get back.

> Figure 7.4\_Why will you leave before your work permit expires?



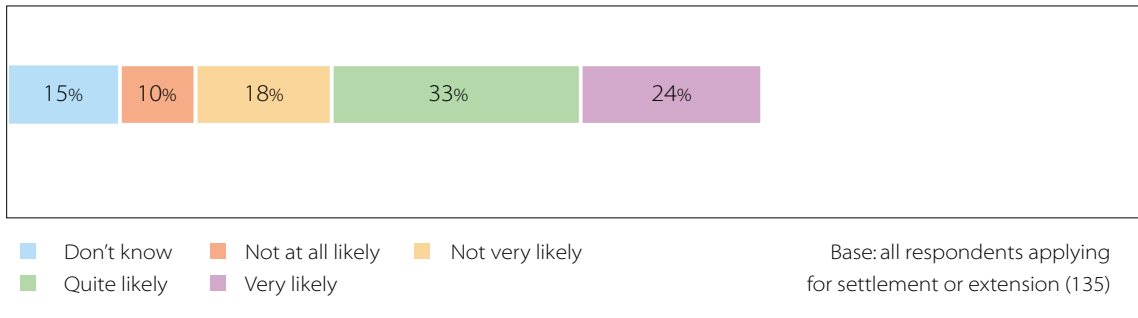
This same group (28) were asked what their plans were after leaving the UK. Most (61%) plan to return to their home country, whilst 36% plan to go and work in another country.

## 7.5 Applying for British citizenship

Those respondents who plan to extend their work permit or apply for settlement (135) were asked how likely they were to apply for British citizenship. Those working in biotech are more likely to apply for British citizenship than the other occupation groups, and those working in finance are the least likely. (Figure 7.5)

As one might predict, those from developing countries are more likely to want to apply for British citizenship. 30% said very likely, compared to 16% of those from developed countries. A further 36% said quite likely, compared to 27% of those from developed countries. Similarly, 43% of those from developed countries said it is unlikely they will apply, compared to 19% from developing countries.

> **Figure 7.5\_How likely are you to apply for British citizenship?**



Part Two and the appendices of this report, which contain the findings for each occupational group, source country and sector, as well as summaries of the responses of migrants on intra-company transfers (ICTs) and supporting methodological information are available via the DTI and Home Office websites at the following addresses:

<http://www2.dti.gov.uk/migrantworkers>

<http://homeoffice.gov.uk/rds/pdfs2/skilledmigrants.pdf>



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