

Discriminatory labour market experiences of A8 national high skilled workers in the UK

Ibrahim SIRKECI*, *Regent's University London, UK*
Necla ACIK**, *Regent's University London, UK*
Bradley SAUNDERS***, *Prince Mohammad bin Fahd University, KSA*

Border Crossing, Vol. 4, No. 1-2

<http://www.tplondon.com/journal/index.php/bc/article/viewFile/400>

Abstract

Overqualification among migrants, defined as being employed in a job that is below their acquired skill levels through education, is well-known. Recent studies show that overqualification is more likely amongst migrants who work in the older EU15 member states. Similar studies carried out in the UK supports the argument that minorities suffer from ethnic and religious penalties in the labour market, especially among high skilled groups. Despite the relatively high employment rates of A8 migrants in the UK, they tend to be overwhelmingly employed in elementary occupations (i.e. requiring low skill levels) and likely to be underpaid. Very few studies have examined the propensity of overqualification of A8 nationals working in the UK. We have adopted the skills mismatch model to examine the skills level mismatch for the A8 migrants. Therefore, a time-series analysis was carried out using the Annual Population Survey for the period of 2005 to 2012 which marks the beginning and end of restrictions for access to the labour market for A8 nationals across the European Union. This has also given us a time span of 8 years during which the UK economy fall into recession from 2007 onwards. The evidence shows that A8 nationals have been subject to ethnic penalties in the high end of the labour market irrespective of the impact of the financial crisis. It is very common that they take up posts for which they are overqualified, or in other words, overeducated. This is particularly important as discrimination at that level is likely to have negative impact on economic recovery by supressing the full skill and entrepreneurial potential of this particular group in the UK labour market.

Keywords: A8 nationals; labour market; discrimination; ethnic groups; religious groups; overqualification.

Acknowledgement:

An earlier version of this paper was presented at the *British Academy of Management - BAM2014 Conference*, Belfast Waterfront, Belfast, Northern Ireland, 9-11 September, 2014. <https://www.conftool.pro/bam2014/>.

SUGGESTED CITATION:

Sirkeci, Ibrahim, Acik, Necla, and Saunders, Bradley (2014). "Discriminatory labour market experiences of A8 national high skilled workers in the UK". *Border Crossing*, Volume 4, No. 1-2, pp.17-31. Available at: <http://www.tplondon.com/journal/index.php/bc/article/viewFile/400>.

* Ibrahim Sirkeci, Ria Financial Professor of Transnational Studies and Marketing, Regent's Centre for Transnational Studies, Faculty of Business and Management, Regent's University London, Inner Circle, Regent's Park, London, NW1 4NS, United Kingdom. E-mail: sirkecii@regents.ac.uk. (Correspondence author)

** Dr Necla Acik is a Visiting Research Fellow at Regent's Centre for Transnational Studies, Regent's University London, UK. E-mail: acikn@regents.ac.uk.

*** Dr Bradley Saunders, Assistant Professor at Prince Mohammad bin Fahd University, Saudi Arabia. E-mail: brad-saun@gmail.com.

Introduction

As a result of the advent of the knowledge economy, management of global talent is now a central feature of Human Resource Management (HRM) (Scullion & Collings, 2006). It is estimated that 100 million global migrant workers account for about three per cent of the global workforce (UNFPA, 2005). The outcome of these changes in labour market demand is that people with professional knowledge and skills have the opportunity to enjoy greater employability and global mobility.

Research into international career mobility has centred on the experiences of corporate expatriates (Zikic et al., 2010; Carr, Inkson, & Thorn, 2005; Lee, 2005; Richardson, 2003; Thomas, Lazarova, & Inkson, 2005). Consequently, less is known about ‘*self-initiated expatriates*’, who form a much larger proportion of overseas workers compared to those who are sent overseas by their Multinational Corporation employers (Bonache et al., 2001; Carr, Inkson, & Thorn, 2005; Inkson et al., 1997; Lee, 2005). Recent work by Saunders (2012) effectively linked the concepts of self-initiated expatriates and migrant workers, pointing out the existence of large numbers of migrant workers whose skills are not recognised by organisations which could otherwise benefit from them. Our research reveals that there is still much to be done if organisations are to overcome this issue, in order to attract and retain international talent in a competitive international market.

An individual is overqualified if his or her level of education exceeds that required for the performance of his or her job (Sloane, Battu, & Seaman, 1999; Linsley, 2005; Lianos, 2007; Felstead, Gallie, & Green, 2002).

Recent studies identified several factors causing a high rate of overeducation among immigrants, including:

- poor ability in the local language
- lack of local work experience
- non-recognition of academic qualifications
- lack of knowledge about how the labour market functions
- inability to enter regulated professions requiring membership of professional bodies
- insufficient financial resources to fund long job searches

These findings suggest that the pressure on migrants to find paid employment quickly, the difficulty and delay in having their qualifications recognised and the vicious circle of needing local experience in order to be given local experience may combine to make overeducation a long-term, rather than temporary, experience for highly-skilled migrants.

In the European Union (EU), overqualification is more prevalent among migrants who work in the older member states (i.e. EU15) (Barone, 2009). This has been accelerated though new migration flows from the EU accession countries of Eastern and Central Europe to older EU15 states, particular from the 8 accession countries that joined in 2004 (hereafter A8)¹. Despite the relatively high employment rates of A8 migrants in the UK, they tend to be largely employed in elementary occupations and likely to be underpaid (Mari Kangasniemi & Merja Kauhanen 2013). This is in strong contrast to other research that has demonstrated that skill levels and education is relatively high among this group. In most cases these jobs did not correspond to their abilities and qualifications, pointing to the prevalence of overeducation among A8 migrants (Campbell, 2013).

The labour market performance of A8 migrants in the UK has been rigorously examined in a number of studies. Also, a strong literature exists on ethnic penalties in the British labour market (e.g. Khattab et al. 2010; Johnston et al. 2010; Khattab & Johnston, 2013; Heath & McMahon, 1997, 1999, 2005; Phung, 2011). To a lesser extent there are also studies looking at the mismatch between educational and occupational attainment levels (Lindley & Lenton, 2006; Phillimore & Goodson 2008). However, very little attention has been paid to the propensity of overqualification of A8 na-

¹ The Accession countries are those that joined the EU in either 2004 or 2007. Poland, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia and Slovenia joined in 2004 and are often referred to as the A8 countries, and Bulgaria and Romania joined in 2007 (the A2) Malta and Cyprus joined the EU at the same time as the A8 countries but under quite different institutional circumstances.

tionals working in the UK (Campbell, 2013; Kangasniemi & Kauhanen, 2013) and no research has been carried out comparing their performance with other major ethnic groups in the UK.

The skills mismatch model from Khattab et al. (2013) and Johnston et al (2010) was adopted to examine the role of ethnic and religious identity on skill level mismatch with a particular focus on the A8 immigrants. We have also carried out time-series analysis using the Annual Population Survey from 2005 to 2012 to investigate how the propensity of overqualification has changed since the conditional accession of A8 nationals to the UK in 2004 and beyond 2011 when they gained full membership status. This has also given us a time span of 8 years during which the UK economy fall into recession from 2007 onwards. Analysing a decade of data from Annual Population Surveys enabled us to understand whether these patterns were persistent over time or not. To further our understanding of the role played by ethnicity and religion, unlike Khattab and Johnston (2013), we are interested in overqualification –i.e. ethnic and religious penalties at the upper end of the skills spectrum- of Eastern Europeans in the UK from 2005 to 2012. This period is marked by the EU eastern enlargement, which added restrictions on Eastern European’s access to labour market, and a global financial crisis.

An attempt was made to refine ethnic categories, by looking at ethno-religious groups as research has shown that this is a particularly useful way to uncover the heterogeneity within ethnic groups in terms of labour market discrimination (Johnston et al. 2010, Khattab et al. 2011). At the outset, it might appear like there are no religious differences between A8 and British citizens, as both groups are Christians. However, the findings of Khattab et al. (2011) suggest that there are significant differences even within religious groups as well as ethnic groups, where either ethnicity or religious affiliation is moderating the labour market outcomes. Nevertheless, the models did not show statistically significant differences.

The primary focus of the study was on the disadvantages experienced by highly qualified A8 migrants. The importance of studying this group also arises from the fact that despite restrictions on free movement of these new member states until 2011, there has been an unprecedented inflow of immigration from these countries. Thus, A8 migrants and particularly Polish immigrants have been central to the public discourses as well as public anxiety over immigration during the last decade. At the same time, the wealth of literature on A8 migrants point out the very peculiar nature of immigration from these countries, emphasising their relatively high educational levels in contrast to the low paid and low skilled jobs they are clustered in. This is particularly important as discrimination at that level is likely to have a negative impact on economic recovery and overall growth prospects as both require professional and entrepreneurial skills.

Research on A8 migrants in the UK has soared since their conditional accession to the EU in 2004. The majority of studies are based on qualitative data as well as official Government statistics that monitors the entry and performance of migrants in the UK labour market, such as the Workers Registration Scheme (2004-2011) by the Home Office, statistics on the allocation of National Insurance Numbers (NINOs) issued to overseas nationals by the Department of Work and Pension and Long-Term International Migration (LTIM) data based on the International Passenger Survey (IPS). Despite their limitations, these sources have been widely used as relatively reliable sources of information about the extent of recent migration flows from new accession countries (Drinkwater et al. 2006, Drinkwater & Robinson 2011). More in-depth quantitative analyses about the labour market performance of A8 migrants have used the Labour Force Survey (LFS), often combining quarterly data over several years to obtain sufficient observations for analysis. The disadvantage of this is that weights correcting for sampling errors and non-responses are often not used, making the sample unrepresentative. We have used the annual APS to overcome this problem as it has a much larger sample size and allows us to apply weights to our analysis, making our sample representative of the UK population. Due to large sample size we had sufficient observations for ethnic groups and ethno-religious groups. This allowed us to compare several ethnic groups and analyse the performance of A8 migrants in relation to other ethnic groups.

The common British statistical classification of ethnic groups is based on self-identification (e.g. censuses) by colour (e.g. Black, White), country of origin (e.g. Bangladesh, Pakistan), nationality (i.e. citizenship hold) and religion (e.g. Christian, Muslim, No religion) since 2001. In earlier

studies, these background characteristics have been combined to create ethno-religious categories (Johnston et al. 2010). This was a useful practice to illustrate in-group diversity of categories based on either ethnicity or religion, but was not significant in our analyses.

Eade (2007) argued that the perceived cultural similarities between A8 migrants being White European, majority Christian and the British population might expose them to a less discriminatory labour market. Thus, it is important to show the magnitude of the education and occupation mismatch among A8 nationals compared to other ethnic and religious groups. Research suggests that culture and language proximity between the immigrants' home country and the host country reduced labour market penalties compared with other immigrant groups. Sanroma et al. (2009) found that immigrants from Latin America or Spain experience lower levels of overqualification compared to Eastern European, Asian and African migrants. The advantageous positions that some ethnic groups experience have also been found by Clarke and Drinkwater (2008) comparing the occupational attainment of Polish migrants and that of immigrants from English speaking countries (Australasia) and the EU15 in the UK. They have argued that this might be facilitated by the similarity between these countries and the UK in terms of similar education systems and in terms of having economies at a similar stage of development.

Religious diversity often overlaps with some patterns of disadvantages. Earlier studies identified some significant disadvantages faced by religious minorities, particularly Muslims (e.g. Berthoud & Blekesaune, 2007; Blackaby et al., 2012; Brown, 2000; Lindley, 2002; Longhi et al., 2012, Werbner, 1997; Modood, 2005).

However, these studies largely dealt with a snapshot of the disadvantages and focused on Muslim and Black minorities. The number of such studies on Muslims perhaps increased after the 9/11 and London bombings (Khattab et al., 2013; Allen, 2005; Abbas, 2010). Recently, Khattab and Johnston (2013) have looked at the period from 2002 to 2010 focusing on unemployment, which is perhaps the ultimate penalty in the labour market. In our study, we investigate the differences along these ethnic and religious lines among Eastern European immigrants in Britain.

In these studies, skill level mismatch, unemployment, underemployment, overeducation and wage disparities are used to highlight the disadvantages (Khattab et al., 2011; Johnston et al., 2010; DWP, 2008; Longhi & Platt, 2008; Khattab, 2009). In their most recent paper, Khattab and Johnston (2013) pointed to "*the importance of cultural as well as racial disadvantage; and the relative extent of that disadvantage in periods of recession*".

Overqualification means that a person's level of education is higher than needed for the position in which s/he is employed. It is normally measured by comparing the highest skill level(s) obtained by the individual through education, other forms of vocational and/or professional training and the skill level required for the position that s/he currently holds (see Johnson et al., 2010; Khattab et al., 2010). Overqualification is common when positions that commensurate with one's training are scarce, leading to a mismatch of skills. While overqualification affects a broad range of populations, it is far more prevalent among young people, women, migrants, 2nd generation migrants and ethnic minorities (Tijdens & van Klaveren, 2011).

Human capital is defined as the '*productive wealth embodied in labour, skills and knowledge*' (OECD, 2001). A more detailed explanation refers to the personal qualities that can be put to productive use in an economic context, and includes educational qualifications. For migrants, the international transferability of human capital is limited, since skills and knowledge are not necessarily easy to convert. Knowledge of how national labour markets work, language skills, skills that are specific to particular occupations, differences in technology and legal or licensing barriers as well as cultural differences are all issues that hinder smooth transferability of human capital (Chiswick & Miller, 2009). Human capital theory, theories on skill transferability and immigrant selection (Borjas, 1987, Chiswick, 1978) provide explanations on why and how migrants differ from natives, these differences depend on the characteristics of source and host countries. Borjas (1987) concluded that if the skills are transferable, immigrants from a lower inequality country should be positively selected and immigrants from a higher income inequality country negatively selected. Transferability of human capital may depend on similarities and differences among countries, especially language and their education systems as well as less well defined features such as culture. The human

capital investment approach also suggests that labour immigration is directed towards countries in which work experience that is gained is most valued in the home country. (Tassinopoulos & Werner, 1999).

A8 immigrants in the UK

A8 migrants arriving in the UK are faced with a new linguistic setting. Some may have arrived with little or no English. Others will have studied the language at school or even university but may well find that the English they hear spoken on the streets of London, in the strawberry fields in Lincolnshire, or by their Indian co-workers, is not the same as the English they studied. Especially for those with a lower level of English upon arrival, the possibility of improving their command of the language without taking classes is rather low.

However, they may encounter obstacles to attend English language classes. Migrants may face difficulties enrolling on classes or keeping up a regular attendance because of the shift patterns that they work, frequent trips to their home country, or an inability to find free or affordable courses (Wales Rural Observatory, 2006; CRC, 2007). Spencer et al. (2007) point out that those migrants who were able to overcome these barriers were not those whose need for such classes was the greatest.

The most recent data on the population in the UK and its sub-groups is the 2011 census. Official tables published by the ONS have been able to give the exact number of people living in the UK broken down by ethnic group, sex, age, country of birth, employment, geography etc. However, these are aggregated data presented in two- or three-way tables and do not allow for extractions of the A8 entrants as they have been grouped under EU accession countries which also includes Cyprus, Malta, Bulgaria, and Romania. Nevertheless, as the A8 countries represents by far the biggest proportion of EU Accession countries, these are the most recent and reliable sources. According to the 2011 Census, the total population for England and Wales is 53,012,456, of which 13.4% are born overseas (7,505,010). Out of those born overseas, 1,114,368 are from the EU accession countries. An overwhelming proportion of people from the EU accession countries are of working age (84%), with people aged 25-34 representing far the biggest proportion with just under 460,000 individuals living in England and Wales at the time of the 2011 Census. Geographically, they are concentrated mainly in the South East and Eastern regions of London (650,000, 58%), whereas the remaining are dispersed around other regions of England, with the smallest proportion living in the North West 1.5%, and 2.6% living in Wales. A relatively large proportion of migrants from the EU Accession countries also live in Scotland. The figures from the Scottish Census shows that 76,689 people resident in Scotland were born in the EU Accession countries, which makes up 1.5% of the total population in Scotland (5,295,403).²

As for comparison over time, there is no consistent Census data available to compare the number of all A8 migrants from 1991 to 2011 Census. However, for the biggest A8 group, the Polish migrants, this comparison is possible. In the 1991 Census, the number of overseas born Polish residents living in E&W was 70,115. This decreased by almost 20% in the 2001 Census. In the 2011 Census their number became ten-fold and reached 579,121. While they just represented a little minority in 1991 and 2001 constituting only 0.1% of the total population, they represent 1.03% of the total population in E&W at the most recent Census counts. The table below shows the available data for the A8 nationals for the three Censuses. The Polish migrants represents far the greatest group, followed by Lithuanians, Slovaks, Latvians and the Czechs, however, their numbers is half or even less than that of the Polish group. Overall, the proportion of overseas born migrants have increased from 7.3% in 1991 to 13.4% in 2011.

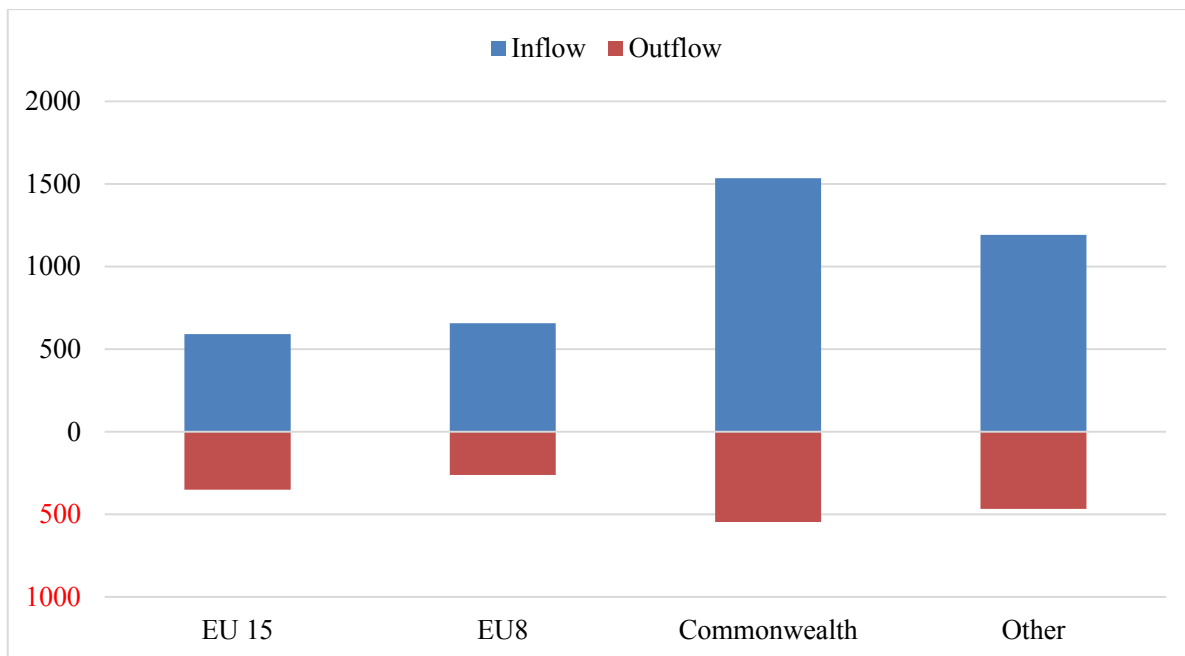
Table 1. Number of people born in A8 counties in England & Wales at the 1991-2011 Censuses

² All Census data used in this article have been obtained from the official ONS labour market statistical website NOMIS (<http://www.nomisweb.co.uk/>) which also allows to select and download aggregate Census data by subgroups. Figures from the Scottish Census have been obtained by the Scottish government census website www.scotlandscensus.gov.uk.

Poland	70,115	58,106	579,121
Lithuania	-	-	97,083
Slovakia	-	5,130	57,824
Latvia	-	-	54,669
Hungary	12,226	-	48,308
Czech Republic	-	-	35,871
Estonia	-	-	7,864
Slovenia	-	1,179	2,008
Czechoslovakia	8,438	-	1,279
<i>Total number of overseas born</i>	<i>3,625,809</i>	<i>4,635,505</i>	<i>7,505,010</i>
<i>Percentage of total population</i>	<i>7.3</i>	<i>8.9</i>	<i>13.4</i>

Source: 1991, 2001, 2011 Census data obtained from Nomis.

Figure 1. Total inflow and outflow of long-term migration to the UK (2004-2011) by country of birth



Source: Office for National Statistics (ONS), Long-term Migration estimates

The A8 nationals display very different migration patterns compared to other migrant groups. They are marked by seasonal and short-term migrations to the UK facilitated by their conditional accession to the UK as well as the ease of travel to the UK. Research has pointed out that a big proportion of A8 migrants is that they leave the UK after a certain period of time. The figure above is based on the LTIM and shows the total inflow and outflow of migrant groups between 2004 and 2011 who intended to stay for at least a year. The biggest inflow was from the Commonwealth countries with over 1.5 million followed by other countries (1.2 million), which includes a large proportion of South-Asians. Within Europe the A8 countries represents the biggest inflow of migrants with a total of 657,000 entering the UK, in comparison 591,000 migrants from the EU15 countries. However, while 60 per cent of the migrants from the EU15 left the country again, only 40% of nationals from the A8 countries have done so, suggesting that the majority of the A8 migrants have remained in the country. Similarly, 64% of Commonwealth nationals and 61% of the other nationals have remained in the UK.

The net-migration of A8 nationals from 2004 to 2011 has steadily increased, reaching a peak in 2007 before it fell sharply in 2008. This sharp decline coincides with the start of the recession in the UK. But, improving labour market conditions in the A8 countries, such as decreasing levels of

unemployment might also have encouraged migrants to return home (EU LFS figures)³. However, in the later years, net migration continued to increase from A8 countries⁴ (Vargas-Silva, 2013; McCollum et al., 2013).

Between 2004 and 2011 A8 nationals could enter the UK without a visa, but they had to register with the WRS within a month of taking up employment and re-register if they changed employer. Their right to claim any social security assistance was only granted upon continuous employment for 12 months in the UK. (Home Office: CCM20110 - A8 Migrant Workers: Workers Registration Scheme). Thus, not surprisingly the employment rate of A8 nationals in the UK have been one of the highest compared to the White British population or other ethnic groups, as their right to remain in the UK was dependent on their ability to find work (Blanchflower & Shadforth, 2009; Clark & Drinkwater, 2008). It also had an effect on the type of jobs and the sectors in which A8 migrants worked. From 2004-2010, A8 migrants represented 40% of the workforce in the agriculture and over 10% of the hospitality and catering sectors. They are also represented in big numbers in the manufacturing and construction industry, yet they only represent around 2% of the UK workforce (McCollum & Findlay, 2011). Most of these jobs are of temporary nature, which tend to offer weaker social security and limited career prospects. This reflects pattern observed among recent migrants for which temporary employment is a way of entering the labour market (Kangasniemi & Kauhanen, 2013).

A8 migrants tend to settle in areas that have traditionally attracted less immigrants (Pollard et al., 2008), where there is a labour shortage usually in seasonal, agricultural and food-processing sectors (McCollum et al., 2013). While figures indicate generally circular and short-term migration from A8 countries, many stay also for longer periods with the intention of perhaps settling down in the UK (Eade et al., 2008; Pollard et al., 2008).

Notwithstanding these migration strategies, research suggested that A8 nationals face many barriers in improving their labour market conditions. Research among east European migrants in East Staffordshire and Derby found that there is a limited propensity of local employers to train A8 migrants and the constraints off full-time employment and family commitments, combined with a lack of information about training and education, limits the capacity of migrant workers to improve their labour market positions (French, 2012). English proficiency among A8 nationals is relatively low and has been highlighted as an important factor in being stuck in low skilled jobs (Clark & Drinkwater, 2008). Qualitative research on A8 migrants show that those who have better English skills are likely to negotiate better employment conditions and move into higher skilled jobs (Cook et al., 2011; Eade, 2007). Yet, studies have pointed out that ESOL classes are often run at times and locations, which makes it difficult for workers to fit them around their working hours (Cook et al., 2011).

Data and methods

To study the impact of ethnicity and religion on the risk of being overqualified in the UK, as a measure of labour-market performance, we have analysed the Annual Population Survey (APS). The APS combines data from the Labour Force Survey (waves 1 and 5) and national boosts of the English *Local Labour Force Survey* (LLFS), the *Welsh Labour Force Survey* (WLFS), and the *Scottish Labour Force Survey* (SLFS). It is an annual cross-sectional sample survey of households and individuals living at private addresses in the UK and includes approximately responses from 155,000 households and 360,000 people. It contains 12 months of data and covers the same topics as the LFS such as education, employment, health and ethnicity. Due to the national boost the sam-

³ http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/database

⁴ There are some differences between the A8 countries. States such as Latvia and Lithuania have been particularly negatively affected by the global economic downturn whereas the Polish economy has performed relatively well (Aslund, 2010). McCollum in detail analysis of the WRS shows that the decline on A8 migration was primarily among Polish nationals but increased among migrants from Lithuania, Latvia and Hungary. He also suggests that the rapid increase in inflows from these countries and relative decline of numbers arriving from Poland may be related to labour market circumstances in these countries.

ple size of the APS is much larger than that of the quarterly LFS, enabling us to have more confidence in analysing smaller sub-groups of the population. The data is available through the UK Data Archive. We analysed the Special Licence Individual APS data for the years 2005 to 2012. We have excluded Northern Ireland from the analysis because of very small numbers of A8 nationals living in NI and differences in ethnic group classification in NI compared to the rest of the UK.⁵ Since we focus on labour market performances, we have also restricted the analysis to the working age population only (men aged 16 to 64 and women aged 16 to 59). We have also further restricted our analysis to people in employment and have excluded people who are self-employed, in full-time education, inactive or unemployed.

The LFS questions on ethnic origin are in line with the Census definition of ethnicity, which are the same for APS. Each data set has a set of derived ethnic variables that can be used. For the years 2005-2010 the same variable was used to create the appropriate ethnicity variable. From 2011 onwards there have been some changes in the routing of the ethnicity question, leading to newly derived ethnicity variables in 2011 and 2012. Thus, some recoding was necessary in order to ensure harmonised ethnic groups across all years, which particularly affected the Black ethnic groups for 2011 and 2012. Moreover, we used the nationality variable to differentiate within the White Other group and identify A8 nationals as well as EU15 nationals (excluding UK)⁶. The final sample size for ethnic groups varies between 120,000-180,000 for the years 2005-2010, while for more recent waves it's much lower at 78,409 in 2011 and 106,112 in 2012.

To measure education we have used the harmonised highest educational qualification variable for all APS years. It details qualification into six broad categories: 1 "Degree or equivalent" 2 "Higher education" 3 "GCE A Level or equivalent" 4 "GCSE grades A-C or equivalent" 5 "Other qualifications" 6 "No qualifications". For the purpose of this study we have grouped this variable into four categories according to the ISCED-97 to differentiate between four levels of education. To measure occupation we have used the major occupational group in main job, which is based on the Standard Occupational Classifications in 2000 (SOC2000) for 2005-2010 and SOC2010 for 2011 and 2012 data sets (see Khattab et al., 2011). Both the educational variable and the occupational variables have been regrouped into four skill levels to match skills acquired through formal education. The table shows four occupational levels and the required educational classifications. To obtain a skill level distance score (SD_i) for each individual i we subtract the individuals qualification score (LQ_i) from their occupational skills level (LO_i): Skill Level Distance (SD_i) = $LO_i - LQ_i$ (See Khattab et al., 2011; Johnston et al., 2010).

Findings

Table 2 shows a breakdown of ethnic groups for all years. The White British ethnic group represents the biggest ethnic group across all years with over 80 per cent. The percentage of A8 nationals increases from 0.5% in 2005 to over 2% from 2011 onwards. In terms of actual numbers their size increases from 636 cases in 2005 to over 2000 cases from 2008 onwards. Apart from the "Other" ethnic group, the sample size of the ethnic groups we are interested in varies between the years as well as within ethnic groups, with the Bangladeshi ethnic group having the smallest observations in 2007 with 264 cases, and the Indians having as high as 3,620 cases in 2009. Overall, there were a substantial number of cases in each group to carry out analysis. All models include weights so

⁵ Respondents in Northern Ireland who state that their ethnicity is White are not asked the detailed level question that allows to differentiate within the White category.

⁶ We have chosen the nationality variable rather than the country of birth (COB) variable to identify A8 migrants as the 2007 data set did not have all the values labels for the COB, making identification of the groups we were interested impossible. However, it is common to infer migrant status from either the 'nationality' or 'country of birth' variables in the APS, and both variables have their shortcomings. The APS does not ask for dual citizenship and only one nationality is recorded, whereas the COB might include migrants who might have migrated before the accession of the A8 countries to the UK, might be British citizens or citizens of another country. As the focus of our analysis has been on recent migrants since 2004, the nationality variable is more appropriate. Further examination of the other data sets for which we could use both variables to identify A8 nationals showed that the difference for both groups was not great.

that the results are representative of the population and to account for underrepresentation of certain groups. In terms of the number of A8 nationals the Polish group represents the biggest group among them followed by Lithuanians and Slovaks, whereas Slovenian's and Estonians are the smallest group (numbers not shown here).

There has been a steady decrease in the percentage of working age respondents in GB identifying themselves as Christians, from 77% in 2005 to around 60% in 2011 and 2012. At the same time the proportion of people having no religion has increased steadily from 18% in 2005 to 34% in 2012. This increase is the greatest in the 2011 and 2012 data sets, suggesting that this might be related to the changes in the listings of response categories for the religion question. Yet, the data still confirms general trends in religious affiliation in Britain. Muslims represents one of the largest religious groups besides Christians at about 2-4%. The proportion of Indians, Sikhs, and Jews stayed relatively stable from 2005-2012 at are around 0.4-1.6%. Buddhists and other religions have increased slightly, yet overall their proportion is small at under 0.5% and 1% respectively.

The proportion of men (53%) is slightly higher than that of women (47%) for all years. This is due to the fact that the sample has been reduced to working age people in employment. Married people make up between 66-68% of the sample and have remained fairly stable over the years. The proportion of non-married people is between 32-34%. People with dependent children under 16 represent on average 38% of the sample with 70% having no dependent children. The overwhelming majority of the sample are UK nationals at 92% while 8% are non-UK nationals. On average around 73% of the working age population in GB are employed in the private sector and the rest works in the public sector. The size of the public sector has been falling steadily from 28.4% in 2005 to around 24.32% in 2007 and picking up after that slowly reaching to 28% in 2010 and 2011. In terms of job conditions, the proportion of people who did not have a permanent job increased slightly from just under 5% in 2005 to over 5.5% in 2012. Part-time employment also increased a little from 21% in 2005-2008 to over 22% from 2009 onwards. The proportion of people living in England (excl. London), Wales, and Scotland has remained stable on average at 70%, 5% and 9% respectively. Yet, the percentage of people living in London has increased slightly between 2008-2009 at around 14%.

Table 2. Frequency of ethnic groups APS 2005-2012

	2012		2011		2010		2009	
Ethnic group	N	%	N	%	N	%	N	%
White British	91,657	83.9	67,772	84.1	143,375	82.3	145,721	82.8
White EU	1,097	1.3	823	1.2	1,437	1.0	1,481	1.1
White A8	2,059	2.2	1,678	2.4	2,388	1.6	2,103	1.5
Mixed	749	0.9	565	0.9	1117	0.8	1107	0.8
Black Carribean	800	1.0	742	1.2	1353	1.1	1380	1.1
Indian	2,514	2.6	1,918	2.8	3,604	2.5	3,620	2.4
Pakistani	1,010	1.1	779	1.1	2,509	1.6	2,429	1.6
Bangladeshi	398	0.5	274	0.4	893	0.7	864	0.6
Black African & Other Black	1,344	1.5	1,269	1.9	1,901	1.5	1,867	1.4
Other	4,494	5.1	2,589	4.0	10,448	6.9	10,497	6.7
<i>Total</i>	<i>106,122</i>	<i>100</i>	<i>78,409</i>	<i>100</i>	<i>169,025</i>	<i>100</i>	<i>171,069</i>	<i>100</i>
	2008		2007		2006		2005	
Ethnic group	N	%	N	%	N	%	N	%
White British	153,058	83.1	108,118	85.2	111,668	86.0	160,689	87.4
White EU	1,626	1.1	1,105	1.1	1,415	1.4	1,808	1.4
White A8	2,095	1.4	1,399	1.3	908	0.9	636	0.5
Mixed	1101	0.8	677	0.7	657	0.6	790	0.6
Black Carribean	1453	1.1	929	1.0	923	1.0	996	0.9
Indian	3,576	2.3	2,277	2.2	2,221	2.1	2,448	2.0
Pakistani	2,452	1.5	881	0.9	841	0.8	927	0.8
Bangladeshi	837	0.6	264	0.3	289	0.3	299	0.3
Black African & Other Black	1,871	1.4	1,122	1.2	1,057	1.1	1,070	1.0
Other	11,223	6.9	6,942	6.2	6,680	5.8	7,868	5.2
<i>Total</i>	<i>179,292</i>	<i>100</i>	<i>123,714</i>	<i>100</i>	<i>126,659</i>	<i>100</i>	<i>177,531</i>	<i>100</i>

Notes: Percentages are weighted with actual sample size for each sub-group.

Table 3. Model I Logistic Regression with ethnicity and religion as separate categories for years 2005-2012 controlling for socio-demographic variables.

Ethnic group (White British)	2012		2011		2010		2009		2008		2007		2006		2005	
	Odds ratio	SD Error	Odds ratio	SD Error	Odds ratio	SD Error	Odds ratio	SD Error	Odds ratio	SD Error	Odds ratio	SD Error	Odds ratio	SD Error	Odds ratio	SD Error
White EU	0.83	0.07	0.91	0.09	0.84	0.08	0.94	0.09	0.81	0.07	0.95	0.08	0.96	0.08	0.89	0.08
White A8	1.67	0.12	1.41	0.12	1.31	0.10	1.36	0.10	1.24	0.09	1.62	0.13	1.65	0.15	1.68	0.21
Mixed	1.03	0.09	1.02	0.10	0.94	0.09	1.06	0.10	1.20	0.11	1.00	0.09	1.12	0.11	1.03	0.11
Black Caribbean	1.19	0.10	1.06	0.09	1.32	0.10	1.23	0.10	1.14	0.09	1.13	0.09	1.12	0.09	1.21	0.11
Indian	0.97	0.08	0.94	0.10	1.17	0.10	1.09	0.09	1.05	0.09	1.04	0.10	1.01	0.10	0.95	0.10
Pakistani	1.38	0.15	1.29	0.16	1.13	0.12	1.09	0.12	1.16	0.13	1.24	0.14	0.97	0.12	1.09	0.15
Bangladeshi	1.55	0.21	1.28	0.21	1.22	0.17	1.24	0.18	1.16	0.17	1.81	0.29	1.05	0.17	1.33	0.25
Black African and Other Black	1.58	0.11	1.77	0.13	2.26	0.17	1.87	0.14	1.97	0.14	2.02	0.15	2.09	0.16	1.86	0.16
Other	1.09	0.05	1.03	0.06	1.08	0.04	1.06	0.04	1.01	0.04	1.06	0.04	1.01	0.04	1.05	0.05
Religion (Christian)																
Muslim	0.87	0.07	1.04	0.10	0.85	0.07	0.86	0.07	0.77	0.06	0.74	0.06	0.87	0.08	0.75	0.07
Hindu	1.00	0.09	1.10	0.13	0.73	0.07	0.74	0.07	0.91	0.09	0.79	0.08	0.95	0.10	1.03	0.12
Sikh	1.13	0.14	1.22	0.17	1.00	0.12	0.99	0.12	0.96	0.12	1.09	0.14	1.09	0.14	1.36	0.19
Jewish	0.58	0.09	0.69	0.12	0.90	0.13	0.89	0.12	0.72	0.10	0.69	0.09	0.68	0.09	0.82	0.13
Budhist	1.13	0.14	1.12	0.19	1.14	0.15	1.11	0.14	1.25	0.15	1.15	0.15	1.34	0.18	1.16	0.19
Other religion	1.02	0.07	1.11	0.10	1.03	0.08	1.00	0.08	1.18	0.09	1.26	0.10	1.24	0.10	1.18	0.11
No religion	0.98	0.02	0.99	0.02	0.95	0.02	0.94	0.02	0.98	0.02	0.97	0.02	0.97	0.02	0.97	0.02
Age																
Age	0.98	0.00	0.98	0.00	0.98	0.00	0.98	0.00	0.98	0.00	0.98	0.00	0.98	0.00	0.98	0.00
Women (men)	1.02	0.02	0.96	0.02	1.03	0.02	1.01	0.02	0.99	0.02	0.96	0.02	0.90	0.01	0.90	0.02
Not-married (married)	1.16	0.02	1.18	0.03	1.19	0.02	1.19	0.02	1.16	0.02	1.16	0.02	1.15	0.02	1.18	0.02
Children (none)	0.82	0.01	0.81	0.02	0.82	0.01	0.81	0.01	0.84	0.01	0.83	0.01	0.83	0.01	0.85	0.01
Non-UK nationals (UK nat.)	1.08	0.05	1.12	0.06	0.86	0.04	0.85	0.04	0.84	0.04	0.69	0.03	0.70	0.03	0.78	0.04
Public sector (private)	0.77	0.01	0.80	0.02	1.19	0.02	1.26	0.02	1.22	0.02	1.23	0.02	1.21	0.02	1.17	0.02
Temporary job (permanent)	1.23	0.04	1.18	0.05	1.36	0.05	1.21	0.04	1.16	0.04	1.31	0.04	1.27	0.04	1.24	0.04
Part-time (full-time)	1.59	0.03	1.59	0.04	1.72	0.03	1.64	0.03	1.59	0.03	1.58	0.03	1.60	0.03	1.47	0.03
Country UK (England)																
Wales	1.09	0.03	1.14	0.03	1.17	0.03	1.19	0.03	1.16	0.03	1.09	0.02	1.10	0.02	1.13	0.03
Scotland	1.27	0.03	1.38	0.04	1.39	0.03	1.43	0.03	1.44	0.03	1.38	0.03	1.42	0.03	1.52	0.03
London	0.96	0.03	0.90	0.03	0.90	0.02	0.91	0.02	0.95	0.02	0.96	0.02	0.95	0.02	0.90	0.03
N		103680		76622		107725		109926		118059		121709		124750		104709
Wald chi2(27)		2818.03		2119.68		3100.54		2778.46		2643.06		2820.41		2637.23		2053.48
Prob > chi2		0		0		0		0		0		0		0		0
Pseudo R2		0.0312		0.0308		0.0317		0.027		0.024		0.0251		0.0232		0.0218
Log pseudolikelihood		-14117070		-10466258		-13938825		-13898163		-14225642		-14120103		-13998919		-8718478

Note: Odds ratios in bold indicate significance levels at $p < 0.05$.

Controlling for religion and other socio-demographic and employment variables the A8 nationals and the Black African & Other Black ethnic group are more likely to be overqualified across all years compared to the White British group and this relationship is highly significant at the 0.001 level. For the Black Caribbean group, the coefficients are only positively significant for 2012, 2010, 2009, and 2005 at the 0.05 level. The Pakistani and the Bangladeshi ethnic groups are also more likely to be overqualified compared to the White British group, yet this is only the case in 2011 and 2012 for the former and in 2007 and 2012 for the latter. The coefficients for the Mixed, Indian and Other ethnic groups are not significant for any years. Finally, across all years the White EU15 ethnic group is less likely than the White British population to be overqualified apart from 2012 and 2008 where this relationship is significant at 0.05 level taking into account religion and other socio-demographic variables.

The models also included religious affiliation. Controlling for ethnicity, and taking Christians as the comparative group, Muslims are significantly less likely to be overqualified in 2005, 2007, 2008 and 2010. Hindus are less likely to be overqualified compared to the Christians in 2005, 2007, 2009 and 2010. The coefficients for Sikhs, Buddhists and Other religions are not significant for most years, although Sikhs in 2005, Buddhists in 2006 and those who belong to Other religions in 2006 and 2007 are significantly more likely to be overqualified. Compared to Christians, Jews are less likely to be overqualified, and this relationship is statistically significant in 2006-2008 and

2011-2012. Also, those with no religion are less likely to be overqualified, yet this relationship is only significant in 2009 and 2010.

The older the respondents the less likely they are to be overqualified. Compared to men, women are significantly less likely to be overqualified but only in 2005-2007. Non-married people on the other hand are significantly more likely to be overqualified across all years compared to those who are married. People with dependent children under 16 are less likely to be overqualified across all years. Again, it has to be kept in mind that the sample includes only working age people who are employed and does not include women who look after children and are economically inactive.

A variable measuring the county in which one lives has also been included to account for the differences in overqualification between the four countries and within London, which has been included as a separate category. Compared to living in England (excluding London), people living in Wales and in Scotland are significantly more likely to be overqualified across all years. In contrast, people living in London are less likely to be overqualified compared to England and this relationship is significant for 2005, 2006 and 2008-2011. This might be related to the opportunities for employment being available in the capital city, compared to other localities in Britain.

Several employment related variables have also been included to control for overqualification. The coefficients for working in public sector as compared to the private sector are statistically significant for all years. Yet, while for 2005-2010 the public sector employees are more likely to be overqualified, from 2011 they are more likely to be underqualified. The change of direction of this variable might be related to the changes in coding of occupations into SOC2010. Also, the odd ratios of being overqualified at the peak of recession during 2006-2009 are above 1.2 slightly higher than for 2005 and 2010. Those who were employed on a temporary contract as opposed to a permanent contract were also significantly more likely to be overqualified for all years. Finally, working part-time as opposed to being employed full-time, is highly significant and increases the odds by 50% for all years.

Conclusion

Overqualification among the workers who arrived from the A8 countries is established, however, this is not an exclusive pattern experienced by A8 migrants but also by various other ethnic and religious minorities. Unlike some earlier studies, we have found very little evidence for religious discrimination, although ethnic or nationality based discrimination in terms of overqualification was evident at the higher end of the employment market.

The evidence shows that A8 nationals have been subjected to ethnic penalties in the high end of the labour market irrespective of the impact of the financial crisis. It is very common that they take up posts for which they are overqualified, or in other words, overeducated. This is particularly important as discrimination at that level is likely to have negative impact on economic recovery by suppressing the full skill and entrepreneurial potential of this particular group in the UK labour market. Not only is the public discourse discriminatory against Eastern European immigrants in Britain, but the employment practices are also placing them at significant disadvantage. More upsetting is perhaps the fact that this trend has been a constant feature over time, as the disadvantages faced by A8 nationals persisted between 2004 and 2012. These results should alert policy makers to investigate the employment practices, in order to establish procedures to facilitate labour mobility and eliminate discrimination towards the EU immigrants in the UK and across Europe. Recognition of migrant skills and qualifications is crucial in migrant employability and therefore in their integration. Guidelines for the recognition of skills and qualifications for third country nationals should be developed and implemented across the EU.

A key challenge for Europe is better utilisation of knowledge capital to enhance the chances of overcoming the repercussions of the financial crisis. We believe such waste of knowledge capital is hindering entrepreneurial opportunities to flourish, while also making it more difficult for businesses to fill vacancies with appropriately qualified staff.

Skills stimulate economic growth, increase the abilities of workers and companies to adapt to change and encourage innovation. Skill mismatches and overqualification on the other hand, decrease economic growth and waste resources and human capital (OECD, 2011). In their Global Skills Strategy, the OECD (2011) states that migrants' skills are underutilised in host countries, often because of the lack of recognition of foreign qualifications and they advise that policies to challenge this issue are urgently required, if countries want to make full use of the human capital available to them (OECD, 2011; Tijdens & van Klaveren, 2011).

The loss of potential caused by the underutilisation of skilled migrants' human capital (qualifications, skills, experience and knowhow) across Europe is detrimental not only to the individuals who are affected by it but also to the countries in which they are seeking employment. This becomes particularly important at a time of economic crisis which is harshly affecting many European countries. Preventing such potential waste of human capital will help European nation-states to recover more quickly and emerge stronger from the economic crisis than would otherwise be possible. Given that an efficient and constructive community-wide utilisation of human capital is among the EU objectives, a mutual recognition of qualifications among the member states is necessary. However, such recognition is not yet fully implemented across the EU (Barone, 2009; Currie, 2007).

In this study, we have adopted the skills mismatch model to examine overqualification among the A8 immigrants. However, this model is rather simplistic as it forces a variety of qualifications into four levels. Therefore, further surveys and analysis might be necessary to refine these outcomes and generate more accurate results.

References

- Barone, C. & European Foundation for the Improvement of Living and Working Conditions (Eurofound). (2009). *Occupational promotion of migrant workers*. Dublin, Ireland. Available online at: <http://www.eurofound.europa.eu/docs/ewco/tn0807038s/tn0807038s.pdf> [Accessed 25 January, 2010].
- Berthoud, R., & Blekesaune, M. (2007). *Persistent employment disadvantage* (No. 416). Leeds, UK: Corporate Document Services.
- Blackaby, D., Leslie, D., Murphy, P., & O'Leary, N. (2012). The religious dimension to ethnic disadvantage in Britain. *Homo Oeconomicus*, 29(1).
- Blanchflower, D. G., & Shadforth, C. (2009). Fear, unemployment and migration. *The Economic Journal*, 119(535), F136-F182.
- Borjas, G. (1987). Immigrants, minorities, and labor market competition. NBER Working Paper No. 2028. National Bureau of Economic Research.
- Brown, M. S. (2000). Religion and economic activity in the South Asian population. *Ethnic and Racial Studies*, 23(6), 1035-1061.
- Campbell, S. (2013). Overeducation among A8 migrants in the UK. Institute of Education DoQSS Working Paper No. 13-09 (May 2013) [<http://repec.ioe.ac.uk/repec/pdf/qsswp1309.pdf>].
- Clark, K., & Drinkwater, S. (2008). The labour-market performance of recent migrants. *Oxford Review of Economic Policy*, 24(3), 495-516.
- Cook, J., Dwyer, P., & Waite, L. (2011). The experiences of accession 8 migrants in England: motivations, work and agency. *International Migration*, 49(2), 54-79.
- Drinkwater, S., & Robinson, C. (2013). Welfare participation by immigrants in the UK. *International Journal of Manpower*, 34(2), 100-112.
- Drinkwater, S., Eade, J., & Garapich, M. (2009). Poles apart? EU enlargement and the labour market outcomes of immigrants in the United Kingdom. *International Migration*, 47(1), 161-190.
- Eade, J., Garapich, M., & Drinkwater, S. (2008). Demographic/Migration context: Britain's ethnic diversity and recent migration from the A8 countries. *National Inquiry into Lifelong Learning*.

- Findlay, A., McCollum, D., Shubin, S., Apsite, E., & Krisjane, Z. (2013). The role of recruitment agencies in imagining and producing the 'good' migrant. *Social & Cultural Geography*, 14(2), 145-167.
- French, S. (2012). Beyond ESOL? Assessing the propensity of east European migrant workers to undertake further and higher education. *Research in Post-Compulsory Education*, 17(1), 125-142.
- Heath, A. & McMahon, D. (2005). 'Social mobility of ethnic minorities', in G. C. Loury, T. Modood and S. M. Teles (eds) *Ethnicity, Social Mobility and Public Policy*, Cambridge: Cambridge University Press.
- Heath, A. & McMahon, D. (1997). 'Education and Occupational Attainments: The Impact of Ethnic Origins', in A. H. Halseu, H. Lauder, P. Brown and A. S. Wells (eds) *Education*, Oxford: Oxford University Press.
- Heath, A. & McMahon, D. (1999). *'Ethnic differences in the Labour Market: the role of education and social class origins'*: CREST: University of Oxford.
- Johnston, R., Sirkeci, I., Khattab, N., & Modood, T. (2010). Ethno-religious categories and measuring occupational attainment in relation to Education in England and Wales: a multi-level analysis. *Environment and Planning A*, 42(3): 578 – 591.
- Kangasniemi, M., & Kauhanen, M. (2013). *Characteristics and labour market performance of the new member state (NMS12) immigrants in Finland, Germany, the Netherlands and the United Kingdom* (No. 2013002). Norface Research Programme on Migration, Department of Economics, University College London.
- Khattab, N. (2009). Ethno-religious background as a determinant of educational and occupational attainment in Britain. *Sociology*, 43(2), 304-322.
- Khattab, N., & Johnston, R. (2013). Ethnic and religious penalties in a changing British labour market from 2002 to 2010: the case of unemployment. *Environment and Planning A*, 45(6), 1358-1371.
- Khattab, N., Johnston, R., Sirkeci, I., & Modood, T. (2010). The impact of spatial segregation on the employment outcomes amongst Bangladeshis men and women in England and Wales. *Sociological Research Online*, 15(2).
- Khattab, N., Sirkeci, I., Johnston, R. & Modood, T. (2011). "Ethnicity, religion, residential segregation and life chances." In Tariq Modood and John Salt (eds.) *Global Migration, Ethnicity and Britishness*, Palgrave, Macmillan, pp.153-176.
- Lindley, J. (2002). Race or religion? The impact of religion on the employment and earnings of Britain's ethnic communities. *Journal of ethnic and Migration Studies*, 28(3), 427-442.
- Lindley, J. and Lenton, P. (2006) *The Over-education of UK Immigrants: Evidence from the Labour Force Survey*. Working Paper. Department of Economics, University of Sheffield. SERP no: 2006001.
- Longhi, S. & Platt, L. (2008). *Pay gaps across equalities areas*. Manchester: EHRC.
- Longhi, S., Nicoletti, C., & Platt, L. (2013). Explained and unexplained wage gaps across the main ethno-religious groups in Great Britain. *Oxford economic papers*, 65(2), 471-493.
- Modood, T. (2005). *Multicultural politics: Racism, ethnicity, and Muslims in Britain* (Vol. 22). U of Minnesota Press.
- OECD (2008). *Education at a Glance 2008*. Paris: OECD Publications.
- Phillimore, J., & Goodson, L. (2008). Making a place in the global city: The relevance of indicators of integration. *Journal of Refugee Studies*, 21(3), 305-325.
- Phung, V. H. (2011). Ethnicity, migration and employment disadvantage under New Labour: reviewing the evidence from the United Kingdom. *Policy Studies*, 32(5), 497-513.
- Pollard, N., Latorre, M., & Sriskandarajah, D. (2008). Floodgates or turnstiles. *Post-EU Enlargement Migration Flows to (and from) the UK*.
- Sanromá, E., Ramos, R., & Simón, H. (2009). *Immigrant wages in the Spanish labour market: does the origin of human capital matter?* (No. 4157). IZA discussion papers.

- Tassinopoulos, A., & Werner, H. (1999). *To move or not to move: migration of labour in the European Union* (Vol. 35). Institut für Arbeitsmarkt-und Berufsforschung der Bundesanstalt für Arbeit.
- Tijdens, K.G., & Klaveren, M. van. (2011). Over- and underqualification of migrant workers. Evidence from Wage Indicator survey data. Amsterdam, University of Amsterdam, AIAS Working Paper 11-110.
- Vargas-Silva, C. (2013). Migration Flows of A8 and other EU Migrants to and from the UK. *Briefing. Oxford: The Migration Observatory, University of Oxford*.
- Werbner, P. (2000). Divided loyalties, empowered citizenship? Muslims in Britain. *Citizenship Studies*, 4(3), 307-324.
- Åslund, A. (2010). *The Last Shall Be the First: the East European Financial Crisis, 2008-10*. Peterson Institute.