The Business of Migration

The role of agencies in facilitating migration into the UK from Australia, the Philippines and Poland

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Abstract

The University of Manchester
Katharine Victoria Jones
Doctor of Philosophy

The Business of Migration: the role of agencies in facilitating labour migration into the UK
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Almost 250 years ago, ‘gang-masters’ – those who mediated between rural employers and roving bands of migrant workers - were vividly brought to life within the pages of Marx’s Capital. By contrast the modern-day phenomenon of how paid-for labour market intermediaries – temporary staffing agencies, and their rural ‘gangmaster’ counterparts – construct transnational workforces remains remarkably undocumented, let alone theorised. Similarly, although a burgeoning literature sheds light on the increasing privatisation of international migration flows, the precise role of profit-seeking ‘recruiters’ within a broader migration industry remains underexposed.

This thesis explores how - and why - agencies recruited migrant workers from his or her home countries and placed them in temporary employment in the UK. In response to the apparent growing significance of temporary staffing agencies in facilitating migration into the UK from the EU8 countries of Central and Eastern Europe, as well as from beyond the EU, the research was funded by an ESRC CASE studentship. Evidence was gathered from qualitative interviews conducted with representatives of agencies in the UK, in Poland, the Philippines, and Australia, as well as with a range of respondents from government departments, labour organisations, regulatory bodies, and journalists in all four countries. The multi-scale fieldwork sites were selected in order to offer a comparative analysis of variable institutional and regulatory settings.

Within the following pages I argue that agencies in both the origin countries, as well as in the UK, made markets in the recruitment and supply of temporary migrant workers; selling migration to recruits, and migrant workers to client employers in the process. Activities of agencies were highly embedded within the precise institutional and regulatory regime that resulted from the interaction between that in place in the origin country as well as that in the UK. The thesis seeks to contribute empirically and conceptually to a growing literature which exposes the behaviour of temporary staffing agencies within national labour markets as well as the migration industry literature which looks at the behaviour of actors which transport workers between national labour markets.
Declaration

I declare that no portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.
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Chapter 1
The business of facilitating mobility

Have you heard of our recruitment agency: Angie and Rose recruitment? We’re the next big thing! We’ve got Polish, Lithuanian; basically all Eastern European workers. Set up ready to go right now. Hardworking. Work overtime. Work shifts. Work. Evenings. All the time, I mean, we’ve got everything there” (‘It’s a Free World’, Ken Loach 2007).

In the Ken Loach film ‘It’s a Free World’, Angie excitedly proposes opening an employment agency to her flatmate, Rose, with the words: “We’ll be set up for life!” In 2007 temporary staffing agencies, a very particular form of labour market intermediaries, generated £23.2bn (€28bn) in revenues from the recruitment and placement of temporary workers in the UK (Key Note 2008: 2). Globally, in the same year, the industry turned over €256bn (Ciett 2011), representing the peak of a trebling of business over the past three decades – doubling in size over the period 1994-1999, and again over the period 1999-2006 (Coe et al 2010b).

Most labour market intermediation in Europe takes place within national labour markets (cf. Coe et al 2011). Nonetheless, in late 2009, Eurociett (the European Confederation of Private Employment Agencies), which represents leading global corporate firms such as Adecco, Kelly Services, Manpower and Randstad, announced the launch of an ‘Observatory on the Cross Border Activities within the Temporary Agency Work Sector’ (Eurociett 2009). Increasingly the industry has started to take an interest in the emerging markets of cross-border temporary placements (cf. EPC 2010; Eurociett 2009). Moreover, empirical research in the UK during the 2000s observed the role of agencies in facilitating Eastern European and Filipino nationals into the UK (cf. Ball 2004; Buchan 2006; Experian 2007; Green et al 2007a; Scott et al 2007). Academic researchers, as well as journalists, NGOs and trade unions, have all taken an interest in the work of temporary staffing agencies and this has helped contribute to an expanding literature about the role of intermediaries in low wage global labour markets (cf. Hsiao-Hung Pai 2010; Lawrence et al 2004; 2010). Concurrently there has been an interest within the academy in the commercialisation of the process of international migration by a range of economic actors (cf. Barrientos 2011; Goss and Lindquist 1995; Krissman 1997; Kuptsch 2006; Lahav 1998;
Martin 2005; Menz 2008). How and why labour market intermediaries facilitate labour mobility across national borders is the topic of this thesis.

The language used to describe labour market intermediaries is multifarious and ever-shifting. Depending on the lens through which the author is looking, labour market intermediaries have been variously called: ‘recruiters’, employment agencies, ‘labour contractors’, and ‘temping agencies’, ‘temporary staffing agencies’ (cf. Coe et al 2007; Gray 2002; Hernandez-Leon 2009; Parker 1994). Within national labour markets the business of temporary staffing is heterogeneous (Coe et al 2010b) and beyond and between national labour markets the world of migration intermediaries is virtually amorphous. Although the backbone of temporary staffing industry (TSI) profitability arises out of the placement of temporary workers in low wage labour markets (Peck and Theodore 2001), these are not the only places where the industry facilitates labour mobility (cf. Benner 2000). Linguistic and professional worlds away, leading corporate transnational corporations (TNC) agencies talk of the acquisition of talent, leadership development solutions, and securing global pipelines for sourcing highly skilled workers (cf. Weekes 2007). The language and practices of neo-liberalism dominate.

In an attempt to impose order on potentially unruly boundaries, the working definition of ‘labour market intermediaries’ that serves throughout the thesis is that there is mediation, or a *brokering* of employment relations between employers and workers, which is done for a monetary fee (Benner et al 2000; Coe et al 2007; Peck and Theodore 1998). Given the scope and intended purpose of this thesis - the investigation of the global networks of agencies, which facilitate labour migration - this definition incorporates the recruiting agencies and agents that are one or more steps removed from the *physical* act of mediation, in the country of origin of the worker. This thesis very purposefully, therefore, has set out to integrate the temporary staffing literature (cf. Coe et al 2007; Peck and Theodore 2002) with the literature which describes what has been referred to as the ‘migration industry’ (cf. Goss and Lindquist 1995; Hernandez-Leon 2005; Krissman 2005; Spener 2009)

For the purposes of simplicity and to include the recruiting agencies in migrant-sending countries, this thesis uses the simple term ‘agencies’. This chapter serves to introduce the
1.1 Introducing a powerful global industry

Temporary staffing constitutes a small, but expanding, subsection of a much larger and immensely profitable global professional and business services industry. The supply of workers for profit sits side-by-side with other business services, such as ITC and telecommunications, legal services, distribution and logistics, and financial services (Coe et al 2007). Together these businesses have emerged out of global outsourcing trends aimed at paring costs and focusing on core competencies (Dicken 2003). While this industry often positions itself as a provider of specialist skills and permanent workers, the bulk of its profits arise out of the placement of temporary and contract workers: for example, in 2008 this constituted 87% of revenues (Keynote 2008: 9). Although innately sensitive to global recessions (global annual revenues dropped 16 percent between 2007 and 2009), the industry, from past evidence, has shown itself as profiting from the economic upswings out of recessions (Coe et al 2011, Ciett 2010: 1; Peck and Theodore 2007). Figure 1 depicts the global growth of the temporary staffing industry to 2009, including the recessionary dip in sales from late 2007.

**Figure 1: Sales of global temporary staffing industry (€)**

![Graph showing annual sales revenue for the global temporary staffing industry (€) from 1996 to 2009](source: Graph compiled from figures in CIETT Economic Report (2011: 4))
The business of temporary staffing has its longest history in the US and the UK. Within the latter (and more precisely, England), it was the arrival of Manpower and Kelly Services in the 1950s, which led to the modern day high street temporary staffing business we recognise today (Forde and Slater 2008; Ward 2003). The act of labour intermediation for a profit has a far longer and less illustrious history, with ‘gangmasters’ making an appearance in *Das Kapital* (Brass 2009). Measured by the numbers of agencies worldwide, the numbers of markets it operates in, the number of agency workers, as well as by its annual revenues, this temporary staffing industry has grown exponentially while it has evolved (Coe et al 2010b). Moreover, the political clout of its collective voices has continued to accelerate (*cf*. Gonos 1997; Peck et al 1995; Theodore and Peck 2002). At the same time, the industry has travelled some distance in terms of legitimising its activities. Overturning a previous policy advocating a ban on fee-charging agencies, in 1997 the tripartite International Labour Organisation (ILO) launched ‘Convention 181 Private Employment Agencies’, declaring temporary staffing agencies to be contributing factors in well-functioning capitalist labour markets (ILO 1997).

Temporary agency work is clearly defined by the triangular nature of the employment relationship: it takes place between the agency, the employer, and the worker (Coe et al 2010). It is therefore differentiated from that of fixed term employment in that the agency worker, unlike fixed term or permanent employees, holds a contract with the agency, and not with the employer who expropriates the labour. Whereas temporary staffing agencies profit from a ‘per-head’ fee for the placement of fixed term employees, agencies profit from an extraction of a portion of these workers’ wages (Parker 1994; Vosko 2000). In effect, agencies ‘rent’ the labour power of temporary agency workers to employers.

The remarkable rise of the business of temporary staffing should be understood in the context of neoliberalism, flexibilisation and the deregulation of global labour markets, privatisation and welfare state retrenchment (*cf*. Benner and Theodore 2002; Harvey 2005; Tickell and Peck 2005). The business of recruiting and placing temporary workers has thrived within labour market environments in which state regulation has sought to encourage: “labour markets to behave more like ‘real’ markets, to strengthen the play of competitive pressures, to erode social protections and to de-collectivise employment
relationships” (Peck et al 2005: 6). The characteristics associated with standard employment contracts – permanent (‘ongoing’), full time, with employment protections – have given way to individualised, insecure forms of work (Allen and Henry 1997; Parker 1994).

The EU has taken a generally favourable approach to the TSI, which has complemented the agenda of flexicurity and occupational mobility (cf. EC 2003). Since the ILO pronouncement in 1997, Member State governments have been implementing favourable regulatory frameworks (Peck et al 2005). Yet, temporary staffing is notoriously geographically uneven (Coe et al 2010) and worldwide revenues are concentrated within six national markets: Japan (24 percent of annual sales), followed by the US (22 percent), UK (12 percent), France, (8 percent), Germany (6 percent), and the Netherlands (5 percent). Europe accounts for over a third of worldwide annual placements, North America 23 percent, and the Asia Pacific region, 14 percent (Ciett 2009: 20).

In 1997, the industry placed 4.5 million agency workers worldwide; in 2007 the figure had more than doubled to 9.5 million (Ciett 2009; 2011). The industry has been actively transforming employment relationships and the organisation of work (Theodore and Peck 2002; Purcell et al 2004). From its origins in substituting labour supply, temporary staffing has increasingly been used in more strategic ways by businesses keen to reduce labour costs (Nollen 1996: 567). It has also become increasingly possible to use temporary staffing as an indicator of broader trends within national labour markets (Peck and Theodore 2002). In other words, the study of temporary staffing matters because of its ability to tell us more about the condition of labour markets - and those operating within them - as a whole (Coe et al 2010b).

According to industry representatives, agency workers choose temporary employment because of its flexibility or as a stepping-stone into permanent employment (Ciett 2011). Yet, labour market theorists identify that agencies draw their workforce from older workers, students, and women with childcare responsibilities (cf. Storrie 2005). Increasingly, minority ethnic workers have also appeared in temporary agency placements, as have migrant workers (Gottfried and Fasenfest 2001; Korpi and Levin 2001; Anderson
and Wadensjo 2004; TUC 2008; McDowell et al 2009; Wills et al 2010). As further detailed in due course, this thesis examines the geographies of the business of temporary staffing agencies that choose to recruit workers from Poland, Australia and the Philippines for placement into temporary employment in the UK.

Concurrently as the TSI has evolved and accelerated its growth, the term ‘migration industry’ has begun to be used within the academic literature as well as within broader debates to describe and explain the activities of businesses which profit from the intermediation of international migration (Spener 2009). In a formative article in 1997, British geographers, Salt and Stein described international migration as “a diverse international business with a vast budget, providing hundreds of thousands of jobs worldwide, and managed by a set of individuals and institutions, each of which has an interest in how the business develops” (Salt and Stein 1997: 468). The totality of the ‘migration industry’ has been described as incorporating recruiting agents, lawyers and immigration consultants, travel agents and money lenders amongst others, all of which co-exist to facilitate migration (Castles and Miller 1998; Hernandez-Leon 2005; Spener 2009). It is the recruiters and recruiting agents and how these intersect with temporary staffing agencies and employers in the UK which are of interest within this thesis.

1.2 The intersection of temporary staffing with the mobility of labour

No data exists as to the number of businesses, number of people within the ‘migration industry,’ nor the numbers of migrants who are facilitated across national borders by it, nor to its profitability, although reference has been made to the “multi-billion dollar” revenues generated (Kyle 2000: 66). A consensus exists nevertheless that this industry has evolved and grown with new forms of businesses and subcontracting business relationships evident within global production networks (Barrientos 2011). As the temporary staffing industry and the migration industry have grown, so the number of workers on the move has increased. The number of international migrants doubled between 1985 and 2010; 214 million people – or 3 percent of the world’s population - left their homes for a year or more in the latter year (OECD 2011). To measure this in a different way, the US$325bn (€250bn) remitted by millions of migrant workers to support their families constituted a sum larger than the total global development aid budget (Martin 2011: 1). While many
have focused on the supply-side decision making of individual migrants (cf. Massey 1999), the demand for migration has become a critical policy issue in OECD member states (cf. GCIM 2005). Migrant labour, and the geographic mobility of labour, has been catapulted into resolving labour market imperfections caused by demographic changes and labour market restructuring (EC 2002; OECD 2008a).

Evidently, temporary migration has been expressly encouraged by national governments of advanced industrial labour markets. Accordingly, between 2003 and 2007, in OECD countries, 59 percent of population growth was accounted for by migration (OECD 2010). In 2009 foreign-born people accounted for 14 percent of the total population within the OECD, representing a 13 percent increase from 2006, and a 37 percent increase over the past decade, forecast to grow to 20 percent within the next decade (OECD 2011: 154). In 2006, 2.5 million people entered OECD countries through temporary migration programmes (Abella 2006; Castles 2006; Iredale 2001; Martin 2003; OECD 2008b).

How workers move and work across national borders within the internal labour market of the European Union has posed regulatory challenges to Member States, since the Treaties of Rome were signed in 1949 (Cremers et al 2007; Rubery et al 2008; TUC 2005). Nevertheless, augmenting the geographic mobility of labour within the Union has been a clear policy aim since the Lisbon and Stockholm agreements which had removing barriers to this mobility at their core (cf. EC 2002; EC 2007). Moreover, the EU has sought to increase, albeit through tightly regulated channels, the movement of both highly skilled and low skilled workers into the EU through the much vaunted ‘Blue Card’, and exceedingly less so, Directive of Seasonal Work programmes (cf. Collett 2009; Guild 2008). The geographic mobility of labour has been positioned within the same policy context as temporary staffing in that both have been sought after in order to resolve imperfectly matched labour supply and demand (cf. EC, 2000; EC 2009).

1.3 Exploring the transnational supply of temporary migrant workers
The overall aim of this PhD project is to explore how and why temporary staffing agencies facilitate migrant workers into the UK. The empirical investigations documented how
agencies facilitate migrant workers from the Philippines, from Poland, and from Australia into the UK (see Figure 2).

Figure 2: The geography of the thesis fieldwork: Australia, the Philippines and Poland

The project arises from an ESRC/CASE studentship bridged between Professor Neil Coe and Professor Kevin Ward, from the University of Manchester Geography Department, who sought out the Recruitment and Employment Confederation (REC) as a CASE partner. The research was conducted independently, as was the analysis, from the REC.

This thesis explores, documents, and conceptualises, the work and practices of temporary staffing agencies and how they facilitate migrant workers into the UK for the purposes of temporary employment. The research questions addressed throughout this thesis are:

- What are the main characteristics of the agencies, which are leading on the movement of workers into the UK?
- What geographies do agencies use in facilitating labour migrants into the UK?
- What roles and services are performed by agencies in facilitating the migration of workers into the UK?
- Into which occupations were workers facilitated by agencies?
- How do the activities undertaken by agencies, accommodation, job placement, vary from one sector to another and by the country of origin of workers?
Much of the so-called ‘migration industry’, which has thus far documented the role of intermediaries in facilitating migration, has focused on the unauthorised or clandestine nature of these migrations (cf. Kyle 2000; Salt and Stein 1987). This research did not explore the phenomenon of trafficking or smuggling, but rather set out to explain how agencies facilitated ‘legal’ migration into the UK from Australia, the Philippines and Poland. The ‘migration industry’ has been identified as incorporating both legitimate and illegitimate – or regular and irregular – components and businesses within it, with the lines between the two and their activities not so easily drawn and easily crossed (Salt and Stein 1997). And so this research found which is reflected in the findings detailed in chapters 5 and 6.

In the research questions listed above, this thesis contributes to academic knowledge in four particular areas. First and foremost, this research contributes to an emerging body of work, which seeks to analyse the competitive behaviour of temporary staffing agencies, and the markets in which they are embedded (cf. Coe et al 2011; Gonos 1998; Theodore and Peck 2002; Vosko 2000). Thus far, the ‘market-making’ role of TSAs has received little attention in the literature (Coe et al 2009). Secondly, the thesis fills gaps in the temporary staffing literature, which focuses on activities within national (cf. Coe et al 2011) and local labour markets (cf. Peck and Theodore 2001). Few studies have attempted to explore the cross-border activities of agencies (except Elrick and Lewandowska 2008; Pijpers 2009). Similarly, the thesis addresses gaps in the international migration literature which has left the role of paid-for intermediaries in the migration process rather under-theorised (Fawcett 1989; Goss and Lindquist 1995; Krissman 1997).

Thirdly, economic geographers have begun to explore the institutional and regulatory systems in which agencies are embedded (cf. Coe et al 2011b). This thesis presents an analysis of how agencies and the transnational subcontracting of labour is embedded (Hess 2004) in the interaction between the labour market conditions and regulatory frameworks in place in country of origin of worker and that of the destination country (Acacio 2009; Kelly 2010). Fourthly, the research makes an empirical extension to the existing literature on the migration industry. Research on the topic of intermediaries which facilitate migrants across national borders, has mainly focused on the contract migration systems in South East Asia
and to the Middle East (cf. Spaan 1994; Jones and Pardthaisong 1998; Sobieszczyk 2000) or the unauthorised facilitation of migration from Mexico to the United States (cf. Kyle 2000). The movement of workers by paid-for intermediaries within and into the EU has remained remarkably invisible (except Elrick and Lewandowska 2008; Pijpers 2009).

Moving forward, the thesis is structured into seven chapters, of which this introduction is the first. In chapter two a review is undertaken of the relevant academic literature and this draws upon existing bodies of work to construct a conceptual framework for informing the study. Chapter three discusses the regulatory and political context to examine how agencies facilitate migrant workers into the UK from Australia, the Philippines, and from Poland. The next chapter, chapter four, outlines the research design and methods which were utilised in the research and examines some of the complexities of conducting a multi-sited empirical study and the ethical issues posed. This chapter also acts as an introduction to the two data chapters within the thesis, where the story of agencies, in a sense, is really told by looking at how workers from Poland, Australia and the Philippines are recruited into the UK.

In this light, chapter five, entitled ‘Making Markets’, is the first of the two data chapters and it addresses the key features of agencies in the research sample and how they ‘sell’ international migration and migrant workers to client employers in the UK. It also discusses in what institutional and regulatory conditions agencies develop competitive strategies based on facilitating labour mobility into the UK. The second data chapter is entitled ‘Mobilising Workers’. Chapter 6 discusses how agencies manage the process of facilitating temporary workers into the UK through the construction of global networks and providing additional, wrap-around services. The final chapter concludes the thesis and brings together the key themes presented within its pages. These chapters are followed with a full bibliography and an appendix.
Chapter 2

Theorising the business of intermediaries

They must be seen as active institutional agents in the remaking of labor-market norms and conventions, brokering as they do between under-employed workers on the one hand and would-employers of contingent labour on the other, while turning a profit in the process (Peck and Theodore 2001: 474).

Recruitment is the key to the seeming paradoxes of migration processes (Piore 1979: 24).

This chapter constructs a conceptual framework for the thesis. In order to provide an intellectually coherent argument across the whole thesis, it addresses the major themes contained within its pages. The chapter draws upon two main interdisciplinary bodies of literature: temporary staffing agencies and the migration industry. The chapter is structured in five parts. How labour markets operate is at the core of this thesis. In taking the topic of intermediaries, this thesis does not seek to argue that these are the only actors that are matter; the relationship between intermediaries and other actors are equally important. Underlying the conceptual framework is the argument that labour markets are far from rational places and are socially – as well as spatially - constructed by the complex multitude of institutions and economic actors within them (Hanson and Pratt 1995; Peck 1996; Polanyi 1957). This chapter examines the literature from the perspective of four of the actors and institutions: employers, national governments and intermediaries of employment and of migration. This is reflected in the first four sections of this chapter.

The first section of the chapter reviews the literature which analyses why employers seek to hire migrant labour and temporary workers; the second why national governments construct immigration policies in particular ways. The third and fourth sections turn to the main topic itself: intermediaries. As noted in chapter 1, in order to answer the research questions this thesis draws upon the temporary staffing literature which addresses how agencies make markets (Coe et al 2007a; Theodore and Peck 2002), reflected in the third section, and upon the literature that analyses the migration industry, reflected in the fourth section (cf. Hernandez-Leon 2008; Salt and Stein 1997). These four sections are succeeded with a section on how these actors combine to regulate the mobility of temporary migrant workers.
and one which reviews how intermediaries have been conceptualised as institutionally embedded within national and transnational labour markets. The chapter concludes with a summary of the key theoretical points and draws these together in a conceptual framework.

2.1 Employers


Employers’ recruitment of temporary labour

This section reviews the literature that seeks to explain why employers choose to recruit temporary labour. Traditionally, employers hired temporary workers as ad hoc substitutes for permanent employees, who were absent for sick leave, maternity, or other forms of leave (Autor 2001; Forde 2001; Korpi and Levin 2001; Mangum et al 1985). More recently, the growth in the number of temporary workers in advanced capitalist labour markets (as noted in chapter 1) has been associated with a rising tendency of employers to recruit temporary workers. The demand for temporary workers and in particular for temporary agency workers has, it is argued, become intrinsic to how employers organise workforces (Hall 2006; Hoque and Kirkpatrick 2007; Kalleberg 2000).

Employers may commission temporary staffing agencies in order to source specialist skills (Benner 2000; Forde 2001). Alternatively or additionally, employers may use agencies to recruit workers in order to reduce the costs of recruitment (Autor 2001; Bronstein 1991; Forde and Slater 2006; Gray 2002; Hall 2006; Mangum et al 1985; Nollen 1996; Segal and Sullivan 2001). While agencies can reduce the cost of recruitment for businesses, hiring temporary agency workers does not necessarily directly reduce the per hour salary costs of labour for them. This is because once the agency has included its ‘mark-up’ fee, hiring temporary agency workers may even cost employers more than hiring permanent workers.
(Forde 2001; Kalleberg 2000; Segal and Sullivan 1997). Rather, through hiring temporary agency workers, businesses reduce the costs of labour through avoiding having to comply with the employment protections that are due to permanent workers (Allen and Henry 1996; Forde 2001; Gonos 1997; Parker 1994; Peck and Theodore 2002; Ward et al 2001). In short, hiring temporary agency labour reduces the exposure of businesses to payments for pensions, sick pay, maternity leave, unemployment insurance or any of the other norms associated with the standard employment relationship (Gonos 1997; Parker 1994; Peck and Theodore 2002; Ward et al 2001). Through hiring temporary labour through an agency (rather than directly) employers are able to, in effect, outsource the responsibilities of the employment relationship, including payroll administration, requests for sick leave, and so forth, to the agency (Hall 2006; Nollen 2006).

Most importantly, employers can hire and fire temporary agency workers almost ‘at will’, which they cannot with permanent workers (Autor 2001; also Peck and Theodore 1998). Hiring temporary labour enables employers to have numerical flexibility in their workforce, adding workers or dismissing them as required (Peck and Theodore 2007). Employers can in effect benefit from a continuous supply of labour as they would with permanent employees but without having a permanent contractual relationship with them, a situation which has been referred to as ‘perma-tips’ (Lewis and Malloy 1991). Employers may also hire temporary agency labour in order to bypass collective bargaining agreements in place in their firms or to avoid hiring unionised workers (Gonos 1997; Mitlacher 2007; Peck and Theodore 2002). This means that how employment is regulated or the type of industrial relations systems in place is likely to impact on how attractive agency labour is to employers (Coe et al 2008b; Peck et al 2005).

Economic conditions are also important to how attractive the prospect of hiring agency labour is to employers. The rise in temporary agency work has been associated with recessionary economic conditions (cf. Forde and Slater 2006; Grimshaw and Rubery 1998; Kalleberg 2000; Peck and Theodore 2007). This is because in the economic upswing as an economy emerges from a recession employers hire temporary agency workers rather than re-hiring permanent workers which they may have made redundant. According to one argument, employers do this in order to mitigate the risks of any future economic
recessions without the (costly) need to fire the permanent, core workforce (Benner 2003; Houseman et al 2003). Temporary agency workers perform a wider labour market function as a secondary labour market ‘buffer’ for core, permanent, employees (Befort 2003; Laird and Williams 1996; Nollen 1996; Segal and Sullivan 1997). This may not though only be a temporary measure to deal with recession. Another argument is that employers may also use a recession as an opportunity to replace core, permanent workforces with temporary agency workers for the reasons outlined above (Peck and Theodore 2007).

On the other hand, the recruitment of temporary agency labour may also be attractive to employers in tight labour markets when the economy is doing well (Houseman et al 2003). In tight labour markets employers ordinarily have to raise salaries to attract a wider pool of candidates from which to select due to labour shortages. Hiring temporary agency workers mitigates the need for employers to raise salaries as these workers can be hired on a probationary basis and dismissed if found to be unsuitable (Autor 2001; Forde 2001; Gray 2002; Hall 2006; Houseman et al 2003; Segal and Sullivan 1997; Ward et al 2001). According to this argument temporary agency labour can be hired by employers as an extended screening - or probationary – period (Houseman et al 2003; Mitlacher 2007).

The following section turns next to discuss why employers may choose to recruit migrant labour, drawing out the similarities and differences with the above arguments.

Employers’ recruitment of migrant labour
There are similarities between how the demand of employers for temporary labour has been theorised and how employers’ recruitment of migrant labour has been theorised. Echoing Michael Piore’s quote at the top of this chapter, the geographer John Salt argues that employers’ recruitment decisions may play as important a contributory role in initiating and directing migration flows as any that have been taken by individual migrants (Salt 1990). As with employers’ recruitment of temporary labour, while the overall level of demand of employers for migrant workers may be variable, the overall trend for their employment has been consistently upwards. This indicates that employers’ decisions are likely to have structural underpinnings rather than to arise out of an ad hoc, temporary need for additional labour (Castells 1975; Piore 1979; Miles 1990; Samers 2004; Sassen 1991).
The first argument posed is that employers recruit migrant labour in order to reduce their production costs. Migrants may be cheaper to employ than ‘natives’ because they have a different ‘frame of reference’ in comparing wages and jobs in their home country with those in the destination country. In other words migrant workers are more likely to accept low status low paid jobs because the pay is still better than at home (Piore 1979; Preibisch 2010; Preibisch and Binford 2007; Waldinger and Lichter 2003).

Employers also recruit migrant workers due to a belief that they work harder and for longer hours which will save on production costs (Preibisch 2010). Employers may even justify their hiring of migrant labour by arguing that migrants have a superior ‘work-ethic’ which arises out of his or her ‘national identity’ (McDowell 2003). Employers may even associate specific nationality groups with different levels of productivity, and then rate and hire workers on this basis (McDowell et al 2009b; Preibisch 2010; Waldinger and Lichter 2003). Sociologists argue that national identities are social constructs which embody social relations of difference, which are gendered, raced, and classed (Anthias and Yuval-Davis 1992; Gilroy 1987). For instance, employers have been shown to deliberately seek to recruit female migrants for jobs involving emotional labour or domestic work, which employers perceive to require ‘feminine attributes’ (cf. Anderson 2007; Parrenas 2001).

In trying to explain these recruiting decisions, Michael Burawoy, in a study of the recruitment of migrant labour for mines in South Africa, argues that the perceived ‘attributes’ are less to do with natural characteristics and rather result from the structural systems of migrant labour. In other words, what an employer identifies as a superior ‘work ethic’ in migrant workers is likely to represent the differential ‘frame of reference’ referred to above, or because migrants are more tightly controlled and less likely to complain about working conditions (Burawoy 1976).

In a study of the employment of domestic workers in the UK, Anderson argues that employers use the national origins of recruits as code for ‘race’ (Anderson 2007). Anti-discrimination legislation implemented and enforced by national governments usually prevents employers from being able to recruit according to race or ethnicity; employers are
however able to recruit specific nationalities under the auspices of international recruitment programmes. This in effect enables employers to bypass this legislation. Binford shows how employers used the Canadian guestworker programme in order to implement discriminatory hiring preferences on the grounds of race (nationality) and sex, which she refers to as a ‘dual process of social construction’ (Binford 2009). She argues that the guestworker programme institutionalised the racialised and gendered hiring preferences of employers. A complementary argument posed is that employers may be most likely to discriminate when recruiting for semi- and unskilled vacancies where little previous knowledge or experience is required and much of what needs to be known can be learnt from other employees (Gordon 1995). This is because when hiring employees for these jobs, employers are least likely to invest the time in resource-intensive screening mechanisms (Waldinger and Lichter 2003). Employers also may hire migrant labour in order to avoid or to undermine organised labour (Kelly 2002; Preibisch 2010; Samers 1998). Employers may do this to discipline existing workforces or to avoid having to raise salaries in order to attract recruits in tight labour markets (cf. Ball 2004; Piore 1979). By the latter argument migrant workers are a cheap replacement labour force (Piore 1979).

Employers’ recruitment of migrant labour varies according to how the labour market is regulated and to economic conditions (Samers 1999). As noted above, employers may hire migrant labour on the basis that migrant workers are perceived to be more productive through working longer hours for less pay than ‘natives’ (cf. Anderson and Ruhs 2010; Burawoy 1976). Accordingly, employers may recruit migrant labour in order to resolve profitability crises in labour-intensive, low-wage sectors of advanced industrial economies. It is in these labour-intensive sectors where employers can reduce the cost of production most significantly by hiring migrant labour (Castles and Kosack 1973; Piore 1979; Portes and Walton 1981; Samers 1998; Sassen-Koob 1981). In a study of horticulture employers in the UK, Rogaly identifies how employers hired migrant labour as a means of intensifying production and mitigating restructuring crises (Rogaly 2008). Service sector employers may especially seek to recruit migrant labour because by the nature of this work employers are unable to export their production to places where labour is cheaper (McDowell et al 2009a; Sassen-Koob 1981).
Collectively the hiring of migrant labour by employers can serve to create a ‘reserve army’ of migrant labour, which then drives down the value of labour power within the national labour market (Castles and Kosack 1973; Castells 1975; Miles 1982; Samers 2003). The structural impacts of employers’ preference for migrant labour may cause certain jobs to become known as ‘migrant jobs’, which in turn lowers the status of these positions, making it ever more difficult for employers to recruit domestic workers willing to perform these roles (Piore 1979; Samers 1998). In other words, the actions of individual employers can have amplifying effects on the national labour market, and serve to structure – or segment – the national labour market (Rubery et al 2008).

Employers’ recruiting decisions cannot though explain by themselves the increasingly structural employment of migrant and temporary workers (cf. Nollen 1996; Peck and Theodore 2007; Samers 1998). Ward et al remind us that employer decisions rarely occur in a rational, coherent manner as businesses may not have access to the perfect information required to make decisions about the utilisation of external labour (Ward et al 2001; also Autor 2001; Grimshaw et al 2001). In addition, employers’ recruitment decisions are structured by the laws and regulations of national governments, which are responsible for the maintenance and replenishment of the labour supply at a macro-scale (Castree et al 2004; Peck 1996; Peck et al 2005). How national governments implement and adjust national frameworks of regulation impact on how attractive the recruitment of temporary and migrant labour is to employers (cf. Menz 2001; Peck and Theodore 2002). The following section turns to discuss how national governments have been conceptualised as regulating national labour markets.

2.2 States and national governments

In addition to investing in the infrastructure that businesses are not themselves able to invest in (such as the built environment, and transport) and the setting of macro-economic policy, states are responsible for the maintenance and replenishment of the supply of labour power for capital which resides within its national territory (Castree et al 2004; Peck 1996). This section reviews how states have been conceptualised as regulating temporary and migrant labour within national labour markets.
Regulating and mobilising the supply of labour

National governments can numerically adjust the numbers of workers available for employers to hire. States can regulate how many as well as which workers enter the national labour market through regulating the boundaries between reproduction and production, maintaining a system of social welfare and unemployed pools of labour as a ‘safety valve’ (Harvey 2007; Offe 1985; Peck 2001). According to this logic, states’ regulatory actions are guided by the demands of capital within its territory (Harvey 2007; Peck 2001). Although Polanyi persuasively also argues for the concept of the ‘double movement’ of States as a key underlying paradox of capitalism as States are also responsible for protecting society against the impacts of the continuous expansion of capitalism (Polanyi 1957).

In a historical study of Anglo-Saxon labour markets, Peck links the forms that national frameworks of regulation of labour markets have taken with the demands of capital at any one particular historical juncture. According to Peck’s argument, programmes of workfare resulted from the demands of capital for the mobilisation of an additional surplus pool of labour which was suitable for entry-level, low-wage jobs (Peck 2001). Workfare programmes and other types of post-Fordist active labour market policies have been linked to the growth of temporary employment. Governments regulate temporary employment in ways which make the hire of temporary labour more or less attractive to employers, as discussed above (Allen and Henry 1997). In other words how States regulate temporary employment impacts on the hiring decisions of employers (Autor 2001; Peck and Theodore 2002; Peck et al 2005). Accordingly, research from the U.S. and more recently, from Spain, traces how increased regulation of the standard (permanent) employment relationship has been a key factor in the growth of firms’ demand for temporary agency labour as firms increasingly seek to bypass this regulation (Autor 2000).

Regulating temporary employment and adjusting the boundaries of the welfare state may not supply enough labour for capital. When national labour markets do not provide sufficient surplus labour internally States encourage immigration, with migrant workers serving as an external source of labour (Harvey 2007; Menz 2008). This is in accordance with one of the State’s functions in managing the contradictions inherent in the process of
capital accumulation (Harvey 2007; Hudson 2001; Peck and Tickell 1992). Pro-immigration policies in this context can be viewed as active labour market policies. States can either constrain or enable international migration through control of their geographical borders (Castles and Kosack 1973, Castree et al 2004; Miles 1989; Piore 1979; Portes and Walton 1981). How States regulate immigration is likely to be spatially uneven as policies will vary from place to place. In an in depth comparative analysis of how the regulation of immigration in the UK, France and Germany operated, Menz argues that the precise form that immigration regulation takes is related to the nature of the demand of capital for labour within the territory, a situation which he refers to as national production systems (Menz 2008).

States may encourage also immigration in order to discipline domestic workforces. This occurs because as surplus labour is encouraged into the labour market, domestic workers are no longer able to use their relative scarcity in order to wage-bargain with employers, which has the impact of driving down the internal cost of labour (Burawoy 1976). The addition of this surplus labour to national labour markets weakens the working class and not just organised labour within the workplace, as discussed above (Castles 1984; Samers 2003).

States, through the encouragement of immigration, also reduce the costs of reproducing domestic workforces (Burawoy 1976; Samers 2003). Reproduction activities such as providing health and social care, education and training as well as welfare payments are all costly for States to maintain (Castree et al 2004). In contrast, migrant workers have been ‘reproduced’ elsewhere, with the costs borne by the exporting State and not by the State which benefits from its labour (Kearney 1991). Moreover, migrant labour bears the costs of its own unemployment, which further drives down its cost to receiving States (Piore 1979). The above sections have reviewed how – and why – employers – at the scale of the worksite - and States – at the scale of the national labour market - seek to recruit temporary and migrant labour. To briefly summarise, the act of job matching between employers and employees is neither a passive, nor a neutral act (cf. Hanson and Pratt 1995; Peck 1996; Sayer and Walker 1992). And States structure employers’ recruiting decisions as well as
wider national labour markets through devising and implementing regulatory frameworks (Peck 2001).

This thesis explores the transnational movement of labour by agencies, which implicates the necessity for examining the international scale of the demand and regulation of migrant labour. Structural and neo-Marxist approaches frame international migration within the context of a geographically uneven or exploitative relationship between states which export labour with those that import migrant labour (Castells 1975; Castles and Kosack 1973; Portes and Walton 1981). Much as employers and states structure and segment national labour markets (cf. Piore 1979), the interaction between States on a global scale, and with international organisations, leads to a segmented global labour market by which the Third World periphery provides for a reserve cheap army of labour (Piore 1979; Wallerstein 1974). A number of writers have thus referred to the international division of labour (cf. Gibson and Graham 1986). The theme of geographical unevenness between national labour markets has also been addressed by writers such as Sassen, Castells, and Beaverstock who analyse international migration as being an important and inevitable feature of, as well as being driven by, processes of globalisation (cf. Beaverstock 1991; Castells 1975; Sassen-Koob 1984). These processes contribute to unevenness. Employers and States are not the only labour market actors. The third part of the chapter now turns to discuss the labour market actor, which is the main topic of this thesis: intermediaries. This thesis specifically examines how agencies used the facilitation of migration into the UK as a growth strategy, which is reflected in what follows in the two subsequent sections of the chapter. The first part draws upon the temporary staffing literature to discuss how agencies have been conceptualised as implementing growth strategies within national labour markets. I argue that the scale of this literature is limited to the national which is theoretically insufficient when considering international processes. Accordingly this is followed with a review of how intermediaries of migration have been theorised as economic actors with financial interests in devising and implementing growth strategies.

2.3 Temporary staffing within national labour markets
This section is divided into two parts. The first reviews how temporary staffing agencies have been theorised as seeking out specific groups of workers and how agencies then ‘sell’
these groups to employers; the second how agencies engage in wider market-making strategies with businesses and employers which hire temporary agency labour.

*Mobilising and selling labour*

Temporary staffing agencies, as labour market intermediaries, require access to, and will accordingly seek out access to, that which is the mainstay of their profitability: sources of labour (Gray 2002; Ofstead 1999; Peck and Theodore 2001). This requirement underpins agency growth strategies. Temporary workers may – but largely do not – make an active choice to work for temporary agencies but do so because he or she find it difficult to find permanent jobs (Burgess and Connell 2006; Kalleberg 2000; Stener et al 2007; Storrie 2005; Purcell et al 2004). The sections above discussed how the hiring decisions of employers and the regulation decisions of national governments structure and segment national labour markets (cf. Peck 1996). Similarly, agencies have been shown to have agency in selectively recruiting from particular workforces. In an empirical study of the temporary staffing industry in Canada, Leah Vosko documents how agencies deliberately targeted married women in order to hire women in clerical jobs. The attraction to agencies was that married women were excluded from the mainstream labour market, thus making them amenable to working as low paid clerical workers. Much as employers’ actions have amplification effects, in so doing, Vosko shows how agencies constructed temporary clerical jobs as ‘women’s work’, what she refers to as a ‘gendered mode of regulation’ (Vosko 2000). The widely utilised ‘Kelly Girl’ imagery contributed to the wider designation of some jobs as ‘women’s work’ (Gottfried 1992; Vosko 2000). Figure 3 shows a 1962 Kelly Girl advert from Time magazine, which clearly depicts this.

![Figure 3: Kelly Girl advert (1962)](http://graphic-design.tjs-labs.com/show-picture?id=1205869089. Last accessed 25th January 2012)
Although this thesis explores the activities of agencies at a (intra) national scale, this has not precluded the consideration of some of the micro-geographies of agencies. In studying local labour markets, Peck and Theodore analysed how deliberately seeking out specific types of workers to supply to employers as temporary labour; in effect, acting as a kind of segmenting ‘bridge’ between labour markets (Peck and Theodore 2001; see also Gottfried and Fasenfest 2001). Agencies located their offices in locations where there was a source of labour regarded by agencies as particularly desirable (Ofstead 1999; Peck and Theodore 2001; Ward 2005). In a study of low wage urban neighbourhoods in Chicago, Peck and Theodore analyse how agencies specifically located their offices and hiring halls close to welfare offices, or homeless shelters from which they recruited (Peck and Theodore 2001). Rather than the gender of the workers being the subject of the targeting as in Vosko’s work, agencies here used ‘racial signifiers’ to target neighbourhoods: agencies targeted Latino neighbourhoods in the belief that these would provide them with low paid, available labour. As a consequence, agencies agglomerated in these neighbourhoods in order to benefit from the available source of labour (Peck and Theodore 2001).

The spatial agglomeration of agencies in such a way may have a very specific impact on the structuring of local labour markets. For local workers this may mean that job vacancies within the ‘travel to work’ area are only available through temporary staffing agencies, meaning there is little choice but to take up temporary employment through an agency (Freeman and Gonos 2005; Gottfried and Fasenfest 2001; Peck and Theodore 2001). In effect, agencies ‘colonise’ particular neighbourhoods.

In many low-income neighbourhoods, temp jobs have become the most important means of accessing the labour market, as they have come to dominate local vacancy profiles. Here, it is hardly an exaggeration to say that the labor market is the hiring hall. (Peck and Theodore 2001: 476)

Moreover, through selectively mobilising particular populations, agencies make it possible for employers to bypass anti-discrimination legislation. Peck and Theodore tell us that:

Through major such forms of geographical shorthand, temp agencies perform a crude sorting function in the Chicago labor market, in effect doing the discrimination on behalf of their clients. (Peck and Theodore 2001: 488)
Through the mechanisms of labour mobilisation and recruitment, agencies can create or reinforce pre-existing, racial and sexual divisions within national labour markets (Gottfried and Fasenfest 2001; Peck and Theodore 2001; Vosko 2000). Agencies reproduce these segmentations in one further way: through seeking out buyers for their product – temporary labour (Coe et al 2007a; Gottfried 1992; Gonos 1998; Ofstead 1999; Peck et al 2005; Theodore and Peck 2002; Ward 2005). Agencies actively sell temporary labour to potential client employers (Parker 1994; Vosko 2000). This is not done in a neutral, passive way but is heavily structured (Peck and Theodore 2001). Gender and national identities have been shown to be critical to how agencies sell their temporary workers. In a study of recruiters in the Philippines, Guevarra found that these organisations worked to promote and transform Filipino labour into an “idealised” workforce in order to meet employer, state, and commercial interests (Guevarra 2010). Similarly, Geraldine Pratt in a study of nanny agencies in Toronto found that recruiters deliberately juxtaposed the ‘characteristics’ of nannies from the Philippines, who were presented as uncivilised and poorly motivated with those of the British nannies who were represented as superior in training and in decorum (Pratt 1999). Agencies presented a racialised duality between the (white) European nannies and the (non-white) Asian nannies.

Other Canadian research conducted among nanny agencies found that nannies from the Philippines were constructed as docile, hard-working and subservient (England and Stiell 1997; Tyner 1999). Constructions were also gendered (Liang 2011). The explanation lies, argues Pratt, in attempts by agencies to construct a two-tier wage structure between the nannies and to displace demands for higher wages. Those who attempted to subvert expectations were accordingly constructed by agencies as greedy; agencies promoted the idea that nannies from the Philippines should be grateful for the wages they received in Canada which were substantially higher than those received at home (Pratt 1999).

The section above reviewed the role of employers in implementing racialised hiring preferences (cf. Anderson 2007; Burawoy 1976). Accordingly, agencies do not act alone when constructing essentialised identities but are firmly embedded within wider discourses including those of employers (England and Stiell 1997; Pratt 1999). In a study of recruitment agencies in the Philippines, Tyner emphasises the importance of an “externally
defined identity that is purchased by the employer” (Tyner 1999: 198). In other words, constructing and promoting particular ‘national identities’ was good business sense for agencies. Agencies have a financial incentive for complying with employers’ prejudices as ignoring them these means losing contracts with potential client employers (Peck and Theodore 2001; Tyner 1996). Regardless of personal views, the structural pressures to accommodate racially and sexually constructed identities are compelling to small businesses managing to operate in highly competitive markets (Bakan and Stasiulis 1995: 310). It can be argued therefore that agencies present employers with the opportunity to implement discriminatory hiring preferences (McDowell et al 2008; Peck and Theodore 2001). Agencies’ activities in promoting ‘national identities’ have wider labour market impacts, which, in turn are rooted in the growth strategies of agencies, reviewed in the following section.

*Market making growth strategies*

As agencies individually seek out client employers which ‘buy their product’, this has a collective impact across the labour market as a whole and drives the expansion of the industry (Peck and Theodore 2002). This is because as agencies market their businesses they contribute to an increasing cycle of demand; agencies make it possible for employers to want and to ‘buy’ this type of labour (Coe et al 2007a; Peck and Theodore 1998). According to Ofstead: “part of its [temporary staffing] growth and success in new areas must be credited to its own efforts in creating demand where it might not otherwise be present” (Ofstead 1999: 274). As the industry expands its supply of temporary labour, it normalises this form of employment, not only for employers, but also for workers, labour unions, and governments; (Gottfried and Fasenfest 2001; Ofstead 1999; Peck and Theodore 1998; 2001; Purcell et al 2004; Ward 2004). As agencies promote an individualistic view of the unstable and temporary nature of jobs, workers consequently become more attuned to this as an unavoidable element of the employment relationship (Gottfried 1992). As Deguili and Kolmeyer put it:

[T]emporary agencies are helping to convince reluctant workers that personal initiative and self-motivation, rather than collective political action, are the best responses to these economic changes (Deguili and Kollmeyer 2007: 506)
These amplification effects contribute to further growth of the industry. A negative consequence for the industry though is increased competitiveness as more agencies enter the business (Ward 2004). Over time labour markets may become saturated with agencies which all compete over access to the same client employers which drives down the cost of labour as well as, more directly, the opportunities for sales (Peck et al 2005; Peck and Theodore 1998). Low-wage low margin labour markets are especially prone to saturation of agencies (Peck and Theodore 1998). Accordingly, agencies must either go out of business or seek out new markets (Peck et al 2005). Agencies have been conceptualised as seeking out new markets in four different ways, growth strategies which are each reviewed in the paragraphs below.

The first of these growth strategies is that agencies attempt to expand their business into new sectors and industries in which there are fewer agencies operating or in which agencies have not previously operated. Thus, research in the United States investigated how agencies, in response to fierce competitiveness in the market ‘restructured upwards’ into the highly skilled sectors (Peck and Theodore 1998; Peck et al 2005). During this process agencies actively sought out new clients to supply to - in healthcare, IT, teaching and accounting (Theodore and Peck 2002). In the UK and in the US, agencies developed new markets in welfare administration, job placement and welfare to work programmes (Forde and Slater 2007; Peck and Theodore 2001; Purcell et al 2004; Peck et al 2005; Vosko 2000; Ward 2004). Supplying temporary labour to clients in these sectors generated higher margins for the agencies as the contracts were longer-term and the turnover lower, which consequently incurred lower transaction costs (Ward 2004).

The second ‘market-making’ strategy, which agencies have been observed engaging in is through the development of new services to sell to clients. High-end agencies added HRM services to their businesses, including executive search, payroll administration, training, and the on-site management of temporary staff (Vosko 2000; Ward 2004). These additional services have been described as ‘one-stop shopping’ for temporary staffing (Burgess and Connell 2006: 131). As a result, agencies managed to diversify their income and spread their financial risks (Ward 2005). Restructuring upwards enabled agencies to further enhance their legitimacy and to normalise temporary employment, which in turn
then increased their ability to generate new markets (Purcell et al 2004). Agency growth strategies have also had an impact on the organisational geographies of agencies. As top-end agencies engaged in long term contracts with major corporate clients to supply whole job functions and departments, they transformed into appendages of the clients they served (Peck et al 2005; Ward 2003).

The third ‘market-making’ strategy by which agencies have directly reshaped their geographies is through expanding geographically (Coe et al 2007a; 2011; Peck et al 2005; Ward 2004). In a series of articles, Coe et al demonstrate how the leading corporate agencies geographically enhanced their global footprint through entering new markets (Coe et al 2011). Peck et al refer to this as ‘restructuring outwards’ (Peck et al 2005). The fourth ‘market-making’ strategy in which agencies have engaged is the lobbying of national governments to influence regulation in ways that are conducive to the success of their business (Coe et al 2011b; Gonos 1997; 2001). Agencies have lobbied to maintain the favourable regulation of their status as ‘employers’ in the United States (Gonos 1997). They have also lobbied to open access to national labour markets in which temporary staffing was banned (Peck et al 2005). Coe and al argue that it is the large transnational agencies that are especially well-equipped for engaging in this:

Such lobbying is usually conducted collectively, and therefore the effectiveness of the activities of national and international trade bodies will also influence what happens in particular national contexts. (Coe et al 2008b: 61)

The discussion thus far has solely focused on the market-generating activities of agencies within national labour markets. Yet, while researchers acknowledge the role of agencies in deliberately seeking out new sources of labour supplies (cf. Ofstead 1999; Peck and Theodore 2001; Ward 2005), they have been silent on how agencies assemble global labour forces (McDowell et al 2009a). Instead the focus of the literature has been mainly on the local transactions between agency, employer, and employee (Peck et al 2005). As chapter 1 noted, it is this conceptual gap which the thesis attempts to fill. The following section therefore draws upon the literature that analyses the competitive strategies, roles and activities of intermediaries of the international migration process.
2.4 Intermediaries of migration

A substantial and growing literature from the field of international migration documents and theorises a range of intermediate mid-level actors who are responsible for facilitating the process of migration. This section reviews the literature on how migration intermediaries profit from and sustain processes of international migration.

Over the past three decades, much of the focus of migration scholars has been on the role of friends and families in initiating and sustaining social networks even after the demand for labour has disappeared (cf. Boyd 1989; Massey 1999; White and Ryan 2008). Migrants seek to access social networks in order to gain information, to find jobs and to receive assistance with other forms of social capital to help them in the new destination country (Boyd 1989). Whereas social networks comprise friends and family members with presumed altruistic motives (Goss and Lindquist 1995), increasingly a literature that focuses on the commodification of these networks has begun to emerge, broadly referred to as the ‘migration industry literature’ (cf. Findlay and Li 1998; Bilger et al 2006; Elrick and Lewandowska 2008; Goss and Lindquist 1995; Hernandez-Leon 2008; Jones and Pardthaisong 1998; Krissman 2000; Pijpers 2009; Salt and Stein 1997).

The key defining difference between actors in social networks and commodified networks is whether or not they charge for the services they provide (Hernandez-Leon 2008; Kyle 2000; Salt and Stein 1997). Returned migrants often transform themselves into paid-for intermediaries in order to financially exploit the experience, knowledge and contacts that they gained during the migration process (Garapich 2008; Goss and Lindquist 1995; Ban 2009; Elrick and Lewandowska 2008; Kritzinger and Barrientos 2004; Frances et al 2005). According to Spaan, increasingly migrants are no longer able to avoid the paid-for intermediaries who control access to employers and to information in the international migration process (Spaan 1994). The aim of much of this literature has been to empirically document the process of intermediation of migration. Nonetheless some important conceptual points have been made, reviewed below.

In 1997 Salt and Stein, in a thought-provoking article on what they referred to as the ‘migration business’, described these commodified networks as:
[Institutionalized networks with complex profit and loss accounts, including a set of institutions, agents, and individuals, each of which stands to make a commercial gain. (Salt and Stein 1997: 468)]

Similar to the literature reviewed above which explained the actions of labour market intermediaries according to their profit-seeking motive (cf. Ofstead 1999; Peck and Theodore 1998), Salt and Stein argue that individuals and institutions involved in this ‘diverse’ business have a financial stake in generating migration flows. Similarly, other researchers both before and after Salt and Stein’s work recognised that migration intermediaries have a financial interest in encouraging people to migrate (Castles and Miller 2003; Goss and Lindquist 1995; Singhenatra-Renard 1987; Spaan 1994).

Intermediaries may promote migration as a sales strategy as well as to market an intended destination to ‘would-be’ migrants (Fawcett 1989; Salt and Stein 1997: 480). Tseng, in a study of the role of immigration consultants and recruiters who facilitated the migration of Taiwanese ‘capital owners’, compares their strategy with that of real estate agents. Rather than generating a house-buying ideology, migration intermediaries, Tseng argued, create an ‘immigration ideology’ (Tseng 1997: 279).

Immigration consultants often create demand by emphasising negative local factors to encourage people to exit. However, more interestingly, they also create demand by removing immigration stereotypes and by offering legitimacy for migration behaviours. (Tseng 1997: 285)

Migration scholars argue that the activities of migration intermediaries have an amplifying effect across the labour market as a whole. Migration scholars argue that intermediaries, because of their profit-seeking motive and sales activities ensure the perpetuation of migration flows even where the demand in the destination country it is not present (Castles 2004; Goss and Lindquist 1995; Hernandez-Leon 2009). David Kyle, in a study of the ‘tramidores’ that facilitated irregular migration out of Ecuador argues that it was these organisations that were responsible for a sudden rise in migration from the Andes to the United States (Kyle 2000). Similarly, a number of researchers who have researched migration flows from the Philippines have identified that the magnitude of these labour flows would not be possible without the existence of a highly institutionalised, profit-seeking system of migration intermediaries (Alegado 1992; Battistella and Paganoni 1992; Goss and Lindquist 1995; Guevarra 2010; Tyner 1995; Tseng 1997).
While these are useful insights, a major flaw of this literature is that it does not differentiate between the different organisational forms and functions of the agents and institutions that comprise the ‘industry’ (Spener 2009). The spectrum of institutions included by researchers within the migration industry are, labour recruiters, money changers and remittance agencies, estate agents, travel agents amongst others (Bilger et al 2006; Castles and Miller 2003; Hennebry 2008; Salt and Stein 1997). Spener asks that researchers focus less on trying to define the contours of what potentially could be an infinite industry, and instead, focus on the activities and functions of institutions within the migration industry through which more can be explained (Spener 2009).

While ‘recruiters’ – the topic of this thesis - have been conceptualised as having a particular role in initiating, sustaining and promoting migration flows (cf. Ball 2004; Castles and Kosack 1973; Spener 2009; Tyner 1998), there has been little conceptual development of how their role differs from other migration intermediaries. In a study of the intermediaries that channel Bangladeshi labour migrants to East and South East Asia, Fee and Rahman refer to the ‘mediating’ function of recruiters, described as ‘middlemen’ between foreign employers and local prospective migrants (Fee and Rahman 2006). Agencies act as gatekeepers to (and of) information and contacts in the destination labour market, they argue, which is one of their main functions (Fee and Rahman 2006: 86). The authors do not however develop this point further.

David Kyle in the study of the ‘tramidores’ who facilitate migration from Ecuador treads out a little further in describing recruiters as ‘brokers’ between capital and labour, the ‘commodities’ being the Ecuadorean migrant workers who engage in a transnational circular mobility (Kyle 2000). As such, Kyle argues that there are: “important political-economic linkages with core states and, therefore, [this] is not the same as a one-sided “push factor” (Kyle 2000: 191). Kyle usefully explains that it is this brokerage function which differentiates recruiters from smugglers which do not have the same brokerage function. The brokerage conceptual point is sadly however, not followed through with a consideration of how recruiters interact with foreign employers.
A number of writers have however attributed the competitive strategies of recruiters in migrant-sending countries to the existence and nature of labour market demand in the destination countries. Thus, Eelens and Speckmann (1990) attribute the growth of a recruitment sector in Sri Lanka to the enormous demand for labour:

> The three groups of actors – the foreign employment agencies in Sri Lanka, the employers in the Middle East and the labor migrants – are involved in an exchange relationship with capital, labor, information and relations as resources” (1990: 306).

Similarly, Prothero (1990) has theorised how recruiting agents, although independent, worked within the needs and constraints imposed by South African government in recruiting into the mines. As countries such as Malawi, Angola, Mozambique and Botswana gained their political independence from Colonial powers this ended the paid for labour recruitment practices. This impacted on the very existence of the recruiters; the political context was critical to understanding how and why the private recruiters existed.

Even more directly linking labour market demand for migrant labour with the activities of recruiters, in a study of the business of migrant trafficking, Wheaton et al argue that the price the organisations receive for their ‘product’ – trafficked migrants - is dependent on the availability of the desired product, the number of similar products available, as well as the negotiating ability of the intermediary. The price which traffickers are able to gain for their product (i.e. the demand) affects the likelihood of intermediaries being engaged in particular routes, or even whether intermediaries supply trafficked migrants at all. An increase in the price (if costs do not increase), it is argued will lead to increased profits and an increase in the number of people facilitated (Wheaton et al 2010). In other words it is not just the activities of the traffickers but also the extent of the demand for trafficked migrants which influences the nature and geography of the business as well as its profitability.

Yet, while these scholars provide a useful conceptualisation of how migration intermediaries have a financial interest in the migration process, their focus is mostly, or even solely, on the supply-side. Unlike the temporary staffing literature, this literature is silent on the topic of how migration intermediaries may generate demand from employers in destination countries in regular migration flows. Instead, recruiters (and other migration intermediaries) have a financial stake in persuading ‘would-be’ migrants to migrate; the
more migration or the more people sought out their services to migrate, the more the intermediaries are able to profit (Castles and Miller 2003; Goss and Lindquist 1995; Salt and Stein 1997; Singhenatra-Renard 1987; Spaan 1994). With few exceptions, the implication conceptually is that it is the interaction between migrants (or would-be migrants) and the intermediaries, which comprises the ‘market’. In the literature, migration intermediaries are largely not labour market intermediaries, nor are they employers of migrant labour. It is this gap in the literature, amongst others, that this thesis intends to explore. Another is to explore how agencies, through the transnational facilitation of labour mobility, re-regulate labour. Accordingly, the following section reviews how intermediaries have been investigated as re-regulating labour through their use of space, constructing temporary (and) migrant workers as flexible workers in the process.

2.5 Regulating mobility

Capital’s inability to directly control labour, yet the absolute necessity for it to do so has been defined as one of the inherent dilemmas of the capitalist system (Hudson 2001; Littler 1982; Peck 2001; Polanyi 1957). The inability of capital to control labour arises out of the fact that workers, as ‘fictive’ commodities, and unlike slaves, have the capacity to withhold or to consent to the conditions under which he or she sells his or her labour power (cf. Burawoy 1981; Polanyi 1957: 72-3). Processes of social regulation – including immigration regulation - are therefore required to artificially regulate the reproduction and behaviour of workers in the labour market (Peck 1996). How states control the mobility of labour within national labour markets is imperative to understanding how labour markets work (Castree et al 2004; Hudson 2001; Storper and Walker 1989). How states manage the competing interests of opening borders to free trade while controlling the movement of people through them has sparked much debate (cf. Lahav 1998). England and Ward argue that, for capital, economic growth is maximised when the movement of goods, services and capital is unimpeded by government regulation, but the mobility of labour is controlled and regulated (England and Ward 2007). This section reviews how a combination of intermediaries, employers and national governments regulate the mobility of migrant and temporary workers in different ways. I argue that the combination of the activities of these actors serves to construct temporary migrant workers as flexible workers.
The separation of reproduction from production

As noted above, through encouraging immigration, States separate the reproduction of labour from the production process (Burawoy 1976; Kearney 1991; Castells 1975; Castles and Kosack 1973). The section above argued that part of the rationale for this was the reduction of the costs of production which, through immigration are outsourced to the sending State. It has also been argued that States may also deliberately seek to separate reproduction from production in order to reduce the ability of workers to organise and contest the actions of capital. Workers, through having control over his or her reproduction, achieve some measure of control in relationships with capital; when these processes are separated, workers lose that control (Burawoy 1976: 1050; Kearney 1991; Kelly 2002). States’ separation of reproduction from production through encouraging immigration of workers is one example of how capital uses space as a (regulatory) ‘weapon in the contestation between capital and labour’ (Burawoy 1976; also Kearney 1991; Kelly 2002). As Kearney puts it:

Foreign labor is desired, but the persons in whom it is embodied are not desired... The task of effective immigration policy is to separate labor from the juridical person within which it is embodied, that is, to disembodify the labor from the migrant worker. Capitalism in general effects the alienation of labor from its owner, but immigration policy can be seen as a means to achieve a form of this alienation that increases greatly in the age of transnationalism, namely the spatial separation of the site of the purchase and expenditure of labor from the sites of its reproduction, such that the locus of production and reproduction lie in two different national spaces. (Kearney 1991: 58-9)

Immigration regulation enables States to sort not just the numbers of migrant workers, but which workers it lets into its national territory (Samers 1998). A study of the Canadian agricultural guestworker programme demonstrates how States sort workers into different recruitment channels and through selecting the origin countries from which to recruit workers. States may seek those who are the most skilled as well as the workers who are least aware of their rights, least empowered and who are least likely to complain (Preibisch and Binford 2007). Much as states sort workers that are able to enter the national labour market from those that are not; states also sort entrants into hierarchies of ‘desirability’, based on the nationality or skill level of the worker. The most desired workers are the least restricted (Burawoy 1976; McDowell et al 2009b; Prebeisch 2010).
The purpose of recruiting migrant labour is to import a workforce which is cheap, productive, and ultimately excludable (Ball 2004; Portes and Walton 1981; Sassen 1988; 1991). According to Samers (1999), the very flexibility of migrant labour is dependent on non-working family members being kept out through immigration regulation. The State thus prevents the settlement of migrants and the growth of families that might otherwise occur naturally over time. For the State, this maintains the flexibility of migrant labour (Burawoy 1976). Moreover, through the restriction of citizenship, political, and legal rights, migrant workers are prevented by capital from having any representational rights (Burawoy 1976). Upon arrival in the destination country, trade union activity amongst migrant workers is discouraged and migrant workers are, in practice, difficult to organise (Burawoy 1976; Holgate 2004). This leaves migrant workers with little power or control over their working conditions. To briefly summarise, immigration regulation serves to create workers with significantly less ability to contest their working conditions than indigenous workers. Similarly, sociologists have theorised how temporary agency work serves to regulate the mobility and reduce the ability of labour to contest capital. This is reviewed in the following section.

The space of temporary agency work
The temporary staffing literature has also had something to say about how capital – intermediaries – use space to regulate the mobility of labour. The first argument posed is that temporary agency workers do not directly negotiate their own wages or conditions of work with employers which, in effect removes one avenue for bargaining with capital (Gottfried 1992). The agency employment relationship is an individualised one and has been referred to as an ‘atomised workforce’ (Gottfried 1992: 452). Some agency workers may be required to sign agreements not to discuss wages or terms and conditions with other workers, which further reduces the opportunity to organise and to bargain collectively (Freeman and Gonos 2005; also Gray 2002). Agency workers have little power to control the conditions under which he or she enters temporary jobs; a refusal to accept a placement may lead to no further placements offered by that agency (Gottfried 1992; Peck and Theodore 1998).
At the same time, when in work, agency workers are subject to a double layer of control and management of both agency and of the employer (Gottfried 1992). This means employers are likely to be able to maximise the productivity of agency workers (Smith 1998). Workers are placed in a persistent state of uncertainty about when the next job placement through the agency is, notification of which may be at the last minute (Gottfried 1992). Agency employees are led by agencies to believe that there will be a chance of a permanent job at the end of the placement, through presenting the temporary placement as a ‘trial period’ within that specific workplace. Instead the emphasis rests on workers “to meet an unspecified criteria in order to be eligible for permanent recruitment” (Ward et al 2001:8). Agencies promote agency work as a ‘stepping stone’ into permanent employment (Autor 2001). Moreover, regulation of temporary employment, discussed above, enables employers to fire agency workers at will. This acts as a mechanism of control as temporary agency workers are less likely to complain about working conditions (Deguili and Kollmeyer 2007, Gottfried 1991; Ward et al 2001). The amplifying effects of this across the wider labour market encourage the toleration of poor working conditions without complaint or recourse to collective action (Degulili and Kollmeyer 2007; Gottfried 1992; Smith 1998).

This section has reviewed how States, employers and agencies combine to regulate the mobility of migrant and temporary workers which serves to produce a workforce less able to complain about working conditions or to contest, on a broader scale, the power of capital. This section reflected one of the core themes of this thesis, that the activities of agencies are structured by their embeddedness within national and transnational labour markets. The following section turns to explain and review how intermediaries have been analysed as being embedded within national labour markets.

2.6 Institutional embeddedness of intermediaries

The sections above discussed how employers, national governments and intermediaries each have active agency in how they structure labour markets. None are lone actors. This section reviews first how temporary staffing agencies are embedded within national labour markets. The section then turns to review how those who have written about migration intermediaries have viewed embeddedness at an international or transnational scale.
National embeddedness of temporary staffing

Hess identifies three major dimensions to embeddedness: societal, which he likens to a ‘genetic code’, network embeddedness – the structure of relationships among a set of individuals regardless of their national origin, and territorial, which refers to the anchoring of actors in place (Hess 2004: 177). The notion of institutional embeddedness was first proposed by Polanyi in order to differentiate between traditional, institutionally embedded societies from modern, disembedded market economies (Hess 2004). This thesis draws upon the work of Coe et al in considering the institutional embeddedness of agencies in facilitating migration. Coe et al have begun conceptualising what they refer to as national varieties of temporary staffing markets and to explore how this impacts on the growth strategies of temporary staffing agencies (cf. Coe et al 2008a; Coe et al 2011b). Coe et al’s multi-institutional model identifies the key institutions in temporary staffing markets in order to unpack what it is that these intermediaries are embedded within (Coe et al 2008; 2009; 2010a). Relevant institutions include national governments, trade unions, trade associations and domestic and transnational agencies. The actions of these institutions both enable and constrain agency growth. These enabling and constraining factors include regulation of the temporary staffing industry, regulation of the wider labour market, as well as of social welfare – both in terms of the safety nets provided for under- and unemployed workers and direct state involvement in job placement activity - and industrial relations. The authors argue that agencies also need to be sensitive to the types of labour market demand and to the prevailing business cultures in operation. National temporary staffing markets are not static but involve a mutual transformation of the institutional and regulatory systems in which temporary staffing organisations are embedded and the agencies themselves (Coe et al 2008b). Multi-scalarity is a key feature of the model:

This embeddedness straddles different spatial scales, from the intricacies of local labour markets to national policy domains and debates. (Coe et al 2011b: 63)

Coe and colleague’s model is dynamic; it enables conceptualisations of how the adjustments in each of the domains may impact upon the format of the national temporary staffing market (Coe et al 2008b; Coe et al 2010a). According to the authors, even markedly similar processes of neo-liberalisation can interact with pre-existing economic
and social formations to produce newly distinctive forms of temporary staffing markets (Coe et al 2008b). Figure 4 reproduces the model.

**Figure 4: Conceptual model of a national temporary staffing market**

![Conceptual model of a national temporary staffing market](image)


While acknowledging the existence of non-territorially anchored actors – the transnational staffing agencies - this model examines the activities and composition of temporary staffing markets within *national* labour markets. There is a fundamental gap therefore in accounting for *international or transnational* processes. A core theme of this thesis is that examining the national scale is insufficient when considering international processes such as the movement of labour by intermediaries. This thesis explores the activities of agencies at both ends of the international migration process and documents how these activities are structured by the interaction between regulation in the host country (the UK) with that in the sending country (Australia, Philippines and Poland). This is another scale at which embeddedness occurs (Hess 2004). The following section reviews how the migration industry literature has analysed the transnational and international embeddedness of these intermediaries.
The embeddedness of the migration industry

Firstly, intermediaries that facilitate migration are embedded within national frameworks which regulate the immigration of foreign nationals and the emigration of a State’s citizens. Hennebry has shown how State-sponsorship of the Canadian Seasonal Agricultural Workers Programme enabled the expansion of the Canadian migration recruitment industry (Hennebry 2008). Similarly, three different papers have argued that agencies’ recruitment of domestic workers from the Philippines was structured and made possible by the requirements of the Canadian Live-in Caregiver Programme (Bakan and Stasiulis 1995; England and Stiell 1997; Pratt 1999). The programme shaped from where agencies could recruit, licensed them to do so, and constructed the overarching discourse about the suitability of Philippines’ nationals for these jobs (Bakan and Stasiulis 1995).

Similarly, Findlay and Li found that agencies were embedded in the events surrounding the post-colonial handover of Hong Kong to China in 1985. The resulting opening of legal channels of immigration between mainland China and Hong Kong led to a burgeoning migration industry in both territories which identified that profit could be made from facilitating visas and entry to jobs (Findlay and Li 1998). Conversely, Stephen Castles argues that the actions of governments in tightening legal immigration routes into their territories may also lead to the growth of migration intermediaries in both the destination country as well as in countries of origin of workers. This he attributes to the increased complexity of the processes, which make it more likely that individuals require assistance to decode or to work through these complexities (Castles 2004). According to Spener, as the number of ‘legal slots’ is reduced intermediaries may be able to monopolise access to the territory (Spener 2009: 15).

The tightening of legal entry slots may also lead to a growth of the migration industry in another way, this time in the irregular sense. A lack of legal routes of entry leads to greater demand for the services of agencies and traffickers who can assist individuals to avoid immigration controls (Kyle and Koslowski 2001; Spener 2009; Wheaton et al 2010). Krissman argues this point further in suggesting that there may even be a direct causal relationship between migration businesses in the sending country and immigration controls in the destination country as the former exist primarily or even solely because of the latter
(Krissman 2005). In other words, the more successful immigration barriers are in keeping out individuals, the greater a profit can be gained from this by migration intermediaries, who enable migrants to negotiate or to break, the barriers posed by immigration regulations (Castles 2004; Eelens and Speckmann 1990; Hernandez-Leon 2008; Jones and Pardthaisong 1998). By logical extension of this point, immigration regulations also structure the legality of the migration flow and thus of the intermediaries – whether this is legal or clandestine (Martin 2005). However, the complexity of immigration regulations generally means that there is no simple dichotomous relationship between legal and illegal (Ruhs and Anderson 2007). Thus, others have noted that when it comes to the activities of intermediaries in facilitating migration, most activities and institutional actors within the migration industry straddle both sides of the regulatory divide between legal and illegal (Salt and Stein 1997; Hernandez-Leon 2008). The conclusion that can be drawn from this literature is that there is a direct relationship between immigration regulations set by the destination State government and the existence of intermediary businesses both ends of the migration process. Migration businesses are embedded within the regulation of immigration in the destination country. Migration intermediaries are also embedded within regulatory frameworks in the origin country. For instance, the migration export programme in the Philippines discussed in Chapter 3 has driven the expansion of the recruitment industry in that country (Ball 2004; Hennebry 2008; Rodriguez 2010; Tseng 1997; Tyner 1996).

Others have argued that it may not be only the formal barriers in the sense of regulation that lead to a requirement for the services of intermediaries but also cultural and social barriers within the destination country. For instance a lack of knowledge on the part of individuals about where and how to access jobs and housing in the destination country or because of a lack of relevant language skills may also drive the migration industry (Jones and Pardthaisong 1998). Where there are alternatives in place – such as migrant social networks which provide the same functions as the paid-for intermediaries but on an altruistic basis – there may be no need for migration businesses (Jones and Pardthaisong 1998). In other words the pre-existence of social networks may preclude the existence of the migration industry. Radcliffe, in a study of the agents which facilitated emigration from Peru noted how emigration in one region was almost entirely facilitated by social networks,
while in another the paid-for ‘engeanchadors’ dominated (Radcliffe 1990). She does not argue that the two are directly related but rather that differences in the facilitation of migration flows exist between one area and another.

The above authors explore how formal frameworks of regulation and wider cultural and societal factors impact on migration intermediaries either in the migrant-sending country or in the destination country. This thesis explores the interaction between both sets of conditions, for which I draw upon the work of authors who have attempted to bring together these factors. James Fawcett, writing in 1989, argues that although the concept of a ‘migration system’ had recently attained visibility, the basic notion of sending and receiving country linked by flows of people (and capital) is as old as the scientific study of migration itself (Fawcett 1989). He argues that the benefits of taking such a ‘migration systems’ approach are that it directs attention to both ends of a migration flow, with a corresponding necessity to explain the relative stability and mobility in each national territory. Fawcett highlights the diverse linkages between places, including flows of information, goods, services and ideas as well as people. He argues that the interconnectedness of the system in which change in one part is sensitive to changes in other parts reinforces the idea of migration as a dynamic process (Fawcett 1989). Fawcett’s resulting conceptual model relies on a complex and dynamic framework incorporating a set of 12 shifting linkages between countries that act to stimulate, direct and maintain international flows of people, with one of these linkages being migration intermediaries. While extremely complex, this model highlights the multiple nature of the context within which intermediaries operate (Fawcett 1989).

The theorisation of global care chains allows a different way of approaching how intermediaries may be embedded within the multiple scales at which the relationship between globalisation, migration and care services is reproduced. While care services are predominantly financed, organised and provided on a local basis, the internationalisation strategies of households, corporations and states have created a buoyant international care service economy, which is nevertheless governed by the interaction between national level processes (Hochschild 2000; Yeates 2009). These authors emphasise the interconnections between the differential economic conditions within national labour markets which export
migrant workers, compared with those which import migrant workers. This same frame of analysis is echoed by Tyner, who writes that it is the labour market conditions in the Philippines (a migrant exporting nation) that secure the preparedness of workers to be incorporated into global labour markets (Tyner 2000; Tyner and Donaldson 1999). In so doing, Tyner alerts us to the multiple scales in play in the international migration process. In a similar vein, and from a study of a localised labour market in the Philippines, Phil Kelly exhorts us to understand that:

[A] significant process operating in the “local” labour market is the extraction of labour for temporary overseas work. This non-local employment distorts any sense of geographical contiguity in the definition of “locality”. The local labour market cannot be understood as simply “travel to work area” as it has in Western contexts. Extra-local opportunities with direct and important linkages to the local labour market must be considered.” (Kelly 1999: 59)

Castles and Miller refer to immigration ‘mesostructures’ composed of individuals and institutions that mediate for profit between employers, individuals and political and economic institutions. Mesostructures highlight that the activities of intermediaries takes place within a multiplicity of spatial scales. The authors locate the concept of mesostructures within the framework of migration systems theory in which the migration process is seen as a combination of macro structures (large-scale institutional factors such as the political economy of the world market, interstate relationships, the laws and structures by both sending and receiving States (and micro-structures - networks, practices, and beliefs of the migrants themselves) (Castles and Miller 2003: 27). In so doing Castles and Miller highlight that in studying the complexity of these structures it is also necessary to examine regulation of receiving and sending states, economic conditions, as well as relationships between the States.

One component of embeddedness identified by Hess, is that of the ‘network’, which describes the structure of relationships among a set of individuals regardless of their country of origin or local anchoring in particular places (Hess 2004: 177). A number of writers have attempted to capture the complexity of the networks of different actors which facilitate migration within conceptual models. Goss and Lindquist (1995) define a migrant institution as a composite of recruitment agents, migrants and former migrants, employers, and civil society organisations. Salt and Stein, in a relatively simple but useful model
sought to document how migration intermediaries are embedded across both sending and receiving contexts, and through what they term ‘legitimate’ and ‘illegitimate’ migration flows. Figure 5 reproduces their conceptual model.

**Figure 5: Salt and Stein’s global migration business**

In focusing in the latter part of their paper on the illegitimate migration businesses, the authors conceptualise the international migration process as being divided into three main stages in which intermediaries play a role. These are, firstly, mobilisation (sales, transport provision, provision of forged documentation, and enforcement), secondly, facilitation (transportation and bribery of immigration officials), and thirdly the arrangement of accommodation and employment in the receiving country (Salt and Stein 1997). Schloenhardt (1999) in a similar approach differentiates between the functions of intermediaries who are ‘on the frontline’ and those that are conducted by ‘middlemen’.

The frontline intermediaries include the entrepreneurs, planners, arrangers and investors; the middlemen are the recruiters, transporters, sellers, guides and crew-members. Another concept is that of migration ‘channels’ which link the labour markets of the migrant’s origin country and that of the destination; channels may be composed of a number of different institutional actors and can include transnational corporations that transfer staff within the company but across national borders, may be friends and family members, or may be formal employment agencies (Findlay and Garrick 1990). In the migration channels approach, the agency of individuals in seeking to choose which channel to enter is
also important. In a further study Findlay and Li found that channels and intermediaries’ operated at three levels: through the intermediaries role in gatekeeping entry to the (foreign) labour market, the formalised structure of immigration policies which enabled or constrained immigration, and the use of information dissemination by intermediaries to influence migrant motivations (Findlay and Li 1998). The authors suggest that which role or channel is selected by those who enter the channel is highly dependent on the conditions in the sending country. The core importance of these papers is in illustrating the number of functions and roles, of sub-agents and brokers that can be performed within a network that links the origin country of the migrant with that in the destination country (Aguinias 2009; Hernandez-Leon 2005; Krissman 2000; Bigler et al 2006; Hernandez-Leon 2005; Krissman 2000). The final part of the chapter now moves to summarise the key theoretical points which serve as the conceptual framework for this thesis.

2.7 Conceptual framework
This thesis explores the role of agencies in facilitating migration into the UK from three different sending countries. In order to construct a theoretical foundation, this chapter has reviewed a range of literature, but primarily that which analyses the temporary staffing and the migration industry literature. These two literatures provide valuable lenses on the topic of intermediaries, from very different but complementary perspectives. The temporary staffing literature in focusing on the advanced industrial labour markets of Western Europe and North America contributes significantly to our understanding of how agencies mediate temporary employment within national labour markets. In attending to the ‘migrant-exporting’ developing or underdeveloped countries, the migration industry literature contributes to consideration of how agencies mediate processes of international migration. In bringing the two literatures together, four main theoretical points are summarised here: that agencies as profit-seeking actors engage in market-making strategies; that agencies’ competitive strategies are embedded within national and transnational labour markets; that these strategies and their impacts are innately spatial; and finally, that in doing what they do, agencies contribute to the regulation of labour in particular ways. These four theoretical points constitute the conceptual framework for this research and are reflected in the following chapters as well as in the conclusion to the thesis.
The first theoretical point is that agencies have ‘agency’ in what they do (Coe et al 2010). Temporary staffing agencies and recruiters of migrant labour have a financial interest in their precise mode of mediation, the former in seeking out clients to which they can supply workers (cf. Gray 2002; Ofstein 1999), the latter in persuading individuals to migrate (cf. Salt and Stein 1997; Tseng 1997). The search for profit is a prime motivating factor for both types of intermediaries which impacts on their competitive strategies (Coe et al 2010). In essence, agencies ‘make markets’ (Peck et al 2005).

Embeddedness is the second key theoretical point; how and why these intermediaries do what they do is heavily structured by the activities of a multitude of economic and institutional actors within and between national labour markets (Hanson and Pratt 1995; Hess 2004; Peck 1996; Polanyi 1957). The two most significantly relevant actors are national governments and employers. National governments implement regulation that governs the supply of labour into the national labour market as well as the conditions under which workers work (Castree et al 2004; Harvey 2007). The precise form which regulations take impact on the market-making activities of agencies, not just in one State but also in those States from which agencies ‘export’ migrants (Acacio 2009; Binford 2009; Kelly 2010; Theodore and Peck 2002).

The importance of labour market demand on the activities of agencies is also reflected within the pages of this thesis (Castells 1975; Castles and Kosack 1974). To emphasise what this chapter argued at the outset: employers make decisions about who to hire – and who to fire (cf. Allen and Henry 1996; Gray 2002; Hanson and Pratt 1995; Piore 1979; Peck 1996; Peck 2001; Sayer and Walker 1992; Waldinger and Lichter 2003). As with regulation, it is not just the activities of agencies in the destination countries which are structured by labour market demand. The profitability and strategies of agencies in migrant-sending states are also reactive to labour market demand in the destination country (Eelens and Speckman 1990; Fee and Rahman 2006; Prothero 1990; Wheaton et al 2010).

Regulation and labour market demand are not static. The demand for migrant and temporary labour has been shown to have increased and become more structural (Castells 1975; Kalleberg 2000; Miles 1990; Nollen 1996; Sassen 1991). Which employment
policies national governments choose to implement is in turn, structured by the type of demand of capital at any one juncture of time (Peck 2001). Arguably then, we might expect the competitive strategies and activities of agencies to react to shifts in regulation or labour market demand.

The activities and competitive strategies of agencies are inherently spatial, which is my third theoretical point. Where agencies choose to locate their offices impacts on the structure and segmentation of local labour forces (Peck and Theodore 2001); migration intermediaries instigate and sustain the international movement of peoples (Krissman 2005) which we might expect to engender international segmentations of workforces as agencies act as a bridge between labour markets (cf. Gottfried and Fasenfest 2001). In other words, agencies have macro-regulatory impacts on national labour markets (Peck and Theodore 2007). These also include the normalisation of their modes of business whether this is temporary agency work or migration (Delguili and Kollmeyer 2007; Gottfried and Fasenfest 2001; Ofstead 1999; Purcell et al 2004; Tseng 1997; Vosko 2000). Through seeking out and ‘selling’ particular workforces, agencies contribute to segmentation of the labour market beyond their immediate activities (cf. Vosko 2000). Finally, through adding new services to the packages on offer to client employers, through geographically expanding into new markets and into new sectors of the economy, and lobbying national governments to influence legislation in their favour, they and their business penetrates further and deeper than ever before (cf. Gonos 1997; Peck et al 2005). The embeddedness of agencies is a two-way process (Coe et al 2008b).

The fourth theoretical theme is how agencies contribute to the regulation of labour in particular ways. How national governments regulate migrant labour constructs a flexible workforce (Burawoy 1976; Samers 1999). Migrant workers have few representational rights and opportunities to contest their position or poor working conditions (Holgate 2004; Morris 2006). Agencies make it possible for States to benefit from a workforce which is cheap, productive and ultimately excludable (cf. Ball 2004; Portes and Walton 1981; Sassen 1988). At the same time, agencies’ mode of employing workers in the triangular employment relationship removes workers from the potential of directly contesting their working conditions or negotiating over pay with employers (Freeman and Gonos 2005;
Gottfried 1992; Gray 2002; Peck and Theodore 1998). The ability of agencies to fire agency workers as quickly and easily as they hire them, coupled with the double layer of managerial control wielded within this form of employment, exerts more subtle but equally powerful forms of control (Deguili and Kollmeyer 2007; Smith 1998). Figure 6 presents these four themes in visual form.

**Figure 6: The conceptual framework: four theoretical themes**

These four themes are reflected in the following chapter which considers the political, economy and regulatory context to agencies’ facilitation of international migration.
Chapter Three

Migration Works

We are putting in place a strategy – globally, nationally, locally – to ensure that migration works for Britain today and in the future. (Tony Blair, speech to Confederation of British Industry (CBI), 27 April 2004)

With this quote the British Prime Minister made a decisive break with the past. Since the implementation of the 1962 Commonwealth Immigration Act, the prime purpose of immigration regulation had been to minimise the numbers of ‘foreigners’ entering the UK for the purposes of work to a trickle (Winder 2004). After 1997, New Labour embarked on a bold, but often bumpy, road to link immigration to the demands of the UK labour market (Anderson and Ruhs 2010; Flynn 2003). Nevertheless, how to restrict and control the settlement and residency rights of labour migrants, long integral to the regulation of immigration, remained consistent (Carter et al 1996; Kay and Miles 1992).

Chapter 2 emphasised the critical theoretical significance of the institutional and regulatory context to agencies’ activities and competitive strategies (cf. Acacio 2009, Coe et al 2011a; Kelly 2010). Building on this, the aim of this chapter is to outline the political, economic and regulatory context to how and why temporary staffing agencies facilitated migrant workers into the UK. Principally the chapter reviews the frameworks of regulation governing the movement of labour from Australia, the Philippines, and Poland into the UK by agencies. Given that the importance of the institutional labour market conditions in the UK is a recurring theme throughout this thesis, the first half of the chapter focuses on the UK’s regulation of migration and of temporary staffing during the course of the 2000s. The second half reviews the frameworks of regulation which specifically governed the facilitation of nationals from Australia, the Philippines and Poland into the UK.

3.1 Regulating the UK’s national labour market

This thesis is based on empirical data relating to the activities of agencies in facilitating migration over the 2000s. This first section of the chapter reviews how the British government adjusted the immigration regulation framework over the course of the 2000s,
followed with a discussion of how regulation of how the temporary employment relationship and the temporary staffing industry changed over the same time period.

*Managing immigration*

As noted above, on 27 April 2004 Blair announced the government’s strategy to ‘manage’ migration into the UK. Migrant workers, Blair argued, could fill essential shortages in the UK labour market - they could do the jobs that British workers did not want (Blair 2004). The British government, and the devolved government of Scotland, intended to increase the external supply of migrant labour into their national labour markets. While widely trailed as a new government strategy, revisions albeit piecemeal ones had begun to be made by the Labour government four years prior to this. The then Home Office Minister for Immigration, Barbara Roche, had signalled a new approach to immigration in a speech made to the British Bankers Association organised by the Institute of Public Policy Research in 2000. In this speech the Minister declared that Britain needed more, not less, immigration (BBC 2000). Roche’s speech initiated the language of ‘management’ of immigration into the UK labour market, with its implications of enablement, thus replacing the rather more traditional use of the language of ‘control’ (Spencer 2011). Her speech also signalled the elevation of the ‘market’: “You need to listen to what the business community is saying to you as to what it wants” (cited in New Statesman 23 October 2000).

Roche’s speech was supported with the publication of a joint report, produced by the Performance and Innovation Unit (PIU) and the Home Office which for the first time laid out a fiscal case for increased labour migration into the UK. The report presented the benefits of migration in terms of not just filling gaps in the labour market but also increasing economic productivity, and reducing inflationary pressures (Blanchflower 2007; Glover et al 2001: viii). This was in tune with a neo-monetarist approach presiding at the Treasury: “Immigrants keep inflation down” said Governor of the Bank of England, Mervyn King, in no uncertain terms (*cf.* Trefgarne 2005). Securing access to sufficient external sources of labour was presented as critical to the UK’s global economic competitiveness (Home Office 2002; Home Office 2005; House of Lords 2008).

Immigration had been increasing from the late 1990s onwards, evidenced by the rising numbers of grants of Work Permits, attributed to rising employer demand for migrant
labour due to shortages at home (Glover et al 2001). Government analysis from this point centred on the inadequate number of economically available workers within the UK labour market (cf. Glover et al 2001; Home Office 2005). Labour shortages were attributed to ageing populations, falling fertility rates of indigenous workers and, in Scotland’s case, the emigration of its nationals (Home Office 2002). The government’s analysis was also made in the context of declining unemployment nationally, falling consistently since 1997 (ONS 2006). Consequently, the government increased the supply of labour migrants into the UK by two simultaneous mechanisms: through liberalising immigration controls, and through active international recruitment of migrant workers. Each is discussed below.

From liberalisation of immigration controls to active international recruitment

After 1997 the government had specifically identified gaps in recruiting for particular jobs and occupations in the UK labour market (Glover et al 2001; Home Office 2002; 2005). Accordingly, from 2000 the Department for Work and Pensions (DWP) and Work Permit UK (WPUK) made a number of cautious steps towards liberalising and relaxing the requirements for entry for skilled individuals. At first the liberalisation of immigration controls was aimed at ICT professionals, nurses, and engineers; this was succeeded more broadly in December 2001, and again in 2003, with a numerically limitless Highly Skilled Migrant Programme (HSMP). Two of the specific shortages, even recruitment crises, identified as being of interest to this thesis were those of teachers and of nurses (Buchan 2002; NFER 2001; Wanless 2001). The Labour government had risen to power on an election promise of expanding the recruitment of nurses for the NHS - at that time facing a recruitment crisis (Department of Health 1998; Wanless 2001). Subsequently, teachers, senior care workers, and other skilled professionals were placed on occupational shortage lists, which enabled employers to recruit internationally, without first advertising the post in the UK (Buchan and Sechombe 2006; McNamara et al 2004).

Moreover, the government embarked upon a programme of active international recruitment of nurses and of teachers. International recruitment of teachers from the Caribbean Commonwealth countries and from India into the UK had occurred on an ad hoc uncoordinated basis for several years prior to the 1997 change of government (McNamara et al 2004). During the late 1940s and 1950s British governments had also actively
recruited from Barbados and other Caribbean states to recruit nurses for the newly created National Health Service (Layton-Henry 2003; Winder 2004). In April 2002 the newly formed Teacher and Recruitment and Retention Unit, based at the Government Office for London, established an Overseas Trained Teachers’ Working Party to take part in a new pilot project to recruit overseas-trained teachers from Australia and Canada. Extra funds to schools and to Local Education Authorities were made available for this purpose (Government Office for London 2003; 2004; McNamara et al 2004). Similarly, from 2000 onwards, the British government actively recruited nurses from a number of developing countries (Buchan and Secombe 2006) and increased funding was made available to achieve this (Buchan 2007). As a result the numbers of foreign nationals in both workforces rapidly increased, with almost half of nurses entering the workforce in the UK having been trained elsewhere (Buchan 2007).

Employers, supported by agencies within these sectors, played an important role in managing active recruitment and the government facilitated this through implementing a number of enabling regulations. Such regulations included the signature of recruitment agreements with the governments of the Philippines, with India, Spain, and with China in order to recruit nurses and other healthcare staff from those countries (Buchan et al 2004). However, the actions of the British government were limited by protests from developing countries, especially Jamaica, Barbados and South Africa, due to the ‘brain drain’ of their much-needed professionals (cf. DfID 2005), as well as protests from trade unions concerned about the unethical methods of recruitment and exploitation by private sector agencies (cf. House of Lords 2008; NUT 2004). Accordingly, the UK government signed the Commonwealth Teacher International Recruitment Protocol, the Commonwealth Code of Practice on the Recruitment of Health Workers, as well as a subsequent Department of Health Code of Practice aimed at limiting unethical recruitment (Buchan and Secombe 2006; Commonwealth Secretariat 2004; Department of Health 2004).

It was not just highly skilled migration which lay in the government’s sights though; Roche’s speech also tackled the politically difficult issue of low-skilled migration: “We noticed there were reports during the summer of strawberry fields where fruit was rotting because there was nobody to pick it. Well then, you have to respond accordingly” (cited in
New Statesman 23 October 2000; cf. Glover et al 2001). Low skill migration was addressed not through relaxing existing entry controls as with highly skilled and skilled entries, but through the wholesale removal, in 2004, of restrictions on the entry of the nationals of the 8 Accession States of Central and Eastern Europe (CEE) (Anderson and Ruhs 2010).

Under the Treaties of Accession, signed by EU Member States, national governments, under a set of transitional arrangements, had the right to restrict entry for the new EU nationals until 2007, and to extend these restrictions in cases of severe disruption to national labour markets until 2011 (Pollard et al 2008; Somerville 2007). Underlying the decision of the British government not to restrict access for EU8 nationals, was a clear intent to replace the often irregular workforce servicing the bottom ends of the labour market, with newly ‘Europeanised’ workers from the CEE States (Anderson and Ruhs 2010; Home Office 2002: 77-78; Somerville 2007). This intent was made clear by the Home Office:

[L]abour from the new Member States will over time, enable us to phase out our current low skill migratory schemes for people from other parts of the world. (Home Office 2005: 19).

The 2002 government White Paper, ‘Secure Borders’, had started to flesh out what a ‘managed migration’ strategy might look like, in the process defining it as having a “properly orderly, organised, and enforceable system of entry” (Home Office 2002; Para 1.3). The British government’s decision did not just enable the entry of a number of new incomers, but also regularised the EU8 nationals who were already working irregularly in low paid jobs (Anderson et al 2006).

In addition, the British government expanded the Seasonal Agricultural Workers Scheme (SAWS), first introduced in 1945, and established a new international recruitment programme known as the Sector Based Scheme (SBS). Both SAWS and the SBS permitted an additional route of entry into the UK labour market for jobs in agriculture, food processing, and in hospitality (Loizillion 2004). Unlike other Western European governments in the period of post-Second World War reconstruction, the British government had never organized a formal guestworker programme (Castles 2004; Castles and Kosack 1973), although post-war governments had trialled active international
recruitment of workers with the European Volunteer Worker (EVW) Scheme (McDowell 2003). Under the SBS, employers were left to facilitate their own international recruitment process; within SAWS, international recruitment had to be conducted by one of nine ‘operators’, who were licensed by the Home Office to do so. Moreover, after 2003, a number of other, albeit less numerically significant, liberalising reforms were made to encourage labour migrants into low paid jobs in the British national labour market. Thus, reforms were made to the Working Holidaymaker Scheme (WHM) created in the 1970s in order to facilitate youth cultural exchange between nationals of the ‘Old’ Commonwealth countries to the UK, namely, Australia, and New Zealand (Somerville 2007).

As a result of the liberalisation of immigration controls, by early 2001 there had been an increase in admissions under the Work Permit system from around 40,000 per annum in the mid-1990s to over 100,000 (Flynn 2003). In the decade after 1997 the year of the incoming New Labour administration, net immigration increased from 100,000 incomers annually to nearly 300,000 (ONS 2009). The incremental reforms to the liberalisation of immigration controls culminated in 2005 with the announcement of a Points Based System (PBS), which would replace the more than 80 Work Permit routes which had governed entry into the UK up to that point with five new ‘Tiers’. Points were to be awarded to the employers of migrants, according to whether or not there was a labour shortage in that sector or occupation as well as to would-be migrants on the basis of their prior earnings, qualifications, work history, age, and English language ability (Home Office 2005). Tier 3, the ‘low skill’ route, was to remain ‘closed’ as these labour market demands were to be met instead with the labour from the EU8 countries (Home Office 2005: 19). Table 1 below outlines the basic requirements of each of the Tiers.

Yet, the same decision that had led to the arrival of up to one million Eastern European nationals in the UK after 2004 (Anderson et al 2006), was not repeated for the nationals of Romania and Bulgaria, which had become EU Member States on 1 January 2007 (IPPR 2007). This marked the beginning of the end for the policy direction that had been taken by earlier Home Secretaries regarding immigration. In October 2006, a Ministerial Statement issued by John Reid, then Secretary of State for the Home Office, set out in detail how Romanian and Bulgarian nationals could be employed in the UK. In essence this document
restricted these nationals to entering for the purpose of skilled employment, coming as part of a quota scheme (SAWS and the SBS), as self-employed, or as a student (Home Office 2006; House of Commons 2007). After reviews of the arrangements in 2009 and in 2011, at the time of writing, the restrictions on access to the labour market remain in place (cf. MAC 2011).

Table 1: The Points Based System (PBS)

<table>
<thead>
<tr>
<th>TIER</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 (High Value Migrants)</td>
<td>Allows highly skilled people to apply for work without a sponsor, and to take up self-employment and business opportunities in the UK. Points awarded on the basis of level of qualifications (Masters at a minimum), age and high level of earnings in origin country. A level of personal savings is also required. Applicants can switch into other categories.</td>
</tr>
<tr>
<td>Tier 2 (General)</td>
<td>Aimed at skilled workers who have been offered a skilled job to fill a gap in the workforce that cannot be filled by a settled worker. The job must have a certificate of sponsorship because the job attracts a salary of at least (£150,000 as of 2012), or the job is on the shortage occupation list, the sponsor employer has completed a resident labour market test, or because the individual is applying for an extension of an existing visa.</td>
</tr>
<tr>
<td>Tier 3 (Low Skilled)</td>
<td>Closed category</td>
</tr>
<tr>
<td>Tier 4 (Study)</td>
<td>Adult students (post-16) who wish to continue education in the UK. A valid confirmation of acceptance for studies with an approved education provider, plus acceptable English language skilled (using ILETS), and sufficient maintenance funds.</td>
</tr>
<tr>
<td>Tier 5 (Temporary)</td>
<td>This category includes: temporary creative and sporting workers, charity workers, religious workers, government authorised exchange, and the Youth Mobility Scheme (YMS). Eligibility for the latter is based on country-specific quotas, being aged under 31, and having a certain level of savings (£1,600 as of 2012). No dependents are allowed.</td>
</tr>
</tbody>
</table>

Source: [http://www.ukba.homeoffice.gov.uk/visas-immigration/](http://www.ukba.homeoffice.gov.uk/visas-immigration/)

*Information correct as of May 2012. Due to continued adjustments to the PBS, the information above restricts the precise details it gives.

The year following the accession of the EU2 saw the onset of recession in the UK (HM Treasury 2009). Although in part the decision was taken as a result of what has been referred to as a ‘moral panic’ about the potential numbers of migrants that might arrive in the UK from these countries (cf. Mawby and Gisby 2009), it also signalled a significant change in direction due to changing economic conditions (cf. Papademetriuo et al 2009). Even though net migration had dropped from 233,000 in 2007 to 142,000 in 2009 (MRN 2010), the political mood in the UK had turned against immigration (Martin 2009). Accordingly, a widely perceived unwise entry into the politics of nativism saw Gordon Brown in early 2008 call for ‘British Jobs for British Workers’ (Summers 2009).
Nevertheless, the most dramatic turn in immigration policy came with the incoming elected Conservative/Liberal Democrat coalition government in May 2010 that quickly announced an interim cap on non-EU immigration in July 2010, subsequently confirmed (UKBA 2011). The period of ‘migration working for Britain’ seemed to be on the way out.

Reforms to the architecture of immigration controls into the UK during the 2000s had related not just to how many workers could enter the national labour market in any one sector; reforms had also been made to the conditions under which migrant workers entered the UK. The following section reviews how the British government, in reforming immigration controls and instituting international recruitment programmes, sought to regulate the conditions of entry of migrant workers into the UK labour market.

*Regulating the conditions of entry*

Immigration status has been the key factor determining rights and responsibilities, including employment rights, and social rights such as access to the welfare state (Morris 2006; Ruhs and Anderson 2007). The Points Based System (PBS) was not just established in order to rationally decide upon national labour market shortages; it also institutionalised the ‘sorting’ of workers into the UK through immigration regulation, denied to governments when immigration happens irregularly (Favell and Hansen 2002). Earlier immigration regulations governing entry to the UK had required that migrants be of “good human stock” (cited in Deakin 1968, 27) as well as sorting migrants according to gender and ‘race’ (Kay and Miles 1992). A key component of the New Labour managed migration strategy, and the PBS, was that the new framework of regulation would ‘sort’ workers according to their skill levels, their occupations, and their national origin. Rights and freedoms were granted according to the utilitarian value of the worker to the British economy, with the most rights and freedoms awarded to those in PBS Tier 1, to nationals of EU Member States, and those of (or at least some of) the Commonwealth nations; the least to non-EU entrants and those arriving through the SAWs and SBS (Flynn 2003; Morris 2006).

Thus, PBS Tier 1 entrants were made eligible for permanent residence, and were able to enter the UK without a provisional job offer. This was intended to attract the most highly
skilled applicants to the UK (Rollason 2004). EU nationals were similarly privileged and according to the terms of the EU treaties labour market access and settlement rights could not be denied to nationals of fellow Member States, unless agreed as part of a transition agreement. Moreover, members of the Commonwealth Youth Mobility (Working Holidaymaker) Scheme were also allowed entry to the UK without a job offer (Home Office 2006).

In contrast settlement rights have been denied to most non-EU entrants to the UK (Layton-Henry 2004). Both the SAWs and the SBS were implemented with strict time restrictions on the length of visa: six months being the maximum for both. When the visa had expired, holders had to leave the UK for a period of time before re-application. In all but name, these were therefore guestworker programmes (Castles 2004). Similarly, visas granted under the PBS Tier 2 restricted migrants to three years work in the UK irrelevant of whether the job was labelled ‘permanent’. These entrants were allowed under the terms of their visa to apply for an extension of stay in the UK of two years but only if the employer was able to designate the post a ‘shortage occupation’ (Home Office 2005). In other words, most entrants were rendered as migrant ‘fixed term’ workers in the eyes of the law.

Regulation of immigration restricted the rights of migrants in two further ways. Firstly, immigration controls restricted access to social security in the UK. Non-EU migrants were restricted by the terms of their immigration visa from accessing any form of welfare benefits in the UK (Morris 2006; Layton-Henry 2004). Similarly, the British government managed to restrict the access of EU8 nationals to welfare benefits. Once the government had taken the decision to allow access to its labour market for EU8 nationals, it could not, according to the terms of the transition arrangements, limit the residency and employment rights of incoming EU8 nationals. Accompanying the decision to allow access to the UK labour market was also a decision to limit access of EU8 nationals to any form of work-related benefits (Currie 2007). In effect, the residency of EU8 nationals in the UK became tied to economic productivity; if a citizen of an EU8 State was not in employment, it was possible to deport these workers back to their home country, potentially in contravention of EU legislation (MRN 2009). Thus the British government constructed these workers as ‘flexible workers’ (Currie 2007).
Finally, immigration controls limited the occupational mobility of migrant workers within the UK labour market. Non-EU applicants (other than Tier 1 and Youth Mobility Scheme (Working Holidaymaker) applicants) were precluded from applying for other jobs given that the visa was contingent on the sponsorship of employers. This was a further theme of Labour’s managed migration approach: employers had a greater degree of input into immigration regulation than ever before, which is discussed in the following section.

**Involvement of employers in constructing immigration policy**

In shifting Work Permits (UK) (formerly the Overseas Labour Office) from the Department of Work and Pensions to the Home Office, in 2001, incoming Home Secretary David Blunkett signalled the newly enhanced importance of the private sector in the business of regulating migration (Flynn 2003; Jordan and Duvell 2003). Work Permits (UK) had worked on making their relationships with employers more efficient and friendly and negotiations transmogrified into a series of employer-led sector panels, which assessed the extent of demand and shortages in the UK national labour market (Flynn 2003). From the late 1990s, employers’ representatives, such as the Federation of Small Businesses, the CBI, and the British Chambers of Commerce, were invited to sit on and contribute to a variety of sectoral stakeholder panels (Flynn 2003). This situation was institutionalised in 2007 with the establishment of the Migration Advisory Committee (MAC).

Although composed of five economists and labour market experts who were made responsible for advising the government, the MAC was supported by a Stakeholder Panel composed of the leading representative bodies of business and labour: the Confederation of British Industry (CBI), the British Chambers of Commerce (BCC), the NHS (National Health Service), and the TUC (Trades Union Congress). Employers thus were able to articulate which vacancies and occupations needed filling (Anderson and Ruhs 2010). This process was presented as a rational, scientific, and objective means through which labour migration, that is the supply of labour, could be matched to the demands of the UK labour market (Balch 2009). In this, the UK was consistent with a general trend within the OECD towards demand-driven migration systems (Chaloff and Lemaitre 2009).
The government’s reforms also awarded employers an enhanced level of control over migrant workers. Employers were given responsibility for checking the right to work in the UK. Employers of EU8 nationals were tasked with ensuring that workers comply with the terms of their immigration control (MRN 2008). The added control over migrant workers, in effect, turned employers into immigration officials (MRN 2008; Ruhs and Anderson 2007). The managed migration approach was intended to regulate wider aspects of the life of immigrants, including access to jobs, welfare services, family reunification, and ultimately integration and the acquisition of citizenship (Flynn 2005: 463). In turn, the Home Office sought more control over employers seeking to employ non-EU migrant workers as a constituent part of immigration regulation. In 2009 employers (and Higher Education institutions) were required by the Home Office to apply for, and be granted, a Certificate of Sponsorship from the Border and Immigration Agency. Agencies were prevented from applying for such Certificates (Home Office 2009a). The increasing trends towards the use of more nuanced mechanisms in controlling the mobility of migrant workers means that ‘inclusion’ and ‘exclusion’ have not been limited to national borders: borders have moved in-country (Pham 2009).

The reforms to immigration regulation had taken place within the context of wider restructuring and rescaling of regulation in the national labour market (cf. Jessop 2003; Peck 2001). The Labour government also reformed the regulation of temporary work and the industry that supported it. This thesis explores the role of agencies in facilitating migrant workers into temporary jobs in the UK. The following sections review how temporary employment and the temporary staffing industry have been regulated within the UK.

3.2 The regulation of temporary employment in the UK
Tony Blair had been keen to argue that any employment reform would leave the UK “with the most lightly regulated labour market of any leading economy in the world” (cited in TUC 2008: 62). Between 1997 and 2010 the government did regulate with a ‘light touch’ (Davies and Freedland 2007), although it also enhanced the regulation of the standard employment relationship through reforms to working time, to annual leave, to maternity and sick pay, through the introduction of the National Minimum Wage and a series of tax
credits. According to the OECD Employment Protection Index, the UK’s national labour market had been left the second least protected in the developed world (OECD 2008c).

Historically, temporary employment had always been regulated differently from the mainstream, standard employment relationship in the UK, although the UK had always struggled to regulate its multifaceted forms as employment law had historically been based upon the standard employment relationship model (Conley 2000; Leighton 1986). The Labour government viewed temporary employment as essential to the operation of a flexible labour market (HM Treasury 2004). Similarly, it viewed the temporary staffing industry as providing an essential and helpful service to correcting labour market ‘imperfections’ through regulating the supply and demand of labour (BIS 2010). However, after 1997 two significant reforms to the temporary employment relationship (TER) were put in place: the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and the Agency Worker Directive 2010. Both reforms were initiated within the European Union.

The temporary agency work Directive
In 2002, the government transposed the Directive on Fixed Term Work 1999/70/EC into the Fixed Term (Prevention of Less Favourable Treatment) Regulations 2002. The Directive aimed to ensure equal treatment between temporary fixed term employees and comparable permanent employees (EC 1999). The Directive also aimed to prevent abuse of the repeated use of fixed-term contracts, which were, in effect, permanent jobs (BERR 2002: Section 8). It also, for the first time, legally defined temporary employees as ‘employees’ rather than the lesser ‘workers’ (Counstounis and Horton 2008), bringing this group within the remit of the full range of employment protections thus far denied them (TUC 2005). The impact was to improve the employment protection of temporary workers hired directly by end-user employers. S19 of the Regulations specifically excluded agency workers from this regulation, and accorded equal treatment rights (Counstounis and Horton 2008).

Historically, temporary agency workers had been defined as ‘workers’ under the 1973 Employment Agencies Act (EAA); section 230(3). ‘Workers’ were entitled to some rights,
including the Working Time Regulation, and National Minimum Wage; those legally
designated as ‘workers’ were however prevented from benefiting from regulations
pertaining to unfair dismissal and redundancy protection which were only available to
‘employees’ (TUC 2007). The 1973 Act also left a lack of clearly defined employment
relationship where a third party was involved: there was no clear employment relationship
between the worker and the agency and the worker and the end user employer (TUC 2008).
This created a gap for agency workers in terms of employment rights when labour
subcontracting was involved (Markova and McKay 2008).

The lack of clear employment relationship under statute law meant that the courts also
struggled for coherence in cases which involved subcontracting between more than one
labour supplier, whether this was between agencies, third party neutral vendors or umbrella
companies. Thus tribunal judges in Usetech [2004] EWHC 2248 (Ch), Muscat [2006] ICR
991, Hudson [2007] EWHC 73 (Ch) ruled that there was no direct employment relationship
between agencies and the workers which they supplied (and hence no employment
protection). These rulings were supported by the case of Consistent (a Polish national) v
Kalwak (a food processing firm) [2008] EWCA Civ430, heard in the Court of Appeal. The
employment implications were that agency workers were left relatively less regulated, that
is with fewer employment protections, than temporary workers directly employed by the
end-user, and than permanent workers (TUC 2008). Consequently, the European Court of
Appeal, in James v Greenwich [2008] EWCA Civ 35, para 57, Mummery LJ concluded
that the British legal system has, so far, in failing to clarify the complexities of the
triangular employment relationship, effectively created a regulatory situation whereby there
was “an absence of job protection for agency workers”.

This regulatory lacuna was addressed in October 2008 by the European Parliament
approved Council Directive 2008/104/EC (known commonly as the Temporary Agency
Work Directive (TAWD). Parliamentary approval came 34 years after the TAWD was first
introduced through Council Resolution, 21 January 1974 ([1974]) OJ C13 /1). This came
only after an agreement had been brokered between the TUC and the CBI (in May 2008),
by the Department for Work and Pensions (DWP). Under intense lobbying and disputes
between the European trade unions and employers’ representatives, and similarly within the
UK, the progress of the TAWD had been consistently blocked (Horton 2008). As discussed in chapter 2 employers hired agency labour in order to avoid the regulatory burdens associated with the SER; they had no desire therefore to increase the regulatory burden (cf. CBI 2008).

Article 5(1) of the Directive, transposed into the (UK) Agency Work Regulations, introduced the concept of equal treatment in employment between agency workers and permanent workers in the same employment but only after they had been employed for 12 weeks. This, according to the government’s own calculations, left almost 50 percent of current agency workers outside the scope of the regulation (BIS 2010). More significantly, the regulation redefined agency workers as ‘employees’, bringing agency workers within the scope of a wider range of employment protections (BIS 2010). Defining ‘temporary staffing agencies’ for the purpose of the regulations had been problematic, with the multitude of subcontracted labour suppliers, including umbrella companies, finally brought within the scope of the final agreed regulations after much debate (cf. BIS 2010). Prior to this, the Employment Agencies Act 1973 had defined agencies according to two definitions: ‘employment agencies’, responsible for the supply of workers to be hired directly by employers; and ‘employment businesses’ responsible for the third party supply of agency workers (Employment Agencies Act, 1973: s. 1). This definition failed to recognise that, most agencies engage in both forms of supply of temporary workers, as well as that of permanent workers (BERR 2008b).

To summarise: while fixed term temporary employees have been granted comparable regulation of the employment relationship to that of the standard, permanent employment relationship, those supplied under a subcontracted labour arrangement have until October 2011 - the date of implementation of the Directive - been left without the same employment protections enjoyed by directly employed temporary workers, and by permanent workers (TUC 2005). The following section reviews how agencies have historically been regulated in the UK, and the reforms made by the Labour government after 1997.
3.3 The temporary staffing industry in the UK

This section reviews the regulation of the temporary staffing market in the UK. The TSI in the UK is highly fragmented with a high number of single site agencies (Key Note 2008; REC 2007). Figure 7 shows the increase in the number of agencies in the UK (compared with the EU Member States with the next nearest numbers) over the period 2004 and 2009. This shows that all four countries experienced an increase in the numbers of agencies over this period; but the UK experienced almost a doubling of the number of agencies over the period 2005 to 2009. All show either a levelling or a dip in the number of agencies beginning in 2008 with the onset of recession. Subsequently, a survey of the industry conducted on behalf of the Department of Business (BERR) found that 16,500 businesses were registered for VAT as businesses that supplied temporary labour (BERR 2008b). This was the highest number in the EU, followed by Germany, the Netherlands and Poland (see also Ciett 2011).

**Figure 7: Growth in number of agencies (top 4 EU markets)**

The BERR survey also established that agencies tended to supply temporary labour to administrative and secretarial occupations as well as to jobs as process, plant and machinery operatives (BERR 2008b). Table 2 represents the results of the survey. The table shows that in the UK workers supplied by agencies, are relatively equally distributed between occupational groups. Ordinarily, the labour force survey relies upon individuals reporting his or her employment status accurately, this survey asked agencies to which
occupations they supplied workers. While this offers a potentially greater degree of accuracy, this survey however is likely to represent agencies that were members of REC.

Table 2: Distribution of supply of agency workers by occupation

<table>
<thead>
<tr>
<th>OCCUPATION GROUP</th>
<th>% OF AGENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and senior officials</td>
<td>29</td>
</tr>
<tr>
<td>Professional occupations</td>
<td>36</td>
</tr>
<tr>
<td>Associate professional and technical occupations</td>
<td>25</td>
</tr>
<tr>
<td>Administrative and secretarial occupations</td>
<td>38</td>
</tr>
<tr>
<td>Skilled trades occupations</td>
<td>27</td>
</tr>
<tr>
<td>Personal services occupations (social care, health, education, hospitality)</td>
<td>26</td>
</tr>
<tr>
<td>Sales and customer service occupations</td>
<td>24</td>
</tr>
<tr>
<td>Process, plant and machine operatives</td>
<td>36</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: BERR (2008b: 12)

*NB inconsistency due to recording assignments per job or per client (see Chapter 4)

In contrast, it has long been estimated that there is a relatively high level of informality in sections of the TSI that supply labour to agriculture and horticulture (cf. Geddes et al 2007). A survey of ‘gangmasters’ in 2004 estimated that there was a ‘top tier’ of 500 to 600 agencies supported by a base of 1000 to 2000 small and micro labour providers (Precision Prospecting 2004). In the same year, Brass estimated that in total there were around 3,000 to 4,000 agencies (Brass 2004).

In an analysis of agencies registered with the Gangmasters Licensing Authority (see below) Geddes et al found that most agencies in these sectors (known as ‘gangmasters’) were small, with four fifths with a turnover of less than £1 million, and with generally fewer than 100 staff on their books (Geddes et al 2007: 10). Agencies were clustered around London, Birmingham, Manchester and the Scottish ‘Central Belt’ (Geddes et al 2007: 84). Figure 8 reproduces a GIS representation of the location of these agencies from Geddes et al’s work which reflects this geographical concentration (Geddes et al 2007: 96).
Regulation of the Temporary Staffing Industry (TSI)

The Employment Agencies Act 1973 introduced a requirement for agencies to be licensed, formalising some pre-existing, localised, and ad hoc requirements introduced by some local authorities (Forde 2008). Licensing, as it turned out, was relatively short-lived as twenty-one years later Prime Minister Thatcher removed it with a clause inserted into the 1994 Deregulating and Contracting Out Act (s35, Schedule 10), consistent with wider restructuring of regulation of the national labour market from structural regulation into more individualistic post-hoc regulation aimed at penalising anti-competitive or fraudulent behaviour (cf. Cerny 2000). Licensing requirements were, during the course of the 2000s, re-introduced in five sectors. Agencies active in the supply of temporary workers to domiciliary social care establishments were required under the terms of the Care Standards Act 2000 and the Domiciliary Care Regulations 2002 to apply for a licence to operate. The intent though – quite tellingly - was to improve standards in social care delivery rather than improve the employment protections of domiciliary care agency workers (DoH 2003).

Subsequently, the 2004 introduction of the Gangmasters (Licensing) Act (implemented in 2006) re-introduced licensing requirements for agencies – or ‘gangmasters’ in the legal terminology of the Act – active in supplying labour to agriculture, horticulture, shellfishing,
and forestry. The Gangmasters Licensing Authority (GLA) was established in order to tackle business fraud and reducing worker exploitation in these sectors, which had low rates of trade union penetration, and long traditions of informal employment practices (Scott et al 2007: 4). The four sectors however, only accounted for around 10 percent of the estimated temporary staffing industry, described as one of the toughest and most fiercely competitive in Europe (Geddes et al 2007; Scott et al 2007). Critically, the GLA’s licensing standards have required any agencies operating from outside the UK, but which supply labour into the UK, whether directly to an employer or to a third party temporary staffing agency (TSA) to be licensed (GLA 2006). This requirement entailed agencies to comply with their own domestic national regulation in the country of origin, as well as with the licensing standards set by the GLA. In 2007, only seven Polish agencies had registered with the GLA (Geddes et al 2007: 94).

Secondly, agencies have been precluded from charging persons seeking employment in the UK: instead agencies were limited to charging end user employers (Employment Agencies Act 1973 s 5.1). Significantly the 1999 Employment Relations Act amended this point to specifically preclude the charging of persons normally resident outside the UK from seeking employment within the UK (Employment Relations Act, 1999 s5.1(ec)). Similarly, the GLA Licensing Standard 7.1 precluded the charging of fees for any work-finding services (GLA 2009). The Employment Agencies Act 1973 had not however precluded the charging by agencies for ancillary services such as CV writing, photographic services, or the provision of personal protective equipment, amended by the 2003 Conduct of Employment Agencies Regulations (implemented in 2004). This latter regulation subsequently precluded agencies making the chargeable provision of these services to those seeking work conditional on finding employment for them (Regulation 5). Similarly, this conditionality has been precluded under s5 of the GLA (2009). In other words, this prevented agencies from misusing their power to force workers to take up services which they did not require.

The third significant feature of the formal regulation of the activities of agencies in the UK labour market is that the GLA provided for more far-reaching coverage of the activities of agencies than that which had been previously recognised under the Employment Agencies
Act 1973, and subsequent 2003 and 2007 Conduct Regulations. The GLA standards recognised that agencies did far more than simply provide employment-seeking services; the standards recognised that agencies provided accommodation, work-related transport, and loans. The implications were that the four sectors of agriculture, horticulture, shellfishing and forestry were more highly regulated than other sectors of the economy within which agencies operated, with agency workers in these sectors entitled to a far greater degree of employment protection than that offered in employment in other sectors. Agencies, consequently, in these sectors were subject to a far greater degree of regulations than those that operated in other sectors (ALP 2008). Moreover, the GLA standards in some cases incorporated employment regulation from elsewhere – for example, the requirement regarding appropriate payment of tax and the National Minimum Wage and regarding health and safety. By restating these requirements under the GLA Standards, in effect the GLA brought enforcement within its own remit rather than relying on the other enforcement bodies.

The GLA has been widely perceived to have been successful through its high profile ‘naming and shaming’ strategy in tackling business fraud in these sectors (cf. Geddes et al 2008; Scott et al 2007). In contrast, despite a doubling of the number of inspectors within the UK (to 24), regulation by the Employment Agency Standards Inspectorate (EASI) responsible for monitoring the entire sector, has been seen as weak and lacking ‘teeth’ (Wynn 2009). Government direction stated in 2007 that: “only the most serious cases should be prosecuted in the first instance” (BERR 2007: 28). The GLA holds additional powers to enter the business premises of an agency without prior notice (GLA 2006). In addition, Directors or representatives found guilty of breach of Standards, or for not holding a licence, can be given custodial sentences (GLA 2006). In an echo of the regulation of temporary employment remarked upon above, Geddes et al referred to the temporary staffing industry (TSI) in the UK as one of the least regulated industries in the world (Geddes et al 2007). As evidence of the low barriers to entry in the UK market (Forde and Slater 2006), a further analysis of the GLA-registered agencies found a high degree of ‘churn’ within the industry with 60% in the industry operating for less than 5 years (Scott et al 2007). At the time of Scott’s survey, this was likely to be reflected in the sharp increase in the number of agencies entering the market after 2005.
Two additional pieces of (soft) regulation referred to above are worthy of mention here. The Department of Health Code of Practice included standards which restated that recruited migrants would be subject to the UK’s national labour market laws (DoH 2004: 6), and that no fees could be charged to those seeking work (DoH 2004: 8). The latter provision extended the requirement to subcontracted agencies in the country of origin of the recruitment process. More significantly, the Code of Practice required the NHS, when engaging in international recruitment, to only use agencies which had signed up to the Code of Practice. The Department of Health (later passed to NHS Employers, which became responsible for workforce planning) maintained a register of signatories. Similarly, the Commonwealth Teachers Recruitment Protocol required agencies to reach agreement with the source country (from within the signatories to the Protocol) regarding the means of recruitment, the numbers to be recruited, and the labour laws of the country (Protocol Para 3.9).

Finally, in addition, the ‘Quality Mark’, which set standards for the recruitment of teachers by agencies, was launched in July 2002 as a joint initiative between the Department for Education and Skills and the REC (REC 2002). This was predominantly driven by concerns of the teachers’ trade unions, the NUT and NASUWT about the exploitation of migrant teachers (McNamara et al 2004). As with the Code of Practice above, the Quality Mark set minimum standards in recruitment practice with which participating agencies had to comply. Standard 5 related specifically to the involvement of third party agencies in the country of origin:

If an overseas agent is used to aid direct recruitment, you will need to provide: details of the vetting process for third parties, along with details of the contractual arrangements in place; and the responsibilities of the overseas agent with regard to recruitment and selection. (REC 2002: 3)

Successful applicants to the Quality Mark were to be listed on a national register of agencies from which schools and LEAs would select agencies with which to work. In effect, rather than a government department controlling the enforcement of standards in international recruitment, the industry itself self-regulates. The formal regulation of agencies has been established in a light and rather piecemeal fashion (Geddes et al 2007). While agencies active in supplying labour to agriculture, horticulture, forestry, and
shellfishing have been regulated to some extent, this contrasts visibly with the virtually unregulated agencies active in other sectors of the labour market. Less formal means of regulation including the Codes of Practice, and Recruitment Protocols have, at least on paper, offered an additional way of regulating agencies in specific sectors, while the Quality Mark by which the industry self-regulates the supply of teachers to schools in the UK governs competition within the supply teaching market. As UK attempts at regulating the transnational movement of labour into the UK by agencies has been limited, international recruitment of temporary workers is regulated through the specific interaction between regulatory frameworks between the source countries and the UK. The following section reviews how the ‘regulatory regimes’ which govern the transnational movement of labour between Australia, the Philippines and Poland with the UK have been produced.

3.4 Regulating the transnational movement of labour

The following sections review EU transnational attempts at regulating the movement of labour followed by a discussion of how the movement of labour from Australia, the Philippines, and from Poland is regulated. How workers move, and work across, national borders within the internal labour market of the European Union has been a critical issue for Member States since the Treaties of Rome were signed in 1949 (Cremers et al 2007). Removing barriers to the movement of labour lay at the heart of the Lisbon and Stockholm agreements, the European Employment Strategy and the Job Mobility Action Plans of 2002 and 2007, even if they have been judged by various critics as being far from achieved (cf. EC 2002; EC 2003; Council of the European Union 2005; EC 2006; (EC 2006; EC 2007).). Underlying these approaches to the encouragement of the mobility of labour was the understanding that shortages of labour and unemployment in national labour markets result from ageing populations and imperfectly matched supply and demand. Enabling the mobility of labour has been positioned as the answer (cf. EC, 2006; CEC, 2005). Worker mobility within the EU has been explicitly linked to better functioning labour markets and more competitive and dynamic economies (Eurofound 2006; EC 2007; Janiak and Wasner 2008).

Moreover, the approach taken towards the temporary staffing industry (TSI) by the EU has been generally favourable, with support for removing obstacles to temporary agency work
in Member State national labour markets (cf. Kok Report, EC, 2003). In addition, Article 4 of the Temporary Agency Work Directive (2008/104/EC) required Member States to review their national “prohibitions and restrictions on the use of temporary agency work, unless they can be justified on general interest”. In other words, even while trade unions had successfully gained employment protection for agency workers, Member States had also in effect agreed to promote temporary agency work. Nevertheless, the supply of workers across national borders by temporary staffing agencies potentially puts into conflict two of the four fundamental pillars holding together the European Union: the free movement of labour and the free movement of services (Dolvik and Visser 2009).

The movement of labour, as well as the movement of service providers, across national borders raises issues of the ability of Member States to control their borders (issues of securitisation), harmonization of regulation of national labour markets, and the protection of Member State service-providers. First, the Posted Worker Directive (PWD) (1996 Directive (96/71/EC) aimed to resolve the potential conflict between the free provision of services, and the protection of employees’ rights ‘posted’ to work in another Member State’s labour market as an ‘employee’ of the service provider during the period of posting and regulation of national labour markets. The intent was to ensure equal treatment and prevent ‘social dumping’ (Cremers et al 2007; Woolfson and Sommers 2006). Conflicts of interest between low and high labour cost countries were accentuated by the enlargement of 2004, given that posted workers were not included in the transition arrangements (Cremers et al 2007).

In 2008, however, three ECJ judgements – Viking [2008] IRLR 14, Case C-341/05 and Laval [2008] IRLR 160 and Case C-346/06 Ruffert [2008] IRLR 467 Case C-319/06 Commission v Luxembourg prioritised the free provision of services (Article 49) at the expense of national territorial implementation of equal rights and labour laws (Woolfson and Sommers 2006). These responses represented a victory for the EU8 and EU2 states, whose TSAs were exporting workers, and which were able to profit from these judgements (Kilpatrick 2009). The inadequacy of the UK’s transposition of the Directive into UK law was highlighted during the labour subcontractor crises of 2008 and 2009 at Lindsey Oil Refinery, Staythorpe and EON on the Isle of Grain through which the subcontractors were
able to avoid UK national labour market regulation and collective bargaining arrangements in place in the engineering sector (cf. ACAS 2009; Unite 2009; GMB 2009).

Second, the EU introduced the ‘Bolkestein’ Directive on Services in the Internal Market 2006/123/EC with the initial inclusion of agencies as service-providers. Aimed at easing regulatory barriers to the operation of cross-border service providers within the internal market, the Services Directive was adopted by the European Parliament in 2006. After a protracted tussle with trade unions over the inclusion of the temporary staffing industry, which would in effect have led to the removal of any national regulatory restrictions on the operation of cross-border TSI, its inclusion was dropped (Rubery et al 2008; Morris 1997; TUC 2005; cf. Uni-Global 2005; EC 2006).

Beyond the EU labour market, the Global Commission on International Migration (GCIM), launched by the United Nations Secretary General, found that the international regulation of migration was ‘diffuse’, with different institutions managing different aspects of global migration (GCIM 2005: 20). There have been only two instruments which have impacted on the regulation of the transnational movement of labour by TSAs. The first of these came from the ILO which, in 1997 dramatically launched ILO Convention 181, discussed in Chapter 1 (Peck et al 2005). Nevertheless by 2009 only 21 states had ratified Convention 181, 11 of which are EU Member States. Notably, the UK has never ratified this Convention. Other than legitimising the activities of agencies, the Convention also included a range of articles referring to the transnational movement of labour (Arts. 7.1, 8.2). While the charging of fees to work-seekers was outlawed by the Convention, it also specified that there where some circumstances in which fees may be charged, for instance in relation to when the employer is based abroad. Article 7.1 states:

The relationship between labour supply and demand in many countries should be considered; where excess labour supply and high unemployment rates exist, jobseekers may accept paying high fees. Fees may also be tolerated in order to compete with illegal market participants accepting bribes. (ILO 2009: 2)

Thus, in effect, the ILO Convention legitimises not just the activities of TSAs in national labour markets, but also the charging of fees to migrants for the cost of the migration process. The only other relevant international instrument is GATS Mode 4. GATS (the General Agreement on Trade in Services), in contrast to ILO Convention 181, was
designed as a legally binding instrument for all 148 members of the World Trade Organisation as a multilateral framework agreement for trade in services at the 1995 Uruguay round of talks (DRC 2005; Panizzon 2010; WTO 2009). Martin (2006) cautioned that liberalising service providers could open up a greater deregulated space of “hard-to-police” brokers who capture some or much of the difference in labor costs that motivates migration” (vi). Yet, much attention has been focused on GATS Mode 4 more for its potential rather than actual commitments, most of which have been low (DRC 2005; Persin 2008; OECD 2011: 154).

The following sections examine how the different national regulatory frameworks between the UK and Poland, Australia and the Philippines interact and have produced ‘transnational regulatory regimes’ within which the agencies operate. Each section focuses on the directly relevant overlapping national frameworks of regulation: the regulation of both migration as well as temporary staffing agencies. There are key differences between the regulatory regimes, varying from the virtually unregulated facilitation of labour between Australia and the UK to the highly regulated regime between the Philippines and the UK.

Unsurprisingly, there is an imbalance between what has been written about each system, with the Philippines labour export regime – which integrates the recruitment industry and migration - the subject of vast tracts of literature over the past four decades, whilst little has been written about Australia in comparison, and this is a discrepancy that is reflected in the passages below.

3.5 The ‘transnational regulatory regime’ between Poland and the UK

The decision of the British government not to implement the transition arrangements under the Treaties of Accession marked a watershed in the regulation of the movement of workers between Poland and the UK. As discussed above, the decision not to restrict access of EU8 nationals in 2004 was taken in the context of using labour from the East to replace non-EU labour (cf. Home Office 2005). This had historical precedents in the post-war period (Anderson and Ruhs 2006; Castles and Kosack 1973; McDowell et al 2003). The next significant migration of Polish workers to the UK began with the end of communism in the late 1980s and early 1990s, when Polish nationals were allowed to apply for passports to leave (Burrell 2008). Unlike other Western European states, the UK did not sign any
formal bilateral labour agreements with Poland (cf. Menz 2001), but did nonetheless actively seek the recruitment of Polish labour after 1989. From the late 1990s Polish workers were recruited for jobs in agriculture, horticulture, and in hospitality through SAWS and the SBS, as discussed above (Ruhs 2006).

Moreover, the liberalisation of immigration controls on entry of the nationals of acceding EU states, had incurred a large rise in the number of ‘false tourists’ from Poland, who left Poland on their own, with friends and family, or with agents, to work irregularly in the UK (Kaczmarczyk and Okolski 2008; Fihel et al 2007: 1). Fihel and Kaczmarczyk claim that 75% of Polish nationals who were in the UK after 1 May 2004 had already been working, irregularly, in the UK (Fihel and Kaczmarczyk 2009). The in-flow count of Polish nationals may have been inflated by the numbers already in the UK (Anderson et al 2006; Green 2011). Both types of recruitment flow had had the effect of channelling Polish nationals into low-paid, often temporary or self-employed jobs in agriculture, food processing and hospitality (Anderson and Ruhs 2006).

As of 1 May 2004, Polish workers were entitled to enter the UK and were free to engage in employment of any type; this included temporary employment, and temporary agency work (Ruhs 2006). Thus, after 1 May 2004 agencies were free to recruit Polish nationals directly in Poland and employ or supply Polish labour in the UK. Prior to this date agencies had only been able to do so through ‘posting’ or ‘employing’ Polish workers as ‘self-employed’ labour. Given that other than Ireland and Sweden, the remaining 12 Member States had chosen to restrict access for EU8 nationals, this re-directed the outflow of Polish workers from Germany, the US and Italy to the UK (Fihel et al 2007; Menz 2001; Fihel and Okolski 2009; Jordan and Duvell 2003). It is evident that the migration flow between Poland and the UK has been largely ‘uni-directional’.

Polish nationals were to be found throughout the entire UK labour market (Home Office 2007), the migratory flow was constructed by the British government as one in which Polish workers have been directly recruited, or encouraged into the UK to fill often temporary vacancies in agriculture, horticulture, and other low-paid sectors (cf. Currie 2007; Green et al 2007). Although in theory Polish nationals had complete freedom after 1
May 2004 to enter the UK and to freely work, shortly before this date arrived, the British government announced that they would require EU8 nationals to apply to the Workers’ Registration Scheme in order to monitor the incoming numbers of migrants. In part this was to reassure an increasingly nervous British tabloid press and British public (Currie 2007). Figure 8 shows the numbers of Polish arrivals in the UK according to the number of approved applications to the Workers Registration Scheme; Figure 9 shows numbers of applications for National Insurance Numbers (NiNos). Both graphs show the increase in numbers of Polish nationals in the UK after 2004, with a sharp reduction from late 2007. The Workers’ Registration Scheme data has been identified as having limited use, perhaps under-counting by up to one third of the total, as many EU8 nationals simply failed to register with little evidence of enforcement of the penalties for not registering (Ruhs 2006). The National Insurance database reflects the numbers of Polish migrants arriving in the UK for the first time as foreign nationals must apply for a NiNo in order to take up employment. Similarly though, this database cannot be a true reflection as it can only count the numbers of Polish nationals entering the UK for employment for the first time; in fact all the evidence pointed to the circular mobility and short-term nature of Polish migrations to the UK (cf. Green et al 2008b).

**Figure 9: Approved applications to the Workers Registration Scheme (Polish nationals)**

*Based on statistics from Table 4.9: Approved Applicants to WRS Scheme, by year of decision.  
2004 data from 1 May to 31st December only*
Temporary staffing in Poland

The activities of agencies in facilitating Polish nationals into the UK from Poland were regulated according to the interaction between the national regulation of temporary staffing in the UK with that in Poland. Prior to 2002, temporary staffing and temporary employment had been completely unregulated; nowhere in any legislative framework had there been a mention of temporary employment, nor of agencies (Coe et al 2008a). Rapid development in the early 2000s was followed with the introduction of regulation of temporary staffing, initially through amendments to the Labour Code, which governed Poland’s labour market. Re-regulation of Poland’s labour market took place in the context of a wider European pressure for the former communist states to adjust their economies and societies - the expansion of temporary staffing was part of the uneven drive towards labour market flexibility, marketisation and privatisation in the post-socialist states (cf. Bradshaw and Stenning 2004; Hardy 2006; Pickles and Smith 1998; Stenning 2004).

In July 2003, the lower chamber of the Polish parliament passed legislation governing temporary agency work: the first law in Poland to do so. The popularity of temporary agency work had grown over the previous few years as a means of dealing with escalating unemployment in Poland, especially of young people. According to Czarzasty, “temporary agency work has come to be perceived as little short of a panacea” (Czarzasty 2003: 1).
Temporary agency employment was defined as an ‘ad hoc’ or ‘substitute’ employment relationship (Czarzasty 2002; Article 25.1, Article 37.4). The law however allowed for two types of temporary employment: the triangular temporary agency work and what became known as the ‘civil law contract’. The latter contract enabled workers placed by an agency to be paid for the work completed (in effect, ‘piece-work’) rather than by hour or per day. The attractiveness of this contract for agencies was that agencies were exempt from having to pay employers’ contributions (Sula 2008).

Unlike in the UK, the regulation made agencies the legal ‘employer’ of agency workers and it also enshrined the ‘equal treatment’ required by the Temporary Agency Worker Directive 2008/104/EC into national law. This became a new legislative Act, implemented in 2005, with a series of restrictions on the activities of agencies, including a ban on the charging of fees to work-seekers. The amendments however allowed agencies to charge administrative costs associated with the migration process, for example for travel costs, medical examinations and any translations of documents to those seeking work (Sula 2008).

Moreover, the Act required all agencies active in Poland to hold a licence for their activities. In recognition of the role that agencies played in the supply of Polish nationals to other countries, agencies were initially required to apply for a separate licence for the international supply of workers. Initially held by the Minister of Labour and Social Policy, after an amendment to the law in 2005, the National Register was maintained regionally and was subject to a registration fee of PLN 100 (EUR 30) (Sula 2008). In September 2008, the Polish government ratified the ILO Convention 181 referred to above. The 2003 regulation had restricted the amount of time one temporary employee could be deployed to the same company to 12 months within a 36 month period. After lobbying by the industry, this was amended to 18 months within a 36 month period in early 2010 (ZAPT 2010).

The early part of the decade was marked by the entry of the leading TNC agencies into the Polish market, followed by a few domestic agencies (Coe et al 2008a). Early estimates were that around 70 or 80 agencies had entered the market (Coe et al 2008a; Czarzasty 2003). By 2007, the Ministry of Labour had 3,172 agencies registered with the department (although the numbers registered is not an indication of how many were active). Much as
the TSI in the UK has an uneven geography, so too does the TSI in Poland. Figure 10 (below) shows the geographical unevenness of these registrations across Poland.

Figure 11: Registrations of temporary staffing agencies in Poland, 2007

In 2007, 447,776 workers were placed by agencies in temporary employment in Poland (MPiPs 2008: 11). Almost half of these – 199,990 – were placed in the region of Mazowieckie and the next largest number in Lodzkie (107,700) (MPiPs 2008: 11). The former region contained the major cities of Warsaw, Krakow, Katowice, and Wroclaw; the latter Poland’s second city of Lodz. The penetration rate in the labour market was only 0.6% in 2008, but this only marked the FTE (full-time equivalents), and did not include the so-called ‘civil law contracts’, nor those deployed on less than FTE contracts.

Thus, over the course of the 2000s, temporary staffing in Poland progressed from a largely non-existent and unregulated market to one in which temporary staffing had a firm hold in the national labour market, and one governed with an explicit Labour Code. The division between the TNC and the domestic agencies was marked with the split in representation. The former are represented by ZAPT (Zwiazek Agencji Pracy Tymczasowej (Polish: Association of Temporary Employment Agency); the latter by SAZ (Stowarzyszenie...
Agencji Zatrudnienia). According to Sula, it was the foreign TNCs such as Adecco and Randstad which gained the most growth within Poland, in contrast to the fragmented market of the UK (Sula 2008).

Including the recruitment of Australian nationals into the UK offered a completely different perspective in which to study the facilitation of labour by agencies. This was because in contrast to the movement of labour from Poland into the UK the transnational movement of labour from Australia – a Commonwealth member state, as opposed to a European Union Member State - to the UK was remarkably unregulated. The following section reviews the regulation of the transnational movement of labour from Australia to the UK.

3.6 The ‘transnational regulatory regime’ between Australia and the UK
As non-EU nationals, Australians have been able to enter the UK for work purposes through the same routes as any other non-EU nationals. Since 2006, this has been the Points Based System. The UK’s immigration regulations have facilitated Australian immigration through two routes specific to Australia’s place as an ‘old’ Commonwealth state. These are, firstly the ‘Commonwealth ancestry’ visa and, secondly, the Youth Mobility Scheme (and its predecessor the Working Holidaymaker Visa Scheme). In contrast to how Polish nationals were constructed as ‘flexible workers’ by the British government, immigration regulation in the UK for Australian nationals has been shaped by the colonial history between the two states; a colonial history in which immigration has played a central role (Jupp 2002).

The Youth Mobility Scheme (known as the Working Holidaymaker Scheme until 2008) originated from within the Commonwealth of Nations as a means of facilitating cultural exchange of young people within the ‘old’ (white) Commonwealth to the UK – namely Australia, New Zealand, and Canada. Working holidaymakers have been constructed not as economic migrants, but as ‘itinerant pleasure seekers’ (Allon 2006: 50; Anderson 2007). In general the migratory flow of young people from Australia to the UK under the scheme has been contextualised as ‘right of passage’ travel (Woollacott 2005).
However, there has been some acknowledgement that visa holders fulfil jobs in the low end of the national labour market (Somerville 2007). Home Office Guidance to would-be applicants clearly stated that the WHM was not intended to be an employment scheme (Home Office 2006). Nonetheless the government recognised that holders of these visas had long filled low-paid jobs in the hospitality sector and in social care (Home Office 2005; Somerville 2004; Home Office 2002 Para 3.27). Thus, reflecting a government desire to make the scheme “more flexible and responsive to the demands of the labour market” (HM Treasury 2003b: Para 3.101) in May 2003 changes were made to the operation of the scheme. The upper age limit for eligibility was increased from 26 to 30, and the maximum visa lengthened from three to six months (Home Office 2003). Moreover, the scope was also extended to nationals of the ‘new’ Commonwealth countries (Loizillion 2004; Rollason 2004; Somerville 2007).

The colonial relationship between the UK and Australia had a second consequence. Somewhat uniquely for a colonial relationship, the immigration flow was not, historically, from Australia to the UK, but in the other direction. The post-independence government of Australia recruited (white) British nationals by means of ‘assisted passages’ in order to populate Australia, (Jupp 2002). According to the 2001 Census, 1.2 million Australian nationals were born in the UK (ANS 2002). This demographic fact has had particular regulatory significance with the Commonwealth ‘ancestry visa’. This visa has enabled (white) Australian nationals to enter the UK, if s/he had at least one grandparent born in the UK (Home Office 2005). The ‘grandparent clause’, in effect, has precluded nationals of the ‘new’ Commonwealth from utilising this route, and minorities from within Australia, through the mechanism of what one scholar refers to as a ‘visa whiteness machine’ (Andrucki 2001: 358). Between 2,000 and 3,000 per year enter under this route from Australia (ONS 2011; table ad.w.03). According to the NiNo registrations, Australia was in the top 10 (never falling below 6th position, and dominating at number 2 and 3 in 2002/3 and 2003/4 respectively) before dropping out of the top 10 in 2008 (ONS 2011). Figure 11 presents the numbers of Australian nationals arriving in the UK since 2000 and applying for work visas.
Figure 12: Australian nationals entering the UK for employment

![Line graph showing Australian nationals entering the UK for employment from 2002 to 2008.](image)

Source: Home Office (2011)
*Graph compiled from figures compiled from numbers granted work permits (pre-PBS), Tiers 1 and 2 PBS, Working Holidaymaker Visa / Youth Mobility Scheme

The entrance routes specific to Australians (and other ‘old’ Commonwealth nationals) have been accompanied by a particular set of preferential labour market entitlements while in the UK. Holders of ancestry visas, and Youth Mobility (WHM) Scheme visas, were not required to have a prior job offer nor an employer sponsor (Home Office 2005). In brief, immigration from Australia into the UK is loosely regulated with two preferential routes into the UK: the Youth Mobility Visa, and the ancestry visa, both of which enable the applicant to enter the UK and take up temporary employment.

Temporary staffing in Australia

The TSI in Australia is estimated to be worth $16 billion annually, comprising over 2,000 businesses (similar in size to the Polish market, but substantially smaller than the UK market) (IBIS World 2011). Approximately 1,000 of these agencies are represented by the trade body: the Recruitment and Consulting Service Association (RCSA). Known as ‘labour hire’ in Australia, this has been marked as a growing market (cf. Coe et al 2008b; Johnstone and Quinlan 2006). Historically, there has been no federal level regulation of temporary staffing in Australia (Coe et al 2008b), which has enabled the growth of the temporary staffing industry (TSI) (Burgess et al 2005). The lack of federal regulation has been combined with ‘light touch’ regulation at state level, which occurs in five states: Australia Capital Territory, New South Wales, Southern Australia, Queensland and Western Australia (Coe et al 2008b; Burgess et al 2004; Parliament of Victoria Economic
The lack of regulation of temporary staffing in Australia has been rooted in the transformations in the regulation of the national labour market from the election of Prime Minister John Howard’s coalition government in 1996 and culminating in the Workplace Relations Amendment (Work Choices) Act, 2005 (cf. Cooper and Ellem 2008; Coe et al 2008b; Hall 2006; O’Donnell and Mitchell 2005; Weller 2007). The Fair Work Act 2009, instituted by an incoming Labour Government, attempted to create a more national system of regulation of the labour market and reverse some of the individualised practices implemented by the former government through the re-introduction of collective bargaining (ACTU 2011).

Reflecting the strong performance of ‘labour hire’ in the mining industry, concerns about temporary staffing in Australia have focused on health and safety issues (cf. Johnstone 2004). Accordingly, inquiries were mounted by the New South Wales Labour Hire Task Force 2001, Parliamentary Committee Inquiry into Labour Hire Employment in Victoria 2004 and by the Department of Employment and Workplace Relations 2005. These, combined with a series of court judgements, have left agencies equally legally responsible in practice (in other words, the de facto joint legal employer) although this has not been legislated for (Johnstone 2004). This state of affairs continues to be contested at state level through the courts, especially in Victoria and New South Wales, the former including Melbourne and the latter Sydney, and the Australian Capital Territory ((Johnson and Quinlan 2006). In brief then, the implications of this lack of regulation meant that agencies were able to freely open businesses for the supply of Australian nationals overseas. In complete contrast again, the regulation of the transnational movement of labour from the Philippines to the UK is highly controlled (Tyner 1998). The following section reviews the production of the transnational regulatory regime between the Philippines and the UK.
3.7 The ‘transnational regulatory regime’ between the Philippines and the UK

Nationals from the Philippines have been able to enter the UK through Work Permits and then, since 2006, through the different Tiers of the Points Based System. In common with Polish migration, there has been a history of targeted recruitment of specific occupational groupings from the Philippines by the British state – namely, nursing staff. In 2003 the governments of the Philippines and the UK signed a Memorandum of Understanding (MoU), symptomatic of the bilateral labour agreements by which the Philippines exports its citizens (Go 2004). Article 1 of the MoU provided that the parties would:

[E]ndeavour to cooperate in the development of the delivery of health care through the recruitment in the Philippines and employment of Filipino nurses and other healthcare professionals. (POEA 2003)

Filipinos first came to the UK when the government was restricting entry to Commonwealth citizens who had come to Britain during the post-war labour shortage of the 1950s. The Commonwealth Immigration Act of 1972 ended Commonwealth immigration, but introduced work permits for Filipinos, mostly in the domestic and catering sections. Between 1973 and 1976, 7,238 work permits were issued to Filipinos (Centre for Filipinos 2004: 34). Based on the 2001 Census there were 40,123 Filipinos in the UK, 12,000 of which were in London (GLA 2005; Ong 2009). Figure 12 shows the number of Filipinos entering the UK on work permits between 2004 and 2010.

Figure 13: Number of Philippines nationals applying for entry to the UK

Source: Home Office (2011) Table ad.03.1
* Graph compiled from figures compiled from numbers granted work permits (pre-PBS), Tiers 1 and 2 PBS
The high point of entry was in 2002/3 and 2003/4 when 11,640 and 10,860 NiNos were applied for by Philippines nationals, being in the top 10 of total NiNo applications in the former year (ONS 2011). Between 1968 and 1980, many Philippines’ nationals entered Britain as nursing students and were then able to change their status to a work permit. Some came to settle and others came in as domestic helpers accompanying diplomats from the Middle East. Most live in London. The majority of Filipinos are women (between 65% and 75%) and about 47% of these nationals work in hospitals and residential homes (Europe Kabayan UK 2004; Greater London Authority 2005).

The RP’s position as a global producer of nurses - the RP produces one in four of all migrant nurses worldwide (Rodriguez 2010) – has been in part constructed by the demand from receiving states such as the US, Canada, and Australia (Parrenas 2001; Kelly 2010; Lindio-McGovern 2003; Tyner 1998). Gender has played an extremely important role, as the RP regime has focused on the ‘femininity’ of Filipino nurses and domestic workers in order to export them (Liang 2011; Parrenas 2001; Tyner 2001). The labour export policy was institutionalised with the 1974 Labour Code: it was an attempt to service the $26 billion debt crisis acquired during the era of petrodollars and to reduce high levels of domestic unemployment (Bello et al 2005; Tujuan 2001; Capulong 2001; Tyner 1999).

Consequently, a vast institutional network of government agencies, nursing schools, and foreign recruiters sprung up in order to manage the production and export process (Tyner Go 2004; Tyner 1999; Lindio-McGovern 2003). The 1974 Labour Code had been the first attempt of the Philippines government to legislate for the involvement of private sector staffing industry, which had until that point been an informal and unregulated market. The Code initially sought to phase out the private staffing market (Article 16) with the establishment of public employment offices within four years (Go 2004). In part this had been driven by the exploitation and abuses of the private recruitment sector (Aguinias 2008); it was also to ensure that the state managed a financially profitable monopoly, as was the requirement for foreign employers to recruit via a Philippines agency (Goss and Lindquist 1995; Hawes 1987). Yet, the rapidly increasing numbers of overseas workers meant that the public employment offices were unable to process the numbers exiting the
Philippines and restrictions were removed: emigration increased 57 percent in 1975, and a further 91 percent between 1976 and 1977 (Tyner 1999; Presidential decree 1412, 1978).

Article 27 of the Code restricts ownership of agencies to citizens of the Philippines who have been required to hold at least 75 percent of the controlling stock. Only those agencies which have been licensed by the POEA, have been able to legally participate in the market; for instance, travel agencies are specifically barred from recruitment. The penalties for engaging in ‘illegal recruitment’, that is being a non-licensed agency, were set as fines and potential imprisonment. Indeed, for the most serious offenders life imprisonment was possible (Articles 38 and 39). Regulation is expensive for agencies: registering in Poland also commanded a fee (€30), in the RP TSAs have been required to post two types of bond and to have a government-designated level of capital in order to open a business. The level of capital doubled from P1 million in 1991 to P2 million in 2001 (€34,000). Moreover, TSAs must also post an escrow bond of P1 million, and a surety bond of P100,000. The escrow bond has been established in order to cover any potential legal claims made against TSAs under the 1995 Migrant Workers Act; if removed, then in theory a provision has been established for the license to be suspended. TSAs have been made jointly liable with foreign employers for payment of wages or any abuse claims, regardless of the TSA ending its jurisdiction on the placement of workers (Martin et al 2004; Agunias 2008). Unlike the transnational movement of labour from Poland and from Australia, TSAs have been allowed, according to the Code, to charge fees equivalent to one month’s wages for employment services (Article 32).

Since 1982, the regime has been governed specifically by POEA (Philippines Overseas Employment Administration), which was established to increase the efficiency of governance of labour export, and developing international markets for its citizens (POEA 2006; Tyner 1999). Moreover, the 1995 Migrant Workers and Overseas Filipinos Act (RA 8042) enacted in response to the execution of Flor Contemplacion, an RP national executed in Singapore after being found guilty of murder, further attempted to extend the RP state’s right to control the employment rights of Filipinos abroad. Through this mechanism, the RP government has attempted to control the minimum wages for its nationals employed overseas (Agunias 2009). Given the complexity of the regulatory framework in the
Philippines, Table 2 (below) outlines the responsible institutions. According to Aguinias, however, the POEA is a “local institution managing a global phenomenon over which it does not have complete control” (Aguinias 2008: 1). In brief, in contrast to the regulatory regimes in which agencies operated between Poland and the UK and between Australia and the UK, the transnational regulatory regime between the RP and the UK has been highly institutionally embedded at both ends of the migratory flow.

### Table 3: The machinery of migration in the Philippines

<table>
<thead>
<tr>
<th>REGULATORY RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POEA</strong></td>
</tr>
<tr>
<td><strong>DOLE</strong></td>
</tr>
<tr>
<td><strong>OWWA</strong></td>
</tr>
<tr>
<td><strong>POLOs</strong></td>
</tr>
<tr>
<td><strong>VFS Global</strong></td>
</tr>
</tbody>
</table>

Source: author compiled from [www.poea.gov.ph](http://www.poea.gov.ph) and various sources

### 3.8 Conclusion

The thesis explores the movement of labour from Australia, Poland, and the Philippines into the UK. Accordingly this chapter first addressed the UK context, in which during the course of the 2000s, was one of high labour market demand for migrant and temporary workers coupled with liberalised immigration regulation and active international recruitment (Buchan 2007; Glover et al 2001; McNamara et al 2004; Spencer 2011). Coupled with this was a light touch regulation of the temporary staffing industry (Geddes et al 2007), with the exception of those sectors regulated by the Gangmasters Licensing
Authority, which came into being mid-way through the decade. At the same time, temporary agency workers were attractive hires to employers given that the employment protections were less than for permanent workers (Markova and McKay 2008).

Chapter 2 established the conceptual framework for this thesis, one key component of which is that the activities of agencies are embedded within the interaction between economic conditions and regulatory frameworks in sending and receiving countries. This chapter set up the comparisons between how the UK context interacted with that in Australia, Poland and the Philippines, distinguishing between the three ‘ideal type’ ‘transnational regulatory regimes’. Figure 14 (below) visualises the interaction between the different frameworks of regulation, which were reflected in the descriptions in the chapter. It indicates the interrelated nature of the different frameworks of regulation in both sending and receiving countries. Table 4 (also below) summarises the comparisons between each of the three transnational regulatory regimes.

Figure 14: Interaction between national frameworks of regulation

![Diagram](source: author)

The first half of the decade was witness to high unemployment rates in Poland, in particular of young people, which produced a compelling drive to migrate outwards (Hardy 2009). The decision of the British government not to implement the transitional arrangements in 2004, coupled with the ease of entry provided by flexible labour market conditions in low end jobs, produced the ideal destination for these migrants (Anderson et al 2006;
Somerville 2007). Significantly, the regulatory change in 2004 also enabled temporary staffing agencies to recruit temporary agency workers direct from Poland for the first time.

Table 4: ‘Transnational Regulatory Regimes’: A comparison

<table>
<thead>
<tr>
<th>ROUTE</th>
<th>MIGRATION</th>
<th>TEMPORARY STAFFING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>Irregular, and self-employed prior to 2004; free movement after 2004, apart from WRS renders residency and access to benefits contingent on continuous economic activity</td>
<td>After 2004, TSAs could recruit and employ Polish nationals in the UK. Licensing required in Poland (not strictly enforced), and GLA extends licensing requirements to Poland. Fees banned in both countries, other than allowed in Poland for charges associated with migration process. GLA requires all subcontractors to be licensed.</td>
</tr>
<tr>
<td>Australia</td>
<td>Through PBS (Work Permits prior to 2006), and two Commonwealth Schemes: YMS (WHM), and Ancestry Visa</td>
<td>If entry is through YMS (WHM), or ancestry visa, TSAs could recruit and employ Australian nationals in the UK. Virtually no regulation in Australia. Fees banned on UK side, but not in Australia at federal level.</td>
</tr>
<tr>
<td>Philippines (RP)</td>
<td>Through PBS (Work Permits prior to 2006)</td>
<td>Under the PBS, TSAs could not act as sponsoring employers and recruit Filipino nationals. High barriers to entry in RP, with significant funds required, strict licensing requirements, foreigners barred from entering market.</td>
</tr>
</tbody>
</table>

Source: author

In contrast, while young people also constituted the backbone of the migration flows between Australia and the UK, this flow was one which was bilateral (Jupp 2002). It was also one which was framed in the context of the ‘old Commonwealth’ in which white immigration was encouraged (cf. Andrucki 2001). This regulatory framework also enabled temporary staffing agencies to recruit temporary agency workers directly from Australia as long as they entered under the Working Holidaymakers Visa Scheme (Youth Mobility Scheme).

The transnational regulatory regime between the Philippines and the UK provided a more stark contrast; with entry into the UK highly controlled. Similarly to the situation in Poland, the economic situation provided strong drivers for people to migrate, but within the context of particular occupational groups such as nurses, social carers and domestic workers (Lindio-McGovern 2003; Parrenas 2001). Unlike either of the two other sending countries, the British government had a bilateral labour agreement with the Philippines government for the recruitment and supply of nurses (Go 2004; POEA 2003). The three transnational regulatory regimes constitute the three variables in this comparative study.
This leads directly into the next chapter which outlines the research design and methods used in the collection of the empirical data.
Chapter 4

Design and Methodology

The purpose of this research was to embark upon an exploration of how, and why, temporary staffing agencies facilitated the migration of temporary workers into the UK. This Chapter discusses the methodology that was used for this research, the design and implementation of which was a challenging and complex process. The Chapter is organised in two parts. The first discusses the design of the research, from its inception as a CASE studentship proposal to the final version reflected in the research aim and research questions outlined in Chapter 1; the second part discusses the research methods that were used in order to collect the data.

4.1 Research design

The methodology for this research was guided according to principles of critical realism (cf. Bhaskar 1989; Sayer 2000). To briefly summarise this approach ontologically, the research began with an explicit theoretical standpoint, as discussed in Chapter 2, and put this in an ongoing dialogue with the empirics through a process of abstraction (Pratt 1997; Sayer 2000). This section presents an overview of the methodology, through such a process of ‘abstraction’. The research questions that guided this thesis are established in chapter 1. A research framework was constructed in two layers. Given the lack of current knowledge about how agencies facilitated migrant workers into the UK (McDowell et al 2009) the intent of the first was to simply document empirically ‘how’ agencies facilitated migrant workers into the UK. These were the competitive strategies of the agencies. The second ‘layer’ was aimed at answering ‘why’ agencies facilitate migrant workers into the UK through analysing the institutional and regulatory contexts in which agencies engaged in these competitive strategies. This was an attempt to explain the generative and causal, but hidden, mechanisms which lie beneath the phenomena under the microscope (cf. Collier 1994; Sayer 2000). As was clear from the research questions this research was explicitly not aimed at quantifying the extent of facilitation by agencies. Figure 15 depicts the dual layered research framework.
The research was conducted according to two overlapping phases: the first phase was an exploratory or scoping one, designed to construct an overview of what the phenomenon ‘looked like’, what secondary data was available and what research methods would be appropriate (cf. Markusen 1994; Yin 2003). Reviews of the literature were accompanied by the conducting of pilot interviews with key informants selected from the temporary staffing industry (TSI), from trade unions and from Polish civil society organizations. Three representatives of agencies that were active in the facilitation of Polish migrant workers into the UK were also interviewed. ‘Phase 1’ was conducted over a period of four months between January and April 2009. The preliminary findings contributed to the final analysis of the data as well as contributing to the development of the ongoing research project (Pratt 1995). Figure 16 visually reproduces the components of ‘Phase 1’ of the research.

As discussed in Chapter 1, this research was initiated as an ESRC CASE studentship. The
existing proposal had been submitted to, and accepted by, the ESRC with research questions which sought to explain and document the role of agencies in facilitating the movement of workers from the EU8 countries of Central and Eastern Europe. The choice of geography for the research was thought to be of empirical and theoretical interest due to the volume of nationals of EU8 countries arriving in the UK after their accession to the EU on 1 May 2004 (cf. Green et al 2007). In order to make empirical data collection manageable, an early decision (with academic supervisors) had been made to have an empirical focus on only one of the nationality groups within the EU8, namely Polish workers.

However, one of the most immediately apparent findings was that since the CASE proposal had been submitted (in 2006), and embarking upon Year 1 of this PhD (in October 2007), the volume of Polish migrant workers arriving in the UK had subsequently significantly decreased (Pollard et al 2008). Empirical data collection on the processes and patterns underlying the ‘how’ and ‘why’ of agencies facilitation of Polish workers into the UK would therefore necessarily need to be retrospective (Cox and Hassard 2007). While the collection of retrospective data was not deemed methodologically challenging to the extent of needing to exclude the study of activities of agencies in Poland completely, it was, however, thought problematic to base an analysis for the purposes of a PhD solely on a phenomenon which was not occurring in ‘real-time’ (Miller et al 1997). In this context, work began to identify potential alternative, or additional, source countries from which agencies recruited workers into the UK, which could also be included within the project. After consideration of a variety of different options (for instance, South Africa), two comparative source countries were settled upon: the Philippines and Australia.

The rationale for the selection of the Philippines and Australia was underpinned by three factors. Firstly, interviewees from agencies indicated that there was a definite identifiable amount of facilitation of migration by agencies from these countries into the UK (cf. Buchan 2007). Secondly, each presented the opportunity to study a different and compare alternative ‘regulatory regimes’ which impacted on the transnational movement of labour by agencies (cf. Mangen 1999; Menz 2008). This became critical to the theoretical development of the thesis (cf. Coe et al 2011; Theodore and Peck 2002). Facilitation from
the Philippines, Australia, and Poland, represented three different types of ‘regulatory regimes’ and these are elaborated upon in more detail in Chapter 3.

Defining the ‘case studies’

The empirical (and theoretical) focus of this research was the facilitation of the transnational movement of labour into the UK. Accordingly, it was the transnational route taken by agencies in moving workers into the UK that constituted the ‘case study’ (cf. Yin 2003). Empirical data was collected from the institutional and regulatory settings around the case-study routes, in order to illuminate the process and the context of the phenomenon (cf. Coe et al 2011; Hartley 2004). Coe et al’s institutional model of the construction of a temporary staffing market (see chapter 2) was used as a guide for the collation of contextual data. Drawing upon the discussions in Chapter 3, Figure 16 sets out a visual representation of the revised research design.

Figure 17: A comparison of regulatory and institutional settings

![Diagram showing the comparison of regulatory and institutional settings across the Philippines, UK, Australia, and Poland.]

A major consideration for the fieldwork was the scale at which the research would be conducted. The previous chapters have emphasised that the thesis explored the facilitation of labour migration by agencies being conducted at the national scale. The rationale was that the research was following in the footsteps of earlier work conducted by Coe et al (2008b; 2011) in analysing national frameworks of regulation and temporary staffing markets. Given the thesis specifically set out to explore the interaction between two national frameworks, the research was multi-scalar (cf. Kelly 2010). Rather than study
agencies across the whole of the UK, the methodology restricted the sampling of the UK-based agencies to those located in England only (see discussion below). This was based on the understanding that a good proportion of the TSI in the UK is based within England (cf. Geddes et al 2007; REC 2008b). More specifically though, given that the labour markets in Scotland and Northern Ireland are governed by different frameworks of regulation (even if only slightly), reducing the UK-based fieldwork to England only appeared a sensible approach to take.

A further consideration in defining the case studies was that a crucial part of the data collection had always intended to be the collection of data about the ‘history’ or ‘biography’ of each agency. A decision was made to not collect data relating to the period before the accession of the Labour government in 1997. The rationale for this was that this date had ushered in a period of a new immigration regime (cf. Home Office 2005) and this is discussed later in this chapter in relation to conducting the interviews.

The fieldwork took place during the period between January 2009 and September 2010. The UK (England) fieldwork was continued throughout, but formed the bulk of the fieldwork during the first four months. Using Coe et al’s (2007) model of fieldwork previously used to collect data about the corporate strategies of agencies, three short visits were undertaken to Poland during 2009, followed by a longer trip to Australia, and to the Philippines, in August to September 2010. The following sections discuss the research methods used to collect the data.

4.2 Research Methods
While critical realism was used to guide the translation of the research framework into a practical methodology, it has been persistently noted that as a philosophy, it lacks an accompanying prescribed ‘methodology’, or set of research methods (Keat and Urry 1982; Pratt 1995; Yeung 1997). A broadly qualitative approach was, however, believed to be more methodologically suited to the discovery of the hidden and contingent structures which underpin this phenomenon (Bhaskar 1989; Sayer 2000; Yeung 1995). Qualitative methods have been said to illuminate the ‘interplay’ of networked relationships between organisations with other labour market actors (Hartley 2004).
In common with most large-scale research projects, an effort was made to ensure that the research was triangulated (Hoggart et al 2002). Accordingly, three main data sources and research methods were utilised:

- semi-structured interviews with the key actors
- analysis of official datasets
- secondary documentary data

Semi-structured interviews have been judged appropriate when attempting to unravel complex situations (Hoggart et al 2002). Moreover, Yeung (1995: 322) recommends that qualitative interviews are especially suited to uncovering business networks, which this research intended to achieve. Accordingly, semi-structured interviews were conducted with representatives of agencies, and with a wide array of interviewees from national governments, from trade unions, from civil society organizations, and with supranational bodies. Interviews were able to provide a means of rich and varied data about the complex and multi-faceted process (Schoenberger 1991). Semi-structured interview schedules were developed. Even while the range of interviewees was wide, the interview schedules enabled a thematic and comparable collection of data (Patton 1990).

Interviews with the representatives of the agencies were aimed at mapping the firm’s activities and to understand firms’ observed behaviour (Coe et al 2007a; Schoenberger 1991; Yeung 1995). Conducting interviews with other key actors also enabled the contextualization of the themes (Hoggart et al 2002). Wherever possible (that is, where the interviewee agreed) interviews were tape-recorded and fully transcribed. The amended research design discussed above included the study of the activities of agencies across three routes into the UK (England) and therefore across four countries. This presented practical challenges to the organization and conducting of fieldwork: for example, reaching and interviewing sufficient interviewees was potentially a time-consuming and expensive task. In order to mitigate this challenge, sampling frames were devised. The first of these was devised in order to select the agencies to include in the study.

*Sampling of temporary staffing agencies*

This thesis explores how agencies behave as active institutional actors in facilitating
migration into the UK: agencies constituted the primary theoretical objects in the study (Walton 1992). As such, theoretical (purposive) sampling, the expected capacity of the object, was judged as the most appropriate method for identifying and selecting agencies for inclusion in the study (Glaser and Strauss 1967). The primary sampling frame criteria employed was that the agency had supplied temporary workers into the UK (England) from one of the three chosen countries of origin of workers. The research design allowed for the selection of (at least) ten agencies active within each of the three case study routes in facilitating migrant workers into the UK. The intent was to also interview agencies in the origin countries in order to build up a picture of the transnational routes agencies’ used into the UK (England). Additional sampling criteria were devised according to the research design above, which in turn had been guided by the emerging findings of the scoping study and relevant literature reviews (cf. Sayer 2000).

‘Phase 1’ of the research indicated that agencies appeared to specialise in the recruitment of temporary workers for particular occupations in the UK. Initial scoping work, aimed at trying to identify key patterns and preferences regarding employment preferences and norms of migrant workers, indicated that the recruitment of teachers seemed to feature heavily among the facilitation of migration by agencies active in Australia. Other employment preferences were noted, of course, but teaching was a core profession of those Australian citizens migrating to the UK. In contrast, the recruitment of senior care workers and nurses (into social care establishments) from the Philippines appeared to be a major pattern and trend. This reflected the employment of nationals of these countries in the UK (cf. Cangiano et al 2009; GTC 2009). In contrast, agencies that recruited Polish workers into the UK tended to recruit into jobs in food production, engineering and pharmacy. Again, this appeared to be the major pattern identified at the time of the research fieldwork and is not to deny that other employment types and roles are sought out by Polish migrant workers. Thus, in addition to the comparisons that the variant regulatory frameworks in place between Australia, the Philippines and Poland offered with the UK (England), there were further, nuanced and careful, comparisons possible in terms of the jobs and sectors which agencies supplied nationals of these countries into.
The association was explored further in Phase 2 (cf. Sayer 2000) and discussed in chapters 5 and 6. Typical as well as non-typical cases were selected (Hartley 2004) in order to ensure analytical refinement. Table 5 sets out the number of interviews conducted with agencies by the country in which they were located and by the occupation which they supplied nationals of that country into.

**Table 5: Number of interviews by country of location of agency and by occupation**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Poland</th>
<th>Philippines</th>
<th>Australia</th>
<th>England</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food production, light industrial</td>
<td>4</td>
<td>4</td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Engineering</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Social care</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Teaching</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>17</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: author

* The agencies active in the facilitation of migration from Poland in particular, recruited for more than one occupation / sector. This table indicates the leading sector into which they recruited.

*NB. this table does not indicate the ‘nationality’ of the agency. This is discussed in chapters 5 & 6 and a full list of agency interviewees is listed in Table 1.

Although this type of sampling offers depth, in terms of exploring what the agencies in this sample did and still do, in facilitating labour migration into the UK, it could only offer a snapshot. The potential limitations of this sampling method were that agencies were known to be entering and leaving the temporary staffing market on a regular basis in the UK (BERR 2008b; Scott et al 2007). Moreover, as discussed above, this research was conducted according to the national scale; this is not to say that sub-national scales do not matter (cf. Green et al 2009). Where appropriate these issues were covered in interviews and reflected in the analysis in the following chapters.

Agencies were identified through snowballing sampling; a sampling method, which is much used in the social sciences when the intended research population is hidden and mobile or there is no readily accessible sampling frame (Bryman 2009; Faugier and Sargeant 1997; Heckathorn 1997; Penrod et al 2003). ‘Phase 1’ of the research found that there was no national sampling frame within the UK, which could be utilized in order to identify relevant Agencies. The REC and the Association of Labour Providers which represented agencies which recruited workers for jobs in horticulture and in agriculture held national membership lists (of 6000 in the former case and 300 in the latter). Neither list
however identified agencies which recruited internationally. Similarly, no sampling frame existed within the three selected source countries.

However, the advantages afforded by snowball sampling contained within it at least one potential disadvantage: a potential for biased sampling. To mitigate this risk, a number of different entry points to the sample were utilized (Bryman 2009). All interviewees, whether from agencies or from institutions, were asked to identify agencies which were known to either recruit temporary workers into the UK, or to supply nationals of that particular source country into the UK. UK-based agencies were also asked about partner agencies in the country of origin of workers and the lists were cross-referenced with agencies advertising in each country, as well as lists held in the Philippines by the Philippines Overseas Employment Agency (POEA) as recruiting for the UK, in order to establish that no TSA which seemed to be important or to be leading the transnational trade in workers had been left undiscovered. The advantage of this method of sampling according to Penrod et al (2003: 102) is that “multiple networks are strategically accessed to expand the scope of the investigation beyond one social network.”

Selection of agencies was informed by a ‘multiple case logic’ (Eisenhardt 1991; Eisenhardt and Bourgeois 1988) meaning that the thesis did not seek to generalize a population (which would have required random sampling) but to examine the processes and dynamics within each case-study route, supported by some comparisons between cases in order to generate insights (Ram et al 2000). This allowed generalization to the level of theory rather than to any statistical notion of representativeness (Edwards 1992). In discussing the findings in chapters 5 and 6, the thesis refers to ‘agencies in the sample’. The following section discusses the sampling of the ‘contextual’ interviewees.

Sampling ‘contextual’ interviewees
Interviews with ‘contextual interviewees’ were used in two ways. Firstly, they were used in the expectation that interviewees had knowledge about some facet of the transnational movement of labour by agencies. Secondly, interviewees were asked a series of questions about the institutional and regulatory contexts, which the conceptual framework reflected in chapter 2, and the ‘Phase 1’ pilot fieldwork study had highlighted the importance of (Coe et
al 2007a; Michailova 2011). These questions were refined as the research progressed. Identifying relevant institutional interviewees required the identification of relevant organizations which individuals were a part of. A total of 63 respondents were interviewed and Table 6 sets out the respondents by their organisations.

Table 6: Contextual respondents by organisation

<table>
<thead>
<tr>
<th>Organisation</th>
<th>England</th>
<th>Australia</th>
<th>Philippines</th>
<th>Poland</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government*</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Trade Unions</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Civil Society Organisations</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Regulatory bodies</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Miscellaneous**</td>
<td>11</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>6</td>
<td>13</td>
<td>16</td>
<td>63</td>
</tr>
</tbody>
</table>

Source: author
*Included political respondents, but predominantly civil service respondents
**includes journalists, academics, and other informed ‘experts’ who did not easily slot into the above categories

The following section discusses how the respondents were approached in order to request their participation in the research.

Accessing interviewees

The success of the research design rested on successfully gaining access to both to the relevant temporary staffing agencies and to the ‘institutional interviewees’. The respondents were ‘elite interviewees’ (Mullings 1999; Welch et al 2002; Yeung 1995) in the sense that they were actively involved in implementing corporate strategies and as such are invested with a significant amount of power. It was initially thought that accessing agencies would be problematic because of the negative press coverage that there had been of ‘gangmasters’, as well as of migration in general, and because businesses want to protect their reputations as well as safeguard their business strategies (Hartley 2004). Only three agencies across the entire sample refused to be interviewed. Two of these were in the field of social care; one refusal was due to the fact the agency had recently decided to stop supplying labour to social care and another refused on the grounds that they were ‘too busy’. Similarly, the ‘contextual interviewees’ were ‘elites’ within their local organisations, political environments, or regional and national networks. Potential
difficulties in accessing respondents related to identifying the right person who could contribute, especially given the retrospective nature of the questioning. While, in practice, there were often a number of e-mail and telephone conversations in order to locate the right person to approach, there were no refusals to participate.

A number of researchers recommend using the assistance of gatekeepers to gain access (Campbell et al 2006; Hartley 2004; Valentine 2001). The use of snowball sampling mitigated problems with accessing and negotiating access with potential respondents in a number of cases. This was especially the case in the Philippines and in Poland, where agency representatives were enthusiastic about passing on my details and putting me in touch with colleagues. Happily for the research, but perhaps less so for feminism, here my gender played a distinct role: on three occasions agency representatives who met with me told me that they had been told that a ‘blond British woman’ was interested in their business and that this had influenced their decision to meet with me.

Welch et al suggest that the help of a trusted ‘sponsor’ of the research can be influential in gaining access to respondents (Welch et al 2002). It was initially expected that having REC as the CASE partner would enable successful access to several agencies either directly or through using their name. In the event, REC did facilitate access to interviewees of intermediary organisations, or those who could assist with the general context to temporary staffing. They were significantly less able, however, to assist with access to representatives of temporary staffing agencies who facilitated migration into the UK. In part this was because they were not personally aware of the agencies which facilitated migrant workers into the UK. Utilising the name of REC was only moderately more successful, and only with the larger agencies who were members of REC. Gatekeeping occurred informally in the Philippines and the researcher’s first evening in Manila, the capital of the Philippines, resulted in an informal and ad hoc meeting with two of the most senior journalists in the country with political links to the new President: ‘Noynoy’ Aquino. These two individuals, who subsequently became close friends over the course of the research, facilitated access to a series of interviewees for me, as well as suggesting a number of names of additional ‘institutional interviewees’ in the Philippines.
Requests for interviews were made by letter, e-mail, and by phone call to find out a named contact (cf. Yeung 1995). Telephone contact was always followed up with either an e-mail or a letter in order to establish the research aims, to guarantee confidentiality and anonymity, and to clarify what would be done with the research findings (Valentine 2001). An ethical approach to the research was followed through at all times. Initial approaches to potential research participants couched the study in terms of the exploration of the ‘business models’ of agencies in facilitating the ‘geographic mobility of workers’, which is viewed as positive, and not in terms of ‘migration’ which may be viewed as having negative connotations. Reassurance was given regarding anonymity and confidentiality, as per the norms of social research (de Vaus 2001; Wiles et al 2008). While many of the ‘institutional interviewees’ were the public faces of their organisations, and hence would have been content for their names to be used, it was thought best to be consistent throughout the thesis. Confidentiality was especially important for the agency representatives who feared the loss of commercially sensitive data (cf. Yeung 1995).

Reciprocity was offered as a very utilitarian means of gaining access to respondents. This worked in different ways according to the type of interviewee. With ‘institutional interviewees’ this was about sharing knowledge about emerging findings. With the agency respondents, this was additionally about sharing knowledge about market conditions. Agency representatives in Poland and in the Philippines were especially keen to have what they perceived as ‘insider knowledge’ about the UK market. In the Philippines, particularly during the latter part of the fieldwork when there was a looming issue of an immigration cap, there was a thirst for knowledge about the immigration regulations in the UK. After much reflection about the ethical implications of assisting an industry which I had not set out to support, I chose to share freely publicly available information. This included information about immigration regulations, thoughts on the future development of immigration and temporary staffing regulation in the UK, as well as labour market conditions. These discussions always took place at the end of the interviews, in order that they did not influence any responses given. The following section discusses additional issues in relation to how the interviews were conducted.
Conducting the interviews

In total seven interviews took place by telephone because the representative was unable or unwilling to give the time face-to-face; two of these were agency representatives. Telephone interviews lasted only for slightly less time than face-to-face interviews (cf. Sturges and Hanrahan 2004). Whereas the latter lasted between forty five minutes and two hours (dependent on the extent to which the agency had been engaged in the facilitation of migrant workers into the UK), the former lasted on average forty five minutes to one hour and ten minutes.

Researching the ‘powerful’ can represent different challenges from researching ‘down’ (Cormode and Hughes 1999). People involved in international business are likely to be highly visible people either internally and/or externally, which can affect the power dynamic of the interview (Welch et al 2002). A number of methodological and ethical issues were reflected upon, at the beginning, through the course of the fieldwork (reflected in a fieldwork diary), as well as in the course of compiling this chapter. Building rapport was important in conducting the interviews (King 2004) and it is noted that positionality has often been seen to be as a result of both biological and socially constructed factors such as sex, ‘race’, class (cf. Schoenberger 1991; McDowell 1998; 1992) and, predominantly, interviewees were male. Gender was especially an issue within the interviews with agency respondents and on a few occasions attempts at flirtatiousness, on their part, occurred during the course of the interview. On reflection I do not feel that this hampered the progress of the interview nor the responses given.

What was more of concern was the issue of the retrospective nature of the fieldwork. As discussed above, the original intent of the thesis had been to collect data back to the start of the New Labour period (1997). In practice, given the high level of ‘churn’ of agencies within the TSI in the UK as well as in the origin countries (cf. Scott et al 2007) this did not prove possible. Golden (1992) cautions that interviewees tend to have inaccurate recall (also see Blane 1986; Eisenhardt and Bourgeois 1988). During interviews agencies were asked about the biographical histories of the agency and if the respondent was unable to recall or had not been employed by the agency for long, further details were sought either then and there or at a later date by telephone and by e-mail.
This was less of an issue with regard to ‘contextual’ interviews. The researcher’s previous professional career had necessitated dealing with powerful men from the world of politics and the media. Advance thought, based on previous experience, was therefore given to appropriate dress, language and behaviour for the different interviewees. At various times, this experience was also utilized in order to establish credibility and enhance personal power within the interview context. At other times, it proved more useful to engage a journalistic type ‘faux naivety’ in order to put across what was perceived as a ‘non-threatening’ manner. This was helpful in encouraging the agency respondents to be open in particular. On a practical note, Yeung (1995) proposes that the use of business cards can be a useful way in which to reduce the ‘power gap’; here business cards played a role in reducing the ‘gender gap’.

A further methodological consideration was to establish the veracity of responses given during the interviews. A negative power differential in the interview (where the researcher is, or feels, less powerful than the interviewee) has been said to have the potential for gaining only surface-level knowledge (King 2004; Welch et al 2002). Agency respondents were largely from small firms and were not well-practised in public relations. ‘Contextual’ respondents, especially respondents from trade unions, clearly reverted to ‘party-lines’ on occasions. Given that, at times it was the organisational perspective which I required this was not always a problem. Where it was necessary to unpick the ‘official line’, the researcher often asked the same question in a different way, or followed it up with subsequent questions designed to elicit the ‘hidden context’ (cf. Pratt 1995; Yeung 1995). For the British ‘contextual interviewees’, the researcher’s previous knowledge, experience, and contacts, proved useful in encouraging these respondents to be more open. In any case, it was always important to be well-prepared and knowledgeable about the interview subject in advance (cf. Hoggart et al 2002). This enabled more sensitive questioning of the official line. Moreover, the number of interviews combined with additional data sources enabled the triangulation of all data (Hoggart et al 2002).

Some agency respondents were reluctant to give precise details of the numbers of migrant workers that they facilitated into the UK, nor precise figures related to the profitability, or
even profit margins, of the firm. The reluctance was related to the commercial sensitivity of the data; at other times interviewees were keen to over-promote what they had achieved, potentially in order to impress the interviewer. In these cases, facts were checked and cross-referenced with other information volunteered during the course of the interview. It is noted that independent verification of facts and figures obtained via interviews has occurred throughout the thesis. In other cases, the details as given were challenged, with the researcher phrasing a question: “Are you sure that was the case?”

Moreover, as discussed above, how agencies operated within regulation, or did not, was one of the key topics of the interviews. This was considered to be potentially ‘sensitive interviewing’ and is discussed further below under ‘ethics’ (Healey and Rawlinson 1993). It was expected that respondents would be circumspect about how they answered questions relating to perhaps ‘questionable’ business practices. A strategy was developed as the interviews with agency respondents progressed which involved initially raising the issue of informal or irregular business practices in a general sense. It would be legitimised through indicating that the researcher had already heard this elsewhere, or read this. In other words, asking questions such as: “I heard that agencies in this sector sometimes hire out agency workers as self-employed workers. Have you also heard that?” If the respondent indicated in the positive, this would then be explored further in relation to what they saw as the reasons for this, and in relation to their own business practices. How the researcher built rapport, or the strategy adopted in terms of establishing credibility or acting in a faux naïve manner were especially important.

In practice, and contrary to expectations, agency respondents in the UK were relatively open. Some referred to the irregular activities of ‘their competitors’, others argued to justify that they had no alternative in tough economic times but to be non-compliant with labour law. Other researchers have found that organisations operating informal economic practices were not in fact reluctant to reveal these (cf. Ram et al 2000). In the case of agencies this may reflect the lack of prosecutions of agency owners in the UK. Agencies in Poland and in the Philippines were also open about their business practices: at times this displayed an acute lack of knowledge about relevant regulations in the UK.
A final methodological note on the conducting of interviews relates to the language in which interviews were conducted: the interviews were conducted in English. Even though fieldwork was conducted in the Philippines and in Poland where English is not the primary language it was nevertheless the primary language of temporary staffing business where it involved the facilitation of migration into the UK. In short, agencies which facilitated migrant workers into the UK had to correspond and communicate in English (see also Yeung 1995). English is the second language, and an important one, which was spoken well by all senior levels of contextual interviewees spoken to. This was also the case in Poland. Nevertheless a few words of Polish, and of Tagalog (the language of Metro Manila) were learnt in order to assist in the facilitation of access and in developing rapport (Welch and Piekkari 2006). Where necessary, documents were translated by trusted sources. Further, all the data was triangulated wherever possible (cf. Hoggart et al 2002) and semi-structured interviews constituted the primary data source in this research; the two other data sources, secondary datasets and other documentary evidence, provided supplementary explanation. The following section discusses these.

**Supplementary sources of data**

Phase 1 of the research established the lack of official secondary datasets and of public documentary evidence, which conclusively mapped the transnational facilitation of labour by agencies into the UK (see also Clark 2009). Administrative and survey data that related to immigration and to temporary staffing was utilized in order to build up a composite picture of the institutional and regulatory context to the facilitation of migration by agencies into the UK (see Green et al (2008a) for a discussion of the availability of data in the UK relating to migration). They played a supporting evidential role, used to compile a picture of the kaleidoscope nature of the evidence (cf. Cresswell 2002). Both administrative and survey data at national scale tends to under-count the incidences of migration as well as of temporary employment (cf. Arrowsmith 2006; BERR 2008b; Green et al 2008a; Markova and McKay 2008; Storrie 2002).

Interviews were also supplemented with background reports, promotional materials, and media reports (cf. Pijpers 2009; Yeung 1995; Yin 2003). This included official published documents, as well as unpublished documents shared with me by agencies (Hoggart et al
Documentary materials collected included agency brochures, flyers advertising agency services, government documents pertaining to migration and temporary staffing, and newspapers from the Philippines and from Poland that advertised agency services.

The use of advertising materials became a consideration during the writing up of the thesis. The agencies utilised company websites heavily (cf. Tyner 1999c) and the original intention had been to include excerpts in the thesis to support the quotes from the interviews with the respondents. However, given that this approach made the agencies potentially identifiable, supporting evidence was included from additional agency websites that were typical of those in the sample, or according to the point being made. ‘Validity checks’ were nonetheless undertaken with regard to the authenticity, credibility, and representation of documentary evidence (Cloke et al 2004). To briefly summarise the three main research methods utilised were semi-structured interviews, coupled with analysis of secondary datasets, and documentary data. The final section in this Chapter discusses the additional research issues associated with designing and implementing the methodology.

4.3 Additional research issues
This section comments on two further research issues: the ethics of undertaking this research and the analysis and management of the fieldwork data. Ethical issues need to be considered when undertaking any empirical research (cf. May 2001). Ethical approval was sought for this research from the University of Manchester at the time of seeking approval for the CASE studentship. The ethical norms of conducting social research were adhered to, such as the gaining of informed consent from interviewees, assurances of anonymity and confidentiality, and reciprocity (cf. Bryman 1989).

Secondly, the complexity of collating, managing and analyzing the large volumes of data generated during the course of the fieldwork was challenging. A fieldwork diary was kept during the course of 2009 and 2010, in order to ensure reflections could be made (Burgess 1981). This was used for early coding thoughts which fed into the analysis at a later date. Moreover, in order to ensure comparability, data was collected thematically wherever possible, in order to minimize the numbers and combinations of variables. Example interview schedules are included at Appendix 2. Thematic collection of data was helpful in
undertaking data analysis. Interviews were transcribed and coded according to the emerging themes. The same coding was used with the documentary data (cf. May 2001).

One of the underlying issues with analysis was that the introduction of a comparison between the three different routes had also introduced an inordinate potential number of variables into the study. Each of which could have been critical to how and why agencies facilitated migrant workers into the UK. However understanding how agencies actively negotiated, interacted with, and in some cases simply bypassed these shifts, became part of the explanatory story of the PhD. In other words, what I was studying was how the active competitive strategies of agencies altered in response to regulatory and institutional shifts in their environment.

Inductive grounded theory was utilised throughout the research where data collection and theory development are two parts of the same process (Glaser and Strauss 1967). As this research constituted a series of case studies, the focus was on analytic generalisation rather than statistical generalisation (Hartley 2004; Yin 2003). In order to assist with analysis, diagrams and process maps were drawn throughout. Some of these have been maintained and are reproduced in the data chapters where appropriate. In addition, when beginning the thesis drafting process, a brainstormed version of the empirical chapters was first written in order to order and re-order the data.

4.4 Conclusion
To briefly summarise, the findings within this thesis rest on critical analysis conducted on a total of 88 qualitative interviews, analysis of documentary evidence and supporting quantitative data. The analysis was also supported by extensive reviews of the relevant academic literature (cf. Sayer 2000). Given the large number of ‘contextual’ interviews conducted for this thesis, in addition to the interviews with agency respondents s(N = 98), a decision was taken not to quote from these interviews extensively; the primary purpose of the research was to explore the competitive strategies of the agencies directly. The findings reflect this preference and are discussed fully within the following two chapters.
Chapter 5
Making Markets

“Recruiters sell people” (A29, Sydney, Australia, August 2009) was the blithe response of an interviewee asked to articulate the core of her agency’s business. “It was a whirlwind. A lot of people made a lot of money”. So said another respondent in reference to the recruitment of Polish nationals by agencies after 2004 (A10, Warsaw, Poland, March 2009). Interviews conducted with agency Directors, recruitment consultants, analysis of associated company material, and a plethora of interviews with policy experts, trade unionists and civil society activists confirmed that the international recruitment of temporary workers from Australia, the Philippines and from Poland was an active competitive strategy embarked upon by temporary staffing agencies in pursuit of profit.

The aim of this - and the following chapter - is to explore how and why agencies ‘make markets’ (Coe et al 2007a; Theodore and Peck 2002) in the facilitation of labour migrants into the UK from Australia, the Philippines, and Poland. It addresses the four research questions outlined in Chapter 1. This chapter - chapter 5 - is organised in three parts. The first part documents how agencies specifically marketed their businesses as recruiters of migrant labour in order to solicit client employers. The second part discusses how agencies engaged in job matching; and the third the institutional labour market conditions and regulatory frameworks that explained why agencies embarked upon international recruitment as a competitive strategy.

5.1 Making sales in international recruitment
The heterogeneity of the temporary staffing industry (TSI) permeates this thesis, but with one exception: all the agencies that participated in this research generated profit from the recruitment of migrant workers direct from his or her home countries. What agencies referred to as ‘sales’ constituted the facilitation of labour migrants into the UK and his or her placement in temporary employment. The thesis thus far has emphasised the profit-seeking and entrepreneurial actions of temporary staffing agencies (cf. Gray 2002). Agencies’ profits are reliant on being able to solicit client employers with whom they can place temporary workers (Ofstead 1999; Peck and Theodore 1998; Ward 2004).
For agencies in this sample, the telephone was a vital instrument in soliciting client employers. An agency Director when asked how he found international client employers for his Polish workers shrugged his shoulders and said:

I have simply the same action: you have to call one hundred cold calls, and then to meet three and maybe [there is] one client from it (A01, Opole, Poland, April 2009).

This, he explained, was the same wherever and whenever agencies operated; it was “obvious”. The act of calling potential client employers to proffer a supply of temporary labour was the way in which agencies operated whether they were supplying temporary workers within national labour markets or offering to source migrant workers (Dench et al 2006; Parker 1994). The importance of telesales in the day to day business of agencies was evident from the pages of a trade magazine which set out to remind its readers (recruitment consultants) of sales in the operation of recruitment: “It is a straight line, a mathematical certainty…. Sales is the celestial body around which everything that you desire revolves” (Jacobs 2010: 1).

Agencies that participated in this research also promoted their businesses through company websites or in printed material, as well as by networking with potential client employers. Again, these methods were commonly used within national labour markets (cf. Parker 1994; England and Stiell 1997; Vosko 2000). How agencies solicited client employers had one key difference though. This research found that the agencies in this sample had a very particular way of soliciting client employers for their Australia, Filipino and Polish recruits. The UK-based agencies marketed their businesses according to their expertise in the supply of migrant workers: agencies adopted a ‘country specialism’ as a competitive strategy.

**Competitive country specialities**

The UK-based agencies, which participated in this research, largely specialised in the nationalities that they recruited and supplied into temporary jobs. This formed a core component of agencies’ competitive strategies. Thus, agencies that recruited from the Philippines specialised in recruitment from this country; agencies specialised in recruitment from Australia; or in the recruitment of Polish nationals. The speciality of the agency often correlated with the national origins of the owners or senior staff within the agency. Australian, Filipinos and Polish former migrants featured strongly within the stories of the
agencies in the research sample. This explanation from the Head of Overseas Recruitment for a leading UK-based teaching agency, illustrated a relatively typical example:

There are lots of other recruitment agencies out there in London, and we wanted to find our natural niche – which for us was to recruit Australian teachers (A27, London, UK, August 2009).

The ‘natural niche’ was the placement of Australian teachers because the agency Director was himself Australian. Although all the agencies advertised their businesses as specialising in the recruitment and supply in one or more nationality (agencies that recruited from Australia often also recruited from and into Canada and New Zealand, other members of the Commonwealth), it was the agencies that recruited from Poland that most strategically engaged in essentialist marketing. A respondent neatly emphasised: “The branding to us as a recruiter of Polish labour is very important to us” (A08, Bristol, April 2009). To illustrate this point, Figure 17 reproduces a relatively typical excerpt from an agency website.

**Figure 18: Advertising Polish labour (“We Specialise…”)**

We specialise in the recruitment of Polish and other Central European staff for vacancies in the UK and in Europe. These staff are hard-working, well-qualified and experienced. Many candidates are already arriving in the UK and are actively seeking new employment

Source: Excerpt from website: [www.cestaffing.co.uk](http://www.cestaffing.co.uk) [last accessed 15th January 2012]

Other agencies directly promoted the Polish temporary workers they had available or could source, and the price they were available at, in the form of a ‘market-place’ in migrant workers (cf. Wheaton et al 2010). Figure 19 reproduces an example which was promoted on an agency website, relatively typical of others in this sample (see chapter 4 for a discussion of anonymity of agencies). Others went even further in publishing online photographs, CVs or biographical details of the Polish workers agencies were supplying.

**Figure 19: Advertising Polish labour (“New Workers Available”)**

New workers just available
Welder – MIG? MAG; basic English £11 + VAT per hour
4 x CNC operators for Aerospace industry: Pratt & Whitney trained; good English and UK experience £12 + VAT per hour
2 x electricians with UK experience £12 + VAT per hour
Butchers and boners available
Numerous other EU qualified workers available

Source: Author’s fieldwork. Document from agency in Poland
Agencies also deployed the national origins of their recruits as a sales technique according to a rather basic and reductionist racial or ethnic essentialism (cf. Gilroy 1987; Miles 1989). Thus, Polish nationals were commonly represented by agencies as highly educated, youthful, and hard working. As this owner of a Somerset-based agency put it:

They were the cream of the cream. Most were under 25…. And they were so well-educated. (A30, Somerset, April 2009)

As with much of the characterisation of Polish migrants, agencies also strongly promoted the ‘work-ethic’ of their Polish recruits. Figure 19 – a reproduction of the front page of the websites of one agency typical of those in this sample - illustrates some of the adjectives commonly used by agencies to convey the ‘work-ethic’ of Polish nationals.

Figure 20: Advertising Polish labour (“Our Polish Workers”)

<table>
<thead>
<tr>
<th>Our Polish Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Motivated, experienced, skilled, dedicated staff”</td>
</tr>
<tr>
<td>Lower staff turnover</td>
</tr>
<tr>
<td>High quality work performance and productivity</td>
</tr>
<tr>
<td>Ability and willingness to work overtime</td>
</tr>
<tr>
<td>Low cost of Polish workers recruitment agency</td>
</tr>
<tr>
<td>Ability to work nights and during bank holidays”</td>
</tr>
</tbody>
</table>

Source: author’s fieldwork. Document from Polish agency.

The agency clearly identified Polish nationals as having a capacity for hard work. This quote from a Somerset-based agency was also representative: “They had also very good working attitude. They were very good workers” (A30, Somerset, UK, April 2009).

Agencies that placed Filipino social care workers or nurses in social care environment also referred to their capacity for hard work. These agencies also referred to how skilled they were, having been trained to work overseas. Agencies also emphasised the (essentialist) characteristics of ‘stoicism’, ‘subservience’ and ‘cheerfulness’; interviewees associated these characteristics with ‘caring skills’. Thus, according to one agency respondent: "Filipinos are really good at jobs in social caring” (A31, Manila, Philippines, August 2010).

These ‘characteristics’ have also been associated with a highly gendered essentialism for jobs that involve emotional labour or domestic work (cf. Anderson 2007; Parrenas 2001).

‘Hard-working’ was, in addition, deployed as an essentialist characteristic associated with Australian teachers by agencies. This was commonly coupled with the ‘good humour’ and the propensity of Australians to “get stuck in and have a go” as one consultant put it (A29,
For agencies these characteristics translated into the skills, required in British classrooms, especially in the inner London schools perceived to by many to be challenging (cf. McNamara et al 2004).

The Australian teachers are pretty good at dealing with the classroom. Usually better than the Brits. They’ve got the right types of personality for it. I don’t know why that is. Maybe the training is better as well (A23, London, UK, July 2010).

This quote illustrated how this interviewee made the ‘personality’ of Australians into a competency-based skill. ‘Hard-working’ or a having good ‘work-ethic’ as a personality characteristic was about the productivity of migrant workers (Anderson and Ruhs 2010). Thus, when prompted, an agency interviewee explained what he meant by the Polish workers’ ‘good working attitude’:

“They [Polish workers] take instructions well. And they have almost a 1970s or 1960s approach towards hierarchical structures” (A04, Somerset, UK, April 2009). This agency owner supplied Polish workers for temporary jobs in food production in the West Country. The skills required for these jobs were, he continued, a capacity to do what they were told by their foreman, as well as to work long hours without complaining. In turn, higher productivity, its essentialist moniker – ‘work-ethic’ – was likely to result therefore from being involved in a system of migrant labour (Burawoy 1976). In other words, what is identified as a superior ‘work ethic’ in migrant workers is likely to represent a migrant worker’s higher productivity rate due to his or her willingness to work for longer hours and for lower wages (Preibisch and Binford 2007; Rogaly 2008; Wills et al 2010).

Agencies also compared their recruits to other ‘nationalities’. One agency owner referred to why Polish workers were ‘better’ than the local British population: “With every employee, you get a brain. But with the Poles it actually functions okay! So that’s a bonus” (A30, Somerset, April 2009). This owner was contrasting Polish nationals with his local available labour supply – the local unemployed workers, or ‘benefit scroungers’ as he referred to them. A leading trade unionist who has campaigned for the rights of migrant workers thoughtfully argued, however, that it was not simply the case that employers could not find, or attract, local labour which was at issue, but more realistically that employers did not want the local available labour:

Well, I would ask... have you had applicants from the local area? Yes we have - but most of them are re-employ ‘no’s. Well, what’s a re-employ ‘no’? We’d call them
into the interview, put them through the computer, and where it says would you re-
employ, it says ‘no’. The computer literally says, well we’ve had them already, and
we don’t want them back. We already know that we don’t want any of the workers
locally, because they’re ill-disciplined or whatever it is (TU04, March 2010,
London).

In acting in this way, agencies acted as gatekeepers to local employers. This recalled
research which has found that agencies act as a regulatory sift in disciplining temporary
workers through deciding to not hire again if they did not comply with rules or complained
about working conditions (Gottfried 1992; Forde 2001; Ward et al 2001). The same
interviewee positively contrasted ‘hard-working’ Polish nationals with the so-called
‘gypsies’ from A2 countries: “I tell my clients not to bother with people from Romania and
Bulgaria. Poles are much better.” (A30, Somerset, UK, April 2009).

Although this was a relatively extreme example in terms of the language used, other
agencies in the sample commonly positively contrasted the nationalities of their recruits
with others. Thus, an agency consultant who was responsible for placing Australian supply
teachers emphasised the differences between the teachers on her books and the other
nationalities, which were increasingly arriving from Europe. She also indicated the
preference for Headteachers for Australian teachers.

A lot of the Headteachers will say, we’ve got Spanish, EU, there’s a lot of Spanish
and Polish who don’t have a great grasp in comparison with the Australians. (A27,
London, August 2009)

This could be described as a case of ‘my product is better than my competitor’s product’.
These findings confirm what a number of researchers have found in relation to how
agencies package their recruits according to gendered and racialised characteristics of
domestic workers, nannies, and cleaners (cf. Anderson 2007; Bakan and Stasiulis 1995;
England and Stiell 1997; Guevarra 2010; McDowell et al 2009b; Pratt 1999; Tyner 1999;
Wills et al 2010).

The findings can in part be explained by the hiring decisions of employers. Sociologists
and geographers have found that employers make hiring decisions according to essentialist
ideas regarding ‘race’ and gender (cf. McDowell et al 2009b; Preibisch 2010; Waldinger
and Lichter 2003; Zell and Skop 2010). Without substantial (and costly) investment in
intensive recruitment procedures, employers tend to rely upon racial stereotyping as a ‘short-hand’ for recruitment (Gordon 1995: 140) suggesting that this practice may be more common in lower-paid jobs, such as those in food production. Thus, this interviewee argued that the demand of client employers specifically for Polish nationals played an important role in how he marketed his agency:

We were finding from the feedback from the clients that quite often they were typing into Google - ‘Polish welder’, ‘Polish CNC’. The news proliferates very fast. So in the engineering environment Polish welders are huge. And we were going to them first offering this (A08, Bristol, UK, April 2009).

Other agencies confirmed how employers would search for an agency using the adjective ‘Polish’. In the UK, employers had identified Polish workers as a workforce that was more likely to take up low paid, low status jobs (Anderson et al 2006). Similarly, social care employers in the UK associated strengths in emotional labour – ‘caring ability’ – with particular nationalities, including Filipinos (Moriarty et al 2010). As such a representative of an employers’ body explained social care employers valued the personal attributes of social care workers often above education level or qualifications attained: “In social care, what we want is intelligent, caring, people; we can teach them the skills.” (TB06, London, UK, September 2009). Similarly, McDowell found evidence of this impacting on the hiring decisions of employers who positively contrasted the work ethic of migrant workers with white working class labour (McDowell 2003: 15).

Thus, engaging in racial and gender essentialism was nothing more than business sense for agencies: agencies have a financial incentive for complying with employers’ prejudices, as ignoring them means losing contracts with potential client employers (Peck and Theodore 2001; Tyner 1996b). Arguably, through specialising in the supply of one particular nationality of migrant worker, agencies presented employers with the opportunity to implement discriminatory hiring preferences (McDowell et al 2008; Peck and Theodore 2001). England and Stiell suggest that agencies’ actions may though have an amplifying effect, perpetuating employer demand for particular nationalities (England and Stiell 1997).

Agencies supplying temporary migrant workers use ‘nationality’ as a short-hand for ‘race’ when supplying workers to employers (Pratt 1999). In her research exploring the placement of migrant domestic workers in the UK, Anderson notes that agencies had no
compunction against using nationality characteristics in this way as they were constructed as ‘positive qualities’, and not therefore imagined to be racist (Anderson 2007). Under the 1976 Race Relations Act (RRA) (amended in 2000, and updated by the 2010 Equality Act), recruiting according to nationality – as well as by ‘race’, ethnicity, and colour - is illegal, subject to prosecution and fines (Race Relations Act, 1976. It is equally applicable to agencies as well as employers (with the exception of hirers of domestic workers) (Race Relations Act, 1976 s. 14). An Equalities and Human Rights Commission (EHRC) Inquiry into recruitment and employment in the meat processing and packing industry found evidence of agencies and employers commonly acting in contravention of the Act (Craven 2010; EHRC 2010). Chapter 3 highlighted the association between the nationality of temporary workers recruited by agencies and the occupation in which agencies placed them, discussed in the following section.

*Occupational specialities of agencies*

In explaining that her agency, unlike those that operated in other sectors of the economy, did not engage in cold-calling potential clients, a teaching recruitment consultant emphasised that:

> We have very close relationships with Headteachers - Headteachers refer onto other Headteachers. We don’t cold call schools. We don’t operate like usual recruiters in that way. We’re in the business of getting to know our schools very well. (A23, London, UK, July 2010)

This teacher supply agency had specifically hired teachers as recruitment consultants in order to bring educational expertise in-house. It was also not unusual for agencies to have been business start-ups initiated by former teachers. The respondent explained that the use of teachers as recruitment consultants was a selling point to schools that enabled them to make initial contact as well as to develop relationships with schools. This enabled agencies to pitch to potential customers on the grounds that they understood schools’ staffing needs and that, as teachers, the school could trust them (A23, London, UK, July 2010). One teaching agency based in London even encouraged the qualified teachers on its staff to continue to undertake supply-teaching roles, alongside their recruitment consultant roles. Ostensibly this was so that recruitment consultants could maintain their understanding of schools’ needs; arguably it also enabled the consultants to identify sales opportunities as well as to network among Headteachers to create sales opportunities. This recalled Peck et
al’s description of how top-end agencies had almost become appendages of the clients that they served (Peck et al 2005; Ward 2003).

If not quite so close, agencies operating at the low end of the UK labour market nevertheless also had close relationships with their client employers. Thus, the owner of one Somerset-based and family run agency which supplied Polish nationals into temporary food production jobs, happily related anecdotes about making deals for Polish workers with local client employers over lunch, or at the local cricket club (A30, Somerset, UK, April 2009). He spoke with familiarity - even fondness - of local managers and owners of food processing, and other types of horticulture plants; a knowledge, which was not simply gained from supplying temporary workers, but also because he, like the Polish Director above, had formerly worked as a Production Manager in the region. These were more than simply clients; they were colleagues, friends, and neighbours. The familiarity of relationships, between agencies and client employers, was also related by an interviewee who recruited Polish engineers for temporary jobs in the South West region of England.

But at the same time it’s very, very small: everyone knows each other. So, if I’m supplying to well, company x, everyone knows the director of company x etc etc. A huge industry but everyone knows each other (A08, April 2009, Bristol, UK)

The section above noted that agencies active in recruiting temporary workers from Australia, the Philippines and Poland were often associated with former migrants from those countries. Agencies had also often been start-ups initiated by individuals who had previously worked within the sectors that they supplied temporary migrant labour to. A number of agency respondents had previously held jobs within the sector they now supplied to as recruitment consultants. The examples of the teaching agency given above or that of the former Production Manager in a food processing factory were not unusual. This finding can be explained in part by the low regulatory barriers to entering the recruitment industry in the UK, which were outlined in chapter 3 (Geddes et al 2008; World Bank 2008). Recruitment, and especially that which took place outside the remit of the Gangmaster Licensing Authority sectors, was an industry that anyone could easily enter. Thus, one former teacher, now Director of a small but specialised teaching agency, reminisced how she, with two teacher friends, had started the agency a decade earlier with only £7,000 which they had collectively raised from their personal credit cards. In the first year of
operation, the teachers had operated the business out of a spare room; after a year, the agency had grown sufficiently in order to require office space in order to continue (A26, London, UK, August 2009). In further indications of the low barriers to entry, another interviewee indicated how the teaching supply market had mushroomed:

The market has split. One company, then one person left that company and has gone and started their own company. And again, and then on over. (A25, London, UK, August 2010)

To briefly summarise thus far, the occupational as well as country specialities of the agencies were highly associated with the origins and backgrounds of the individuals within them. Moreover, both these factors were associated with how agencies managed the processing and allocation of workers across national borders, discussed in the following section.

5.2 ‘Off-shore’ job matching

How agencies managed the process of job matching across national borders varied according to the recruitment routes that agencies operated and the occupations into which they supplied them. How agencies engaged in job matching of highly skilled workers differed from that of the low or semi-skilled workers. Each is discussed below.

Selecting and assessing highly skilled workers

The following quote has been reproduced from the promotional brochure of a British agency which, after its early years in the mid-2000s in recruiting Polish nationals into the UK for temporary jobs in food production, light industry, and manufacturing, had moved up through the labour market to recruiting skilled engineers. This agency had ambitions to expand its business in the facilitation of labour migration around Central and Eastern Europe.

Over the next decade, we will have a single international labour resource that transcends borders: a global, multilingual, mobile, skilled and flexible working population with internationally recognised qualifications. (A14, Warsaw, Poland, Brochure)

This agency would, this glossy promotional brochure confidently stated, be on hand - at a cost - to facilitate these skilled, global, and mobile, workers for the benefit of client employers. At this highly skilled end – agencies that recruited teachers, pharmacists, and
highly skilled engineers – agencies’ competitive strategies focused on their thoroughness, knowledge and expertise in finding appropriately skilled workers. These agencies pitched their business to client employers as being able to understand their requirements and their ability to make good matches based on those needs.

Job matching in terms of the selection, processing and allocation of workers is one of the key functions of agencies as mediators between employers and temporary workers (Benner 2000; Peck and Theodore 2001). Agencies in this sample highlighted that they were better placed geographically and had more expertise with which they could conduct checks on the backgrounds and suitability of migrant workers, as well as their permission to work in the UK. Thus, a leading international recruitment agency highlighted the benefits of using an agency to recruit internationally in their brochure aimed at potential client employers:

> The actual process of attracting candidates, doing proper background checks and interviews, and navigating the immigration process is difficult, complex and ever changing... If not done properly, an organisation can expose itself to the risks of wasting time and money, recruiting an insufficient number of workers, workers whose skills are not up to the mark, and having workers return home prematurely (A24, September 2009, London, UK).

Critically, agencies undertook these activities in the country of origin of the worker before he or she travelled to the UK – a kind of ‘off-shore processing’. Undertaking background checks on individuals who originated from outside the UK were infinitively more complex, as well as more risky, for UK-based employers who would not necessarily be familiar with the qualifications, ID paperwork, and police checks of the origin country, to undertake. They were also infinitively more expensive. Schools, which hired overseas trained teachers, and social care establishments, were subject to regulation requiring them to undertake ‘suitability checks’ on recruits before he or she started work (Care Quality Commission (Registration) Regulations 2009; DfES 2006; Garson 2011; Health and Social Care Act, 2008). ‘Suitability checks’ ensured that schools and social care employers (where children or vulnerable adults were involved) had to undertake checks to confirm the identity, qualifications, references, and eligibility to work in the UK during the recruitment process. An owner of a teaching supply agency consequently explained that: “It’s quite rare for an overseas teacher to be picked directly. There aren’t the assurances for the school that we provide.” (A29, Sydney, Australia, August 2010). The ability of agencies to verify
teaching qualifications, confirm references and undertake the Australian Police Check (APC) with candidates, acted as a comparative advantage for agencies, which they could promote to potential client employers.

These points were echoed by a consultant who had recruited from the Philippines: “Without us actually going over there, meeting the candidates, and ensuring at the least they are who they say they are, how will the employers know who they’re getting?” (A31, Manila, August 2010). As well as identity documents, professional qualifications, and police checks, agencies also checked other types of documents relevant to particular jobs. Thus, a recruitment consultant who had recruited Polish nationals to drive buses in the UK explained that: “We had to collect all their documents: passport, CRB [he was referring to the Polish police check], penalty points on their driving licence. In Poland you can have up to 21 points, so we had to check that carefully. We’d do a weekly report and attach a database with all of the documents. Every single point would be checked” (A10, Warsaw, Poland, March 2009). Similarly, agencies, which recruited pharmacists from Poland into the UK, emphasised their role in confirming qualifications and references.

The value which agencies provided for employers in the UK can be explained by the fact that labour market matching is more complicated and costly when employers and workers are separated by national boundaries. There can be differences in language, culture and expectations that make it more difficult for employers to evaluate new hires and for workers to have knowledge about the advantages and disadvantages of particular jobs. In short, the chances for mistakes to be made with cross-border hiring increase (Martin 2005: 2). For employers required to comply with labour market regulation in the UK, the complexity and risk was additionally higher. One owner of a UK-based teacher supply agency, with reference to the checking of qualifications and the right to work in the UK, confidently stated that “[w]hat they [schools] get out of it is transferring the risk [of recruitment]” (A26, London, UK, August 2009).

It was not just agencies that marketed their businesses this way; The Recruitment and Employment Confederation (REC) has also used its position on a number of Government bodies - the Home Office Business Advisory Group, the Illegal Workers Task Force, and
the Vetting and Barring Scheme Working Group - to promote recognition of the role which the industry plays in regulating safe recruitment for employers, especially in the skilled profession into which entry is heavily regulated (cf. REC 2010a; REC 2011d). Although agencies marketed their services to employers as mitigating the risk of international recruitment, as discussed in chapter 3, agencies are required according to the Conduct of Employment Agencies and Employment Business Regulations (2003) to undertake ‘suitability checks’ on all temporary workers. Thus, agencies are required to verify the identity of the recruit as well as to check the suitability of the recruit’s qualifications, their experience, and relevant training, albeit with risks of few penalties (cf. BERR 2003).

REC’s activities were a further example of how the TSI lobbies national governments for favourable regulation (Gonos 1997; Vosko 2000; Theodore and Peck 2002; Peck et al 2005). This has been used to illustrate the activities of agencies in ‘making markets’ (cf. Theodore and Peck 2002). In response to increasing regulation (c.f. HM Government 2010; Safeguarding Vulnerable People, 2006) REC has lobbied for the minimising of the legally required checks on the grounds of reducing regulatory costs to agencies and to the employers they supply, claiming a successful lobbying role (REC 2008d; REC 2011d).

REC has also carved out an additional role for itself. As discussed in chapter 3, since 2002 REC has operated the ‘Quality Mark Scheme’ – a voluntary scheme established with the then DfEE (now DfE) to improve standards within the industry. In signing up to the Scheme, teacher supply agencies agree to uphold standards relating to the suitability checks which they undertake to carry out on all recruits they supply to schools (cf. REC 2009b).

An interviewee explained how the Quality Mark operated for his agency:

\[\text{The Quality Mark is a stamp of validation by the REC; that our agency can be trusted to do all the background checks that are needed. The school can be confident that everything will have been done. (A23, London, UK, July 2010)}\]

Thus agencies acted as gatekeepers for professionals seeking to enter the UK, mitigating the risk for employers of hiring internationally which had been given extra impetus with increasing regulation regarding entry to teaching and social care. In operating the Quality Scheme, REC directly acted as an outsourced regulatory body, responsible through instituting audits and maintaining a register of agencies. REC also acted, in effect, as a regulatory of entry to the teacher supply market. Less directly, but equally importantly,
agencies make it possible for employers to hire migrant workers that they might not otherwise be able to reach. A common theme throughout the temporary staffing literature is that agencies help employers avoid the responsibilities, risks, and costs associated with regulation of the standard (permanent) employment relationship (Peck and Theodore 2002; Forde 2001; Gonos 1997; Hall 2006). In selecting and allocating migrant workers in his or her home countries, agencies mitigated the risks for employers of hiring migrant workers. These risks arose out of regulation associated with immigration controls, discussed in the following section.

**Mitigating the risk of employer sanctions**

As discussed in chapter 3, non-EU migrant workers seeking entry to the UK have to apply for a visa, which grants them permission to work in the UK labour market. Agencies that recruit non-EU migrants into the UK from the Philippines and from Australia refer to their role in checking the eligibility of recruits to work in the UK labour market. They also make reference to their advisory function in advising would-be employers of non-EU migrants, as well as potential recruits, about the immigration regulations in the UK. As with the labour market regulation that governed entry to teaching, bus driving and pharmacy agencies focused on the complexity of immigration regulations for employers and the associated regulatory risk of getting it wrong. Thus, an agent that recruited from Australia explained:

> Well, we know all about the immigration requirements for Australia. We can advise the schools as well as the teachers. We’ve worked out here for more than a decade and so it’s not that difficult to keep up with it if you’re doing it every day of your life.” (A33, Cairns, Australia, August 2010).

Industry representative bodies, such as the Recruitment and Employment Confederation (REC) and the Association of Labour Providers (ALP), have supported their respective member agencies with regard to the relevant immigration regulation governing entry to and employment in the UK. As an industry representative asserted: “It’s one of the services that member agencies get from us” (TB01, January 2009, London, UK). Both REC and the ALP have marketed the TSI according to the greater ability of agencies as ‘recruitment professionals’ to decipher the complex myriad of visa stamps, entry clearance rights, and identity documents from across the EU and beyond (cf. REC 2009a; REC 2009b; see also ALP 2004). In a press release in response to a BBC investigation into the hire of undocumented workers from Pakistan at a knitwear factory in Manchester, supplying
Primark (cf. Dhariwal 2009), REC emphasised the benefits to employers of using agencies to undertake this work:

The fact is an employer, who does not recruit regularly, will have difficulty deciphering this information and should use a recruitment professional to do this work (REC 2009c).

As with the regulations associated with hiring teachers and care workers who work with vulnerable people, employers have increasingly been subject to financial penalties for hiring individuals without the correct permission to work. As the financial penalties for employers getting it wrong increased, there is some evidence that the attractiveness for employers of hiring migrant workers through agencies may also have increased (Panorama 2000; Precision 2004). This lies in the fact that only ‘employers’ were covered by the Asylum and Immigration Act 1996, s. 8, and subsequently under the civil penalty regime. Technically there is no associated legal requirement for agencies to check the eligibility of migrant workers to work in the UK, and thus to be held legally responsible if someone were found later to not have the correct eligibility. Although, according to an interviewee from a regulatory body, it is possible that the UKBA could view the agency as an employer, although none has done so (PO06, June 2009, London, UK). Technically therefore it was possible that employers could use agencies as a shield for hiring workers without the correct documentation (TB02, March 2009, London, UK). An ALP position paper warned the government that:

Someone running a business does not use illegal workers as an end in itself. He uses illegal workers because they cost less than legal workers – a combination of being illegal allowing less than the minimum wage to be paid and, more importantly, tax evasion. (ALP 2007: 3)

Employers wanting to hire undocumented workers could choose to use several agencies through a subcontracting network which would be most likely to hide their activities, and allow them to evade their legal responsibilities, the response continued (ALP 2007: 3).

Even though there is no legal requirement to do so, REC’s Professional Code of Practice recommends that agencies do check eligibility to work in the UK (REC 2011e). In general, the industry associations have taken a strong line on ‘unscrupulous’ labour providers which do not check or which knowingly hire migrant workers (cf. ALP 2007; Eurociett 2008b; REC 2007). Indeed, the ALP in a response to the government’s inquiry into preventing ‘illegal working’ stated that:

If workers are not legally entitled to work in Britain then they will probably also be outside
the tax system, as will the people who engage them. A labour provider employing illegal workers, avoiding PAYE, national insurance and corporation tax payments, enjoys a cost advantage of over 30% compared with a legitimate operator. In some parts of the country it can be difficult to for legitimate businesses to win contracts because they cannot compete with those using illegal workers. (ALP 2007: 1)

This ‘gatekeeping’ activity of agencies was most directly relevant to the recruitment of non-EU nationals. Nevertheless, agencies reported playing a function with regard to the required registration of Polish nationals with the Workers’ Registration Scheme (WRS (see chapter 3). Even though Polish nationals were not subject to immigration control as non-EU nationals were, the Workers’ Registration Scheme (WRS) required employers to ensure that their recruits correctly completed this form within one month of starting employment; employers were also required to hold copies of all relevant paperwork (The Accession (Immigration and Worker Registration) Regulations 2004). Unlike with the s. 8 of the Asylum and Immigration Act, 1996, non-EU nationals, agencies were required under these regulations to adhere to the same regulations as employers if they paid the worker’s wages (UKBA 2010). Accordingly, agencies also marketed their ability to undertake – and ensure – registration of Polish nationals with the WRS as this quote demonstrated:

We’re so practised in doing those forms now that we can do them in minutes. We turn them around and churn them out. And yes, we do do them at the Polish end before they arrive. Then they’re ready to go when they get here. (A08, Bristol, UK, March 2009)

Early reports from the WRS data indicated a strong presence of agencies (cf. UKBA 2007). Although Polish nationals were known to be disproportionately likely to be working through an agency, especially upon first arriving in the UK (cf. Chappell et al 2009), ironically, agencies may have helped to ensure a higher registration rate of Polish nationals with the Scheme than otherwise would have occurred. The quote above also echoed the theme of how agencies speeded up the international migration process. As well as mitigating the risk of hiring migrant workers, for Polish nationals agencies ensured the paperwork was completed quickly and at source in order that workers could start in their employment immediately upon arrival. This was less relevant to the non-EU nationals who required entry visas to enter the UK.

To briefly summarise thus far, the research has found that agencies engaged in ‘off-shore’ selecting, processing and allocation of temporary workers from Australia, the Philippines
and Poland. Labour market regulation that safeguarded entry to skilled professions in the UK (teaching, bus driving, pharmacy, and to a lesser extent, social care) and immigration regulation was critical to agencies’ strategies. Within national labour markets, agencies have been shown to reduce the costs associated with the recruitment process (Autor 2001; Forde and Slater 2006; Gray 2002; Hall 2006; Mangum et al 1985; Segal and Sullivan 2001). Hiring internationally, especially professional recruitment of non-EU nationals where a number of checks were legally required, was expensive for employers; through offering greater expertise, and expected economies of scale, it is likely that agencies reduced the costs of recruitment for employers. Thus, through job matching across national borders, agencies made the international recruitment of teachers, drivers and pharmacists possible for UK-based employers. This was a form of functional flexibility: agencies provided employers with access to specialist skills (Benner 2000). In contrast there were no such regulations governing entry of non-EU nationals to temporary jobs in food production and as CNC operators and welders, discussed in the following section.

*From job matching to a speedy job delivery*

The TSI, Eurociett argues, helps to overcome mismatches between supply and demand and overcomes institutional barriers to mobility, hence leading to better functioning labour markets (Eurociett 2007). However, the act of job matching is not a neutral function (*cf.* Bakan and Staasiulus 1995; Hanson and Pratt 1995) and agencies which recruited Polish nationals into the UK for jobs in food processing such as butchery, or for welder jobs, undertook rather different forms of assessment when selecting and allocating workers. One agency interviewee related how candidates were required to demonstrate their butchery skills in an assessment centre under the gaze of a video camera;

> It’s also a fun story. The end clients, the agencies, they came over here. We were buying like one or two tonnes of meat. The butchers came from all over Poland and they were showing us how they could cut the meat. So that was a lot of fun yeah. It was called the bench test. We videotaped them, and the end client could choose at the same time. This is a good person for me. This is not a good person for myself. (A02, Krakow, Poland, February 2009).

In contrast to the language of ‘checks’, ‘risk’ and ‘suitability’ that agencies used with regard to job matching teachers, social carers, pharmacists and bus drivers, agencies spoke about the speed of the job matching process. One interviewee made an analogy between
his Polish recruits and fresh food; if the time between selection and placing in temporary employment was too great – which he defined as approximately three days – then the worker would ‘go off’: “Many times I’m making the comparison: our branch is like a selling point with goods” (A01, Opole, Poland, April 2009). Another interviewee, representing a British agency, boasted how in less than a week from having the first conversation with the client employer, he could ensure the delivery of 100 Polish temporary workers at the workplace:

In some cases, we’d get an order for 100 workers on a Tuesday afternoon, then have flights booked and then all there ready to start on a Monday morning (A14, Warsaw, Poland, March 2009).

The respondent continued that this was how his agency had successfully gained so many contracts with client employers in the UK. Speed of delivery of these workers was essential to this agency’s competitive strategy rather than in depth assessment. ‘Off-shore’ job matching for these agencies involved few of the checks discussed above. Thus, a Polish agency manager explained that while he undertook some checks on the welders and care assistants he recruited, he made very few on workers to be supplied into food processing jobs:

We were checking the references. We organised everything by the telephone, by the email. They didn’t have to come [to see us]. If we had a good person we just checked the references (A06, Krakow, Poland, April 2009).

In other words, his agency did not even meet with the recruits face-to-face. Job matching was a simple exercise to be undertaken by telephone or by computer. What he meant by a ‘good person’ was simply that their CV matched expectations and references were appropriate. Another interviewee went even further: “Really, we checked they are who they say they are. That they can speak English – well a bit! That they have two feet, two hands etc.” (A30, Somerset, UK, April 2009). More than one agency respondent which recruited from Poland explained that it was not even necessary that all employees spoke English to a degree sufficient for employment purposes: “It is important. It’s not like you know picking up British papers. You need to be able to communicate with the clients at the basic level to be able to understand what the job is and to be able to communicate with them” (A08, Rzeszow, Poland, April 2009). Trade unions and activists reported that many
Polish workers arriving in the UK were severely disadvantaged by not being able to speak English (cf. Anderson et al 2005; TUC 2008).

Agencies operating at the low end of the UK labour market in selecting, processing and allocating workers for unskilled or semi-skilled jobs, invested little in the ‘off-shore’ job matching process. The discourse and marketing strategies were most akin to the ‘warm bodies’ so vividly described within research conducted in the low wage labour markets of urban America (Parker 1994; Peck and Theodore 2001). Agencies competed on the speed of delivery. Figure 21 shows an example of an agency website advertising specific workers, which could be delivered into the UK at the click of a button (this agency was not included in the sample).

Figure 21: Advertising Polish Workers (“Fast and Easy”)

These workers were ‘ready to go’: ‘just-in-time’ workers (cf. Herod 2000; Moody 1997). In effect, agencies involved in ‘off-shore’ processing or job matching acted as gatekeepers to the UK labour market. Agencies, in efficiently matching workers with vacancies and increasing the speed at which positions are filled, increase the flexibility of labour markets, enabling the transformation of employment relations on a macro-scale (Theodore and Peck 2002). In speeding up the recruitment of migrant workers from their home countries, agencies speeded up the international migration process, likely contributing to patterns of circular mobility and the transnational and flexible workforce within the EU (cf. Eade et al 2006; Green et al 2011). Thus, in contrast to how agencies acted as gatekeepers to the UK
labour market through mitigating the risk for employers of hiring overseas trained teachers, pharmacists and drivers, agencies added numerical flexibility (cf. Peck and Theodore 2001). Agencies also acted as gatekeepers to the UK labour market in an even more direct way through the mediation of immigration regulations.

In contrast, agencies that processed Polish nationals for low-skill jobs, which had there no regulatory entry requirements did so on the basis of speed, thus contributing to the flexibilisation of labour markets (Theodore and Peck 2002). Migrant workers recruited from Australia, the Philippines and Poland were not the only labour supplies upon which agencies relied. Agencies also recruited migrant workers in the UK and they also recruited UK nationals for temporary jobs. International recruitment by agencies in the UK was a competitive strategy contingent upon the configuration of particular factors. The second part of the chapter turns to discuss in what circumstances agencies recruited and supplied temporary workers from Australia, the Philippines, and Poland into the UK.

5.3 The contingency of international recruitment

International recruitment of temporary workers was a contingent competitive strategy. Interviews with agency respondents about their competitive strategies, coupled with analysis of secondary data and the wider institutional interviews, revealed that UK-based agencies engaged in recruiting internationally for temporary workers according to three factors: the demand of employers in the UK for temporary migrant workers; enabling immigration regulation; and an availability of a suitable and surplus labour supply in the origin country. These were embedded in the national labour markets in both the UK and in the country of origin of workers. The first of the contingencies was the extent – and type of - demand within the UK labour market for migrant workers.

Employer demand and piggybacking of agencies

As noted above, there is an interaction between the demand of client employers for migrant workers and how agencies represented those workers according to their ‘national characteristics’ (cf. Bakan and Stasiuilis 1995). The literature reviewed in chapter 2 also emphasised that the demand of employers plays a role in the activities of agencies (cf. Allen and Henry 1997; Ward et al 2001). Agencies in this sample interacted with the demand of
employers in different ways. Most directly, client employers deliberately sought out and hired agencies to lead international recruitment campaigns on their behalf. Accordingly, a small number of agencies in this sample had embarked upon international recruitment in response to UK-based employer-led campaigns to find overseas workers. Thus, a senior manager in a teaching agency reflected on what had first led her agency to embark on recruitment trips to Australia:

It was in the early 2000s. We used to get lots of requests from Headteachers to go out to Australia, New Zealand as well, to recruit - specific recruitment drives. They – the Headteachers – would tell us how many teachers they wanted; and we then would take them over, and do the interviews over there (A26, London, UK, August 2009).

This interviewee was referring to the recruitment campaigns discussed in chapter 3 (Government Office for London 2003; 2004; McNamara et al 2004). The London-based teaching agency quoted above, in addition to four other agencies in the sample, had worked on London LEA recruitment campaigns in Australia. A further two agencies in the sample had been contracted by one of the major UK-based bus companies that had embarked upon recruitment drives in Poland after 2004 (cf. BBC 2005; Stagecoach 2005; Teather 2007).

Both sets of agencies had used the contracts with client employers in the UK to expand into recruiting internationally more generally. One interviewee even expressed how the contract with the bus company to recruit Polish bus drivers had led to the profitable growth of his agency, and, as he acknowledged later, had made his career in recruitment (A10, London, UK, July 2010). In effect, these examples illustrated cases of where agencies had broken into new markets of international recruitment through ‘piggy-backing’ on employer-led recruitment campaigns. Thus, with these examples, the demand of employers in the UK was regarded as critical to the agencies’ international recruitment strategies.

As chapter 2 suggested, it is also necessary to analyse how agencies and employers are embedded within national labour markets (cf. Coe et al 2011b). The appetite of these employers for Polish and for Australian nationals could be traced to the recruitment crises resulting out of structural problems in the UK labour market. The international recruitment of teachers could be traced to the 1997 election manifesto pledge of the Labour Party to reduce classroom sizes by increased recruitment of teachers (Labour Party 1997). Teacher
shortages, especially in Maths, Science and Modern Languages, were the consequence of an ageing workforce, a forecast expansion in secondary school rolls of up to 300,000, coupled with a failure of ‘golden hello’ packages designed to attract trainees (Robinson and Smithers 1999). Under pressure from central government targets (cf. Schools Standards and Framework Act, 1998 s. 1), for LEAs recruiting overseas trained teachers was a solution to a crisis. Of direct importance for agencies, additional funding had been made available to schools and LEAs for the purpose of additional recruitment (McNamara et al 2004). This enabled schools and LEAs to hire agencies to embark on international recruitment campaigns.

Funding, which was available to employers for international recruitment, was also instrumental to why agencies were commissioned by the bus companies to recruit Polish nationals. An agency interviewee which had recruited drivers for one of the leading companies in this field, explained that the funding which these employers had provided to agencies for the purpose of recruiting from Poland could be attributed to the regulation of the otherwise deregulated bus network in the UK. Shortages of bus drivers had resulted from an ageing workforce and the high cost of recruiting new young drivers due to increased insurance premiums (Go Skills 2004). Operators were however subject to severe financial penalties if they failed to run local registered services (DfT 2005; Transport Act, 2000 s. 154, 155). A failure to ensure an adequate supply of drivers meant that companies were at risk of failing to provide services and, as a result, substantial fines. This was a trade-off, the interviewee argued, between investing money in recruitment in Poland, which otherwise would have had to be used to pay fines to the traffic commissioner in the UK (A10 Warsaw, Poland, March 2009). It was a trade-off which his agency had benefited from.

Funding provided by employer international recruitment campaigns enabled agencies to expand overseas to recruit temporary workers. In effect employers, through providing funding, enabled agencies to enter new markets for labour supply. Interviews with non-agency respondents, coupled with a review of the empirical literature, indicated that during the period covered by this research many UK-based employers had actively recruited internationally with the assistance of agencies. The Institute of Engineering and
Technology reported in 2007, that 48 percent of employers (out of a sample of 500) had recruited engineers from India, China, and South Africa in the previous twelve months (IET 2007). Moreover, leading high street retail pharmacies such as Lloyds Pharmacy, Boots Alliance, major food production companies such as Cavaghan and Gray (owned by Northern Foods), and several social care employers also went to Poland to recruit staff (cf. Experian 2007; Moreton 2004; Preskett 2004).

With these employer-led recruitment campaigns, the recruitment was, agency respondents reported, for migrant workers who were to be directly employed by employers on temporary contracts. Agencies received a “finders fee” per head or per contract. But agencies also recruited from Australia, Philippines, and Poland, without any specific contracts from client employers in the UK, or any specific recorded vacancies in the UK. This was ‘speculative recruitment’.

Whereas in the examples given above employers could be considered the pioneers of international recruitment, with speculative recruitment, agencies initiated international recruitment. Migrants recruited by agencies in this way were more usually supplied on temporary agency contracts, as supply teachers or on ‘temp to perm’ contracts, for which agencies received a ‘mark-up’ on their supply to client employers (Gonos 1997; Gray 2002). Nevertheless, the demand of employers for temporary migrant workers played an important role in the formation of agencies strategies. The following section discusses how the demand of employers in the UK for temporary migrant workers interacted with agencies’ speculative international recruitment.

*Speculative international recruitment*

A recruitment consultant elaborated on why his agency had begun to recruit engineers directly from Poland in 2005; a strategy, which he described as being ‘obvious’.

> We started to find new enquiries from nowhere. Companies were coming to us with recommendations and other recommended companies etc. etc…. It was so obvious for us. It was just emails upon emails, phone calls upon phone calls, faxes upon faxes from the clients (A08, Bristol, UK, April 2009).
A flood of job orders to the West Country-based aerospace industry to which his agency supplied temporary labour had, according to this interviewee, created a correspondingly high level of demand for CNC operators, welders, and other, more highly skilled engineers. He argued that it led to a local supply problem: “We just could not find enough people locally” (A08, Bristol, UK, April 2009). This was a typical argument posed by agencies. One recruitment consultant, who supplied Australian teachers to schools in London, even couched her response in terms of ‘helping’ schools which had, in the early 2000s, been unable to find teachers locally (A26, London, UK, August 2009).

Agencies argued that they had begun recruiting internationally because of labour market shortages in the UK. One interviewee related how this had led to his Director embarking on research to find new and additional sources of labour.

Due to client demand, my group director took it upon himself to look at a source of supply within Eastern Europe. We looked at a few countries, but Poland was, primarily, for a number of reasons the choice (A14, Warsaw, Poland, March 2009).

Thus, the imagery was of employers knocking on the doors of agencies seeking help in finding workers. In introducing the business of international recruitment, an industry representative emphatically asserted that: “Agencies would always prefer to go to a candidate down the road; this is the easiest for them and for the employer” (TB01, London, UK, January 2009). The reason for this was not he clarified, because of a parochial preference for British workers, but because recruiting locally was cheaper. According to this interviewee, a competitive strategy of international recruitment was never the first choice of UK based agencies, only in certain labour market conditions. One of these may have been the funding provided by employers, discussed above. Another was the inability of employers or of agencies to find sufficient numbers of workers within the UK.

Employers in all six occupations and sectors (food production, pharmacy, engineering, teaching, social care, and bus driving) had experienced difficulties in recruiting and or retaining staff during the 2000s. For instance, a teaching union official confirmed that at what he referred to as ‘the high point of the crisis’ between 2001 and 2003, “there were three or four thousand teachers missing from schools every day” (TU05, London, November 2009). Moreover, employers’ reports as well as wider empirical labour market

By logical extension it was not just employers that struggled to find workers. A temporary staffing industry survey undertaken in 2007 confirmed that agencies reported difficulties in filling vacancies during this period (Key Note 2007). The terminology of the industry was that it was a ‘candidate-short’ market during the 2000s (TB01, London, UK, January 2009). The National Employer Survey (NESS) (2006) makes the distinction between ‘hard to fill vacancies’, which includes employers’ difficulties in finding appropriately skilled candidates as well as difficulties that arise out of poor pay or conditions of employment, or the remote location of the job. ‘Skills shortage’ vacancies were defined as those that resulted from a lack of candidates applying, a lack of those with appropriate skills, or those with required qualifications (NESS 2006).

In unpacking what agencies meant by ‘shortages’, with regard to the recruitment of teachers, pharmacists and bus drivers, agencies referred to the lack of trained applicants, suggesting that these were examples of ‘skills shortages’. Agencies also reported facing difficulties in attracting local workers to vacancies. Thus, a small agency owner located in Somerset explained that for him, the problem was not that there were insufficiently skilled British nationals living locally to his food processing factory, but that they did not want to work there:

\[
\text{[t]he low skill level, the low pay, the messiness of the job, the premium there is to being on the dole – the less likely you are to get people. (A30, Somerset, UK, April 2009).}
\]

Agencies supplying temporary workers within the social care sector echoed this argument: it was difficult to recruit local workers who were willing to work the unsocial hours required for the pay and conditions on offer. This was consistent with research which has found that, for structural reasons, including the benefits system, British nationals have been reluctant to take up (largely agency or temporary) jobs in food processing and in social care because of low pay, poor working conditions and the remoteness of the jobs (cf. Cangiano et al 2009; Scott 2008; Low Pay Commission 2008; Moriarty et al 2008). Agencies echoed the argument made by the business and government leaders and outlined in Chapter 3 that
migrant workers were necessary in the UK because they do the jobs that “natives” do not want (cf. Dench et al 2006; Ramnarayan 2009).

Thus, agencies found it difficult to find both skilled labour for highly skilled placements as well as workers for low skilled placements. Agencies also revealed the geographical unevenness to labour shortages: teaching supply agencies confirmed that shortages of teachers were concentrated in inner London, and the East of England:

It’s London that our business is in really. And the East of England. It varies completely across England from no problem [with recruiting teachers] to never-ending. (A17, June 2010, Coventry, UK)

The literature confirms that there were likely to be differences in the types of skills shortages in urban areas in comparison with rural areas (de Hoyo and Green 2011) with migrant workers playing an especially important role in rural labour markets (Green 2009). According to workforce data as well as empirical studies, shortages of teachers were concentrated in inner London, the South East, and the East of England (McNamara et al 2004), shortages of welders and CNC operators in the aerospace industry, which was concentrated in the South West of England (House of Commons 2009; REC 2008c; SEMTA 2007), while there was even an unofficial ‘black list’ of pharmacies which UK-trained pharmacists boycotted (Shann and Hassell 2004). These factors meant that employers (and agencies) faced skills shortages and difficulties in recruiting in specific geographic areas rather than evenly across the UK as a whole.

In short, agencies were experiencing the same levels of demand for labour that employers were. This was because, in acting as suppliers of temporary agency labour, agencies are in effect - if not according to UK labour law - ‘employers’ (see chapter 3). For agencies, whose core business is the recruitment and supply of temporary labour, this was given added impetus, as discussed in the following section.

Access to sources of labour as a competitive strategy
Companies, in outsourcing recruitment and employment of temporary workers to agencies, generate both functional flexibility in terms of access to specialist skills (cf. Benner 2000), and numerical flexibility in gaining access to a greater number of non-permanent workers (Kalleberg 2000; Purcell et al 2004). In order to compete, agencies must ensure they are in
a position to service orders so an essential component of agencies’ overall business strategy is to note when there is sufficient slack in the local labour supply to satisfy ‘peak’ needs (Peck and Theodore 2001). As Peck and Theodore argue with reference to the low wage labour markets of urban Chicago:

Agencies seek to engineer a situation in which there is a persistent excess local labour supply, such that they are positioned to exploit the maximum degree of quantitative flexibility in the labour market. (Peck and Theodore 2001: 483).

In rural labour markets, which suffered from a lack of local working age populations (CRC 2007a; Experian 2007), agencies did not have the highly localised, or marginalised, labour supply to draw on. Nor were agencies in a position to address the structural skills shortages in the UK labour market, as discussed above. Moreover, the number of agency businesses registered for VAT had almost trebled from 6,500 in 1994 to 16,800 in 2005 (BERR 2008b), suggesting a greater level of competition over access to labour supply. By implication, agencies were competing to draw in more of the workforce in order to supply to client employers. The penetration rate into the UK labour market (the proportion of agency workers compared with their full time standard equivalents) grew in the UK from 2.6% in 1995 to a high point of 4.8% in 2007 (Ciett 2011). An industry respondent gave an indication of high levels of replenishment of temporary staff required in the food production industry, in arguing that it was common for up to 95 percent of staff on any one day to be supplied by temporary staffing agencies (TB02, London, UK, March 2009).

Agency working as a form of employment had penetrated into a whole range of sectors and occupations in the UK labour market, which 20 years earlier it had not existed in (cf. Audit Commission 2011a; Forde and Slater 2008; Hoque and Kirkpatrick 2008).

Chapter 2 reviewed how agency workers tend to be drawn into temporary staffing employment rather than making active choices for this type of employment (cf. Deguili and Kolmeyer 2007; Peck and Theodore 2001; Vosko 2000). Migrant workers had become important components of the localised workforces in each of the occupations to which agencies supplied to (cf. Hassell 2009; McNamara et al 2004; Moriarty et al 2010; Scott 2008). Migrant workers were already likely to be resolving recruitment and restructuring crises for employers (cf. de Hoyo and Green 2011; Rogaly 2008; Zaronaitė and Tirzite 2006).
Similarly, ethnic minorities and migrant workers have increasingly become important components of the temporary agency workforce (Jayaweera and Anderson 2006; TUC 2007). According to a Department of Health-commissioned survey of labour suppliers to social care, two thirds of the 1,450 agencies operating over 2,050 sites had supplied overseas workers (defined as coming from outside the UK in the previous three or four years) (Purple 2009: 6). In particular, Eastern European nationals had been noted to be likely to be employed through an agency, with one in seven agency workers in 2007 having arrived in the UK after 2004 (Forde and Slater 2008; see also Chappell et al 2009). Or to put it a different way the agency workforce swelled by 9% between 2004 and 2007, which equated to a 7% increase in revenues for agencies (Arrowsmith 2009). This was confirmed by an industry report which in 2008 emphasised the importance of the migrant workforce to temporary staffing in the UK:

> The recruitment of migrant workers has become important for certain sectors of the market. There is a view that many migrants are taking the low-paid jobs; especially in catering, and horticulture and agriculture. However, a good proportion of migrant workers are recruited into the financial, engineering and construction sectors. (Key Note 2008: 5).

As noted above, a number of writers emphasise how the TSI lobbied for favourable regulation as an active market marking strategy (Gonos 1997; 1998; Peck and Theodore 2002; Peck et al 2005). On behalf of its member agencies, the REC consistently lobbied throughout the 2000s for more open immigration policies on the grounds that migrant workers were required in order to meet labour shortages. The REC linked their activities to the demand of employers in the UK. This quote from a 2007 briefing was typical: “If we are to really meet the current skills shortages it is vital that the UK continues to accept migrant workers” (REC 2007b: 1). The stance taken by the REC thus echoed that put forward by the CBI and senior business leaders as well as that of the government, which were discussed in Chapter 3 (CBI 2008; Home Office 2002; Home Office 2005; House of Lords 2008; Roche 2000).

Moreover, at the EU scale, Eurociett has similarly lobbied for more favourable regulation to enable agencies to better facilitate labour migration within the EU as well as that of non-EU migrants into Member States (Eurociett 2008a; 2008b; 2008c). Thus, a 2008 position
paper clearly linked the activities of agencies to the skills and labour gaps in Member State labour markets:

In an increasing number of cases, employers face problems in filling existing, temporary vacancies on the domestic labour market (both for highly specialised services and for temporary work), which could be effectively addressed by allowing for temporary work migration. (Eurociett 2008b: 1)

The same position paper also lobbied for migrant workers to enter EU labour markets on a temporary basis through agencies and to remove restrictions on agencies acting as employers. Eurociett argued:

Work migration policies need to establish a level-playing field for temporary work agencies in which agency work companies have the same rights in attracting and hiring migrant workers. Being comprehensively and well-regulated labour market intermediaries, there are no justified reasons for treating temporary work agencies differently compared to other employers. Removing existing forms of discrimination will contribute to well-regulated work migration (Eurociett 2008b: 2).

The ‘discrimination’ to which Eurociett refers concerns legislation in the UK, and other EU Member States, where agencies are not able to sponsor non-EU nationals into the EU as ‘employers’. Eurociett has lobbied for recognition of agencies as ‘employers’ for the purpose of immigration into the EU under the Blue Card (Eurociett 2008a). Restricted under the proposed rules (Council Directive 2009/50/EC of 25 May 2009), Eurociett lobbied for agencies to be recognised: “it needs to be clarified that employers offering temporary contracts to migrant workers willing to enter the EU should not be discriminated against and that workers willing to work through private employment agencies in the EU should be allowed to take advantage of the “Blue Card” (Eurociett 2008a: 3).

The continued importance of immigration to agencies, despite the recession, can be seen in REC’s lobbying against the ‘immigration cap’ (UKBA 2011) imposed by the Conservative government in 2010 (2010a; 2011a; 2011b). As the Head of Policy argued: “The proposed cap could rupture the umbilical cord to the global talent pool” (REC 2010b). An industry market report highlighted the immigration cap as one of the current leading issues facing the industry (Key Note 2011). Agencies in the sample also referred to the specific value of Polish labour power, as discussed below.
Value of migrant agency labour

How the value of Polish migrant labour mattered was fully captured in a response from a Bristol-based interviewee:

In 2006 if I was doing [recruiting] a British welder, if I would ask him to work for £7.50 an hour he would laugh at me. The going rate for a welder was £10 an hour. That was minimum (A08, Bristol, UK, April 2009).

Polish engineers, he continued, were grateful to find a position in the UK; £7.50 an hour was acceptable to them in a way which it was not to British engineers. The price of migrant labour, that is the wages which agencies paid migrants, was a common theme throughout the interviews with agencies that recruited from Poland. In an echo of the arguments made in chapter 2, the owner of a Polish agency argued that Polish workers did not mind taking low status and low paid jobs due to a different frame of reference (Waldinger and Lichter 2003).

They knew that they were going to come back one day to Poland. Because generally the plan after the studies in Poland is to make some money, buy the apartment and then start your professional life. So a lot of people when they finish their studies, they just move for one or two years to get international experience (A02, Krakow, Poland, February 2009).

This meant, he continued, that often they were willing to work for less pay and in jobs that did not have career prospects. Employers in the UK have argued that migrant labour is a solution to the cost pressures which employers, often in restructuring industries and sectors, were experiencing (cf. Anderson et al 2005). Thus, an industry representative argued with reference to the food production sector:

One of the issues with the food sector is that margins are driven so tight by the fact that people all want to buy cheap food that there is a constant attention to driving costs down to the supply chain. (TB02, London, UK, March 2009).

The UK labour market is embedded within global markets and this has intensified economic pressure on firms to improve their competitiveness, instigating the cutting of labour cost in order to ensure growth (Evans et al 2007). Much as the UK government linked immigration on a national scale to continued economic growth (cf. Home Office 2005; House of Lords 2008), at the scale of the firm, employers linked migrant labour to their profitability. Employers in food production and residential care were operating in highly competitive markets in which employers faced continual pressure to reduce costs or
increase productivity in order to stay in business (Anderson and Rogaly 2005). In horticulture, migrant labour has been employed to intensify production as migrants work harder and for longer hours (Green et al 2007; Dench et al. 2006; Rogaly 2008; Geddes 2008; Guthman 2004; Markova and McKay 2008; Scott 2008). An Association of Labour Providers briefing demonstrated an awareness within the industry of the function which migrant labour - and thus agencies - played in the horticulture and agricultural sectors: “If there were no migrant workers in farming and food industries, then British farmers and food producers would need to pay more to obtain the necessary labour, quite possibly substantially more”. The ALP briefing continued however: “This would have a significant upward effect on the costs of these organisations” (Association of Labour Providers 2005: 5).

Similarly, in social care, the value of labour power had been driven downwards by a process of competition engendered by commissioning bodies and competitive tendering processes, where labour, as the major fixed cost, had become a constituent part of the competition ground. The fact that care providers in the UK had become increasingly financed by off-shore private equity firms, concerned to maintain their bottom line, pushed the costs down even further (Bawden and Benjamin 2011; Glasby 2005; Simonazzi 2009). Migrant labour has been employed in social care in order to bring down labour costs to maintain or increase profitability of providers (Canginano et al 2009). Similarly, as well as experiencing skills’ shortages, the engineering sector was attempting to push back on an upwards pressure on salaries (REC 2008c; SEMTA 2007). Agencies, in recruiting migrant labour internationally, provided an alternative to employers within these sectors of the necessity of raising wages or working conditions through which to attract more workers. Agencies made it possible for client employers to hire the sought after migrant labour which was a way of increasing flexibility, increasing productivity and reducing the costs of labour (cf. Preibisch 2010; Purcell et al 2004), and not just for the migrants themselves, but in the wider UK labour market through reducing inflation ( Blanchflower 2007; Glover et al 2001: viii).

Agencies in this sample were also operating in particularly competitive markets during this period, suggesting that these competitive pressures, similar to those on employers, also had
a downwards pull on wages, and thus their desire to seek out ‘cheaper’ workers. Thus agencies reported that margins for the supply of temporary agency workers to social care assistant jobs and to food processing factories were as low as 5 percent (in comparison margins were reported by agencies to be up to 20 percent in the more highly skilled sectors) (cf. Hussein et al 2010). An agency chief executive related the resulting impact that the cost pressures had had on her agency:

> It’s becoming increasingly not worth us operating in this sector [social care]. The top margins are made by the master vendors; those of us who haven’t got those contracts are left struggling. It’s not good. (A16, London, November 2009)

For agencies active in the supply of labour to temporary jobs in social care and to food production, the costs of labour had spiralled downwards as a result of the concentric circles of competition over the price of that labour. Thus, as the supermarkets put pressure on the food producers, the producers put pressure on the agencies supplying them (cf. Rogaly 2008). There was even a further spiral within the social care sector, which had seen the development of a two-tier temporary staffing market, to which the agency Chief Executive referred. ‘Master’ and ‘neutral vendor’ agencies competed for labour supply contracts with social care employers. Successful bidders became responsible for all temporary labour supply. Top layer agencies then sought contracts on an ongoing or ad hoc basis with smaller, less successful agencies to supply them; these were supplied by a mass of competing smaller agencies bidding to supply the ‘masters’ (Hussein et al 2010). Agencies which operate in low-wage sectors of the labour market tend to compete on price of that labour (Peck and Theodore 2001). The price at which labour was available therefore mattered a great deal to agencies.

Moreover, much of what agencies (and contextual interviewees) reported as occurring in the food production and social care sectors of the labour market has been argued elsewhere – margins on temporary labour supply are driven down by competition between agencies as they engage in aggressive practices in order to gain contracts, resulting in razor-thin margins (Krissman 2000). Arguably, migrant labour performed the function of a growth strategy for agencies competing in UK temporary staffing markets. In sourcing migrant labour, agencies were able to provide what employers wanted. Nonetheless, while migrant workers had been structurally important to temporary staffing markets in the UK (cf.
Markova and McKay 2008), agencies in the sample did not consistently recruit migrant workers from their home countries. As discussed in chapter 4, by late 2008 the recruitment of Polish workers by UK-based agencies had drawn virtually to a halt. In addition, those that recruited from Australia or from the Philippines had turned inwards to sourcing labour from within the UK, even if some international recruitment remained. The following section discusses how agencies responded to a reduction in the demand of employers for labour in general, but specifically for migrant labour recruited in their home country.

When demand ended

“At crisis time, employers don’t need any more low-skilled people; there’s a shortage of high skilled people.” So argued an interviewee who had spent several years from the early 2000s recruiting workers from Poland (A07, Lancashire, UK, August 2009). During the latter course of the 2000s, agencies in this sample reported that their competitive strategies were affected by a reduction in the demand of employers in the UK for migrant workers. Agencies attributed the reduction in demand to three factors: the ending of employer-led recruitment campaigns, the onset of recession in the UK, and the political fall-out from trade union action at the Lindsey and Stalythorpe oil refineries (cf. Acas 2009; Unite 2009).

The section above discussed the important contribution of employer-led recruitment campaigns in pioneering the way for agencies to Australia, the Philippines and Poland. Agencies reported that the recruitment adventures of the UK bus companies in Poland had ended by 2007. As one interviewee put it: “And then it downsized. Now’s it all being done by [Polish] agencies. There’s no massive structure any more.” (A10, Warsaw, March 2009). He clarified that from this point, there was no organised structure in place in which the UK agencies recruited bus drivers in Poland; instead, only a few ad hoc incidences whereby the Polish agencies sent drivers to the UK. Bus companies, he argued, had fulfilled their necessary quota of drivers – at least for the time being.

A similar story emerged from agencies in the sample that recruited from Australia with one interviewee reporting that:

We don’t have the same level of demand for teachers in the UK that there was in the late 1990s. The agencies just sprang up everywhere wanting to recruit from Jamaica, from South Africa, from lots of countries. LEAs were going out en masse
recruiting. But not so much now. The market has completely changed. (A17, Coventry, June, 2010)

This ending of the high level of demand could be attributed to a series of policy measures aimed at improving workforce development, a rising number of teachers completing training, and a 2% fall in school rolls, which had resolved some of the teaching shortages as the ratio of teachers to pupils increased by 9% (Audit Commission 2011a: 3). Similarly, agencies had found another (and cheaper) means by which they were able to resolve the issue of empty classrooms: the use of cover supervisors who now make up a quarter of the workforce in primary schools (Audit Commission 2011b). With a market worth £2.2 billion compared with supply teachers of £875 million (Audit Commission 2011a: 4), agencies have been able to resolve classroom shortages through the supply of non-qualified staff. The agencies in this sample did still recruit Australian teachers direct from Australia, but the scale of the recruitment campaigns which had been seen earlier in the decade were over.

The second factor was that after a continuous period of economic growth during the 2000s, during late 2008 and through 2009, the UK headed into recession, with a resulting 2.4 million recorded as unemployed in the UK (HM Treasury 2009). Correspondingly UK-based agencies which recruited from Poland, reported that there was less demand in the UK for Poles to be recruited from their home country. One agency respondent attributed this factor to a greater number of unemployed people ‘available’ as a source of labour in the UK from which his agency could recruit:

In the last 9 to 12 months, there’s been a massive shift because of the UK crisis. Naturally there have been a lot of UK people in the market looking for work so there hasn’t been a need for us to supply anyone from Poland, or from any other EU state to work in the UK. (A08, Bristol, UK, April 2009)

The recession in the UK saw GDP growth plunge to -2.5% (ONS 2010). Figure 22 shows the dramatic dip in economic growth, beginning in 2007 with the freezing of inter-bank credit markets and the beginning of the credit crunch (Osborne 2010). After an initial impact on private sector jobs, the rises in public sector borrowing and the introduction of austerity measures, there were further aftershocks through the public sector, through recruitment freezes and compulsory redundancies (Timmins and Barker 2009). One report
commissioned by a government agency argued that the recession was characterised by weak labour demand, with the number of people chasing jobs being greatly in excess of the number of job openings: “From being a seller’s market during much of the 2000s, the labour market is now a buyer’s one” (Hogarth et al 2009: vii).

Figure 22: The UK’s economic performance over the past ten years

The UK’s economic performance over the past ten years

Source: ONS. UK output, income and expenditure statistical bulletin, 4th quarter 2010. GDP is the chained volume measure.

Source: HM Treasury (2011: 1)

It was not just the British workers which were available; also the Polish workers. Moreover, agencies argued that by 2008/ 2009 Polish nationals who wished to work in the UK were more likely to know a friend, a friend of a friend, or a family member, who had been to the UK, and who could assist or advise on a similar journey (White and Ryan 2008). This was consistent with theories that as social networks become established, the ‘recruiters’ are no longer as necessary (cf. Jones and Pardthaisong 1998), thus the fixed costs of establishing a recruitment route tend to reduce over time (Wheaton et al 2010; also Casanova and McDaniel 2005).

The TSI within national labour markets is affected by the regulation of social welfare, through which governments regulate the supply of labour into the national labour markets, and which thus provides a (marginalised) source of labour for agencies (Coe et al 2008b; see also Peck 2001). As hinted at in the quote, the high level of unemployment (which peaked at 2.5 million) (HM Treasury 2009) meant that agencies, which were looking for
labour for the hard to fill vacancies rather than the skills shortages, as distinguished above, could find sufficient workers at home.

More directly, there was a reduction in demand not just for migrant workers, but a reduction in demand for agency workers and the agencies which profited from their supply. An early and dramatic indication of the fate of agency workers as flexible buffers came in February 2009 when over a two week period 850 agency workers were summarily dismissed by the struggling BMW plant at Cowley (Unite 2009). There was not the same level of client demand for externally sourced migrant labour, nor for agency labour, that there had been prior to the recession (Green 2011; Rogers et al 2009). It has been argued by Theodore and Peck (2002: 471) that the TSI acts as a ‘shock absorber’ in recessions on a macro-scale.

The recession had an equally dramatic impact on the fortunes of the temporary staffing industry. Revenues from the sales of temporary workers dropped 23% from a high of £23.2bn in 2007 over the following three years to £17.8bn by March 2010 (Key Note 2008; Key Note 2010). Accordingly, almost 80% of agencies in the UK made staff redundancies during 2009, and almost 20% of businesses went into administration (Recruiter 2009). Figure 23 shows the drop in TSI revenues in the UK after 2008.

Figure 23: Falling TSI revenues in the UK

![Graph: Falling TSI revenues in the UK](source: Graph compiled from figures contained in CIETT Economic Report (2011: 15))
Yet, agencies reported that this was not a singular picture, but one which was uneven. Table 7 shows the relative changing fortunes of each of the different sectors of the UK temporary staffing market after the onset of recession. The volume of temporary placements in nursing, social care, medical, and in other industrial and blue collar sectors rose between 2006/7 and 2008/9, thus indicating that the TSI nevertheless remained important through the recession (cf. Peck and Theodore 2007).

Table 7: Recessionary changes in the temporary staffing market in the UK

<table>
<thead>
<tr>
<th>TEMPORARY PLACEMENTS</th>
<th>2006/7%</th>
<th>2007/8 %</th>
<th>2008/9 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drivers</td>
<td>22</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Nurses, Social Care, Medical</td>
<td>7</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Education / Teaching</td>
<td>3</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Other industrial, Blue collar</td>
<td>7</td>
<td>19</td>
<td>33</td>
</tr>
<tr>
<td>Technical / engineering</td>
<td>11</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Secretarial / clerical</td>
<td>18</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Professional / Managerial</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Construction</td>
<td>7</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Hotels / Catering</td>
<td>5</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Computing / IT</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Accounting / Financial</td>
<td>3</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>7</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Figures compiled from REC (2008b: 12)

Agencies in the sample which recruited from Poland were the most likely to report that the recession and changing labour market conditions in the UK had directly impacted on their competitive strategy. Agencies which recruited from the Philippines and from Australia, were less likely to relate any change in strategy to the recession. This could be attributed to the continuing demand for teachers and for workers in the social care sector (Key Note 2011). Nor did agencies expect – as many academics also did – that the recession would see the end to the employment of migrant workers in the UK (Green 2011; Rogers et al 2009; Papademitriou et al 2008). One agency owner even used the recession as an opportunity to advise his clients to transfer existing workers onto temporary contracts as a means of riding out the recession:

"I’m an economist by training and I saw there was a recession coming. And so I think the best thing I did was warn all existing clients in 2008 to not take on any more people, to flex your workforce to get the maximum out of it. Because people"
will appreciate the extra hours, and then if you have to cut back, if you’re right about the recession, then it won’t be so painful. Because the first thing you’ll do is cut the hours but you won’t have to put people out. And there will be a natural turnover of people anyway, so you can probably manage a little bit of shrinkage without too much pain all the way round (A30, Somerset, April 2009).

The strategy of this business owner was to position himself as an advisor to local businesses: an ‘expert’ in labour market conditions. This corresponds to the forecasts of the industry, as well as scholars, that whilst temporary staffing is hit hard by recessions, it is also well positioned to take early advantage of conditions in coming out of recessions (cf. REC 2009a; Peck and Theodore 2007). Agencies are also beneficiaries of economic instability, able to establish an ongoing role within a restructuring economy (Peck and Theodore 2002). The TSI is sensitive to the business cycle, rising and falling with demand (Kalleberg 2000: 346).

The third factor, which two of the agencies reported as having impacted on their recruitment from Poland in 2009, was the industrial action at Lindsey and Stalythorpe oil refineries, followed by the political furore as Prime Minister Gordon Brown gave a speech calling for ‘British Jobs for British Workers’ (Acas 2009; Unite 2009; GMB 2009). Although the result of the import of Polish and Italian posted workers by labour subcontractors (IrEm, and Alstom) rather than temporary staffing agencies, the fact that these companies were alleged to be importing workers specifically to avoid collective bargaining agreements made by trade unions in the engineering sectors ended employer demand for overseas recruited Polish workers. One interviewee presented the differences between market conditions in early 2008 compared with those in 2009.

So therefore, that’s created a lot of political sensitivities about it, and our clients on UK power stations have said, because of our situation in the UK at the moment, we can’t use a temporary recruitment supplier, or we can’t use a labour provider, or a business resource to supply people outside of the UK. We must go to UK labour people first. (A08, Bristol, UK, April 2009).

To summarise, over the course of the second part of the 2000s, client demand for Polish migrant workers diminished due to labour market factors in the UK. These factors led affected agencies to largely end direct recruitment from Poland during 2009, although there was an expectation among agencies in the sample that they may recruit from there again should conditions warrant this. The literature reviewed in Chapter 2 emphasised the
importance of the multi-institutional nature of the labour market (cf. Coe et al. 2011b; Hess 2004). National governments play an important role in setting the frameworks of immigration, which numerically govern the supply of labour into a national territory (cf. Harvey 2007), as well as the conditions under which it enters employment in the national labour market (cf. Morris 2006). The political and regulatory review in chapter 3 emphasised the three very different regulatory regimes governing the activities of agencies in recruiting temporary workers from Australia, the Philippines and Poland. The thesis turns next to discuss how the regulation of immigration in the UK contributed to agencies’ competitive strategies.

The role of immigration regulation in competitive strategies

The agency respondent quoted above whose group director had embarked upon research in the EU8 countries to locate a new source of labour supply also emphasised the importance of the date when this had occurred. He had set out on his travels in the latter part of 2004. The 1 May 2004 was a critical date not just for nationals of the EU8 countries, nor the employers in the UK that made use of this newly arrived source of labour (Ruhs 2006); it was also a critical date for agencies in this sample. Not all agencies in the sample had reacted in the same measured way as this group director however. For example, one interviewee who had embarked upon the recruitment of temporary workers from Poland in 2005 explained how he had ‘stumbled’ upon Poles as a source of labour supply:

We stumbled on the Eastern European route. We had tried everything else. Nothing has worked and we might as well give this a go as well. So, in the summer of 2005, we had a need for about eighty migrant workers, and thirty-two of them turned out to be Polish. Pure fluke. No design behind it at all. At the time we didn’t even know the make-up of the European Union or anything like that (A30, Somerset, April 2009).

Prior to 1 May 2004, Polish nationals had been able to enter the UK on three-month tourist visas, through the SAWs (Seasonal Agricultural Work Scheme) and SBS (Sector Based Scheme) and as self-employed workers. The regulatory adjustment brought by 1 May 2004 was that Polish nationals were able to enter the UK labour market for the first time for the purpose of taking up employment direct with an employer without applying for a work permit (Ruhs 2006). It also enabled agencies to employ Polish nationals as temporary agency workers for the first time.
As discussed in chapter 3, when it comes to immigration regulations, agencies have not historically been allowed to act as ‘employers’ for the purpose of seeking work permits. The accession of the EU8 countries to the EU thus gave UK-based agencies access to a new, geographically close and substantial temporary agency workforce. One recruitment consultant attributed the decision of the British government not to impose transitional measures to the roaring profitable success of his agency: “after about 6 or 9 months [after the accession], we were supplying all over the UK” (A08, Bristol, UK, April 2009). Thus, the 2004 change in immigration regulation governing entry of Polish nationals to the UK labour market clearly contributed to the competitive strategies of agencies in the UK.

This change also enabled agencies to recruit Polish workers on ‘temp to perm’ contracts, which featured significantly in the interviews with agency respondents that recruited engineers and pharmacists from Poland. According to an interviewee who hired engineers from Poland:

> Obviously from the client’s point of view, temp to perm was the best option because during the process of hire, they can just find the candidates who have the right skills, if his attitude is you know, okay for them, experience etc. So they were certain. So they can assure themselves that they have got the right one. (A08, Bristol, UK, April 2009)

Specifically this respondent referred to the ‘attitude’ of the worker, rather than the competency. This probation period was therefore used as an additional assessment period in which the ‘soft skills’ and ‘competencies’ that are not easily tested by professional qualifications could be judged (Autor 2001; Hall 2006; Houseman et al 2001; Mitlacher 2007; Segal and Sullivan 1997). Theodore and Peck refer to this as a form of ‘regulatory flexibility’ through which employers are able to push the boundaries of the core workforce outwards (Theodore and Peck 2002: 476). This linked back to the finding that agencies mitigated the risk of hiring internationally for employers. Agencies offered this ‘temp to perm’ employment as a ‘flexibility package’ to employers as an additional reassurance in hiring migrant workers (cf. Autor 2001).
The regulatory preclusion of agencies from acting as employers for the purpose of sponsoring Work Permits (Tier 2 Visas) was also referred to by agencies that recruited from Australia. As discussed in chapter 4, during 2002 agencies were given dispensation by the then Secretary of State for Education, Estelle Morris, to sponsor overseas trained teachers into the UK for the purpose of applying for Work Permits, specifically in order to facilitate agency-led recruitment in the belief it would help resolve the teaching crisis in the UK (McNamara et al 2004). One of the agencies which participated in this research, referred to this as greatly facilitating their recruitment from Australia (A26, London, UK, August 2009). Agencies also referred to other immigration mechanisms, which facilitated recruitment from Australia, in particular the ancestry visa as well as the Commonwealth Youth Mobility (Working Holidaymaker) Scheme (see Chapter 3 for an explanation of these).

Thus, the following interviewee advised his recruits, if they were under the age of 30, to apply for the Working Holidaymaker (Youth Mobility) Visa rather than applying for a work permit, arguing that it gave more flexibility in entering the UK labour market – a ‘try before you buy’ type situation, as he phrased it:

Everyone differs. Some want the security. We tend to advise people to do that [apply for the Youth Mobility Visa]. We encourage people to come across and do supply and then they can start choosing. Try before you buy (A35, Melbourne, August 2010)

Chapter 3 discussed the importance of the Working Holidaymaker (Youth Mobility) Visa to the UK labour market (Somerville 2004; 2007). Moreover, Figure 24 below highlights the importance of Australian nationals to the teaching workforce.

**Figure 24: National origins of overseas trained teachers**

Source: Figures from registration data sent to author via General Teaching Council personal correspondence 2009
REC protested over the removal of the Working Holidaymaker (Youth Mobility Visa) Schemes from South African nationals in 2008 on the grounds that it would harm the social care workforce in the UK (REC 2008e, paras 9 - 10). This was because of the prior importance which South African nationals sourced through the Working Holidaymaker Scheme had provided to agencies. REC made explicit the link between immigration regulations and agencies’ international competitive strategies.

Recruitment agencies already have ‘recruitment routes’; set up with particular countries. Agencies would appreciate the maximum amount of notice to changes to country based visa regimes, such as the Youth Mobility Scheme, so that they have time to restructure their recruitment practices (REC 2008e, para 12).

Not all agencies that participated in this research and which recruited from Australia focused their businesses on the recruitment of supply teachers. Others focused on the recruitment of teachers who were to be supplied directly to schools; accordingly, these agencies applied for Work Permits (Tier 2 visas) for their recruits. When, as discussed in Chapter 4, the UK Border Agency introduced requirements for sponsoring employers to be registered with them, in one action agencies reported being precluded from the process. Even though regulation prevented agencies from formally acting as ‘employers’, three of the agencies which recruited from Australia, and which referred to this regulatory change, reported that prior to 2009 agencies had prepared all the paperwork for schools, leaving Headteachers simply to sign at the end. After 2009 however, this was no longer possible after this time. One agency reported the impact thus:

The visa restrictions crippled us. In late 2008, they brought in the new regulations: the work permit scenario was really… it became a really big deal to get a work permit. Schools were nervous. They had to register. Schools were calling and calling us. In the past the selling point to a school was that we would have done it all for them. They would then sign it. Schools would then go on summer holiday confident that when they got back we would have teachers for them. Work permit then became difficult. £1000 of documents was needed. Schools lost the faith! We weren’t allowed to speak to anyone from Work Permits or do any permit. The schools had to show that they had done it themselves. And it was time-consuming and a pain” (A27, London, August 2009)

The competitive response of this agency was to close the office in January 2009, with, as the interviewee explained, 80 cleared teachers on their books, but none of whom he was able to find a job, because of his inability to apply for a Work Permit. Rather than close the
business entirely, the agency retreated to the UK, and began supplying Australian and British teachers to schools in Canada – a geographical shift in competitive strategy. This indicated both the active agency of agencies in ‘making markets’ (Peck et al 2005) as well as their sensitivity and embeddedness in local conditions (cf. Coe et al 2011b).

In comparison shifting immigration regulations governing the entry of social care assistants and nurses into the UK impacted just as severely on the competitive strategies of agencies that recruited from the Philippines. Prior to the introduction of the PBS (Points Based System) in 2008, senior care workers had been eligible for work permits: between 2001 and 2006 over 22,000 such work permits were issued (Home Office 2008). However, in late 2007 the Home Office restricted the numbers issued through raising the barrier required for entry: only applicants who held the equivalent of NVQ Level 3 and who were being sponsored by employers for jobs paid at the rate of at least £7.02 an hour were to be granted permits (Cangiano et al 2009). Yet, employers in the social care sector, which was heavily reliant on migrant labour (cf. Cangiano et al 2009), were also heavily reliant on paying the minimum wage to care workers (cf. Low Pay Commission 2008).

The introduction of the PBS in September 2008 specifically excluded senior care workers from the Tier 2 skilled route and ruled that this could only be considered a shortage occupation if sponsoring employers paid at the level of £8.80 per hour (MAC 2008a). The Migration Advisory Committee (MAC) argued that although it was not realistic to expect wages to rise in the care sector in the short term, given the reliance on public sector funding, in the longer term it would expect wages to rise in public sector occupations: “in the longer run it would not be sensible to supply these important services on the basis of low-paid immigrant labour” (MAC 2008b: 14). Nurses had largely been removed from the occupational shortage list in 2006 (Buchan 2007) and had not been re-instated in the PBS.

REC joined with other organisations (including trade unions and Skills for Care and Development) to lobby about the impact that this would have on the supply of labour to the sector, as well as the impact on existing workers who were subject to immigration controls (cf. REC 2009d; UNISON 2009).

The steady growth of the social care sector is not being met by the current availability of labour from the UK and the EU. Leaving vacancies unfilled is not an
option when it comes to the care sector. It puts additional pressure on existing staff who may be expected to work extra hours which may affect the quality of service. In the short term we need a flexible immigration policy to fill those vacancies. (Peter Cullimore, Chair of Nursing and Social Care sector group, REC 2009d: 1)

As a result of this lobbying MAC reduced the entry criteria to a salary of £7.80 per hour, and required successful applicants to have only Level 2 qualifications rather than Level 3 (Cangiano et al 2009). Agencies in the UK and in the Philippines in this sample that recruited Filipinos for temporary jobs in social care reported two competitive responses to these changes. The first was to stop recruiting from the Philippines. Two of these agencies no longer recruited internationally at all, focusing their attention on attracting local workers, some of whom were migrant workers, and even Filipinos who were already in the UK. The other was to switch to recruiting from Poland, as this quote illustrated:

There was really no point then. Anyway, we had already started recruiting from Poland. So we upped that. (A22, London, UK, August 2010)

As noted above, social care employers had recruited from Poland since 2004; after 2008, the numbers of Polish social care assistants working in the UK had steadily increased (Experian 2007). Other agencies, and several contextual interviewees, reported the switch from a supply of Filipino workers into social care from those with a work permit to those on student visas. The regulatory changes described above were reflected in the reduction in the number of work permit applicants from the Philippines and a corresponding rise in applications for student visas during 2008, as can be seen in Figure 25.

Figure 25: The switch from work permits to student visas

![Graph showing the switch from work permits to student visas](image)

*Source: Compiled from grants of work permits, Tier 1 and Tier 2 PBS, and Student Visas from Home Office (2011)
A subsequent push to reduce ‘bogus’ applications for student visas was revealed through an inquiry into ‘bogus colleges’ (Home Affairs Committee 2009) and was reflected in the sharp reduction in numbers of this in 2009. The owner of an agency in the Philippines explained how this alternative entry process worked:

We have an agreement with [name removed] recruitment agency, which is in England. We send them so many people that they can give jobs to. They go as trainees – training courses – nurses and social care (A05, Manila, Philippines, August 2010).

This practice was referred to by several respondents interviewed for this research (see also Cangiano et al 2009). As a trade unionist argued: “Agencies exploited the other route. The student route into care and social health and then placed them as care workers. So they would get around the issue of pay” (TU05, London, August 2010). The issue of ‘pay’ to which he was referring was the minimum salary requirement referred to above. Figure 26 reproduces a job advert of a training agency in the UK (not included in the sample), which openly advertises students (primarily Filipinos) as work placements to potential employers in the UK.

**Figure 26: Advert for placements for Filipino students**

<table>
<thead>
<tr>
<th>In addition to our extensive UK provision, we also provide NVQ and Btec training to overseas students.</th>
</tr>
</thead>
<tbody>
<tr>
<td>These students require a work placement in order to complete the practical part of their course.</td>
</tr>
<tr>
<td>They will be undertaking a Btec National certificate in Health &amp; Social Care at no cost to you, in a Home Office compliant scheme.</td>
</tr>
<tr>
<td>There is no cost to you for either the work placement or the training, as this is purely to facilitate the students care qualification.</td>
</tr>
<tr>
<td>We will arrange all paperwork necessary including police checks and previous employment references and our agents overseas will arrange the necessary visa for your student.</td>
</tr>
</tbody>
</table>

Source: author’s fieldwork

The advert proceeded to specify that the employer would offer the student a minimum of 15 hours work per week and stipulated that employers could ask students to undertake routine tasks and duties undertaken by care staff, including cleaning and cooking. The ‘no cost’ to employers was possible because the students would pay the agency for their training.
This ‘route’ was highlighted in early 2011 when practices at Glasgow Caledonian University came to light in the media. The University had enrolled a number of mainly Filipino ‘students’ on a full-time online course in nursing but the ‘students’ were, in fact, working full-time in social care establishments, via an agency, across the UK and often in exploitative conditions, including working 100 hours a week (Taylor 2011: 26). In a further attempt to deal with what was perceived to be abuse of the student visa – in other words people entering the UK for the primary purpose of employment rather than study – the government attempted to close this route with the introduction of a restriction to 10 hours per week. Students were also restricted from bringing dependents into the UK and barred from switching into a Tier 2 employment visa upon the end of studies unless earning more than £20,000 (Home Office Ministerial Note May 2010).

To summarise, agencies formed and reformed their competitive strategies in response to the shifting framework of immigration regulation (cf. Fawcett 1989; Castles 2004; Martin; Spener 2009). At times, as in the case of regulation impacting on the EU8 and the Commonwealth Working Holidaymakers (Youth Mobility) Scheme Visa, this enabled the international recruitment business of agencies, as others have observed with regard to recruitment from Mexico to Canada and between Hong Kong and mainland China, respectively (Findlay and Li 1998; Hennebry 2008). It was also likely that the specific role of agencies in facilitating Philippines’ nationals into the UK with a student visa was evidence of how the increasing complexity of immigration regulations increasingly means that individuals require the services of an agency to negotiate the regulations (cf. Castles 2004; Jones and Pardthaisong 1998; Spener 2009). In essence, the making of one market often leads to the making of other markets.

Whereas economic geographers have previously theorised the market making activities of agencies as taking place within favourable regulation of the temporary staffing industry, the employment relationships and the welfare state (cf. Coe et al 2008b), this thesis has analysed how agencies, when recruiting and supplying migrant labour, additionally operate within and even seek out favourable immigration regulation. Reverberating throughout this thesis has been the theme that agencies were embedded in not one, but at least two national
labour markets – that of the UK as well as that of the origin of the worker (cf. Acacio 2009; Kelly 2010). The following section discusses the role that labour market conditions in the origin countries played in shaping the competitive strategies of agencies, which is the third interlocking theme discussed in this chapter.

Targeting of skilled and surplus labour

A leading global agency promoted its ability to select the appropriate origin countries for employers desiring to find skills abroad through the use of a ‘Country Scanner’. This tool, the agency’s most recent brochure proclaimed: “monitors the relative attractiveness of various exporting nations for a variety of skills based on financial, professional, social and political considerations” (A24, London, UK, September 2009). The availability of particular skills, which agencies were finding it difficult to locate in the UK (as discussed above) played a role in agencies’ competitive strategies. A recruitment consultant who recruited Polish engineers argued that:

There was much more people with these skills in Poland than in England. … In Poland there are many, many schools where you can learn it. Plus there are lots of engineering companies, like here in Rzeszow” (A09, Rzeszow, Poland, April 2009).

Similarly, a teaching agency consultant emphasised the compatibility of teacher training in Australia with that in the UK:

The education systems are fairly compatible and there’s no language barrier. And there’s an over-preponderance of teachers. (A21, Sydney, Australia, August 2010).

Both interviewees made reference to the fact that it was not just that the skills were available, but also that there was a surplus of available skills. For agencies that recruited from Poland, this was related to the labour market conditions there. A senior recruiter from an engineering agency enthused about the opportunities that the unemployment rate in Poland during the mid-2000s offered:

There was a large abundance of people that were quite young, well educated, English was the sort of language that people would speak when they came out of education. The unemployment levels were 18 to 20 percent in some pocket areas, up to 30 percent (A08, Bristol, UK, April 2009).

This respondent presented this both as an opportunity to his agency which benefited from having a surplus supply of labour from which to recruit, but also as offering an opportunity
to the unemployed, educated youngsters who could travel to the UK with his agency. Another related the high unemployment rate in Poland to the following scene, said to be typical:

   After 2004 [in Poland], agencies were so overflowed with CVs, with candidates. People knocking at doors every day with 10s and 100s of ‘do you have a job (A08, Bristol, UK, March 2009).

Agencies also linked this to the value of labour discussed above in section 5.3. What the interviewee above referred to as an “over-preponderance of teachers” related less to general labour market conditions in Australia during this period, but to the widely acknowledged difficulties which graduate teachers had in finding their first job in Australia. One interviewee even argued that Careers Services and course tutors often advised young teaching graduates to travel for a year or two and gain working experience, especially in the UK. Having had experience in what he referred to as the ‘challenging’ classrooms of schools in London was welcomed in recruitment in Australia (TU09, Melbourne, Australia, August 2010). In this context, agencies which recruited from Australia - similar to those that recruited from Poland - were aware of the wider labour market conditions in which teachers operated.

Similarly, agencies that recruited from the Philippines into the UK expressly linked their targeting of the Philippines with the availability of suitable surplus labour. Thus, an agency respondent, based in London argued that the Philippines was attractive for recruiting care assistants, senior care workers, and nurses for social care homes: “There’s so many training schools out there. Not just nurses, social care also.” (A22, London, UK, August 2010). She was referring to the number of institutions in the Philippines that specifically trained Filipinos as nurses and as social carers for export (cf. Masselink and Lee 2010).

For these agencies, as with those that recruited from Australia and from the Philippines, the availability of skills was coupled with the surplus of that availability. Thus, an agency interviewee in the Philippines emphasised the ‘push factors’ (Massey 1999) within the Philippines which led to a demand of Filipinos for employment overseas.

   People here are so desperate to go abroad. Earn some money. There’s nothing for the young people here. So they come to us constantly asking for employment abroad (A05, Manila, Philippines, August 2010).
Similarly, another interviewee in the UK argued:

Agencies which recruit from the Philippines have their pick of workers. They can select the best nurses. Lots of competition. People want to come here. And of course they’ve all been trained in hospitals in the Philippines so they can go and work in the UK, and US and other places (A18, Manchester, October 2009).

Why agencies targeted origin countries from which to recruit was firmly embedded, therefore, in the labour market conditions of origin countries. In examining the competitive strategies of agencies in the UK, which recruited internationally, it was necessary to analyse not just how they were embedded in the regulatory and labour market conditions in the UK: it was also necessary to investigate how agencies’ competitive strategies were embedded within regulatory and labour market conditions in the origin country of worker. Interviews with UK-based agency managers, owners and consultants revealed that while consultants were not necessarily versed in the political and economic history of Poland, they understood how the excess of labour supply in Poland which resulted from the post-socialist transitions to capitalism benefited them (Bradshaw and Stenning 2004; Hardy 2009; Kicinger 2009). Similarly, the competitive strategies of agencies which recruited from the Philippines were rooted in the economic conditions of the country that led to Filipinos emigrating (cf. Bello et al 2005). Strategies were also embedded within the labour export regime which specifically trained nurses for export (Rodriguez 2010).

Agencies clearly linked, but also contrasted the difficulties they had in recruiting in the UK, which were discussed in section 5.3 above, with the surplus labour available in Australia, the Philippines and in Poland. On the surface, all agencies were doing was matching otherwise unevenly matched supply and demand in one national labour market with another, as Eurociett suggests (Eurociett 2008a; 2009). Yet, it is also necessary to look beyond to the broader context of the spatial organisation of the global economy under late capitalism (cf. Harvey 2007). The movement of skilled labour between Australia and the UK was constructed as a bilateral transnational labour market in skilled migrants (Hugo et al 2001; Fullilove and Flutter 2004; Khoo et al 2007). In contrast, countries that faced nursing shortages were encouraged to search for available nurses in the Philippines (Guevarra 2010). The 2002 Memorandum of Understanding, signed between the British
government and the Philippines government, had been signed precisely within that context. As the then Secretary of State for Health, Alan Milburn, explained to the House of Commons:

[W]e have signed a Memorandum of Understanding with the Government of the Philippines, because the unusual situation is that it has a surplus, rather than a shortage, of nurses.” (Alan Milburn, 11 Feb 2003, Col 756 Hansard [Commons debate 96678]).

As discussed in chapter 3, the Philippines State has also played a role in racially constructing Filipino nationals as suitable for export as flexible workers to Northern states (Chin 2003; Rodriguez 2010; Tyner 2000). Figure 27 reproduces a promotional leaflet produced by the POEA.

**Figure 27: The POEA Construction of the “Filipino worker”**

<table>
<thead>
<tr>
<th>Philippines is widely recognizes [sic] as one of the top providers of workers of various professions and skills to labor-short economies all over the world. This is because the Filipino worker, who is known for his competence, adaptability and dedications to his job, has become the preferred choice of many host countries across the globe…. The Filipino nurse is hard working. A warm and caring worker, he/she is deeply committed and dedicated to his or her job.</th>
</tr>
</thead>
</table>

Source: Excerpt from POEA website, [www.poea.gov.ph](http://www.poea.gov.ph)

Similarly, chapter 3 addressed how Poland had been constructed by the British government as a labour market with an appropriate supply of low skilled and cheap workers (Currie 2007). More broadly, agencies’ recruitment from Poland as embedded within the new division of labour within the EU which resulted from uneven economic development (Hardy and Fitzgerald 2008). Whereas at a local scale agencies have been observed specifically targeting low-income neighbourhoods in order to access the one resource they have in short supply, cheap and flexible labour (Peck and Theodore 2001: 472), this research indicated that agencies in the sample targeted national labour markets for the appropriateness of their labour. In recruiting migrant workers into the UK, agencies were also embedded within, and were perpetrators of, flexible divisions of labour in which some countries are constructed as exporters of labour and others as importers (Hochschild 2002; Katz 2001). It was possible to see the migration route between the Philippines and Poland to the UK in terms of these countries providing labour resources – a reserve army of labour - for use in the UK labour market (cf. Ball 2004; Bello et al 2005; Piore 1979).
5.3 Conclusion

Agencies require access to sufficient supplies of labour in order to compete in temporary staffing markets (Gray 2002; Peck and Theodore 1997). From the late 1990s, in England agencies were struggling to source sufficient labour (cf. Key Note 2007) and shortages were evident in both skilled labour positions as well as vacancies that were difficult to fill because of low pay and poor working conditions (cf. Anderson and Ruhs 2010). Migrant labour had already become an important source of labour supply to agencies in the UK (cf. Chappell et al 2009; McKay 2008). Agencies in the UK-based sample shifted their recruitment strategies overseas in response.

The TSI was enabled in this by favourable immigration regulations, the framework for which, the UK government had set based on an analysis that had linked economic growth to immigration (cf. Home Office 2005). Although employers, which also mounted international recruitment campaigns during this period, (cf. Teather 2007) played an important role in pioneering international recruitment, agencies also instigated recruitment. Agencies were also embedded within a global economic system, which constructed certain states as importers of labour and others as exporters (cf. Harvey 2007). In other words, to mobilise migrant workers from their origin countries and into temporary employment in the UK, agencies were required to implement transnational networks. Chapter 6 discusses how agencies recruited and facilitated migrant workers into the UK.
Chapter 6

Mobilising Workers

So we’ve set up a division that is run from London, but has offices and or partners in India, Poland, Germany, Australia, New Zealand, Philippines, Canada, EU as a region because you’re looking at Czech Republic as well. And then the Middle East where we ship out from the Middle East into Australia, and we ship out the Middle East from here; and we ship from Australia to the Middle East, and from here to the Middle East, and we also ship from Poland to the Netherlands, Spain to Sweden. So you see how it all works. (A24, London, UK, September 2009).

As he relayed this new global mobility strategy, the senior resource manager for a leading British agency waved his arms at the maps adorning the office walls, as if to illustrate the vast geographical reach that his agency had achieved, in a tone similar to that which could have been used by the 19th Century owners of merchant ships seeking their global fortunes. Instead, he was referring to the ‘shipping’ of labour power around the globe. This Chapter is about how agencies mobilised workers in their home countries and facilitated them into the UK. The chapter is in three parts. The first explores the geographic modes of recruitment used by agencies in the UK in order to mobilise workers from Australia, Philippines, and Poland. The second part discusses the market making dynamics of agencies in the sending countries and the third discusses how and why agencies provided accommodation and transport services in order to facilitate migrants into the UK. It thus contributes in particular to answering research questions 2 and 4 (chapter 1, section 1.3).

6.1 The competitive construction of networks

A trade unionist interviewed for this study referred to the modes of recruitment which agencies used to mobilise migrant workers from developing countries into the UK as a “labour supply chain” (TU03, London, September 2009). Nevertheless this thesis has adopted the terminology of the ‘network’ in order to describe how agencies facilitated migrant workers into the UK. Yeung suggests that a business network may be defined as “an integrated and co-ordinated set of ongoing economic and non-economic relations embedded within, among and out-side business firms” (Yeung 1994: 476). Networks have also been identified as crucial to understanding patterns of migration, settlement and employment and links between sending and receiving countries (Castles and Miller 2003;
Massey 1999). The use of the term in this thesis reflects the non-linearity, the asymmetries of power, as well as the institutional embeddedness of the relationships between the agencies that facilitated labour migrants into the UK (cf. Coe et al 2004; Hess 2004; Jones and Pardthaisong 1998).

As discussed in chapter 3, this research found that agencies constructed three different types of networks: subcontracting, transnational branch offices, and virtual. These were rarely used mutually exclusively; which network was used at what time, from what place, and in what way, constituted a competitive strategy constructed by agencies. This section discusses each type of network in turn, beginning with the most prevalent network: subcontracting.

Transnational labour subcontracting as a mode of recruitment

The interviewee represented in the quote at the beginning of the Chapter referred to both ‘offices and partners’ (A24, London, UK, September 2009) in how his agency ‘shipped’ migrant workers around the globe. ‘Subcontracting’ is commonly defined as outsourcing aimed at reducing costs in order that the lead firm can focus on the core competencies of the business (cf. Coe et al 2010b; Dicken 2003). This research found that agencies in the UK predominantly managed the facilitation of labour migration into the UK through outsourcing recruitment. Through subcontracting the mobilisation of workers in their origin country to one or more partner agencies agencies were able to extend their organisational geographies (cf. McDowell et al 2009a). This finding resonated with the migration industry literature in which subcontracting from agency to agency spans migration systems between South East Asia and the Middle East (cf. Eelens and Speckman 1990; Jones and Pardthaisong 1990; Spaan 1994).

When agencies in the sample subcontracted to a partner agency, the UK-based agency requested certain numbers of workers from the partner agency – in one respondent’s language – “placed an order” (A30, Somerset, April 2009). Alternatively, the partner agency continuously supplied the lead agency with workers. Agencies in the UK maintained their core, and most profitable, competency (cf. Dicken 2003), the placement of labour with client employers. Agencies, through commissioning partner agencies in origin
countries for a “finders fee”, were able to access a greater number of workers than they could from their offices in the UK. However, subcontracting was not a practice reserved only for recruiting outside the UK: for example, this interviewee described how he utilised the services of a colleague in order to ensure he had enough workers on any given day.

Nobody likes to talk about it, but sometimes there is no other way of managing it. If I get an order for 30 workers for the following week and I only have 20, what am I going to do? Luckily, I have ‘Fred’ down the road who’s in the same business. He helps me out, and I help him out. That’s how it works.” (A07, Lancashire, August 2009)

The nub of subcontracting between agencies was about being able to fulfil ‘job orders’: ensuring that agencies were able to deliver the supply of labour that client employers required. Subcontracted agencies performed the function of ‘back-up’ (Peck and Theodore 2001). Agencies required access to sufficient supplies of labour in order to compete in the UK labour market (cf. Gray 2002; Ofstead 1999; Peck and Theodore 2001). The interviewee quoted above had a local office in Somerset, which he operated out of a house in a small village. From this base he was able to recruit and place hundreds of temporary workers in jobs in food processing and in light industrial jobs. He did not just manage this with the help of “Fred”, he also went to an agency in North East Poland which kept him supplied with Polish temporary workers. He described it thus:

We have our one trusted agency in Poland; it’s not the biggest one, but it’s one we trust. They find the workers for us. We find the employers (A07, Lancashire, August 2009).

This model could be referred to as a ‘simple subcontracting’ network. Yet, the UK-based agencies often relied on more than one agency. According to this model, several agencies in origin countries selected and processed workers for a lead agency in the UK, thus amplifying the number of temporary workers which agencies in the UK were able to place in employment in the UK. Frances et al (2005), observing the model of transnational labour subcontracting in operation from India and South Africa to the UK, labelled this a ‘cascade model’. Moreover, this interviewee from a regulatory body in the UK highlighted the complexity of transnational subcontracting networks thus:

I was talking to a business over there [Poland] and they said they supplied workers to a business in Latvia. It was from Slovakia to Latvia via Poland. Now the workers weren’t being bussed through all those countries. That was where the flow of contracts and money was going (PO02, London, UK, March 2009)
This quote highlights subcontracting as being involved with the virtual movement of paperwork rather than the physical geography of movement. Figure 28 depicts the subcontracted network model.

**Figure 28: Subcontracted networks of agencies**

![Diagram of subcontracting models]

This model of recruitment means that agencies effectively have to pay other agencies, based in origin countries, in order to complete orders for UK employers. Although this obviously involves sharing profits, it is a trade-off that is deemed necessary as it ensures that a reputation is established for being able to deliver workers. This was encapsulated by an agency interviewee located in South West Poland who supplied Polish nationals to temporary jobs in food processing all over the UK:

"It’s very difficult to cover the order with your own people at once…. It’s better to share the margin. Or even give the margin with a fourth person, with somebody else to fill it with their own people. So the client sees, okay you are very effective I am working with you (A01, Opole, April 2009)."

Chapter 5 discussed how agencies made it possible for employers in the UK to recruit internationally, through reducing the cost of international recruitment and mitigating the risk (*cf.* Bronstein 1991; Peck and Theodore 1998). Similarly, subcontracting made it possible for agencies in the UK to recruit internationally (*cf.* McDowell et al 2009a). The need for an extended recruiting arm was because agencies are highly embedded in the local labour markets in which they are located (Theodore and Peck 2002). In contrast to the TNC agencies whose corporate strategies are analysed in Coe et al’s research (Coe et al 2007a); the agencies in this sample were predominantly SME agencies which did not have extensive geographical reach (see Chapter 3; also Key Note 2007: 18). Coe et al argue that
leading agencies need to be close to major employment centres (Coe et al 2007a). The SME agencies in this sample were highly rooted in their locales in the UK.

We just have the one office. When you think of the high street branches like Manpower, you think of A-frame boards outside. We look different. We can do everything from here. (A30, Somerset, April 2009).

In particular, for agencies whose core business was the recruitment and supply of international labour, there was no requirement for the A-frame boards that were used to entice potential temporary workers indoors. The mobilisation of international workers took place in the country of origin. Subcontracting also reduced the institutional barriers for the UK-based agencies of opening an office overseas. Subcontracted partners provided agencies in the UK with not just office space in the origin country through which workers could be mobilised; it also provided them with access to those agencies’ databases of workers, specialist knowledge of the local labour market, local workers, local language skills (in the case of Poland), and specialised knowledge of relevant local labour market regulation. Agencies require localised knowledge in order to mobilise workers (cf. Ofstead 1999; Peck and Theodore 2001). As one respondent argued in relation to why he subcontracted to a partner agency in Poland:

I know the British market fully and completely. I don’t speak Polish; I don’t know where to find the right workers – the ones that are right for us. They do. (A30, Somerset, April 2009).

Hiring a subcontracted partner in the worker’s country of origin was thus akin to having an agency adaptor: the partner enabled the UK-based agency to access the local labour supply. In studying the expansion of leading TNC agencies into Poland, Coe et al confirmed the importance of ‘buying’ of local expertise: language, culture, thinking, legislation (Coe et al 2008a). The UK-based agencies sought partner agencies with ‘casting calls’, or through utilising personal connections, recommendations and relationships. As one Krakow agency owner described:

[I)t was just recommendation. Even today the companies call and say – I heard that you supply staff, we heard that you do it well, so we would like to work with you (A06, Krakow, Poland, April 2009).

Respondents from agencies in Poland and the UK related anecdotes about the close working relationships, friendships, ‘alcohol-fuelled’ evenings in Krakow, and even marriages which had resulted out of the profitable facilitation of migration from Poland to
the UK. As the quote at the top of Chapter 5 reminisced: “it was a whirlwind” (A10, Warsaw, Poland, March 2009). Agencies also found their partner agencies through locating company websites on the Internet. Chapter 5 indicated the importance of company websites to soliciting client employers; in subcontracting networks, the business relationship was agency-to-agency. Thus, the owner of a Krakow-based agency explained the importance of Google to the business of supplying people across national borders. Google had, he smilingly nodded, been critical to how his clients in UK-based agencies had found his company (A02, Krakow, February 2009). Agencies were thus able to minimise the space between the national labour markets from which agencies recruited and those to which they supplied with the help of technology (Coe et al 2010b). Transnational labour subcontracting was made possible through modern ICT networks (Dicken 2003).

Moreover, chapter 5 discussed how agencies operating in the social care and food processing sections of the UK labour market often operated under highly competitive margins of less than 10%. Thus, the SME agencies in this sample did not just have limited geographical reach, they also had limited annual turnovers. Just one in five staffing firms in the UK has a turnover of more than £1 million (cited in Keynote 2007; REC 2009). As discussed in chapter 2, subcontracting of recruitment can be a way of externalising – cutting costs – as well as ensuring access to scarce or specialist skills (Autor 2001; Benner 2003; Bronstein 1991). Similarly, through subcontracting recruitment, lead agencies in the UK were able to reduce the costs of international recruitment, the savings for which they were able to pass client employers.

Yeah. I don’t actually need to go over there [the Philippines]. I just call [X name of agency in Philippines] and email. And paperwork. (A15, London, UK, July 2010).

This was likely to explain why subcontracting as a mode of recruitment predominated between Poland and the UK and between the Philippines and the UK, from where agencies in the UK recruited workers for the temporary jobs that attracted lower wages, and thus where the margins were less. Labour subcontracting in these recruitment routes was about achieving numerical (quantitative) flexibility (cf. Peck and Theodore 2001). Outsourcing of the recruitment of labour was advantageous for agencies in the UK in order to reduce the cost of recruitment and enable greater numerical flexibility; it was also part of wider restructuring trends within the industry. While the leading agencies have been globalising
(Coe et al 2007a), another trend, as yet little-studied, has been the increasing moves of the TSI towards Business Process Outsourcing (BPO), or RPO (Recruitment Process Outsourcing) amongst the global firms, with the Philippines and India featuring strongly as providers (Cottell 2011). In turn, these trends can also be located within the context of a restructuring global economy and extension of labour insecurity (Beaverstock 1996; Tickell and Peck 1995). Risk, precariousness and insecurity within subcontracted agency networks are discussed in the following section.

Risk and precariousness in transnational labour subcontracting

Within the UK, subcontracting to agencies has been identified with precariousness, risk and insecurity in employment relationships in the national labour market (cf. Allen and Henry 1997). The transfer of the costs and risks of the employment relationship is the attraction for employers (Peck et al 2005). Spatially fragmented and outsourced employment relationships specifically increase precariousness of migrant workers, with the increased risk of misinformation and illegal charging of fees (Anderson and Rogaly 2005; Ethical Trading Initiative 2004). A study of forced labour in the UK identified:

This proliferation of sub-contracting creates a grey area, where the formal and informal economies and networks mesh and labour exploitation can emerge and prosper. Long sub-contracting chains can result in serious ambiguities. (Anderson and Rogaly 2005: 32).

In one example, the manager of an agency in Poland in this sample related one of his experiences of supplying a UK-based agency with Polish nationals:

[P]eople were told another wage, another house and so on. They were told, okay you have to be accommodated in one room with 4 persons with these double beds. And so on, and so your wages may not be the same as explained in Poland, but you will make more hours and you will get the same that way. (A01, Opole, April 2009)

Similar problems were related with regard to the recruitment of Filipino migrants. For example, a Filipino community group related anecdotes of fellow nationals who arrived in the UK in the belief that they would be able to take up employment in the UK in the NHS, or social care, and who have instead been left to find their own student placements with care providers.

The trouble is, co-operating with the Philippines can be fraught with danger. The POEA is hot on the regulation over there, but you never quite know what’s going on. We know that people often do get charged by the agencies. Which is illegal
The theme of precariousness and risk also related directly to the commercial relationships between agencies. Thus, the owner of a British agency that sourced food production workers from Poland expressed the difficulties as: “If the British agency doesn’t pay an invoice, what’s the Polish agency going to do? Let’s face it, not much.” (A07, Lancashire, August 2009). In other words, agencies in origin countries were sometimes denied payment by agencies in the UK. This was especially referred to by the Polish agencies. As one interviewee described:

And after some groups we send to them we have sent our invoice. And some were paid. Then they were stopped. And they said, okay we’ll pay you later. They said, we’ll collect two or three invoices and then we’ll pay it because the bank transfer costs were too high. It was before 2004 – the bank transfers were too high. So I said, not a problem. But nothing more come. So this is not co-operation – when only one side is taking fruit. (A01, Opole, Poland, April 2009).

It was also relevant to agencies in the UK, which instigated the outsourcing. The interviewee above who spoke about how he only used one agency in Poland (A07, Lancashire, UK, August 2009) emphasised that this was because he could ‘trust’ the agency owners. The implication being that he could not trust other agencies in Poland. This was an important theme raised by agencies in the UK and one which highlighted the importance of the geographical separation between the two national labour markets. In response to some of the acknowledged problems with subcontracted agencies, this UK agency – which had branded itself an ‘ethical’ recruiter – had opened an office in Poland in order to negate the need for a Polish partner agency.

Being that we are a very ethically based company, we wanted to look at the possibility of setting up our own independent office which was part of the [Company], that we could have control over, that we would employ these people under the [Company] umbrella, that we could make sure that our ISO procedures would be transferable to the office in Poland. And then we knew that all of the people and consultants that we would employ in that office would be trained by us, would know our processes, would know what’s good, and what’s not good. The type of candidates that we want and then we’ve got control of the whole process (A08, Bristol, June 2009).

To briefly summarise, labour subcontracting by UK agencies was a competitive strategy aimed at reducing both costs and risks of international recruitment. It was embedded
within national frameworks of regulation in the UK and in origin countries, which enabled the import and export of labour by agencies, as well as a temporary staffing industry more generally. However, there was one exception: as discussed in chapter 4, opening an office in the Philippines was forbidden according to national regulation unless the owner of 75% of the stock was a national of the Philippines (POEA 2002: para 1.a). Regulation in the Philippines ensured that UK-based agencies had to outsource recruitment to a local partner agency. In contrast, regulation in Australia and in Poland allowed foreign agencies to open office space from which to recruit their nationals. The following section examines why the agencies in this research opted to open transnational branch offices in the origin country of workers rather than outsourcing to a local partner agency.

Transnational branch offices

“As a European recruitment specialist, [we] provide access to an increasingly mobile and flexible workforce. With an office in Poland [we have] an ideal link with Eastern Europe and the availability of skilled workers there” (A09, Rzeszow, April 2009). So proclaimed the website of one of the agencies which participated in this research. The key difference between this mode of recruitment compared with subcontracting was that instead of local partner agencies providing expertise on the local labour supply and availability of skills, agencies opened offices through which to embed themselves in the origin country national labour market and develop that expertise themselves. Interviews with agency respondents that opened branch offices in Australia and Poland revealed three scenarios in which UK-based agencies opened branch offices in origin countries rather than outsourcing recruitment to a local partner agency.

The first scenario given by agencies as to why they opened an office in the source country of workers was because the client employer in the UK had invested the funding necessary for opening such an office. This was associated with the clients’ need to recruit a large number of workers from that origin country. Thus the bus companies referred to in Chapter 5 that embarked on large-scale recruitment of Polish workers during the mid-2000s provided up-front funding to agencies in order to open offices in Poland (A10, Warsaw, Poland, March 2009). This overcame the financial barriers noted above which SME agencies had to opening office space in origin countries. As this interviewee described:
Well we could never have done it ourselves. [Name of bus company] provided all the up-front funding. That’s what made it all possible. (A10, Warsaw, Poland, March 2009).

The second scenario in which a number of UK-based agencies opened offices in Poland was that the agency had a critical secondary motive in opening an office space: that is, the agency intended to expand beyond recruiting Polish nationals into the UK. All three of the UK-based agencies that opened offices in Poland during the fieldwork period had identified business opportunities in the Polish national labour market. Thus, the Polish senior manager of an agency headquartered in Bristol explained his competitive strategy for expanding to a city in the South East of Poland:

So here [in Poland] there are about 400 agencies and the country is quite big as you can see on the map. And even in a city like Rzeszow, you’ve only got like four or five agencies including us. So the competition is not big (A09, Rzeszow, Poland, April 2009).

The agent compared this situation positively with the 200 plus agencies with which he was competing in the city of Bristol. Quite simply, he predicted a greater opportunity for competitiveness and hence profitability in the Polish market than he did in his local area in the UK. This was a strategy that was highly contingent on market conditions in the UK. Whereas this interviewee discussed how his agency had been highly sought after by client employers in the middle years of the 2000s, the onset of recession had resulted in a severe downturn in fortunes. Expanding into the Polish market was a competitive strategy to counteract this. While this interviewee emphasised the locality of their agency’s competitive strategy – from one localised labour market in Bristol, to another in South East Poland - another interviewee emphasised the regional nature of what his agency intended to achieve with the opening of a branch office in Poland. As well as recruiting Polish migrants (including engineers) for the UK labour market, this agency had opened an office in Warsaw for the purpose of having a regional headquarters in order to expand into other national labour markets in the region, as well as to facilitate labour migration between them:

We saw Poland really as a gateway to other countries in Central and Eastern Europe. We have now expanded into other countries (A14, Warsaw, Poland, March 2009).
Indeed, the aforementioned Bristol-based agency – which had previously outsourced its recruitment to a local partner - had opened an office in Poland to facilitate labour migrants into the UK as well as place Polish workers in the domestic labour market and facilitate labour migrants around the region. Opening a Polish office was related to a new expansionary strategy. Another interviewee spoke of the offices that he had opened: “all round Hungary. Czech Republic. Lithuania. Slovakia. All over this part of Europe.” (A20, Warsaw, Poland, March 2009). These agencies were more in alignment in terms of ambition with the agency whose quote started this Chapter. They had identified Poland as a new and emerging market (cf. Ciett 2010; Coe et al 2008a). They also had ambitions to be regional players, operating more than one competitive strategy.

Expansionary ambitions also played a role in relation to the offices opened in Australia by UK-based agencies. It was possible to speak of a Commonwealth recruitment market as agencies used offices in Australia and the UK to also export and import teachers to and from Canada, the United States, and New Zealand. One Sydney-based agent talked of his offices as a ‘launch pad’ for the rest of the Commonwealth region (A35, Melbourne, Australia, August 2010). Facilitating migration of teachers through the Commonwealth, and sometimes beyond, was the backbone of these agencies’ business, as this quote illustrated:

We do Canadian teachers to the Middle East, Americans to Saudi, and Australians all over (A33, Cairns, August 2010).

Drivers of firm internationalisation have been identified as being about achieving economies of scale through increased sales, spreading risk across different national labour markets, tapping localised pools of knowledge, and improving corporate identity through having a ‘global’ presence (Peck et al 2005). Coe et al, moreover, find temporary staffing agencies pulled into new labour markets in the ‘slip-stream’ of their multinational clients (Coe et al 2007a). In contrast, this research has found a new mode of expansion of agencies, such as those moving into Poland. For example, as a result of mobilising workers from Poland into the UK, agencies gained knowledge and expertise in the Polish labour market, learning about potential market opportunities.
In contrast, the third scenario was that the expansion of agencies in this sample to Australia was more likely to be led by the homecoming of Australian migrants who had taught in the UK. The low barriers to entry to the temporary staffing market in Australia (see Chapter 3) had enabled offices to be easily opened either by UK nationals, or, more commonly, by Australians who had returned to Australia from teaching in the UK, as this quote illustrated:

Heaps more agencies still spring up. They tend to be people that have taught in the UK, and have come back and thought that it was a good business to be in. There are lots of mergers though. It’s all very incestuous. (A33, Cairns, Australia, August 2010).

The importance of the involvement of returned migrants in instigating recruitment businesses is well-recognised in the migration industry and social networks literature (cf. Garapich 2008; Goss and Lindquist 1995; Elrick and Lewandowska 2008; Frances et al 2005). The following section discusses this point further in turning to discuss how agencies mobilised workers into the UK from Australia, the Philippines and Poland with no physical, proximate presence in the country of origin of worker.

**Accessing virtual networks**

Interviews with agencies revealed a further method of mobilisation of workers: migrant social networks and their use of online recruitment – so-called ‘virtual networks’. Whereas transnational labour subcontracting and transnational branch offices relied on generating proximity to the supply of labour (cf. Gottfriend and Fasenfest 2001) and were constructed by the agencies, agencies did not construct ‘virtual networks’, they only accessed them.

As discussed in chapter 5, the agencies in this sample maintained company websites which were aimed at attracting recruits as much as attracting clients, whether these were employers or agencies. Agencies also advertised on Internet recruitment sites, known as job portals. Globally, an increasingly significant amount of business has been done through Internet-based recruitment sites, which has in turn driven the internationalisation strategies of the largest agencies (Ward 2001). The US-based Internet-only recruitment site Monster appears in the top 20 transnational firms (cf. Coe et al 2011a) while E-recruitment, online applications and pre-selection testing have all become increasingly more common (Harris 2003). The Internet has been found to be a useful platform for the exchange of information as well as to reduce the transaction costs of job matching, for job searchers as well as
recruiters (Green et al 2011; REC 2010c). As a result, the Internet has been: “transforming labor markets, altering the way people look for jobs, and the way firms recruit workers’ (Kuhn and Skuterud 2000: 123). Integral to most globalisation studies has been the observation that the Internet encapsulates a capacity to shrink time and space if it is not the cause of such shrinkage (cf. Dicken 2003). Research has found that online job searches have become more common (Kuhn and Skuterud 2004). Thus, a respondent from a teaching supply agency in Australia expressed how useful online recruitment was to his agency as a way of mobilising teachers:

Doesn’t matter where we are. Our website is quite well known among teachers: we’re one of the biggest. So if they want to go and teach in the UK, or in Canada, or in New Zealand, generally someone in their circle has heard of us.” (A21, Sydney, Australia, August 2010).

Agencies in the UK used online recruitment as a mode of extending their geographical reach – shrinking time and space - and doing so cheaply. Similarly, with regard to ‘word of mouth’ recruitment, a Polish agent blandly stated: “We spend an enormous amount on advertising and on PR, but this only gives us twenty percent of our employees.” The other 80 percent, he explained, came from the free ‘word of mouth’ recruitment (A03, Opole, Poland, March 2009). Thus, agencies commonly asked existing employees, as well as friends, to pass on information about job opportunities, and to refer potential candidates for jobs. Moreover, agencies that recruited Australian teachers into the UK implemented formal ‘refer a friend’ schemes, with one London-based firm entering referrers into a competition to win an iPad (A26, London, UK, August 2009). Another agency generated personal recommendations through organising monthly ‘get-togethers’ in Antipodean bars in London in order to encourage their employees to refer their Australian friends to the agency (A25, London, UK, August 2010).

Several agencies also looked beyond company websites to social networking sites such as Facebook, Linkedin, and the Polish social network, Nasza Klasa. Using social media was a more technologically advanced way of stimulating ‘word of mouth’ recruitment, and has been recognised by the industry as being increasingly relevant to the business of recruitment (REC 2011c). Recruits and employees signed up to find about job placements. One of the Australian agencies that participated in this research also used its Facebook site to advertise its social events (A25, London, UK, August 2010). Social networking
technology thus provided access to a vast and global database of potential recruits (cf. REC 2010c).

Inveigling their ways onto pre-existing social networks worked as a transnational competitive strategy for agencies in that first and foremost it was cheaper than either opening a branch office in the intended origin country, or paying a “finders fee” to one or more subcontracted agencies in the origin country. Social networks meant that potential new recruits were delivered to the agency’s door at no extra cost, as alluded to in the quote. This mode of recruitment was also flexible. The importance of social networks in generating and sustaining the mobilisation of individuals across national borders has been much discussed within the international migration literature (cf. Boyd 1989; Massey 1999). Agencies thus used ‘word of mouth’ recruitment within the UK in order to attempt to construct workforces composed of Polish nationals who had already arrived in the UK. Information was transmitted, not just about particular job opportunities, but also about specific agencies. As one agency respondent put it: “We recruit Poles who are already in the UK as well. Often they arrive having heard about us” (A04, Somerset, April 2009). Another spoke of the queues of Polish workers which weaved their way around the streets in which local agencies advertised (A08, Bristol, April 2009). The owner of a UK-based agency that recruited Polish nationals into jobs in food production described how this occurred:

My Polish workers generally tell their friends back home about us. So they know if we’ve got jobs coming up. We’ve had quite a few come in that way. They just pick up the phone and give us a call. It’s as easy as that.

(A30, Somerset, UK, April 2009)

This resonated with what Ryan et al (2008) found in relation to Polish workers, who after an early morning flight from Krakow would queue up outside agencies in the UK. Similarly, Cangiano et al (2009) found evidence that this mode of recruitment and job search was frequently used within social care. Australian agencies utilised word of mouth recruitment in similar ways. The London-based owner of one staffing firm that recruited Australian teachers explained that word of mouth recommendations also enabled firms to take advantage if the first job they had found in the UK had not worked out:

We get a lot of people who have come over, and arrive here to find that what they’ve been promised has not materialised. Word of mouth is very important to us
then. We get a second bite of the cherry if you like (A25, London, UK, August 2010).

As the representative of a different agency in Australia explained, the networking could be extended even to holiday destinations:

A large number of people are referred to us by travellers. We had ten people just from one person’s trip to Croatia! With Generation Z, they just want personal endorsements rather than big advertisements. (A26, London, UK, August 2009).

This agency targeted its advertising at the young, fun, backpackers, who were looking for some extra money while travelling through Europe, thus making significant use of Facebook and of social evenings to generate new recruits, as well as to inspire loyalty among existing supply teachers. Social networks were also used by agencies within origin countries in order to recruit them for jobs in the UK. Thus, in response to a question about how would-be migrants found agencies in Manila, this quote illustrated the importance of social networks within the Philippines: “My friend told my friend, told my friend. That’s how it works. Reputation. Word of mouth.” (A05, Manila, Philippines, August 2010).

The third aspect that related to why agencies utilised the social networks of migrants was that it enabled agencies to easily construct workforces of particular nationalities, or of particular types, much as employers have been found to do (Hanson and Pratt 1995; Johnson-Webb 2002; Saucedo 2006). Agencies could therefore overcome the information gaps that existed between employer and worker. Currently employed workers know the capabilities of friends and relatives at home, so that if an employer finds a worker to be reliable, and wants additional similar workers who are capable of doing the job, asking them to recruit friends and relatives is an optimal way of job matching (Martin 2004: 2). Thus, as one recruitment consultant explained with regard to the importance of personal recommendations to finding Filipino labour:

If you place someone, the person had ten or fifteen friends who are all quite often with the same skills, or with the same level of English (A11, Manila, Philippines, August 2010).

It also enabled agencies to specifically find workers of the same nationality. Drawing upon the discussions in chapter 5, in recruiting from a specific origin country, agencies made an active selection of nationality which to recruit and to place in employment. Utilising the social networks of Polish workers for example meant that agencies were more likely to
construct workforces solely of Polish workers. Thus, as the Polish representative of a British agency explained:

I was Polish so it was quite easy for me to access those niches. And Polish shops, Polish newspapers – it was much easier for us to find skilled CNC operators in England. We targeted a niche. Like as I said, to Polish shops, to Polish newspapers, websites, friends etc. etc. We could get really good people that way (A09, Rzeszow, Poland, April 2009).

Or as another agency respondent put it: “Poles in Doncaster pass on jobs to Poles in Leeds” (A08, Bristol, April 2009). Social networks have been said to be more important as a means of finding employment for ethnic minorities and migrants than more traditional routes (Green et al 2011) because of the difficulties which these groups face in accessing mainstream labour markets (cf. Portes and Bach 1985). Ethnic minorities have been found to have suffered disadvantages through gaining access to labour markets through social networks (Elliott and Sims 2001), and may even suffer occupational downgrading (Torenzani 2008, cited in Green et al 2011).

To summarise, the advantages for agencies of recruiting internationally via migrants’ social networks or virtual networks were that agencies could amplify their geographical reach across national borders at low costs. Moreover, agencies could construct workforces of similar ‘types’ thus minimising the time and effort required for job matching and allocation processes. The disadvantage for agencies, however, was that given the ease of accessing migrant social networks it was not a mode of recruitment over which they had competitive purchase: client employers in the UK equally were able to access migrants’ social networks. Thus, one agency respondent related an anecdote of how he had prepared what he referred to as a ‘package’ for a major food processing factory, only to find that his services were no longer required after the same employer filled their labour needs through their own recruiting networks (A07, Lancashire, UK, August 2009).

The other disadvantage reported by agencies that recruited from Poland, in this sample, was the potential danger of a negative experience of one temporary agency worker spreading quickly through the social network. The importance of how agencies branded their international recruitment business was emphasised within the brochure of one participating agency:
Brand is as important for a recruiting organisation as it is for a retailer. A brand is more than just a name and a logo – it is a symbol of all the values and expectations associated with a product, service or hiring organisation and is a critical asset that must be carefully developed and protected. (A24, London, UK, Brochure).

The speed of communications through social networks also meant as these ‘thickened’ between Poland and the UK, agencies became less necessary as a port of entry to the UK labour market. As one respondent argued:

Poles have become more settled since 2003. They create some links, it’s easier now, they know how the system works. They don’t rely on the formal agencies and they try to find work by themselves. (A10, Warsaw, March 2009)

Social networks composed of migrants’ friends and families provide access to information about jobs, as well as to jobs themselves (Boyd 1989). Whereas a third of the Polish migrants arriving in London in 2004 had no social networks, they quickly formed new networks (White and Ryan 2008). Similarly, while the temporary staffing industry has been quick to recognise the business potential of the Internet for recruitment, it also contains disadvantages and risks for the industry (cf. Key Note 2008; REC 2010c). One of the most substantial problems or risks for agencies was that as knowledge and information about job-markets, accommodation, transport, and all the other factors associated with the international migration process flowed through the Internet to would-be migrant workers in origin countries, agencies’ purchase on gatekeeping entry to the UK was potentially much reduced. As Garapich says:

These days, Polish migrants can learn from new titles not only how to get a National Insurance card, find jobs and minimise the risks associated with migration, but also how to claim benefits, use trade union membership, sue a dishonest employer, or lobby local politicians” (Garapich 2008: 743).

To be clear, agencies did not create social networks, they accessed pre-existing social networks. Through accessing social networks of migrants and online recruitment, agencies bypassed the need for physical proximity to the source of labour. The following section discusses how agencies in the origin countries, whether subcontracted partners of lead agencies in the UK or the branch offices of agencies, mobilised workers through different forms of proximity.
Mobilising through proximity to the labour supply

Peck and Theodore (2001: 473) argue that in locating offices proximate to the under-employed labour supply in homeless shelters and welfare offices, agencies in the urban low wage labour markets of Chicago demonstrated a strong sensitivity to the micro-geography of the urban labour market. Thus, as well as needing to construct transnational networks, in order to ensure the mobilisation of workers, agencies needed to construct micro-organisational geographies.

The sections above indicated the importance (notwithstanding the role of social networks) of recruiting offices within the origin country. Through recruiting offices (whether of a subcontracted partner or a subsidiary or outpost of the UK-based agency), agencies managed the mobilisation of workers into temporary jobs in the UK. How agencies managed this in Australia, the Philippines and Poland varied. Thus, recruiting offices of the agencies that recruited from Australia into the UK were clustered in Cairns, Melbourne, Sydney, and Darwin; recruits however originated from small towns and cities all over Australia. These agencies tended to rely more on the teachers searching out the agency. As one recruitment consultant explained: “by the time they come to us, they have already decided to go to the UK’ (A35, Melbourne, Australia, August 2010). Precise proximity to the source of the labour supply thus mattered less. Agencies advertised within Australia on their company websites, in teaching magazines, and in universities.

A similar lack of proximity to the source of the labour supply was evident in the Philippines. Agencies located their offices in the capital city Metro Manila and in the Philippines second city, Cebu. Similarly, agency interviewees argued that by the time that would-be migrants sought them out, there was no need to persuade them: they wanted overseas employment. This was attributed by agencies to a ‘culture of migration’ (Massey et al 1990), whereby agencies did not have to look far to find suitable recruits:

Everyone here knows someone who works abroad. The nurses, they train for this. They don’t want to stay here in the Philippines. No jobs. (NGO13, Manila, Philippines, September 2010)

This micro-geography of the agencies resonated with other empirical research undertaken in Manila, which has found that the vast majority of agencies are located there (Goss and
Lindquist 1995; Rodriguez 2010; Tyner 2000). In Metro Manila, clusters of agency offices in the two districts of Makati and Quezon City were made visible by posters and flyers attached to surrounding lamp-posts, advertising jobs in the Middle East, in Europe, and in Australia. Figure 29 reproduces a job advert from a Philippines agency, advertising nursing positions in the UK.

**Figure 29: Advertising job vacancies in the UK**

<table>
<thead>
<tr>
<th>Recent Vacancy: 250 Nurses for the United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>The applicant has to be a registered nurse with at least 3 years experience. He/she has to be an IELTS pass with no score lower than 6.5. The applicant has to be at least 25 years old and can be either male or female. The interview schedule is set on April 20, 2009. This job opening will run until June 26, 2009.</td>
</tr>
</tbody>
</table>

Source: author’s fieldwork

Would-be OFWs (Overseas Filipino Workers) were required to travel to Manila before leaving for their overseas employment. There was a further reason given by agencies in this sample for clustering in these areas: it provided easy access to the institutions and organisations which assisted in facilitating the export of Philippines nationals (Goss and Lindquist 1995). Makati was the CBD (central business district), while Quezon City was the location of many of the foreign embassies to which the Philippines nationals needed to apply for visas. Agencies were clustered around commercial entities such as travel agencies, photocopying, ID and passports, Internet cafes and financial loan centres (Tyner 2000; Guevarra 2010).

In contrast, interviews with agencies revealed that during the period of high levels of labour migration to the UK, their recruiting offices all over Poland were used to mobilise Polish nationals sought for temporary jobs in food production, in driving, in social care, and in engineering in the UK. One respondent indicated that the need for regional recruiting offices was related to the need for visibility of the agency, but more importantly to the need to cultivate ‘trust’ among potential recruits. As he explained:

> We had a lot of offices round Poland. We had like seven offices round Poland. Because in 2004, the trust – about the work abroad - 2003 to 2004, you had to have our representatives all over Poland. People had to believe us yeah (A02, Krakow, Poland, February 2009).
In other words, ‘seeing was believing’. As noted above, agencies demonstrated a keen awareness that during the early and mid-2000s in Poland, their industry had a “Wild West” reputation (A14, Warsaw, Poland, March 2009). Stories about illegal deduction of fees, lies told about the nature of employment in the UK (and other Western European countries), the non-existence of promised jobs, and poor working and living conditions reverberated through the social networks of Polish migrants who travelled back and forth from the UK to Poland. The former representative of a leading British agency that had recruited bus drivers into the UK proudly recounted his activities during his early years in Poland. He said:

Billboards. We had about sixty billboards in Poland at the time. [We] were a relatively small outfit when we won this project. And [we] became one of the largest players in Poland after we had this project because we flooded so much money into advertising. It was unprecedented the amount of money that we put into it. And I don’t think any agency will be able to put that much money into advertising ever again (A10, Warsaw, Poland, March 2009).

The migration industry literature emphasises how agencies initiate and sustain migration flows through persuading people to migrate (Fawcett 1989; Salt and Stein 1997; Tseng 1997). This advertising contains information selling life in the UK, jobs and the actual agencies involved in the ‘production’ of labour mobility. The billboards were erected on the highways out of the major cities, ensuring maximum visibility. His agency had been enabled in this task by the Polish media, which, he boasted, had given him free advertising by regularly placing his agency’s adverts alongside “double-page spreads” on Polish migration to the UK. If agencies were to be successful in mobilising recruits into temporary jobs in the UK, candidates had to believe that agencies which advertised in Poland were in fact able to supply them into a job in the UK.

Agencies active in all three origin countries of the workers also sought to mobilise workers through targeted advertising campaigns and job fairs thus cultivating a temporary proximity to the source of migrations. Thus, agencies in Australia reported holding ‘information seminars’ located in the teacher training colleges and universities. The Australian representative of a leading UK agency explained that she, often with UK colleagues who travelled to Australia periodically, presented to teacher trainees at Woollongong University.
This was not part of an immediate recruitment strategy however, but part of a long-term strategy to maintain visibility of the agency and of the migration possibilities to the UK.

We give university talks. It’s difficult to measure the success of these because a lot of the guys were still doing the course. Looking at it as a long-term investment, we’ve kept that going year on year. (A29, Sydney, Australia, August 2010).

Another interviewee was very specific about how her agency sold the concept of migrating to the UK:

Enrichment is the way that we promote ourselves in the universities. So we focus on how we have a global approach to local teaching where kids are inspired to think outside the norm.” (A21, Sydney, Australia, 2010)

Figure 30 reproduces an advert produced by one of the agencies within this sample in order to hand out to potential recruits at these information seminars. As noted above, many of the agencies, which targeted their recruitment at young Australians, did so according to a ‘backpacker’ brand.

Figure 30: Promotional leaflet for the UK

| INFORMATION PACK FOR OVERSEAS TRAINED TEACHERS |
| WHY THE UK?? |
| After qualifying with your teaching agency why not take the opportunity for the experience of a lifetime? |
| Destination: the UK!! |
| With London being one of the world’s major cities for culture, performing arts, cuisine, fashion, entertainment and all round diversity. It has it all. There are 46 countries in Europe only a short flight away making the UK the gateway for all your travels. |

Source: author’s fieldwork

Although different in content, style and job opportunities being promoted, these information sessions were nevertheless similar in purpose to the job fairs held in Poland. According to one Krakow-based agent, after 2004, job fairs for the UK were held in: “Shergine, in Rzeszow. Krakow. Katowice, Poznan. We had them all round Poland” (A09, Rzeszow, Poland, April 2009). As with the agencies in Australia, the chosen location of job fairs was to target a specific population. Thus, another Polish recruiter organised job fairs in specific regions in order to target the specific skills available in each region, according to the localised economy and labour market in those regions. He explained: “of course there are some regions where there are more butchers. Like in the East. In the big cities there are less butchers” (A02, Krakow, February 2009). The need to
target populations who were willing to be mobile was also reflected in the findings from the Polish agencies: “There is a difference in the regions. Some people are more willing to move than others” (A03, Opole, Poland, March 2009), thus according with research which has identified the different propensities to migrate in different regions of Poland (cf. Elrick 2008; Burrell 2009). The following section brings together the discussions of mobilising workers in the country of origin with that of the agencies which were the outsourced partners of those in the UK.

6.2 Market-making dynamics in the origin country

In 2002, President Gloria Arroyo announced the Year of the Overseas Employment Providers in “grateful recognition of the significant contribution of private licensed agencies and their associations in helping provide overseas employment and welfare protection to millions of Filipino contract workers since 1976” (Arroyo Proclamation No 76). The importance of the industry within the Philippines both for the financial contributions which it makes and that which it generates through the remittances sent back to the Philippines have long been recognised (cf. Bello et al 2005; Tyner 1998;). The chief premise upon which this thesis has been based is that agencies are profit-seeking actors and accordingly seek out growth-generating strategies (cf. Coe et al 2007a; Ofstead 1999; Theodore and Peck 2002). Agencies in the countries of origin of the workers were equally actors seeking to turn a profit from the export (rather than import) of workers (Salt and Stein 1997). From a snapshot taken in 2009, Table 8 shows the number of registered job orders for the social care sector officially registered with the Philippines Overseas Employment Agency, POEA for recruitment to the UK. This table, although representing a snapshot is indicative of the occupational spread of ‘job orders’. In other words, the table shows the concentration of requests for hires of social carers and nurses for the UK.

As discussed above, agencies, which operated in Poland and the Philippines received a “finders fee” from what they referred to as their client agencies in the UK. Section 6.1 above discussed how agencies in the UK actively sought partner agencies in origin countries from which to recruit. Agencies in the Philippines had sought other markets for their exports after the United States ended recruitment of nurses from the Philippines in the mid-1990s (Guevarra 2010). The Philippines signed the Bilateral Labour Agreement with
the UK (see chapter 3) within that context (POEA 2003) and chapter 5 discussed how the competitive strategies of agencies in the UK were embedded within the interaction between frameworks of regulation in the country of origin of workers and that in the UK. The competitive strategies of agencies in the origin countries were similarly embedded within the same interaction.

**Table 8: POEA Registered Job Orders May 19 2009**

<table>
<thead>
<tr>
<th>POSITION</th>
<th>NO. OF JOB ORDERS</th>
<th>NAME OF AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maid ward</td>
<td>36</td>
<td>R.V. Personnel Inc</td>
</tr>
<tr>
<td>Nurse</td>
<td>50</td>
<td>Alliance International Recruitment and Placement Services</td>
</tr>
<tr>
<td>Nurse Adaptation</td>
<td>30</td>
<td>Services Co Inc.</td>
</tr>
<tr>
<td>Caregiver</td>
<td>1</td>
<td>R.V. Personnel Inc</td>
</tr>
<tr>
<td>Nurse</td>
<td>1</td>
<td>R.V. Personnel Inc</td>
</tr>
<tr>
<td>Nurse (Overseas Nursing Programme)</td>
<td>20</td>
<td>STA. CRUZ International Recruitment Agency Inc.</td>
</tr>
<tr>
<td>Worker Care</td>
<td>50</td>
<td>STA. CRUZ International Recruitment Agency, Inc.</td>
</tr>
<tr>
<td>Carer Senior</td>
<td>52</td>
<td>LMB Worldwide Services Inc.</td>
</tr>
<tr>
<td>Nurse Adaptation</td>
<td>35</td>
<td>Mariposa International Services, Inc.</td>
</tr>
<tr>
<td>Nurse staff</td>
<td>16</td>
<td>Exultant Creations, Inc.</td>
</tr>
<tr>
<td>Nurse Registered</td>
<td>60</td>
<td>Jai-Kin Resources Corporation</td>
</tr>
<tr>
<td>Assistant Care Senior</td>
<td>48</td>
<td>Bison Management Corporation</td>
</tr>
</tbody>
</table>


*Embedded within labour markets at home*

Firstly, agencies in this sample which exported workers to the UK were embedded (Hess 2004) within the institutional and regulatory labour market conditions at home, which constrained or enabled their activities. First and foremost, agencies devised their competitive strategies through comparing the profitability of overseas markets with those at home. Thus, the owner of a Polish agency based in Silesia drew a stark comparison between the margins available in the domestic market compared with the overseas market: “I have an expression: for the bread I am working in Poland at home. And for the ham on the bread I am working abroad”. He continued that:

If you are measuring it in people, in persons, we’ve got 95 percent on the Polish market. If you are measuring it with money, turnover, try to compare…. Let’s say 10 zloty is the average. Ten, twelve zlotys is the average per hour price for somebody who is making auxiliary work in the supermarkets in Poland. So this is three or four Euros. And if you are supplying these people, for a highly specialised engineer, you are paid twenty-five, thirty Euros per hour. So this 5 percent of my
population makes much more in turnover of course (A01, Opole, Poland, April 2009).

Agencies reported that margins for the supply of Polish workers were as low as 5 or 6% (see also Hussein et al 2010). Agencies also reported that where there was profitable business – in the supply of temporary labour to the foreign companies in the Export Processing Zones (EPZs) had been taken by the TNC agencies that had entered Poland during the first part of the 2000s (cf. Coe et al 2008a).

There’s a big gap you see, between the big companies with huge turnovers. In Zapt [the confederation in Poland which represented the TNC agencies]. Then there’s us (A02, Krakow, Poland, March 2009).

Similarly, in the Philippines, agencies’ profitable markets lay outside. Agencies spoke of the very low margins available for placing temporary workers in jobs in the Philippines. As this consultant argued: “They can find a worker out on the street if they want. What we do is specialised” (A13, Manila, Philippines, September 2010). He went on that in the Philippines, if a company wanted to hire labour by the day, by the hour, or by the week, then they could simply do this by stepping outside of their office and hiring someone on the spot. What market there was for temporary workers was said to be concentrated within a few large organisations, which supplied to the multinational clients within the Export Processing Zones (cf. Kelly 2001).

The regulation of temporary staffing also impacted on the ‘market-making’ of agencies in Australia, although in a different way. As discussed in chapter 3, historically there has been no federal regulation, which governs – or more critically prevents - the activities of the temporary staffing industry (cf. Coe et al 2008b). Nevertheless local state practices usually prevent agencies from operating as suppliers of temporary labour to local schools. Lists of supply teachers were held and managed by local education authorities. As one interviewee argued:

Some of the major firms here list it on their sector areas. But they don’t go there. I’ve never really heard of this happening at all in fact. (TB06, Melbourne, August 2010)
For agencies in Australia (many of whom were returned teachers as discussed in chapter 5, the overseas market (including the UK) was their sole competitive strategy and they had competitive strategies of their own which were based on maximising profitability.

Regulation of temporary staffing impacted on the labour export regimes of the Philippines and Poland differently. To enter the market in the Philippines legally was said by interviewees to be extremely difficult and precluded all but the most wealthy or politically connected businesses from entering the world of recruitment.

Many of these recruitment agencies are wealthy, politically connected. Collectively they have a big and large voice and they influence policy as well as being well-connected with the media. (IOM, September 2010)

Agencies in the Philippines however mitigated the tight regulations either by avoiding them completely, or by establishing ‘immigration consultancies’ or ‘education consultancies’ (cf. Boseley 2011; Masselink and Lee 2010). A Filipino interviewee contacted through an NGO, related his story of how he had come to be working in a care home in North London.

I have an engineering degree. But there are no jobs in the Philippines. My friend told me about this recruiter – an education consultancy – they only advise. They sent me to an agency in London. For social care course. Yes, we paid. (NGO08, London, UK, July 2010)

By naming their businesses and activities not as recruitment but as ‘consultancies’ and placing Filipinos in education, rather than in employment, these agencies officially bypassed the costly requirements for registration with the POEA (see chapter 3). Figure 31 reproduces an advert from such an agency.

**Figure 31: Example of advert from ‘educational consultancy’**

| Kirsten Student Development Inc. |
| Study in the United Kingdom |
| Manila Branch: 02 376 5985 |
| Cebu Branch: 032 254 9672 |
| Ilolio Branch: 033 338 4478 |

WE ARE NOT A RECRUITMENT AGENCY!
WE DO NOT DEPLOY MIGRANT WORKERS

Source: author’s fieldwork
This was the other side of the market that ended with Filipino ‘students’ working in care homes in the UK, discussed in Chapter 5. Figure 32 shows an ‘advisory’ issued by the POEA in 2010 to warn Filipinos of the practice.

**Figure 32: Advisory notice from POEA**

<table>
<thead>
<tr>
<th>Student visas for UK? Beware!</th>
</tr>
</thead>
<tbody>
<tr>
<td>The public is advised to be wary of an illegal recruitment practice luring Filipino students to go to London on a student visa. The recruiters were Filipinos based in London who promise them work in nursing homes for twenty (20) hours with pay as part of the curriculum.</td>
</tr>
<tr>
<td>The Philippine Embassy in London has reported that 34 Filipino students have been victimized by these recruiters. Police authorities raided the school for failure to open the courses offered to the students.</td>
</tr>
<tr>
<td>The students are supposed to be attending the London School of Health &amp; Management Studies (LSHMS) after payment of 2,500 - 3,500 British Pounds or some US$5,000 – US$7,000 for tuition and student visa fees. The victims also paid additional 150 British Pounds for transportation expenses upon arrival in the United Kingdom.</td>
</tr>
</tbody>
</table>

Source: http://www.poea.gov.ph/advisory/all_advisory.htm

As previously discussed, the entire basis of the labour export regime rested on the support and enablement of the overseas temporary staffing industry (cf. Bello et al 2005; Rodriguez 2010; Tyner 2000; Masselink and Lee 2010). Regulation of a different kind had an equally ‘explosive’ impact on the growth of the industry in Poland and initial growth had a particular micro-geography to it. Thus, a Polish agent explained that the recruitment industry in Poland had begun in Silesia in order to facilitate the mobility of the ‘Aussiedler’ dual passport holders: “Before 2004, most of agencies were based here, in this region. Then they exploded everywhere” (A01, Opole, Poland, April 2009). After 1989, these passports enabled the Polish descendants of German citizens, who were largely based in Silesia, which was formerly part of Germany, to move to Germany for temporary employment (cf. Menz 2001). Although there were regulations with which to comply when entering the labour export market (see Chapter 3), in practice agencies found it relatively easy to enter, as this interviewee related:

> There’s a lot of paperwork. We have to send out figures. And tax. Lots of tax. But that’s it. (A02, Krakow, Poland, February 2009)

There was a further contrast between the export conditions in Poland and the Philippines. These were that in the latter, the vast, and monolithic, institutional structure that governed
the export of labour migrants from the Philippines required the involvement of agencies (Tyner 2000). This, coupled with the institutional barriers in the form of immigration regulations that heavily controlled the entry of Filipinos to most other countries, meant that agencies were also required to negotiate entry. As this quote from a respondent in the Philippines demonstrated:

The immigration system is so bureaucratised. Without an agency - foreign employers need them as well – the OFWs just need an agency to get abroad. At all stages, from finding a job, to processing a visa, etc etc.” (A19, Manila, September 2010)

In contrast, Polish nationals were free to leave Poland and seek employment in other national labour markets. This resonated with the literature that argues that the higher the institutional barriers to migrating the more likely it is that an agency – or migration intermediary - will be used (cf. Castles 2004; Jones and Pardthaisong 1998; Spener 2009).

Thus, the conditions and regulation of temporary staffing at home had an impact on the competitive strategies of agencies in all three countries of origin of workers. Strategies were also embedded within the interaction of those conditions with those of the destination country – the UK.

**Embedded within labour markets in destination countries**

Agencies in Poland and in the Philippines did not solely supply Polish or Philippines nationals to the UK. Agencies talked in terms of comparing the different markets; agencies in Poland even compared market conditions in different destination Member States, as this quote illustrates.

We did some contracts to Scandinavia, to Holland, but still not much. These are the small countries compared to England – I think there is a niche. (A02, Krakow, Poland, February 2009).

Much as agencies in the UK tended to specialise in one geographical recruitment route, so agencies in Poland specialised in different markets (Clark 2009). Specialisation and the value of different markets were affected by labour market conditions in the destination state. Thus, another Polish agency revealed that the UK had always been an easier market for him than neighbouring Holland, the supply of Polish workers to which was dominated by a small number of agencies.
In Holland, it’s a very closed market. Tough market when you speak about the temporary work. So it was very tough to get the Poles even with Polish passports work in Holland. (A03, Opole, March 2009).

As discussed in chapter 5 the facilitation of labour migration by agencies was also related to the level of demand of employers. The onset of recession in the UK, coupled with the political environment in the engineering sector, meant that the demand for Polish nationals after 2008 was substantially less than it had been (cf. Green 2011; ILO 2009; OECD 2010: 2011: 37; Papademetriou et al 2009). At the same time, the much more pronounced increase in the value of the Zloty against the Pound in comparison to the Euro meant that other destinations were of more interest to Polish nationals. Moreover, the end of transitional arrangements in Spain and in 2006, the Netherlands and Luxembourg in 2007, and Austria, Belgium, Germany and Denmark in 2009, meant that temporary employment was easier in these Member States (Green 2011; Pollard et al 2008). At the time the fieldwork was conducted (2008-2010), only the agencies that supplied pharmacists into the UK were continuing to do so on a regular basis. A former outsourced agency respondent in Poland argued: “The UK isn’t now a major market for us. Many Polish people are already in the UK; the English employers don’t need any more” (A06, Krakow, Poland, April 2009).

The regulation of destination labour markets also played a role in the development of competitive strategies of agencies in Poland. In particular, when comparing different destination labour markets Polish agencies in the sample referred to the Posted Worker Directive (PWD) (see chapter 3). For agencies in Poland, where destination labour markets were relatively more highly regulated than the Polish labour market, this provided a profitable source of income for the export of Polish nationals. In contrast, two agency respondents in Poland reported that there were no financial advantages to use the PWD (Posted Worker Directive) to post Polish nationals to the UK. One consultant explained his agency’s function thus:

   We are the recruitment agency. The insurances and taxes are lower in the UK. So it’s cheaper to employ them in the UK as temporary workers.

He contrasted this with the situation in France:
Not like in France. We employ the people in Poland – we pay the taxes and insurances over here. And we send them over to the clients over there because the taxes and insurances are cheaper over here. In the UK it’s opposite. So it’s cheaper if we employ them over there. So then the end client likes it (A02, Krakow, Poland, February 2009).

In an analysis of a survey of agencies in Europe, Clark confirmed that for the UK posted workers appeared not to be a significant issue, in contrast to other national labour markets (Clark 2009). In an indication of the possible role of agencies in posting Polish workers, Figure 33 shows the increase after 2004 of E101 certificates originating in Poland. E101 certificates are applied for in order to post temporary workers as well as individual trades people temporarily working abroad, but who continue to pay social security contributions in his or her home country.

Figure 33: Top 5 Source Countries for E101 Certificates

![Graph showing E101 Certificates from various countries]

Source: Graph compiled from figures contained within OECD International Migration Outlook (2011: 59)

Similarly, agencies in the Philippines were aware of the changes in the regulation in the UK that made it more difficult to send nurses there. By the time the fieldwork was conducted, the UK was consequently perceived by agencies in the Philippines to be a ‘difficult’ market to operate in unless an agency already had contacts there (or acted as an immigration or education consultancy), as this quote from an interviewee of an agency which had exported nurses to the UK in the earlier part of the decade demonstrated:

I’ve never been to the UK. I’ll probably never go to Europe at all. It’s not a huge market for us any more. For the nurses yes. That was good for a time. But it’s not big now. (A13, Manila, September 2010)
The Middle East (Saudi Arabia and UEA) and East Asia (Singapore and Japan) were far more important regions – in terms of volume of placements as well as profitability - for Philippines’ agencies (cf. Rodriguez 2010). Similarly, although the UK was an important market for Polish agencies between 2004 and 2008, subsequently the Netherlands and Sweden overtook as destinations of importance (Clark 2009; Pijpers 2009).

To summarise, these findings showed that agencies in the origin countries also profited out of the facilitation of labour migration into the UK (cf. Castles and Miller 2003; Goss and Lindquist 1995; Spaan 1994). Much as the competitive strategies of agencies within the UK that imported labour were also embedded within the interaction between the frameworks of regulation and labour market conditions in the UK with those in the origin country, so were these agencies. Agencies did not just provide employment mediation services in order to negotiate and mitigate institutional barriers; they also provided a range of additional services assisting in facilitating temporary migrant workers from Australia, the Philippines, and Poland, into the UK. The following section discusses how agencies provided – or arranged access to – housing and transport in order to facilitate migrants into the UK for the purpose of profit.

6.3 Provision of additional services
A recruitment consultant now based in Rzeszow, South Eastern Poland, described how he had facilitated the migration of Polish nationals into the UK.

We were helping them with national insurance; with bank accounts; with Home Office. Yes with WRS [Workers Registration Scheme] forms. We were finding accommodation. We were arranging plane tickets. Train tickets. They had full support from us. They had all of the maps and all the information. And which bus they had to take. And which stop they needed to get off at - just the full package.” (A09, Rzeszow, April 2009).

This constituted what another interviewee labelled as an ‘all-inclusive package, just like the holidays’ (A06, Krakow, Poland, April 2009). Providing accommodation and transport to rural workers is not new; historically these have been a critical way in which rural labour markets operated and parts of the social care sector (cf. Anderson 2007; REC 2008a). In addition to providing services directly related to employment mediation, agencies in this sample offered other services, for a fee. The services were diverse but the most prevalent of the roles related to the provision of transport and accommodation. Agencies in this
sample arranged flights and coach journeys of labour migrants from Poland to the UK and between 2004 and 2007 agencies arranged transportation for many Polish workers - “hundreds at each time” as one agency put it (A14, Warsaw, Poland, March 2009). The second most prevalent service was the provision of access to housing in the UK. Agencies housed Polish nationals in different types of accommodation; ranging from caravans and multi-occupancy houses to bed and breakfast places, indicated by this quote from a trade unionist respondent:

It was a mixture. It could be temporary B & Bs, it could be private rental sector, it was a whole amalgamation of different structures of providing temporary accommodation” (TU05, London, November 2009).

This corresponded to what has been found in other research as to the key functions of migration intermediaries (cf. Augunias 2009; Anderson et al 2005; Clark 2009; Martin 2005; Schloenhardt 2009; Spencer et al 2006; Zaronaité and Tiržiete 2006). How – and why - agencies in this sample provided these services is discussed in the sections below.

Profiting from the provision of transport and accommodation services

The services that agencies provided in relation to transportation and accommodation spanned the origin country and the UK, in effect bridging the gap between the two labour markets (cf. Gottfried and Fasenfest 2001; Peck and Theodore 2001). Interviews with agency respondents and contextual interviewees revealed that the first reason why agencies engaged in either ‘travel agent’ or ‘estate agent’ roles to varying degrees was for the purpose of profiting from the facilitation of labour migrants into the UK. The representative of one agency, which recruited Polish workers for jobs in the food production industry, attempted to express the magnitude of the bookings made by the agency in order to transport Polish workers into the UK during the years 2004 to 2006.

In the early days, we had so many coming over we used to just book whole planes. Well, almost. (A14, Warsaw, Poland, March 2009).

As noted in chapter 3, charging jobseekers for ‘administrative costs’ associated with the migration process is legal in Poland. Agencies in the sample admitted taking advantage of this, although none revealed exactly how much they charged. Agencies in the sample that recruited from the Philippines played a similar ‘travel agent’ role in booking (and charging) migrant workers for their transport.
In contrast, agencies in the sample that recruited teachers from Australia largely reported that their role was restricted to ‘signposting’ recruits to airlines which flew to the UK, or which commonly offered value for money on flights. One teaching agency even offered a free flight to the UK to try to attract Australian teachers to temporary jobs in less popular areas of the UK, namely Coventry and the East of England (A29, Sydney, Australia, August 2010).

There was a significant difference between the types of roles played by agencies as well as whether they received any money from the migrant for these ‘extra’ services. This difference corresponded to the provision of these services between agencies that operated in the supply of temporary workers to highly skilled jobs, and those that supplied to low wage labour markets, suggesting that the relationship between agencies and migrant workers was a different one. Similar to the roles played in regard to transportation, agencies in the sample that recruited Australian teachers varied from simply signposting their recruits towards appropriate estate agents in the UK, although two did offer to book the first two or three nights accommodation. Only in one of these cases though did the agency receive money from the recruit; in the remaining three cases, although the agency made the booking, the financial transaction was between the hotel and the migrant directly.

Similarly, another teaching agency reported that they didn’t have their own houses: “but have lists of people they can rent these from” (A27, London, UK, August 2010).

Other agencies in the sample played a ‘landlord’ role through directly renting accommodation to their recruits, deducting the cost of the rent from them directly, or receiving the rent by weekly or monthly transfer. The agencies that recruited Filipino and Polish migrants were more likely to play a more significant role with regard to arranging and charging for housing, in particular in the food production, social care, and logistics sectors. A London-based trade unionist highlighted this aspect of the ‘landlord’ role of agencies: “The agencies made a lot of money out of it; probably more money out of renting accommodation than they did of providing the labour. So it was quite attractive” (TU07, London, April 2009). In an echo of what was discussed in chapter 5 as to the low margins of operation in these sectors, the labour activist explained that as margins for the supply of
labour in food production sectors could be as low as six percent, renting housing to migrants was, therefore, an important source of additional profit. At the low end of the labour market, interviewees suggested that agencies were most likely to charge for these services. The trade unionist continued: “It didn’t matter what the charge was for really. But so many of them did it. Migrants were charged left, right, and centre!” (TU07, London, November 2009). The Gangmasters Licensing Authority (GLA) reported finding many instances of agencies charging up to £12 a day for the ‘hire’ of vehicles to migrant workers (GLA 2008).

The ability of agencies in the UK to profit from the provision of these services was governed by a series of local and national regulations. Agencies in the sample that supplied Polish nationals to temporary jobs in food production reported that charging for the hire of vehicles became progressively more difficult because of increased enforcement of the GLA. The widespread flouting of the law, including the transportation of workers in unsafe, untaxed, and inappropriately regulated vehicles after 2004 and the attendant media attention after a number of traffic accidents as well as trade union pressure led to the increased enforcement (cf. ALP 2005; House of Lords 2008). From 2006, a failure to comply could lead to a revocation of the agency’s GLA licence (GLA 2006). An agency owner in Somerset who admitted previously charging migrant workers for transport, referred to the increased regulation as “a nightmare” (A30, Somerset, UK, April 2009). Despite this, trade unions and migrant activist organisations report a continued significant flouting of the regulations by agencies however (TUC 2007). The financial interest of agencies in being able to charge for transportation can be seen by the fact that both the Association of Labour Providers and REC lobbied the Department of Transport, BIS, and the GLA (ultimately unsuccessfully) for agencies to be able to charge for transport on the basis that agencies – because of the low margins - would not otherwise be able to profit from the supply of workers in rural areas (ALP 2005b).

Similarly, the provision of accommodation by agencies has become associated with charging of high fees for sub-standard accommodation which, at best, failed to meet health and safety regulation, and through housing as many workers into as many bed spaces as possible (Anti-Slavery International 2006; Geddes et al 2007; Scott et al 2007; TUC 2007;
Jack Dromey, then leader of the Unite trade union stated that he had, in the course of his work, been into houses and seen hot-bedding arrangements: “One particular house had 16 people in a small house and they could not all be there at the same time, so it was a hot-bedding arrangement.” (Jack Dromey, oral evidence to the House of Lords Committee on Economic Affairs, 2008: 128). Moreover, in an investigation in 2006, the Low Pay Commission found that after rent was deduced from salaries or paid direct to the agency, many migrant workers were (illegally) left without the statutory National Minimum Wage (NMW) (Low Pay Commission 2006). The extreme circumstances were vividly and passionately described by an activist trade unionist:

We had cases of Filipino women referred to us who had paid thousands to the agency to rent this accommodation. Once the cost of the accommodation was taken off their salary they barely had enough money to buy food. (TU11, London, August 2009).

Unauthorised deductions for rent, as well as for other services, such as laundry and utilities by agencies and employers, was one of the key breaches of employment rights highlighted by the Vulnerable Worker Forum, convened by the Department for Business and Regulation (BERR), as well as by an earlier study (Anti-Slavery International 2006; BERR 2008). Similarly, in the domiciliary care sector, activist groups reported migrant workers not being paid for travel time in rural areas while travelling from client to client in order to provide care. Accordingly, many were paid less than the NMW (Rogaly and Anderson 2005; Cangiano et al 2009; Anti-Slavery International 2006; Wilkinson 2009).

Following a Low Pay Commission review on the operation of the National Minimum Wage in 2006, and in a bid to rectify the exploitation, in 2007 the then Department of Trade and Industry (DTI) issued (previously un-enforced) regulatory guidance, which had been in place but un-enforced since 1999, in an attempt to limit the amount agencies (and employers) could charge to workers being paid at minimum wage level. This especially impacted on the ability of agencies to profit from the provision of accommodation. The guidance clarified the existence of the ‘accommodation off-set’ by which those acting as employers as well as landlords were only able to charge and therefore deduct up to £30.10 a week from a worker’s salary for the purposes of rent where the salary was at the minimum wage level (DTI 2007). The ‘off-set’ also included charges made for utility bills, laundry, and food (DTI 2007). As the representative trade body for agencies which supplied
migrant workers to the food industry and where accommodation was most often provided, the ALP lobbied consistently (and unsuccessfully) against the introduction and implementation of the regulations. In a lobbying paper issued in 2006 prior to the issuing of the DTI guidance, the ALP argued that:

Some businesses that provided both labour and accommodation may take the view that it is better to be an accommodation provider than a labour provider so they can take their profits from providing accommodation and pass on the workers to a labour provider free of the accommodation offset restrictions. (ALP 2006: 2).

The position taken by the ALP resulted from the fact there were larger margins in the rental of accommodation than there was in the supply of workers. A trade unionist highlighted the point that the ‘off-set’ only referred to workers on minimum wage salaries; accordingly: “Well you can charge the workers more rent – you just have to pay them more than the minimum wage! They didn’t like that too much!” (TU03, London, May 2009). While avoiding lobbying too hard on this topic, which was associated with much negative publicity, the REC largely supported the position of the ALP in that agencies added value by providing accommodation for workers new to the UK (REC 2008f para 25).

One agency in the sample sought to bypass the ‘accommodation off-set’ through instigating a ‘deal’ with a friend who also ran an agency in the local area. He explained that:

You might have some accommodation, which is arms length from any legal obligation. So I might have some accommodation that I’d be quite happy for Stan to put his people into. Okay! So I’m not the supplier. He’s the employer. And everything works fine. So they pay the market rate, which in this area is about £55 to £60 per week. (A30, Somerset, UK, April 2009)

Agencies in the sample also profited from the supply of accommodation and transport in a less obvious and direct way. The following section discusses how agencies provided these services in order to speed up and to smooth the end-to-end process of recruiting and supplying migrant workers into the UK.

Oiling the machinery of migration

One agency that recruited Polish engineers played an active signposting role, even trying to find room lettings for its recruits. As he described:

There’s Polish forums… Polish society in every city was huge. Polish churches. Polish shops. It was just enough for us to ring a Polish shop and ask if they have
any rooms available. And they have many. It wasn’t that difficult. You just need to spend some time to do it. It’s time consuming but it had to be done” (A09, Rzeszow, Poland, April 2009).

Agencies that operated within the supply of temporary migrant workers to jobs in food production, in logistics, in engineering, and in social care, also reported signposting migrant workers to local methods of transportation that could help them reach their place of employment. The following quote from an agency’s brochure indicated why agency provision of services in relation to labour migrants mattered:

Candidate welfare and integration into the community is a critical part of our service community that gives clients confidence in the long term success of the people we place. We take care of every detail of the employment and relocation process, including the completion of all legal requirements in accordance with EU and local jurisdictions. (A14, Brochure 2009)

This agency, a recruiter of Polish engineers and previously of food production and light industrial workers, had established what he referred to as a ‘welfare team’ to manage the migration of its recruits into the UK. The purpose was to ensure that as soon as the workers arrived in the UK, in effect, they could start work. Their senior manager described what was involved, and why this agency had chosen to establish a entire team to manage the process:

So we would go and inspect all of the accommodation in the UK. Everywhere from Aberdeen down to Portsmouth, and we had a dedicated accommodation and welfare manager and she would drive all over the place, pre-inspect the accommodation, and give us detailed reports on what the accommodation looked like, did it have the correct bedding. Was it clean…. did it comply with health and safety regulations. Did it comply with the multiple occupancy regulations within the UK? (A14, Warsaw, Poland, March 2009)

The respondent explained that because of the large numbers of migrants his agency had recruited from Poland during the mid-2000s, investing in a welfare team that managed the process of migration was essential in reassuring client employers. The team ensured that the agency’s temporary workers reached the UK through arranging transportation to the UK, had somewhere to live upon arrival and dealt with any issues that arose as a result of the migration process. This is reminiscent of the argument that employers and national governments importing migrant workers do so because of their labour power; they do not want the actual person that comes with the labour power (cf. Castles 2004; Kearney 1991).
This reassurance to clients was referred to by several agencies in the sample. As this recruitment consultant explained:

Because of us the clients didn’t have to worry. If the worker was complaining about something, then they just had to call us up and we would come and speak to the worker and sort it out.” (A08, Bristol UK, April 2009).

These issues may, agencies argued, be related to immigration papers, the right to work, but may also arise out of housing issues as newly arrived migrants would have less knowledge about where to go to resolve these issues. The agency provided a ‘buffer’ for the client employer who could safely recruit from abroad, but then leave the agency to deal with any issues that arose with the workers. Within national labour markets, agencies take on the responsibilities as well as the risks of the employment relationship for employers (cf. Ward et al 2001). Here, agencies did this in a very direct way.

Another interviewee argued that providing ‘door-to-door services’ enabled agencies to market a more ‘comprehensive’ recruitment package to client employers: “It’s a much stronger package with it being included, a more caring package with it being included. And it’s more comprehensive from the ultimate client’s point of view” (A07, Lancashire, UK, August 2009). While these comprehensive services were more common at the low-end of the labour market, even at the highly skilled end of the labour market agencies provided services in order to make the process of hiring migrant workers easier for client employers. A teaching agency referred to the provision of services as “wrapping in cotton wool” in order that the “often very stressful and frightening experience of relocating to a new country with a different culture and language is as smooth and stress-free as possible” (A23, London, UK, July 2010). Moreover, the following quote from a pharmacy agency brochure indicated that smoothing the way for migrants was related to reassuring client employers who could rely upon migrants facilitated into the UK to start work immediately upon arrival:

[T]he meet and greet service ensures that when our candidates reach our clients, they are happy, confident, already have a bank account, and have had all their questions and concerns answered. This means that they are ready, keen and eager to start working hard for their new employer.” (A12, Krakow, Poland).

Agencies also pitched what they did in terms of making the process of integration speedier and easier for the migrants on arrival in the UK. Thus, the Association of Labour Providers
(ALP) argued that agencies provided accommodation in the UK because: “the workers are migrant workers new to Britain who in many cases would otherwise find difficulty in arranging their own accommodation” (ALP 2006).

The European Commission has highlighted the housing market as one of the institutional barriers to mobility within the EU (European Commission 2006). Accessing the private sector rental market in the UK required migrants to have references, a UK bank account, and ordinarily, a deposit of one or more months to be paid to the landlord or agent (Zaranaite and Tirzite 2006). Additionally, there was a particular difficulty in finding affordable housing in rural areas (CRC 2006).

Further, most landlords and estate agents required a contract to be signed for at least six months, which made it difficult for newcomers to the UK who have been signed onto ‘zero-hour’ or temporary agency contracts, neither of which contained a guarantee of a regular confirmed income, which would be especially acceptable to landlords. As the co-owner of a Dutch agency, which had recently stopped arranging accommodation for Polish nationals in the UK, but acted solely as what he referred to as a ‘normal temp agency’, explained:

Because it was very difficult for the Polish people to rent for themselves. If they have to rent, they have to rent for six to twelve months. Which causes problems for the flexible system of working where you only have a month’s work and suddenly it can stop” (A06, Krakow, Poland, April 2009).

Agencies in providing these services ensured that workers were able to take up temporary employment as soon as they arrived in the UK. A Polish agency owner argued:

So it’s very nice when I don’t need to think where will I live. And how can I get to the client. I will get everything. I will be driven, or I will drive, I will get a car. I will be sleeping here. I don’t have to take my bed linen and so on. So it was very comfortable and so on. (A01, Opole, Poland, April 2009).

Similarly, agencies in the sample argued that they needed to organise private transportation for their workers – in the form of minibuses, coaches, vans, and cars – due to the lack of available public transport in the rural areas in which food production sites were based. De Hoyos and Green (2011) argue that rural locations with low population density make it difficult to ensure sufficient local transport is available; accordingly transport has been identified for employers as an even greater issue than skills. One agency owner termed this
a ‘subsidy’, although in reality, given that this was the only means by which his Polish workers were able to access their place of employment in rural Somerset, arguably it was more of benefit to him.

Well I subsidise their transport, as a means to an end. The idea is that they have three months to sort themselves out with their own transport. (A30, Somerset, UK, April 2009).

He continued that he made a (relatively low) charge of £50 every four weeks, for the loan of vehicles to his workers (A30, Somerset, UK, April 2009). There was a related third reason as to why agencies provided transportation and accommodation services in order to ease the process of international migration. This was to ensure that migrants, once the investment had been made in recruiting them in their origin country, actually arrived at the employer’s door in the UK.

Regulating labour

The Poland-based representative of an engineering agency justified why his agency sought a deposit from recruits:

[O]bviously the client wants to know the 50 people that they’ve got. So when we’ve got the last person, the 50th person, has paid the deposit into our bank account, we can then do a block booking for those 50 people. (A14, Warsaw, Poland, March 2009).

The manager proceeded to explain that if the amount advanced was more than the face-value cost of the airplane ticket paid for by the agency, the difference was refunded to the migrant through their first salary package, or in other words, after they had arrived in the UK. The ‘deposit’ was thus a way of the agency ensuring that the recruit boarded the plane:

We know that all of those people are committed to coming to work in the UK. Because obviously once people have given the money over, they are then committed to the contract, or the project. (A14, Warsaw, Poland, March 2009).

This agency made sure that the Polish nationals were delivered to their door in the UK through sending a team to meet them at the airport, or coach station: “They’d pick them up, take them to the accommodation, and that would be that. Simple.” (A14, Warsaw, Poland, March 2009). Although no agencies which participated in the research acknowledged doing this, labour organisations reported that agencies also used the rental of
accommodation to directly control migrant workers through the phenomenon of the ‘tied cottage’ (EHRC 2010; TUC 2007). Tied cottages referred to when employment contracts were ‘tied’ to housing contracts (Wilkinson 2010; Zaronaitė and Tirzite 2006). A TUC survey conducted during 2005 to 2006 found that almost a third of migrant agency workers were living in such tied accommodation (TUC 2007). Agencies instituted tied cottages in order to retain control of migrant workers (Anderson et al 2005; Anti-Slavery International 2006; Jayweera and Anderson 2005; Wilkinson 2010). The phenomenon of tied cottages was mostly to be found at the low end of the UK labour market, where an advice organisation emphasised the occurrence of ‘extreme’ cases: “there were some awful cases of Polish workers being held like slaves in dreadful rented properties by agencies (TU03, London, UK, May 2009). Another referred to the importance of housing as a way of increasing the surveillance of migrant workers: “If I’m spending all my days under the gaze of an employer; it’s about controlling the workforce” (TU03, London, May 2009).

The incorporation of the ‘accommodation off-set’ referred to above into a Gangmasters Licensing Authority (GLA) licensing standard in 2008 made it a requirement for the accommodation and the employment contracts to be held – and signed - separately. A senior representative of a British staffing firm active in recruiting Polish nationals explained how his firm assiduously kept two separate contracts.

What you couldn’t do is you couldn’t employ them on a contract of employment and tie them into their accommodation because the two contracts had to be mutually exclusive. There’s no way that you could tell someone, look, as part of your conditions of employment, you live in this house. Or that part of your accommodation contract is that you have to stay in that job. Those two contracts had to be mutually exclusive and we would always make sure that that was the case. (A14, Warsaw, Poland, March 2009).

Furthermore, also in 2007, the then Department of Business, Enterprise, and Regulation (BERR) introduced the Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations (SI2007/3575). In force from April 2008, Regulation 5(2) stated that workers could withdraw from services provided by TSAs at any time without suffering any ‘detriment or penalty’ (BERR 2008). The regulatory amendments and newly enforced regulations were resoundingly criticised by TSAs in the food production sector. As one supplier of Polish workers to food production sites put it in referring to the accommodation off-set:
You’ll be familiar with the GLA regulations. Anyone who takes to supply accommodation via these regulations must be on financial suicide watch because it is absolutely impossible to supply accommodation at the rates they tell you, you can charge. (A30, Somerset, April 2009)

To briefly summarise, the services provided by agencies were additional to those usually provided by agencies as mediators of employment. Peck and Theodore, in using the spatial disjunctures of the inner city sites of the hiring halls and the business clients in the suburbs, point to the fact that the brokerage role of agencies is often a physical, transportational one (Peck and Theodore 2001). These were services which were specifically aimed at intermediating the international process of migration. The different ways in which they were provided were further indicators of what was discussed in chapter 5 in regard to the different ways in which agencies regulated the process of migration for those supplied into low wage labour markets, compared with those supplied to highly skilled jobs.

6.4 Conclusion

To conclude, agencies mobilised workers in his or her country of origin and managed facilitation into the UK through a complex, often piecemeal construction of transnational networks. This research found that agencies deployed three different types of networks: subcontracting, branch offices, and virtual networks. Each network was non-mutually exclusive; agencies often deployed more than one geographical strategy at any one time, weighing up the costs and benefits of each. The selection of network also depended on the interaction between the regulatory framework in the sending state and in the UK; networks were consequently dynamic, shifting with regulatory adjustments, changes in migration flows, or in labour market demand. Agencies in the sending country played a key role in the construction of networks. Their competitive strategies were also dependent on regulatory and labour market conditions; their destination countries were their ‘markets’.

Agencies also engaged in other forms of facilitation through providing ‘flexibility packages’ of accommodation and transport for migrant workers recruited into the UK. Agencies did this for one of three reasons: for simple additional profit, in order to speed up and ease the international migration process, and as a mode of control of workers. The final chapter, to which I turn next, concludes the thesis.
Chapter 7

Conclusion

At the head is the gang-master, always an ordinary agricultural labourer, generally what is called a bad lot, a scapegrace, unsteady, drunken, but with a dash of enterprise and savoir faire. He is the recruiting sergeant for the gang, which works under him, not under the farmer. He generally arranges with the latter for piece-work and his income, which, on average is not very much above that of an ordinary agricultural labourer, depends almost entirely upon the dexterity with which he manages to extract within the shortest time the greatest possible amount of labour from his gang. (Marx 2007:764).

These were the thoughts of Karl Marx during his travels through England in the 1840s on the issue of the ‘gang-master’. Has that much changed since these times? Is extracting the greatest amount of labour in the shortest time possible still not a prime directive of agencies involved in the global trade and placement of temporary staffing? What has been apparent throughout this thesis is the fact that the modern temporary staffing industry (TSI), although involving some characters who possess a certain ‘savoir faire’, would attempt to distinguish their 21st century businesses from Marx’s 19th century description (cf. Eurociett 2008b). The corporate TSI has evolved into a global player of some magnitude, increasing its size, its revenues, and its influence year on year (cf. Coe et al 2010b). Simultaneously the migration industry has grown exponentially. Despite these evolutions, the core function of the intermediaries remains the same: the intermediation of employment relations or as Peck and Theodore (2001: 474) put it: “brokering between unemployed or underemployed workers and employers, while turning a profit”. This chapter concludes a PhD project that in late 2007 embarked on an exploration of how the agency industry turned a profit through brokering between workers in one national labour market and would-be employers of temporary migrant workers in another labour market. As is the norm with conclusions to studies such as this, some general reflections are appropriate as are some indications regarding policy implications and flagging up potential areas for further research.

Why it matters

This thesis set out to remedy what has been, until now, largely a lacuna in the academic literature (excluding Elrick and Lewandowska 2008; Pijpers 2009). Trends in the privatisation of migration facilitation have been noted (cf. Lahav 1998; Martin 2005; Salt 210.
and Stein 1997) and yet economic geographers that analyse the temporary staffing industry have still to break out of their meditations on the local (cf. Peck and Theodore 2001) or the national (cf. Coe et al 2008a). Even when mapping the transnational and globalising tendencies of agencies, the analysis has centred on the activities of agencies within national labour markets (cf. Coe et al 2007a). On the other side of the disciplinary divide a burgeoning sociological and development studies literature has mapped, plotted and documented the globe-trotting activities of an assortment of recruiters, coyotes, tramidores and travel agents that collectively make up what has become known as the ‘migration industry’ (cf. Hennebry 2009; Hernandez-Leon 2009; Spaan 1994). Yet, in the conceptual confusion between the functions and roles of the various actors (cf. Spener 2009), the brokerage function of the ‘recruiters’ in this literature (agencies in the economic geography world) has been oddly neglected.

A common point of agreement between the literatures, as discussed in chapter two of this thesis, is that intermediaries (whether they are known as ‘recruiters’ or ‘temporary staffing agencies’, or even just plain ‘agencies’) are entrepreneurs that continually seek out profitable markets for their ‘products’; namely migrant and temporary labour (cf. Gray 2002; Ofstead 1999; Tseng 1997). The thesis used this conceptual point of agreement as a platform to dive into rich qualitative fieldwork that ended up spanning three continents (Europe, Australasia and Asia), four national labour markets (England, Poland, Philippines, and Australia) and two years of data collection (2009 to 2010) (see chapter 4 for a discussion of the research methodology and issues concerning multi-sited fieldwork).

This research matters not just because of the academic lacuna in knowledge but also because of the wider (and under-explored) labour market impacts of the TSI (Theodore and Peck 2002). Somewhat of a labour market early warning device, the TSI indicates the extent of flexibilisation of labour markets; moreover its ‘shock absorber’ function is a lead indicator of recessionary conditions (Peck and Theodore 2007). As agencies delve further and deeper into national labour markets, the industry is transforming the regulation and norms of neoliberal employment relations in its wake (Bronstein 1991; Gray 2002; Ward 2004). Simultaneously the migration industry is actively engaged in privatising processes of international migration (cf. Salt and Stein 1997). Both types of industries are busy
transferring the costs, the risks and the insecurities of employment and migration to individuals (cf. Allen and Henry 1996; Lahav 2006). This research asked how and why agencies facilitated labour migration into the UK (England) from Australia, the Philippines and Poland. It specifically posed the following five key research questions:

1) What are the main characteristics of the agencies, which are leading on the movement of workers into the UK?
2) What geographies do agencies use in facilitating labour migrants into the UK?
3) What roles and services are performed by agencies in facilitating the migration of workers into the UK?
4) Into which occupations were workers facilitated by agencies?
5) How do the activities undertaken by agencies, accommodation, job placement, vary from one sector to another and by the country of origin of workers?

These key questions have been addressed throughout the thesis but, in particular, within chapters five and six that analysed the rich empirical data that was collected during fieldwork. Rather than simply re-state what has already been stated in these chapters, the following sections focus on four key themes that arose from the empirical and theoretical research over and above the answers to the research questions. The four key themes are: 1) the recruitment and employment of migrant workers as a market-making strategy of agencies; 2) the labour market landscapes that contributed to why agencies in this sample embarked on international recruitment strategies; 3) the expansionary organisational geographies that the agencies used in order to facilitate migrants into the UK; and, lastly, 4) how these strategies had wider, regulatory impacts within the UK labour market. Each of these themes is discussed below.

7.1 Labour import, labour export

“Agencies would always prefer to go to a candidate down the road”, so said an interviewee of the TSI (TB01 January 2009, London, UK). The thirty five agencies interviewed for this research, along with many others referred to by other interviewees and within empirical research conducted within the UK during the period covered by the fieldwork, did not ‘go to candidates down the road’, but in fact travelled a long way ‘down the road’, even several thousand miles to Australia and the Philippines. The key overarching theme of this thesis
was how agencies ‘made markets’ in the facilitation of migration into the UK: this facilitation was a profitable enterprise for agencies to be involved in. Agencies are profit-seeking, entrepreneurial actors (Ofstead 1999). Rather luridly, one interviewee referred to the consultants within agencies lower down the pecking order as being akin to “second hand car salesmen” (A28 Lancashire, UK, January 2010); recruiting agencies in migrant-sending countries were commonly referred by several interviewees as “bottom-feeders”. The bottom line was that agencies in both the UK and in Australia, the Philippines and Poland profited from the recruitment, supply and employment of migrant workers. Agencies in this sample earned income from the recruitment and supply of migrants as employers of temporary workers in food production, of bus drivers, pharmacists, teachers, engineers and of senior care workers and nurses. Agencies located within origin countries earned a “fee per head” of worker supplied to lead agencies in the UK; and in turn, these UK (English) agencies earned their profits from an ‘economic rent’ (Markova and McKay 2008) charged to client employers for temporary agency workers, supply teachers, ‘temp to perm’ employees and students on work placements. Agencies also profited from the supply of housing and transportation to migrants, although over time this became less about financial profit, and more about easing and speeding up the migration process.

The multi-sited fieldwork undertaken for this project specifically sought to trace these complex networks of profitability back to their roots; from agency to agency. Profit-seeking strategies of agencies both sides of the migration process generated competition in local, national and transnational markets. Agencies in the Philippines and in Poland competed not just over the supplies of labour that they sought to mobilise, but also over access to their ‘clients’: the lead agencies in the UK. Agencies in these countries created, shaped and structured their own temporary staffing markets in interaction with those in the UK. Strategies and markets were contingent and dynamic, dependent on economic conditions as well as the regulatory frameworks in which they were embedded, reflected in the second theme below.

7.2 Contingency of competitive strategies
A crucial piece of the jigsaw was to explain, as well as document, the phenomenon of why agencies were involved in such enterprises; to answer why they embarked on this
competitive route. Was it just because the markets were rich and profits were to be made? At the time of the commencement of the PhD, agencies that recruited from Poland and other Eastern European Member States were much in evidence (cf. Experian 2007; Fitzgerald 2007; Green et al 2007; Scott et al 2007); yet twelve months down the line these expansionary activities had largely ceased. Underpinning the conceptual architecture of this thesis was an understanding that temporary staffing agencies and migration intermediaries are heavily embedded within their labour market environs (cf. Coe et al 2011b; Findlay and Li 1990; Salt and Stein 1997).

Peck et al (2005), followed on by Coe et al (2007) had identified the favourable sets of labour market conditions that shaped the competitive strategies of agencies. These included favourable regulation of the temporary staffing industry, favourable regulation of the temporary employment relationship, and favourable regulation of the welfare state (cf. Coe et al 2008b). Labour market conditions that impacted on the proclivity of agencies to seek to recruit migrant labour were absent from these stories. In addition to those factors identified by the above authors, the thesis has argued that there were six interconnected drivers, which spanned both the UK and the origin countries that essentially, address why agencies do what they actually do. Or why they did what they did. The reasons why international recruitment, as opposed to supplying labour from inside the UK, was a profitable business for agencies in England were embedded in the politics, economics and regulation of the UK labour market as well as that of the origin countries: Australia, the Philippines and Poland.

The first driver identified had arisen out of the deregulating and casualisation trends endemic within the UK labour market: migrant workers had increasingly become a source of labour supply both in the occupations that were evident in this sample, as well as for temporary staffing agencies (cf. Chappell et al 2009; Forde and Slater 2008; Geddes et al 2007; Scott 2008; Jayaweera and Anderson 2006). Secondly, during the first decade of the 21st century, agencies as much as the client employers they served, experienced shortages of labour: of skilled labour (for example of pharmacists, teachers and bus drivers) as well as for workers in jobs which required fewer competencies and qualifications (cf. Hussein et al 2010; McNamara et al 2004; Shann and Hassell 2004). For the latter jobs, this was as
much to do with the poor working conditions and low pay of these jobs that made them unattractive to workers who had alternatives, as it was to do with any actual physical ‘shortage’ of labour (cf. Cangiano et al 2009; Scott 2008; Low Pay Commission 2008; Moriarty et al 2008). Without access to sufficient supplies of labour, either to skilled labour or to workers that will agree to work or have no choice but to work in the ‘hard to recruit for’ jobs, agencies quite literally would have no business (cf. Benner 2007; Gray 2002; Peck and Theodore 2001). Ensuring a supply line of surplus workers is essential to agency operations. In aggressive temporary staffing markets such as in social care and food (cf. ALP 2005; Hussein et al 2010), a pipeline of ‘flexible operatives’ was more than essential for agencies.

Thirdly, when looking at Poland, the Philippines and Australia, the agencies in the sample revealed that their competitive strategies had been influenced by the New Labour government that had specifically embarked upon a programme of controlled immigration in order to fill labour market gaps and increase economic productivity, thus reducing inflationary pressures (Blanchflower 2007; Glover et al 2001; King 2005). Migrant workers had been deemed the answer to the UK’s continued global economic competitiveness (Home Office 2005; Roche 2000; House of Lords 2008) and it was evident that a national labour market was no longer delivering sufficient surplus labour internally (cf. Harvey 2007).

What the data within this thesis also illustrates is that the UK-based agencies often took their first steps into international recruitment through ‘piggybacking’ on government-sponsored recruitment campaigns (of teachers), or with big employers (of bus drivers, pharmacists, food production factories). That is, small tentative steps led to much bigger leaps once openings (and niche industries/workers) had been found. Similar to the pioneer migrants who provide the anchoring point for the cumulative social networks (cf. Massey et al 2002), the early pioneer agencies were succeeded by further agencies following in their footsteps, also anxious to gain access to these new (labour) markets. “It was a whirlwind: a lot of people made a lot of money” said one of the key actors of the recruitment of Polish nationals into temporary jobs after 2004 (A10, Warsaw, Poland, March 2009). It was the
decision of the British government not to impose transitional arrangements on the EU8, which fired the starting pistol for this prospecting ‘rush’.

The fourth factor relevant to examining why agencies involve themselves in international ‘prospecting’ concerns the immigration controls that specifically allowed entry to the UK labour market to nationals of Australia, the Philippines and Poland (cf. Hennebry 2008; Preibish and Binford 2007). These allowed agencies to channel not just Polish nationals but also Filipino nationals and Australian nationals into the UK (cf. Buchan and Secombe 2006; Scott et al 2007; Green et al 2007; Experian 2007). In a sense, the UK at this time was an open door and the agencies were poised to take full advantage. Agencies’ targeting of Australia was embedded within the Commonwealth regulations, which privileged Australian nationals in immigration terms and its construction as an equal player in a transnational flow of skilled labour (cf. Khoo et al 2007). On the other hand, the Philippines and Poland were constructed as suppliers of flexible labour (Currie 2007; Bello et al 2005; Lindio-McGovern 2003; Tyner 2000). Job matching (across national borders) was most assuredly not a neutral activity (cf. Hanson and Pratt 1995).

Looking beyond the UK, agencies make active competitive decisions about the countries, the neighbourhoods, or from which marginalised supply of labour to recruit (Gottfried and Fasenfest 2001; Peck and Theodore 2001; Vosko 2000). Agencies in this sample targeted Poles, Australians and Filipinos in their home countries according to their perceived suitability for the jobs in which they were placing them (cf. Ofstead 1999; Peck and Theodore 2001). In facilitating labour migration, agencies were embedded in the broader and globalised trends of late capitalism (cf. Beaverstock 1996; Sassen 1991; Dicken 2003). Thus, the fifth driver concerned the labour market conditions in Australia, the Philippines and Poland that produced surplus supplies of labour through lack of employment opportunities at home. Temporary staffing agencies are not traffickers; they rely upon other mobilisation techniques (cf. Tseng 1997). In this sense, the activities of agencies were embedded within the broader historical and global economy, which produced some countries as exporters of labour, and others as importers (cf. Gibson-Graham 1986; Hochschild 2000). Finally, the sixth factor was that it was not just the regulation of the temporary staffing industry in the UK which mattered; how the industry was regulated in
the sending country: in Australia, in the Philippines and in Poland mattered. How the industry was regulated in these countries mattered to whether international recruitment occurred at all from that country as well as the shape which it took. The business networks of agencies (cf. Yeung 1994) were the spatially linking factor between the sets of markets, which leads neatly onto the third major theme of the thesis: the organisational geographies of the agencies in the sample.

7.3 Organisational geographies of the business of migration
Temporary staffing agencies structure their businesses according to where they know or predict an especially desirable source of labour is or may emerge from (Gottfried and Fasenfest 2001; Ofstead 1999; Peck and Theodore 2001). Analysing how agencies mould opportunities, what are otherwise known as their organisational geographies, is imperative to understanding their growth and future strategies (cf. Coe et al 2007). The temporary staffing industry is a particularly spatial type of business (cf. Peck and Theodore 1998) and to economic geographers this is of particular interest because it helps to explain how temporary staffing agencies operate within, as well as between, national labour markets. The decisions that agencies make, for example in terms of locating their offices, contribute to their growth strategies in different ways. The issue of proximity, the closeness to client employer and/or to source of labour, are business decisions taken by agencies contingent on the type of agency they are and the type of jobs to which they supply (cf. Coe et al 2008a; Geddes et al 2007; Peck and Theodore 2001). Flexibility and adaptability are key concerns for agency organisation and structures.

Without exception, the agencies in this sample constructed their organisational geographies in order to specifically target the sources of labour discussed above. These were achieved through ‘networks’ (cf. Hess et al 2004; Yeung 1994) that were used to ‘bridge’ between global labour markets (cf. Gottfried and Fasenfest 2001; Peck and Theodore 2001). This study has contributed knowledge to what we know from the work of Coe and colleagues about the globalising expansionary strategies of the leading TNC agencies (cf. Coe et al 2007; 2008b). For a small number of pioneer agencies in this sample, labour migration was a driver of geographical expansion: for these agencies, migration contributed very directly to a profitable business strategy – as mentioned earlier, it explains why they do what they
do. For agencies in Poland and the Philippines, the facilitation of labour migration had led to the development of specific local temporary staffing markets (cf. Bello et al 2005; Tyner 1998): an example of the multi-scalar processes operating within local labour markets (cf. Kelly 1999). In short, patterns of labour migration have had a previously unrecognised impact on the organisational geographies of the TSI.

The majority of the agencies located in England in the sample had ambitions far closer to home: they reached into target labour markets through outsourcing recruitment to one or more partner agencies in the countries of origin of workers. For the SME agencies in England that featured in this research, labour subcontracting was the principal mode that UK-based agencies used to facilitate labour migrants into the UK. It is also one that is associated with the vast tracts of migration industry personnel around the globe (cf. Eelens and Speckman 1990; Spaan 1994). This was not just about stretching their reach: in an echo of their own role and purpose to client employers in national labour markets the aim of these agencies was to reduce costs and to generate economies of scale (cf. Dicken 2003). Agencies in England outsourced the risks and costs of the recruitment process (cf. Autor 2001). Rather than embed themselves in origin country labour markets, these agencies bought in the local expertise required to mobilise workers from those countries - language, culture, thinking, legislation – with all the advantages and disadvantages such actions bring with them (cf. Coe et al 2008a).

This research also correlates with what a growing amount of the literature suggests, that there were assimilation effects between the social networks of migrants (cf. Boyd 1989) and the commodified networks of the agencies (cf. Elrick and Lewandowska 2008). In practice, this operated in a number of ways: for example, most obviously, agencies hired migrant workers from the Philippines, from Poland and from Australia. Migrants, on the back of often previous direct personal experience, established their own agency businesses in the UK, which was integral to their specialised competitive strategy (further enabled by the low barriers to entering the temporary staffing market in the UK) (cf. Forde and Slater 2008; Geddes et al 2007). For Australian teachers, recruitment was also about their ‘homecoming’, with a number of subsidiary agencies in Australia established in this way.
Secondly, migrant social networks were fundamental to how agencies in this sample recruited. ‘Word of mouth’ recruitment for agencies was cheap, it was flexible as it required the minimum of sunk costs (cf. Cox and Mair 1988), and it could be used to generate supplies of workers time and time again. Indeed, the networks were constructed by agencies often concurrently: in particular, all agencies in the sample reported using ‘word of mouth’ recruitment wherever they could.

Job matching, whether within national labour markets or between them, is not neutral territory (cf. Hanson and Pratt 1995). We also know that agencies, through constructing organisational geographies – restructure and divide labour markets, reinforcing pre-existing social and spatial segmentations (Peck and Theodore 2001; Vosko 2000) meaning that the organisational geographies of agencies matter for more than academic satisfaction alone. Recruiting through ‘word of mouth’ has been shown to enable employers and agencies to construct workforces with either gendered or racialised similarities (cf. Hanson and Pratt 1995). The implication is that agencies through doing this will further reproduce segmentations.

Agencies in this sample did not just structure labour markets through how they targeted labour, but also through how they marketed this labour to client employers in the UK; agencies in effect ‘sell’ temporary workers, or at least, lease their labour power (cf. Parker 1994). To do this, agencies engaged in the promotion of essentialist national identities (Anthias and Yuval-Davies 1992; Gilroy 1987; Miles 1989). Agencies constructed the identities of Australians, Philippines and Polish nationals according to their suitability for the job (see also Bakan and Stasiulis 1995; England and Stiell 1997; Pratt 1999). Thus nationals of the Philippines were constructed as subservient; Australians as good-humoured and willing ‘to get stuck in’, and Polish as especially willing to take orders. All three national groups were promoted as ‘products’ (Bakan and Stasiulis 1995) on the basis of their ‘work-ethic’, common to the presentation of migrant labour. Having a good work ethic was likely to translate as working for longer hours, for less pay and not complaining about working conditions (Burawoy 1976; Preibisch 2010; Rogaly 2009). Engaging in essentialist marketing could thus be attributed to nothing more than good business sense on the part of agencies as they promoted their ‘product’ to employers (England and Stiell
1997; Peck and Theodore 2001; Tyner 1996b). This was likely to have amplifying effects across the UK labour market as agencies played into the discriminatory hiring preferences of employers (cf. Peck and Theodore 2001), which leads gracefully into the fourth theme: how agencies acted not just as ‘active’ agents, seeking out markets for growth, but also as regulatory actors.

7.4 Regulatory agents

“[P]art of its [temporary staffing] growth and success in new areas must be credited to its own efforts in creating demand where it might not otherwise be present” says Ofstead (1999: 274). Although the precise number of migrants facilitated into the UK by agencies in comparison to those that arrived alone was most likely small (and in any case outside the scope of this research), agencies’ international recruitment adventures had a number of impacts that resounded across the labour market as a whole (cf. Theodore and Peck 2002). Agencies acted as regulatory agents in a number of ways.

Agencies in the sample made it possible for employers to hire migrant workers from Australia, the Philippines and Poland: their recruitment a form of adding functional as well as numerical flexibility to employers’ workforces. Through their activities, in effect agencies acted as gatekeepers to the national labour market (cf. Fee and Rahman 2006). Agencies in the sample acted as ‘doorman’ to the UK labour market, taking money from client employers who wished to hire migrant workers, but had neither the economies of scale with which to achieve this undertaking nor the inclination to cope with the risk of getting it wrong. Agencies that recruited engineers from Poland offered ‘flexibility packages’ to employers that enabled them to hire these workers as ‘temp to perm’ workers, extending the screening period and enabling employers to fire as quickly as they hired if they made a wrong decision (Peck and Theodore 2002).

Agencies that recruited teachers specifically mitigated the risks to schools and local education authorities because of the increasing regulation governing the recruitment process (cf. DfES 2007). Moreover, REC plays a very direct regulatory role in gatekeeping entry to the teaching profession and to the teacher supply market: REC is the outsourced regulatory body for teacher supply (cf. REC 2002). Agencies are not legally subject to the
 same employer sanctions that employers are; agencies mitigated the risks of hiring non-EU workers who may not have the right eligibility to work in the UK. In making international recruitment possible for employers, agencies reduced the costs of international recruitment (Autor 2001; Forde and Slater 2006; Gray 2002; Hall 2006; Segal and Sullivan 2001).

In contrast, the agencies in this sample that recruited workers into jobs in food processing, in social care, and as CNC operators and welders, tended to focus on the speed with which they could deliver workers: these workers delivered ‘numerical flexibility’ (cf. Peck and Theodore 2001). The data indicated that speed was an important function of what agencies did at the unskilled or semi-skilled end of the labour market, where immigration regulation allowed it. The discourse was of ‘job orders’, and ‘delivery’, and agencies competed not just on the price of labour, but also on the speed with which they fulfilled the order; agencies that recruited from Poland boasted a turn-around time of a matter of days!

Here, the variable organisational geographies constructed by agencies in facilitating labour migrants into the UK came into play: agencies were more likely to provide what one referred to as “the full package”. Agencies that imported migrant workers from Poland into jobs in food production and those that recruited Filipinos into temporary jobs in social care, rented accommodation to these migrants. While agencies tended to pitch the provision of these services as a service to migrants – words such as ‘caring’ and ‘welfare’ often accompanied the words accommodation and transport – these were additional ‘flexibility packages’ aimed at the client employers (cf. Peck and Theodore 2002).

The team ensured that the agency’s temporary workers reached the UK through arranging transportation to the UK, had somewhere to live immediately upon arrival, but also that they – rather than the client employer - dealt with any issues that arose as a result of the migration process. Agencies mitigated these factors, and in so doing, sped up the migration process, by being able to deliver workers door to door. As well as a quick delivery service, providing these ‘services’ – which were, after all, services to the employer – ensured an extra layer of regulation of workers to which they would not otherwise be subject if they had travelled alone. Agencies also delivered an additional form of regulating the workers. Heidi Gottfried and Vicki Smith have persuasively shown how temporary agency work re-
regulates workers: providing an extra and powerful layer of control (Gottfried 1992; Smith 1998). How much more control is generated when agencies recruit migrants from their home countries, ‘delivered’ to employers and to their accommodation, the cost of which may have been deducted from their salary, and they may have been under surveillance? For migrants, how he or she was recruited played a significant role in determining working and living conditions of migrant workers (Anti-Slavery International 2006: 20). This point related back to how employers desire migrant labour, but not the whole person which comes with migrant workers (cf. Kearney 1991). This point also leads onto the final paragraphs of this thesis which address the policy recommendations.

7.5 How this research matters
These final paragraphs of the thesis are to allow those that really matter – the workers – a ‘curtain call’. This thesis has adopted a primarily structural approach towards understanding the operation of labour markets (cf. Coe et al 2011; Castells 1975; Peck 1996) in which the voice of the workers has been largely absent from its pages. This was a deliberate decision. This decision was taken not because a belief that these voices were not important or even somehow less important than others. After all, workers in choosing to leave their homes, to send money back to families in the form of remittances, and who establish new lives and businesses in their new homes are putting into practice transnational competitive strategies of their own (Castree et al 2004; Glick Schiller 1992; Yeates 2009). Similarly, temporary agency workers may engage in small, but crucial everyday acts of resistance in the workplace (Gottfried 1992). Individuals are so much more than ‘workers’ or ‘commodities’ which at times they are reduced to (cf. Herod 2001; Vosko 2000).

This thesis was undertaken not in order that it might sit gathering dust on an academic library shelf, but in order that it might be useful. Studying this topic has underscored new precarious processes of globalisation, which in its very worst forms can be nothing less than pernicious. Only by understanding these processes can we begin to do something about them. The thesis brought to light some of the risks and impacts of the business of migration. At the extreme end and far away from the shiny office spaces of members of CIETT, lies the criminal organisations from which vulnerable individuals are at risk of trafficking or being pushed into bonded and forced labour (cf. Anti-Slavery International
Arguably the position of government in relation to the protection of the rights of migrants is worse than it has been for some time (cf. Wills 2010). These types of organisations were beyond the scope of this thesis although it is possible that some of the profit generated by agencies that was referred to by the 98 respondents interviewed for this thesis may have been generated in other, less extreme exploitative ways. Interviewees (including agency respondents) referred to the illegal deductions made from salaries, ‘tied cottages’ and illegal administrative fees that were made by agencies (cf. EHRC 2010). The conclusion of many was that migrant workers who are facilitated into the UK by agencies are uniquely vulnerable, due to a (real or perceived) lack of knowledge about the UK labour market, potentially having a lack of English language skills, and not having access to any other sources of information and support in the UK (cf. ALP 2010; Scott et al 2007; TUC 2008).

Risks to the rights of individuals arose out of the ways in which the business of migration is conducted. Transnational subcontracted business relationships between agencies may lack transparency and can lead to deception, a lack of written contracts, false promises of jobs, and/or misleading information about terms and conditions of employment (cf. Anderson et al 2005; Lawrence 2004; TUC 2008). Simultaneously, the controls that immigration regulation exert (Morris 2006) as well as the forms that temporary agency work takes (Gottfried 1992; Smith 1998), mean that these workers can be among the most vulnerable in national labour markets, least able to find or access avenues of redress when things do go wrong (cf. Holgate 2004). Moreover, the relative lack of transnational organising on the part of trade unions can leave workers exposed (Hardy and Fitzgerald 2010). The following and final sections of the thesis focus on broad – but concrete – policy recommendations for three different actors: national governments, client employers which hire migrant agency workers, concluding, somewhat appropriately with recommendations for the temporary staffing and recruitment industry.

**Recommendations for the UK Government**

This thesis has highlighted the patchwork of national frameworks of regulation which shape the organisational geographies of the agencies facilitating migration. Workers’ rights and protections can fall between the resulting regulatory cracks (Cotton 2012). This section
makes four recommendations to the UK government. At the time of writing, the UK Conservative coalition government has implemented the long-awaited Agency Work Regulations, transposing the Directive of Temporary Agency Work into the UK labour market, ostensibly a ‘win’ for employment protections for agency workers (cf. TUC 2008). Only a few months on, early indications are that companies and agencies are finding routes around the regulation, avoiding awarding agency workers equal pay with comparator permanent members of staff (Peacock 2011; Recruiter 2012). The month of implementation also saw an announcement by Business Secretary Vince Cable that the government would review the Conduct Regulations (Recruitment International 2011):

In a major win for the recruitment industry, Business Secretary Vince Cable MP is today announcing a comprehensive review of the Conduct of Employment Agencies and Employment Business Regulations (known as the ‘Conduct Regulations’) and the overall regulatory regime for the industry. This announcement follows high-level discussions between the REC and the Department for Business (BIS) in recent months, and reflects the key recommendations of the REC’s submission to the Government’s Red Tape Challenge, an initiative to reduce burdens on business (Recruitment International 2011).

In response, REC Chief Executive, Kevin Green announced this to be “a once in a lifetime opportunity for the recruitment industry to work in partnership with the government to shape the regulatory landscape for the next decade” (Recruitment International 2011).

What Geddes et al referred to as one of the least regulated industries in the world (Geddes et al 2007) may soon be even less regulated. So firstly, the UK government should absolutely refrain from dismantling any regulatory architecture governing the industry. The Gangmasters Licensing Authority has been remarkably successful as measured against its resources (Wilkinson 2009). The government can and should pay consideration to an extension of this model of operation (cf. IHRB 2011).

Secondly, greater attention should be paid by States to ratifying a ‘bundle’ of ILO Conventions, which combined would provide a far greater degree of protection for migrant workers facilitated across national borders by agencies. The first of these: ILO Convention 181, Private Employment Agencies, 1997 provides an ideal mechanism by which activities of agencies can be governed by States. Critically, this Convention provides protection for freedom of association and collective bargaining for temporary agency workers and prevents the charging of fees to workseekers. Article 8 requires States, where cross-border
recruitment is undertaken, to consider the conclusion of bilateral agreements in order to prevent abuses. This appears to be the right approach, specifically where the activities of recruitment agencies are included. Bilateral agreements could include some form of international certification of reputable agencies. This could provide some form of secure, regulatory international bridge.

Convention 181 alone is however insufficient for ensuring the protections of the migrant workers recruited by agencies. To complete the ‘bundle’ of Conventions which States should also ratify ILO Convention 97: Migrant Workers and Employment 1948; and ILO Convention 143: Migrant Workers (Supplementary Provisions) 1975, in order to offer full protection to workers moved across national borders by agencies. Together these Conventions require that States sign up to maintain an adequate and free service to assist migrants for employment and in particular to provide them with employment and taking appropriate steps against misleading propaganda which could potentially be issued by agencies. States also undertake to facilitate the journey, departure and reception of each migrant, to ensure the adequacy of healthcare of migrants. Most critically, the Conventions require States to agree to a non-discrimination policy whereby migrants would not be treated any less favourably than nationals of that State. In addition, each State is required to agree to respect the basic human rights of all migrant workers.

Thirdly, beneath and beyond this overarching regulatory framework, far greater enforcement of existing regulation at both ends of the migration process is required. Some examples of extra-territorial regulation exist, notably with the requirement of the Gangmasters Licensing Authority (GLA) for agencies not normally resident in the UK but which supply workers into the UK, to be licensed with it. Nevertheless, in practice the GLA has no power to take action against agencies which do not comply but which are outside the UK. Far greater dialogue between the relevant labour market inspectorates and other relevant regulatory bodies is required. As a short or medium first step, establishing a ‘labour market inspectorate forum’ within the EU for intra-EU mobility under the joint auspices of DG Enterprise and DG Employment could be a straightforward process. The purpose of such a forum would be mainly practical: to share any concerns about individual agencies involved in exploitative or abusive behaviours as well as to reflect upwards on any
strategic issues arising. Here the work of the forum should engage in clear dialogue with
the existing social partners - Eurociett and UNI-Europa – as both organisations are
committed to improving standards in the industry (cf. Eurociett and Uni-Europa 2009).

Fourthly, and more broadly, the UK, as a major migrant-receiving State should remove the
regulatory ties that constrict migrant workers from the freedom to leave his or employment
without losing immigration status. The contractual link between employment and the
 provision of accommodation was de-coupled by the UK government in recognition of the
opportunities which this presented for abuse (cf. DTI 2007). Yet, the far bigger, more
substantial contractual link between immigration status and employment status remains
despite the vulnerable position in which this places migrant workers. Migrant workers lack
the representational and social rights of citizens (Morris 2006) and in seeking redress or
fleeing from exploitative conditions risk retaliation against his or her immigration status.
In short, currently migrant workers who hold sponsored visas may risk deportation or
falling into irregular (undocumented) status if they complain.

National governments alone cannot and should not be the only actors which have
responsibility for regulating the industry (Human Rights Council 2011); this is an area
where corporate social responsibility is becoming and should become increasingly
important. In other types of production networks, auditing and risk assessment procedures
have become normal practice (BSR 2010). The following section addresses how the user
enterprises – the client employers – as well as agencies can take action to address some of
the risks and poor employment practices associated with the facilitation of migration by
agencies.

Recommendations for Businesses
This thesis has emphasised the importance of the actions of client employers on agencies’
competitive strategies (cf. Autor 2001; Forde 2006). User enterprises – client employers -
are extremely important in terms of the leverage which they are able to operate on
improving standards. As the margins and the standards of the temporary staffing and
migration industry are so intertwined with client employers (cf. Gray 2002) these
organisations can exert significant leverage over improving standards of recruitment and
employment of workers. Increasingly, the standards of agencies are being increasingly incorporated within the due diligence procedures of auditing and monitoring (ECCR 2009). Organisations such as the Institute for Human Rights and Business and Verite have taken the lead in devising clear principles and/or practical guidance for companies to undertake risk assessments on agencies within their international supply networks (cf. IHRB 2011; IHRB and Verite 2012). Closer to home, the ALP, the GLA and the HMRC have devised risk assessment tools and guidance for companies using agencies which hire migrant workers (ALP 2012; GLA 2011; HMRC 2009). These are all extremely useful documents which can be disseminated and shared in sectors beyond the food industry. Business associations and businesses which recruit migrant workers through agencies should adopt codes of conduct in alignment with these principles. They should also develop mechanisms for tracing the sources of their labour from the countries of origin of the workers to ensure that ethical recruitment procedures have been followed all the way along the line.

The third bundle of recommendations is aimed towards the industry which takes the prime position within the pages of this thesis: the temporary staffing and recruitment industry. In 2011 Manpower, Inc. was voted one of the world’s leading ethical companies (Manpower Group 2011); any genuine steps which the industry has taken toward ethical practices must be warmly welcomed. The industry could do three things more and quickly. The first of these is to develop an industry-wide Code of Practice which is aimed specifically at agencies that engage in international recruitment. REC’s Quality Mark provides a good model of extensive labour standards to which agencies active in other sectors should aspire (REC 2002). CIETT and its leading corporate members are in an ideal position in which to achieve this and have already instigated an Observatory on Cross-Border Activities in partnership with Uni-Europa, as referred to in chapter 1. Currently the Observatory is aimed at sharing good practice and analysing cross-border movements (Eurociett 2009). This Observatory could in addition take the lead in devising and promoting the industry-wide Code of Conduct. As good practice, this should be devised in consultation with stakeholders including user enterprises, NGOs as well as government bodies. Eurociett has argued that the TSI is the solution to well-regulated labour mobility (Eurociett 2008c). Using the Observatory as a platform in this way could provide this solution.
The second related proposal is that the industry can and should create national forums in which evidence of good practice and due diligence, as well as barriers to its implementation of good practice, can be discussed and shared. As much as client employers should take care to undertake better due diligence on the agencies they choose to work with, similarly, agencies should develop and implement ‘upwards’ due diligence procedures of their clients. Good due diligence would include assessing the client employer’s working practices as well as the workers’ freedom of association within the worksites.

Thirdly, as implicated in the first bundle of recommendations, the role of CIETT in partnership with the ILO is pivotal to improving standards. In order to demonstrate its commitment to driving up standards in the industry as a whole, CIETT could join forces with the ILO in pushing for the additional ratification of Conventions 97 and 143 when promoting Convention 181. If the industry is serious about being able to offer a well-regulated and safe method of international recruitment, then these additional Conventions would provide evidence of this. Taken together, these three bundles of recommendations could go some way to improving the protections of migrant workers facilitated across national borders.
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## Appendix 1

### Table 9: Agency interviewees by country of origin and main occupation

<table>
<thead>
<tr>
<th>No.</th>
<th>Origin Co.</th>
<th>Location of IV (inc. tel.)</th>
<th>Date of IV</th>
<th>Main occupation</th>
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<td>Opole</td>
<td>April 2009</td>
<td>Food production / engineering</td>
</tr>
<tr>
<td>A02</td>
<td>Poland</td>
<td>Krakow</td>
<td>Feb 2009</td>
<td>Food production / social care</td>
</tr>
<tr>
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<td>Opole</td>
<td>March 2009</td>
<td>Food production</td>
</tr>
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<td>Somerset</td>
<td>April 2009</td>
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<td>Aug 2010</td>
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<td>April 2009</td>
<td>Engineering</td>
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