

Using International Skills

A UK Contractor's Experience of the European Labour Market

UK Construction Labour Market I

- Prime Contractors
 - Very little self perform
 - Most work sub-contracted as Packages
- Sub-Contractors
 - Some Self Perform
 - Further Sub-contracting
 - Agency Workers

UK Construction Labour Market II

- Agencies
 - Law requires that the agency pays both tax and social security contributions for the workers they supply
 - Or labour is hired from another company
 - Therefore the rise of companies who specialise in minimising worker tax and social contributions
 - Composite, Single Person and Personnel Service Companies.

UK Construction Labour Market III

- Unlike most UK industries the construction industry has National Working Rule Agreements they set:-
 - Minimum Salary
 - Grading Issues
 - Grievance and Disciplinary
 - Holiday Pay and Sick Pay levels
 - Other Benefits
 - Dispute Resolution Mechanism

Historical Absorption of Overseas Workers in the UK Construction Labour Market

- Irish Workforce
- Commonwealth Workforce
- Specialised Workers from Europe in the 1990's
- Illegal Migrants
- East Europeans before 1st May 2004

Absorption of Overseas Workers since 1st May 2004 I

- UK allows unrestricted access to workers from the accession of the new member states
- Numbers entering the UK unknown. Up to 450,000 by June 2006. Now c 650,000

Absorption of Overseas Workers since 1st May 2004 II

- Large numbers on construction sites
 - Possible majority of wet trades in London
 - General labourers
 - M & E Workers becoming more common
- Majority of workers are from Poland and Lithuania. Smaller numbers from other accession countries

Advantages of Migrant Workers to the Construction Industry

- Well trained
- Skilled
- Good work ethic
- Mobile
- Plentiful

Disadvantages of Migrant Workers to the Construction Industry

- Communications
- Health and safety
- Some abuse of unskilled
- Industrial relation issues
- Assimilation issues

Advantages of Migrant Workers to the UK economy

- Have allowed rapid expansion of economy
- Filled skill gaps
- Contribution to tax revenue
- Have limited wage inflation
- Have provided skilled workforce in many areas

Migrants from Romania and Bulgaria

- UK government far more cautious
- In general, migrants are not allowed to be employed in the UK
- Large numbers of Romanian labour in UK before accession
- Workers from Russia, Turkey and India

Questions