

Massive recent increase in lower skilled immigrant workers

Jobs and Welfare: MW 515 22 December 2022

Summary

- 1. The Conservative election manifesto in 2019 stated that attracting highly skilled workers would be a key policy objective. The government's aim was to make the UK "a magnet for the best and brightest", meaning that "there will be fewer lower-skilled migrants" and "overall numbers will come down."
- 2. This paper finds that, in practice, the reverse has been the case. The description of future immigrants as "the best and brightest" turned out to be the reverse of the truth. Here are the key findings:
 - Since 2019, there has been a near six-fold rise in skill-related work visas for non-EU main applicants from 27,000 to 159,200.
 - Nearly 60 per cent of all foreign workers in the UK are employed in jobs that are not highly-skilled

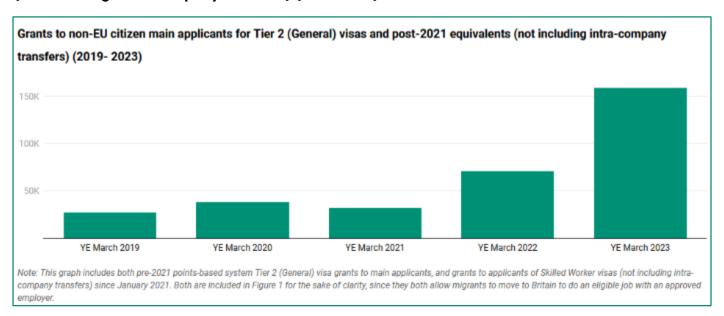
 totalling just over 3 million people. These occupations include immigrant chefs, butchers,
 fishmongers and poultry dressers.
 - The share of skilled work permits being granted for below-graduate level jobs rose from 11% in 2021 to 62% in 2023.
 - Since overhauling its immigration policies, the UK Government has gradually expanded a list of shortage occupations, making It easier for software developers and even ballet dancers to immigrate. However, by far the biggest increase has been for 62,018 immigrant care workers – jobs that require a minimum level of education.

Introduction

3. The UK government has systematically made immigration easier. Net migration is now at a record high of 606,000, up from 219,000 in 2019. This is the highest number on record, demonstrating that the UK government has failed to deliver on its repeated promise to control and reduce immigration. Post-Brexit changes to the UK immigration system have expanded work visas on a scale never previously experienced.

4. Figure 1 (below) shows that 159,000 skill-related work visas were granted to non-EU nationals in 2022/23, a nearly six-fold increase from 27,000 visas issued in 2018/19:

Figure 1: Grants to non-EU citizen main applicants for Tier 2 (General) visas and post-2021 equivalents (not including intra-company transfers) (2019- 2023).²



- 5. The Skilled Worker visa is the main work route under the UK's new 'points-based system'. It was introduced in 2020 and has replaced a visa previously known as Tier 2. Unlike the Tier 2 visa, there is no maximum amount of time that can be spent in the UK on a Skilled Worker visa, provided the leave remains valid.
- 6. Migrants applying to work in the UK under this Skilled Worker route need to demonstrate that they meet a specific set of requirements for which they must score at least at least 70 points. In addition to passing the relevant UK criminality checks, the applicant must speak English to an acceptable standard (10 points); must have a job offer from a licensed employer (20 points); and the job must be at or above the minimum skill level (20 points). The remaining 20 points are awarded for meeting a salary threshold for the future job, which can be lowered if the applicant has a Ph.D. or a job offer for an occupation on the Shortage Occupation List.
- 7. To qualify for the Skilled Worker visa, the applicant must be going into an occupation that is classed by the government's 'Regulated Qualifications Framework' (RQF). The RQF has nine levels from the least challenging Entry Level up to the most challenging or difficult, which is a Ph.D. (at Level 8). The minimum requirement for a Skilled Worker visa is a job offer skilled to RQF Level 3. These jobs typically require at least A-level education a significant reduction from the previous requirement for a degree.
- 8. In addition, all jobs have a corresponding Standing Occupational Classification (SOC) code. SOC is used to identify the relevant going rate and salary threshold for each job, both at 'new entrant' and 'experienced' rates, and provides details such as example job titles associated with a four-digit occupation code. Only occupations featured on this list can qualify for the Skilled Worker visa route. With the relevant SOC code selected, the employer can then assign a Certificate of Sponsorship (CoS) to the applicant.

Table 1: Interaction between RQF skill levels and SOC occupation codes (2017)³.

RQF skill levels	Total number of jobs in the SOC code	Full-time UK employees on adult rates
Levels 6-8*	95	5,760,000
Levels 3-5**	142	5,090,000
Entry Level-Level 2***	125	5,010,000
Total	362	15,860,000

Notes:* RQF Levels 6-8 were open to non-EU recruitment prior to the PBS, but subject to an annual cap of just under 21,000.

Data

9. This paper provides an analysis of skills possessed by migrant workers as measured by the RQF and SOC frameworks. Analysis of occupations by skill level and nationality are derived from the *Labour Force Survey* – a study of the employment circumstances of the UK population. Meanwhile, the number of skilled visas granted in each quarter, including visas for non-graduate jobs, is based upon information provided by the Home Office.

10. This dataset only provides data for 115 of the 140 SOC occupations skilled to the mid-level (RQF Levels 3-5). This may be due to the fact that no work permits were issued for those outstanding roles, possibly due to jobs under those categories failing to meet the minimum salary threshold.

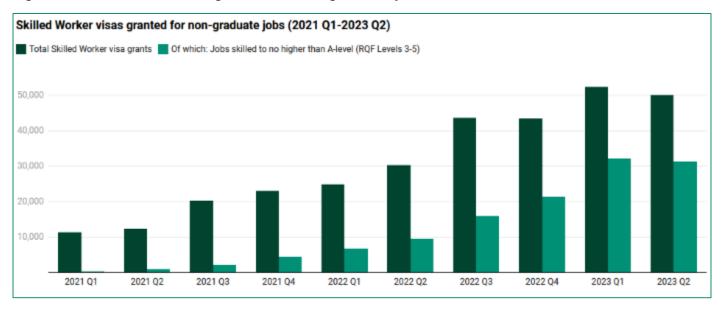
Non-graduate jobs

11. The government has said that the points-based system will reduce the number of legal migrants coming to the UK. It has also claimed there will be "fewer lower-skilled migrants". However, examination shows that the government's rhetoric does not match the reality on the ground. In fact, government policy is now to encourage, sustain and even to increase levels of lower-skilled migration. Figure 2 shows a significant increase in the number of Skilled Worker visas granted for non-graduate jobs (RQF Levels 3-5), which amount to 124,104 since 2021:

^{**} RQF Levels 3-5 were opened to overseas recruitment by the PBS in 2021.

^{***} RQF Levels 1-2 are mostly not open to global recruitment apart from, for example, migrant care workers.

Figure 2: Skilled Worker visas granted for non-graduate jobs (2021 Q1-2023 Q2)⁴

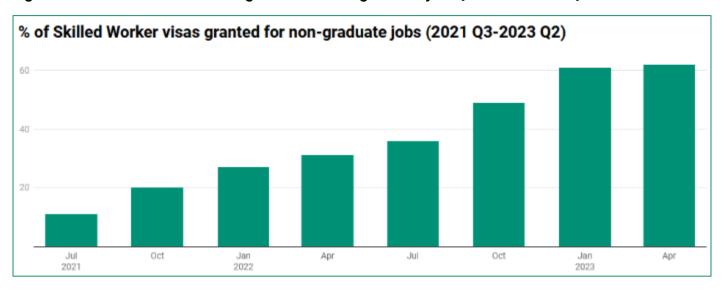


12. In short, the government has manipulated the points-based system to increase immigration rather than restrict it. It has done so by opening up the entry requirements to a number of job roles that previously would not have been eligible under the Tier 2 visa. This includes:

- abolishing the annual cap of non-EU workers arriving in the UK (set at just under 21,000);
- opening RQF overseas recruitment to lower skill levels (RQF 3-5);
- opening still lower levels (RQF 1-2) to migrant care workers⁵;
- the removal of the Resident Labour Market Test (the requirement that jobs should first be advertised on the home market before being offered to applications from overseas).
- lowering the general salary threshold from £30,000 to £25,600.

13. To give some idea of trends in the data, Figure 3 shows the percentage of skilled work permits being granted for non-graduate jobs, which rose from 11 percent in 2021 to 62 percent in 2023. That figure is nearly double the share of mid-skilled work permits granted when Britain was last open to such occupations between 2009 and 2011. During this period, non-graduate roles made up between 24 and 35 percent of work permits granted.⁶

Figure 3: % of Skilled Worker visas granted for non-graduate jobs (2021 Q3-2023 Q2)⁷



Foreign-born workers by skill level

14. In total, there are 368 SOC codes covering different roles in the UK labour market. This code can be broken down into nine broad 'skill categories', as explained in Appendix A. Here is a brief summary:

- High-skill occupations: SOC codes 1 and 2
- Mid-skill occupations: SOC codes 3, 4 and 5
- Low-skill occupations: SOC codes 6, 7, 8 and 9

15. SOC codes 1 and 2 are deemed to be highly-skilled. These roles require significant knowledge of the production process, with some occupations requiring a postgraduate degree or formal period of job-related training. Examples of jobs in this category include civil engineers and medical practitioners.

16. SOC codes 3, 4 and 5 are deemed to be mid-skilled. These roles involve a substantial period of full-time training and a moderate/minimum level of education. Examples of jobs in this category include butchers, bakers, florists and gardeners.⁸

17. SOC codes 6, 7, 8 and 9 can be categorised as low-skilled. They generally require a shorter period of work-related training and a minimum level of education. Examples of jobs in this category include care workers, call centre operatives, cleaners and security guards.

18. Table 2 shows the total number of foreign employees in Britain divided by their occupation's SOC category. It is clear from this data that the government's selection criteria for limiting the number of lower-skilled foreign workers has failed. For example, 53 per cent of non-EU workers are employed in jobs that are *not* highly-skilled – totalling just over 1.8 million people:

Table 2: Foreign-born workers by skill level (January-March 2023)9

Job skill level	EU born	Non-EU born	Total non-UK born
High-skilled jobs according to	767,848	1,622,830	2,390,678
broad SOC categories 1-2			
% of total	36	47	42
Mid-skilled jobs according to broad	660,110	802,359	1,462,469
SOC categories 3-5			
% of total	31	23	26
Low-skilled jobs according to	725,662	1,059,005	1,784,667
broad SOC categories 6-9			
% of total	34	30	32
Total	2,153,620	3,484,194	5,637,814

19. Nearly 60 per cent of all foreign nationals working in the UK are employed in jobs that are *not* highly-skilled – totalling just over 3 million people. Table 3 provides a list of such occupations and the number of visas granted for those roles between 2021 and 2023 Q2. They include immigrant chefs, butchers, fishmongers and poultry dressers. Entry clearance visas were also granted for carpenters and joiners (391), bricklayers and masons (230), dental nurses (151), and bakers and flour confectioners (100). By far the largest cohort, however, are care workers and home carers.

Table 3: Skilled Worker visas granted by occupation (2021 Q1-2023 Q2)¹⁰

Occupation	Job skill level	Visas granted
Care workers and home carers	Low-skill	62,018
Chefs	Mid-skill	6,262
Butchers	Mid-skill	3,023
Nursing auxiliaries and assistants	Low-skill	3,160
Catering and bar managers	Mid-skill	1,256
Fishmongers and poultry dressers	Mid-skill	646
Air travel assistants	Low-skill	665

Care workers

20. The 'Health and Care Worker' visa is a sub-category of the Skilled Worker visa. It allows medical professionals to come to or stay in the UK to do an eligible job with the NHS, an NHS supplier or in adult social care. It has the same requirements as the Skilled Worker visa but applies to particular SOC codes on the Shortage Occupation List.

21. In the past, elementary care workers were not eligible for recruitment under the Health and Care Worker visa. This changed in February 2022 when immigration rules were relaxed for foreign care workers, who were added to the Home Office's Shortage Occupation List. This policy change was

prompted by a recommendation from the Migration Advisory Committee, which said that there were "severe and increasing difficulties" faced by the care sector following the Covid-19 pandemic¹¹. Since Q1 2022, 62,018 work permits have been granted for migrants occupying care worker roles:

Skilled Worker visas granted to care workers (2022 Q1-2023 Q2)

Skilled Worker visa grants for care workers Total Skilled Worker visa grants

40,000

20,000

2022 Q1 2022 Q2 2022 Q3 2022 Q4 2023 Q1 2023 Q2

Figure 4: Skilled Worker visas granted to care workers (2022 Q1-2023 Q2)¹²

22. To qualify under the points-based system, immigrant care workers must be paid an annual salary of £20,960 or above. This is much lower than median annual pay for full-time UK workers (£33,280 in April 2022)¹³ and also well below the 'break even' point of £30,000-£38,000 per year (i.e. the level of income at which taxes paid to the Treasury 'balance out' the consumption of public services and other benefits). Therefore, it is likely that this specific immigration route imposes a net fiscal cost on the British taxpayer.

23. Analysts at the Migration Advisory Committee have noted that a policy of encouraging the recruitment of migrant care workers will "not solve underlying problems with pay and incentives that are fundamental to placing the social care sector on a sustainable footing." As one former Chair put it: "the central problem is that the [social care] sector does not pay enough and the terms and conditions are not attractive enough. The sector is not paying the market wage... the bullet has to be bitten on that." 15

Conclusion

24. Shortly before introducing its post-Brexit immigration system, the government said the aim of this policy would be to make the UK "a magnet for the best and brightest" workers from around the world. It added that "there will be fewer lower-skilled migrants" and "overall numbers will come down". The opposite has happened, with net migration levels nearly tripling from 219,000 in 2019 to a record 606,000 in 2022. In addition, the government has failed to reduce overall levels of lower-skilled immigration, and is now intent on opening further low-skilled routes.¹⁶

25. Home Office visa grant data shows growing shares of 'skilled' work permits being issued since 2021 for overseas workers to fill below graduate-level roles (including 62,018 low-skilled care work jobs in the past year). Other jobs seeing significant work permit grants include nursing auxiliaries, chefs and bar managers.

Appendix

Broad grouped Standard Occupational Categories (SOC) codes¹⁷

1 digit SOC code	Title
1	Managers, Directors and Senior Officials
2	Professional Occupations
3	Associate Professional and Technical Occupations
4	Administrative and Secretarial Occupations
5	Skilled Trades Occupations
6	Caring, Leisure and Service Occupations
7	Sales and Customer Services Occupations
8	Process, Plant and Machine Operatives
9	Elementary Occupations

Notes

- Conservative election manifesto, 2019, p. 20. URL: https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf
- 2. Home Office visa statistics. Tier 2 (General) grants to main applicants and post-1 January 2021 'skilled worker' equivalents.
- 3. Calculations by the Migration Advisory Committee using the Annual Survey of Hours and Earnings (2017). Data reproduced from MAC report on EEA migration, September 2018, p. 113, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/741926/Final_EEA_report.PDF
- 4. Home Office data, Sponsored work entry clearance visas by occupation and industry', Table Occ_D01. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1178031/occupation-visas-datasets-jun-2023.xlsx
- 5. Care work is the only occupation skilled below RQF level 3 that qualifies for the Skilled Worker visa. However, in 2020, following appeals by the care worker industry, the MAC reclassified two occupations within SOC code 9119 (fishing and other elementary agricultural occupations) to RQF Level 3 if they have at least three years full-time experience. MAC report on Shortage Occupation List, 2020, p. 16, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/927352/SOL_2020_Report_Final.pdf
- 6. MAC report, Points-Based System, 2020, p. 185, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873155/PBS_and_Salary_Thresholds_Report_MAC_word_FINAL.pdf
- Home Office data, 'Sponsored work entry clearance visas by occupation and industry', Table Occ_D01, URL: https://assets. publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1178031/occupation-visas-datasets-jun-2023.xlsx
- 8. Ibid.
- 9. Office for National Statistics, Labour Force Survey, 2023.
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- 11. Annual report by the MAC for 2021/22, p. 2, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040877/2021_Annual_Report_combined_FINAL_v3.pdf
- 12. Home Office data, 'Sponsored work entry clearance visas by occupation and industry', Table Occ_D01. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1178031/occupation-visas-datasets-jun-2023.xlsx
- 13. The ONS calculated that median weekly pay for full-time employees was £640 in April 2022. At 52 weeks per year, this totalled £33,280 per annum. ONS, Employee earnings in the UK: 2022, URL: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2022
- 14. MAC review of shortage occupation list, 2020, p.127.
- Professor Alan Manning, Home Affairs Committee, Home Affairs Committee, Oral evidence: Post-Brexit Migration, HC 1614, Tuesday 9 October 2018, Q55, URL: http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/home-affairs-committee/postbrexit-migration/oral/91576.html
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- 17. ONS, SOC 2020, January 2023, 'SOC 2020 Volume 1: structure and descriptions of unit groups', URL: https://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassificationsoc/soc2020/soc2020volume1structureanddescriptionsofunitgroups