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## ***Talent Retention Project***

### ***Final Report to Gateshead Strategic Partnership***

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#### ***Overview***

This is the Final Report of a short study for Gateshead Partnership undertaken by CURDS with Bradley Research & Consulting: the core focus for the study is the potential for migrants from other countries to add talent to the local labour force. The study included a literature review and data inventory, yielding estimates of the possible annual flow into Gateshead of migrants from different groups (including refugees and students); in addition, surveys migrants and employers as well as stakeholders were carried out. In this Final Report the evidence collated by the study is summarised, with key issues in the Gateshead case and some best practice then identified.

#### ***Acknowledgements***

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## Talent retention: what is it?

This study is concerned with the opportunity for Gateshead to retain talented migrants, where the migrants of interest are from overseas (rather than other parts of the UK).

Research into this issue calls for operational definitions of three key concepts:

**migrant:** when does a visitor become a migrant, and when is a migrant a settler?

**talent:** what level of skill, or ability (eg. entrepreneurship) is a valuable talent?

**retention:** are migrants only retained if they live in and/or work in Gateshead?

### Migrant

There are international standards on population statistics which provide a guide-line that migrants differ from international visitors because the latter are non-nationals who stay, or intend to stay, less than a year. In principle, migrants remain migrants in their arrival country no matter how long they are settled there. The term “non-nationals” is defined either by reference to the person’s place of birth being in another country, or by their legal nationality: each definition is found to be appropriate in a different set of contexts. What must be stressed at the outset is that asylum-seekers and refugees, plus students from abroad, are potentially of as much interest here as ‘traditional’ economic migrants.

### Talent

The appropriate definition of talent is also clearly dependent on context. In this case, the definition of talented people can be taken here to be those who may raise the average productivity level of the area. In practice, this definition will include most people who are self-employed and/or those who have higher-level skills or qualifications.

### Retention

The study will not distinguish sharply between those who live in Gateshead and those who work there, so the appropriate definition of retention is that the people concerned continue to live, and/or to work, within the Borough’s outer boundary. Of course, it is not suggested here that Gateshead is in any sense a self-contained economy so it may well be of indirect value to Gateshead if the migrants cross the Tyne and both live and work in Newcastle but the *core* focus of these analyses is more narrowly on the area alone.

The above are ‘ideal’ definitions, but this report cannot always adhere to them, not least because official statistics rarely cover all the groups of interest here on the same basis. For example, migrants such as those from countries in Central & Eastern Europe that recently joined the European Union (viz: “A8” countries) are rarely counted in the same data as asylum-seekers and refugees. In practice, this is not so great a problem here because different policy conclusions are likely to be relevant to each of the groups.

## Policy context: migration and the North East

Studies for the OECD (eg. Coppel et al 2001) confirm that there is widespread intense policy interest in the flows of migrants who may help a regional economy be more competitive by increasing its labour force and perhaps also making it more skilled and/or knowledgeable (Rodriguez-Pose & Vilalta-Bufi 2005). One example of a policy response to this is the Fresh Talent initiative in Scotland which aims to attract and retain skilled migrants. An ideal outcome of this report would be potential policy actions which would help Gateshead embed skilled migrants within its broader economic development strategy, with the area also then serving as a ‘test bed’ for such policies in the region.

The sustained economic growth enjoyed by Britain over recent years was accompanied by an increase in the scale of net in-migration (Parkinson et al 2006). This upward trend in inflows has changed in composition: for example, recent falls in numbers of refugees accompanied a very large increase – then a slight decrease – in the migration flow from the “A8” countries (Coombes et al 2007). This study asks how far retaining more of the in-migrants to the area can contribute to the aim that Gateshead has a more talented future labour force:

- more talent in total, to support economic growth through agglomeration, and also
- more talent as a share of the total, because talent accelerates economic growth.

An earlier study by CURDS showed the limited scale of early A8 migration flows to the region, and into Gateshead in particular (Stenning et al 2006). Other studies suggest that a high proportion of migrants have skills that are very much under-utilised in the work they find (Garnier 2001). Perhaps perversely, this may offer hope for areas such as Gateshead that cannot attract and retain migrants in the same way as London does by having many high skill job opportunities frequently available, often in corporations with connections around the world (Beaverstock 2008). The flows of migrants from the A8 countries in particular have not only gone to those areas with evident job shortages (Coombes et al 2007), so an area like Gateshead may be able to develop a strategy for embedding migrants in its local economy if the policy is sufficiently customised to the needs of the types of migrants most likely to live there.

As a result of these ‘stylised facts’ it seems that the challenges for Gateshead are to:

- attract a higher proportion of more highly-skilled migrants
- enable migrants to find work which is suited to their skill levels
- encourage migrants to remain in the area, contributing to the economy.

This study focusses on the second and – most especially – third of these challenges.

The emphasis on talent as an accelerator of economic development has become most well known through the work of Florida (eg. Florida 2002, Florida et al 2008). In these writings there are frequent references to the “creative classes” so it is useful to consider this term so as to thereby establish what will be meant by talent in the present study. Although the term does encompass people such as artists and creative people in such sectors as software development, these groups are not always easily quantified with statistics which can be used for robust research so a wider definition of “creative” has usually been a practical necessity (cf. Rutten & Gelissen 2008). In fact, the definition used here is so much wider that it is more sensible to adopt the more neutral term “talented” rather than “creative” and thereby encompass all people who have at least one of the following attributes: highly qualified, creative, entrepreneurial.

There is no one ‘bench-mark’ as to the proportion of a labour force that needs to have these attributes. In fact, any such target would be constantly moving because the crucial issue here is one of relativity: the proportion of the area’s labour force with talent needs to be higher than the proportion in most areas it competes against, while the proportion of well qualified people in the labour force overall continues to increase year by year. Thus the aim becomes growing the number of talented people in the labour force locally at a faster rate than that of competitor areas, and migration is one of the quickest ways by which an area can improve its ranking on issues like levels of skills and productivity which are of particular concern for England’s conurbations (Parkinson et al 2004). Having said that, the full benefits of increased talent in the local labour force are only reaped if the local economy grows and/or shifts to higher value-added activity: thus this inflow of talented people must be entrepreneurial, or rely upon the demand-side of the labour market to respond to the increased talent in the labour supply by creating more high-skill jobs. If the local economy does not respond, then the high-skill migrants are likely to move away again, just like the graduates from local universities who are not retained in the area.

When analysing the prospects of the Newcastle City Region recently, the OECD (2006) placed much emphasis on demographic trends and the composition of the labour force. An earlier study (Wood 2005) highlighted the low level of diversity in the population and called for a managed migration strategy to enrich the cultural profile of the area, and the report of Pillai (2006) then pulled these policy arguments together – for the wider region – with the call for a managed migration strategy which ONE (2007) effectively accepts as a way to address the projected absolute decline of the working age group. It must here be assumed that increased in-migration would not be substantially off-set by more out-migration of existing residents (nb. such a response by the local population to the influx of in-migrants is widespread in North America and has been found – for example

by Hou & Bourne (2006) – to at least have the beneficial effect of reducing the risk that increased in-migration leads to increases in unemployment for local residents).

The labour force in Gateshead a number of years from now will come from two groups: people who already live in the area, plus those who move into the area. An initial policy issue in relation to the second group is attraction – and particularly attraction of the more talented – but that is not the focus for this study (see instead the parallel project which Newcastle City Council is about to start). For both the groups, there is the issue of retention: will they stay in the area? This project is particularly concerned with those who are talented. More specifically, the concerns here centre on retaining talented people who recently moved to Gateshead and, more specifically still, the research concerns people who are originally from other countries. To complete this brief setting of the context for the report's concentration on this group, it is important to list the other groups who will also contribute to a more talented Gateshead labour force in the future:

- + local young people leaving education with high qualifications
- + local 'life-long learners' gaining skills through their working lives
- + migrants with talent who come from other parts of this country.

In fact, it is likely that most of the talented people who will be in Gateshead for many years ahead are already here: these are the talented locals who will not only stay in the area but also remain in the workforce. It will be worth remembering that, in numerical terms, even a very successful policy to retain talented non-British migrants can probably only deliver a relatively small boost to the talented labour force in comparison with the negative impact of a return to previous patterns of (a) strong net out-migration of more talented local people – the 'brain drain' – and (b) rapidly falling average retirement age.

Table 1 summarises the above discussion, putting into context the group of most interest to this study viz: people born outside the UK who have talent and are in the Gateshead area already. It is not relevant here to discuss the other policies which can help build a talented labour force – such as support for life-long learning or the attraction of talented members of the area's diaspora of past out-migrants – but it is worth noting the other groups of people for whom retention policies might be relevant. Table 1's first row concerns local people whose loss could significantly dent the area's prospects. In this group there will be both young people whose tendency to move away is the key concern plus older people where the risk may be more of lost expertise due to early retirement.

The same twin concerns are likely to apply to people who have moved to the area from other parts of the UK (as shown in the second major block of Table 1). Here a question mark is placed over the value to the area's economy of the retention of in-migrants who are less talented: they are currently contributing to the economy *overall* but they are not

directly helping to drive up productivity levels. Of course, it can be argued that unless the area has a multitude of services and other activities – which employ many less skilled people – many of the more talented people will not want to stay in the area.

Turning finally to people born abroad (as in the lowest major block of Table 1), the major focus of this study is on those who already utilise their talent in the local labour force. For this group, the retention policies will mostly focus on keeping them in the area – rather than keeping them working – because most of the group are likely to be young. As mentioned earlier, the kinds of talented people of interest here range include not only skilled people such as graduates but also the self-employed and other entrepreneurs, categories seen to include high proportions of people from abroad (Ram & Jones 1998). The same question as was discussed above arises as to the need for a retention policy for those who do not fall into the talented category.

Table 1 also assumes that people from abroad who are studying are likely to have talent and so will be of value if they could be recruited into the local economy: this assumption depends on this category only including people who are studying at the higher levels. Finally there is the category of people from abroad who are not working. This category will include many asylum seekers and refugees and, if they have talents which are not being utilised, there could be scope for policies to help them overcome the barriers they face to engagement in the labour force.

**Table 1 Groups relevant to policies to build a talented Gateshead labour force**

<b>Birth place</b>	<b>current location</b>	<b>current activity</b>	<b>potential policy</b>
Gateshead region	Gateshead region	talent-based work Other types of work Study inactive	retention life-long learning recruitment <i>(engagement)</i>
	Elsewhere	talent-based work <i>others</i>	diaspora attraction <i>n/a</i>
rest of the UK	Gateshead region	talent-based work Other types of work Study <i>others</i>	retention <i>retention(?)</i> recruitment <i>n/a</i>
	Elsewhere	talent-based work <i>others</i>	attraction <i>n/a</i>
rest of the world	Gateshead region	talent-based work Other types of work Study <i>others</i>	<b>*RETENTION*</b> <i>retention(?)</i> <b>*RECRUITMENT*</b> <b>*ENGAGEMENT*</b>
	elsewhere	talent-based work <i>others</i>	attraction <i>n/a</i>

*nb.*  
ENTRIES IN THE “policies” COLUMN IN CAPITALS ARE OF CORE INTEREST HERE  
*entries in the “policies” column shown in italics do not directly relate to talented people*

## Evidence base

As set out in the previous section of this report, the group of core interest to this study are people born abroad who are working in the Gateshead area, having brought some valuable talent to the area's labour force. It is likely that the greatest policy interest will be in those who have moved to the area fairly recently, for two reasons.

- The first reason is that those who have been in the area for some time are probably less likely to move away and so effort spent persuading them to stay would be 'deadweight' in policy terms.
- The second reason follows from the category of "not born in the UK" being less than ideal: the group of greatest interest is more likely to be "nationals of other countries" but published datasets only rarely identify this group. (In this context, it is notable that the largest non-UK birth country group in the 2001 Census data was that born in Germany: datasets with a break-down by nationality show that relatively few Germans live in Britain *but* country of birth datasets find the many people born to the armed forces serving in Germany over the last half century.) As a result, it would be advantageous to focus in the most recent in-migrants who are working in the area because they are less likely to be non-UK born solely due to their parents having been with the British forces stationed abroad.

Despite these two reasons for preferring to build an evidence base on labour migrants whose in-migration was relatively recent, there are very few datasets in which the date of in-migration is identifiable. The other side of the same coin is that it is also impossible to find data on in-migrants' subsequent movements in Britain (cf. the fascinating data analysed by Zorlu & Mulder (2008) in the Netherlands). There are suggestions that there is a new trend for more migrants to move from their point of arrival quite quickly, with a reasonably high proportion perhaps leaving the country as a whole fairly soon after arrival (Dobson et al 2001).

The above description – which notes (1) the types of information which would ideal for this study and (2) the disappointing reality – offers a suitable introduction to this section of the report. In short: there is no dataset which counts the in-migrant labour force of the Gateshead area, with enough data coverage locally to confidently identify those whose job or qualifications indicate that they have talent. As a partial aside, it is worth noting that the severe limitations to the data available is by no means unique to this country, with similar frustration found to be widespread by a survey of NewcastleGateshead and peer cities (EUROCITIES 2007). The best way forward is to analyse numerous datasets to build up as much of a full picture as possible from the separate items of information.

Starting with the datasets with the country of birth identified, the Census provides the fullest break down on this dimension: the Local Base Statistics (LBS) also give most detail in terms of the area where people live, but neighbourhood-level analyses are not the priority here. The major disadvantage of the Census is its infrequency, so that the most recent dataset refers to a time before the A8 migration of recent years. Within this limitation the LBS can be useful in two ways: statistics from 2001 show the profile of the population prior to the recent upsurge of migration, whilst a detailed country of birth analysis of the whole population shows the net impact of decades of migration in and out which result in a distinctly selective process of settlement. In short, the LBS can provide only contextual information for this study.

Another form of context is provided by the Census Special Migration Statistics (SMS) because they show the overall position of the Gateshead area in the national migration flow patterns of more talented people. This dataset is the only source of information addressing questions such as whether Tyneside was seeing a net gain or loss of highly skilled people to the London city region. That said, it offers no data on either nationality or country of birth of the migrants. This form of analysis is possible using another dataset derived from the Census: the Longitudinal Survey (LS). The problem with the LS is that its principal value comes in studying longer-term migration through its linkage of Census records, and the patterns of migration between 1991 (or 1981 or even 1971) and 2001 are too far in the past to be of great interest here.

The spatial pattern of migration, without the information on skill level that the LBS and SMS provide for Census year, can be monitored year-by-year between Censuses using data derived from the National Health Service Central Register (NHSR). Although there is recognised under-counting for some groups, particularly young men, this dataset provides the most reliable timeseries to track the net migration flow between areas like Gateshead and the rest of the country. For this study, the element of this data recording system of most relevance is distinct from the main matrix of flows between local areas. This is the so-called 'Flag 4' count of an area's new registrants whose previous address was abroad. The nature of the data means children will be included as well as adults, while the under-counting of young men mentioned above is specifically a problem here given that they make up a substantial proportion of all migrants.

Table 2 shows that among the most valuable data sources is the one probably most familiar as the Labour Force Survey: now part of the Annual Population Survey (APS). This dataset reports many characteristics by which the more talented members of the labour force can be identified, and country of birth is also categorised, but the limitation is the size of the sample. For a relatively small area such as Gateshead this problem can be ameliorated by pooling more than one year's data, although this reduces the



recency of the latest data as well as the frequency of observations in any timeseries. The timeseries available is also limited by changes to the way the survey has been collected over the years.

Table 2 also refers to two rather new datasets which have become available with the escalating interest in migration in recent years. Both are by-products of administrative processes dealing with new entrants to the British labour market. The broader dataset of the two is the National Insurance Number registrations (NINo) dataset which covers all new entrants to the labour force – including self-employed workers – and people from any country. By contrast, the Worker Registration Statistics (WRS) do not cover the self-employed and only relate to people from the A8 countries (or A10 in the most recent period). Although the WRS dataset classifies people by their job types so that estimates can be made of migrants' skill levels, Stenning et al (2006) reveal that the coding of job type is error-prone and so the published typologies are unreliable. In the NINo dataset there is no skill-related coding at all. A key feature of these two datasets which sets them apart from others is that they record 'flows' over a period – in that they identify new entrants to the British labour market – as opposed to the more usual counts of 'stocks' at a particular point in time. While it is true that a flow count is suitable for the study of migration because it is inherently dynamic, the problem is the lack of a similar count of outflows: only if flows in both directions are counted is it possible to estimate the net flow (in or out) and hence either the trend in the total over time, or the number who are present now who have arrived recently.

Although not released in the form of a conventional dataset, one other relevant source of data is the Asylum Statistics monitoring report on the asylum-seeker support scheme. A count is provided at the end of each quarter of asylum-seekers in receipt of one of the government schemes maintaining asylum-seekers (until their case is decided): a limiting factor in the usefulness of this data source is that local authority areas (LAs) with counts of fewer than 15 are grouped into 'regional remainder' figures in the tables. It is notable that there are no statistics on the numbers of asylum-seekers in each area who were granted asylum in the preceding quarter: this count would have been interesting to this study because such people would be (relatively new) migrants likely to enter the local labour force. Any refugees who are not officially recognised asylum-seekers are not covered by any specific dataset: thus they are one of the inevitably-uncounted groups, along with illegal migrants for example.

Table 2 ends by recognising the availability of two datasets which superficially appear central to the interests of this study but which are unfortunately unable to provide robust relevant evidence. In principle the International Passenger Survey (IPS) records some essential data on both inflows and outflows, but a high level evaluation has concluded

that the survey method persistently fails to deliver the required data: major investments are currently underway to improve the quality of future IPS statistics but these have yet to bear fruit across the country. Finally the British Household Panel Survey (BHPS) can offer valuable tracking of individuals year-on-year to monitor changes in their jobs and related characteristics, but the survey is based on relatively few cases and so there are simply not enough cases in areas as small as Gateshead to make meaningful analyses a possibility.

**Table 2 Datasets with potentially relevant evidence on talented in-migrants to the Gateshead labour force**

<b>Dataset</b>	<b>latest</b>	<b>coverage</b>	<b>location</b>	<b>birth nation</b>	<b>economic activity</b>	<b>qualification levels</b>	<b>analysis potential</b>
<i>Population Census: Local Base Statistics (LBS)</i>	2001	c.100% residents	Home	detailed	detailed (self-) employed status	broad	measuring scale of long-term settlement
<i>Population Census: Special Migration Statistics (SMS)</i>	2000/1	c.100% address changers (one person / 'group')	Home	unknown	broad status (self-employed not identified)	unknown	analysing net migration (within the UK)
<i>Longitudinal Survey (LS)</i>	2001	c.1% residents	Home	detailed	detailed (self-) employed status	broad	exploring migration influence on careers
<i>National Health Service Central Register (NHSCR)</i>	2007	<100% Primary Care Trust changers	Home	unkown (but see text on 'Flag 4' data)	unknown	unknown	monitoring total annual trends in net migration
<i>Annual Population Survey/ Labour Force Survey (LFS)</i>	2007	<1% working age residents	Home OR workplace	broad	detailed (self-) employed status	detailed	estimating career progress of migrants
<i>National Insurance new numbers (NINo)</i>	2007	c.100% labour market entrants	Home	specific	unknown	unknown	monitoring annual trends in in-migration
<i>Worker Registration Scheme (WRS)</i>	2008 (quarter1)	<100% new employees from A8/A10 countries	workplace (for some, an agency)	specific	broad status (employees only)	unknown	monitoring quarterly trends in in-migration
<i>Asylum Statistics</i>	2008 (quarter1)	10% of asylum seekers receiving one of two levels of support	Home	unknown	none	unkown	measuring scale of potential migrants
<i>International Passenger Survey (IPS)</i>	<i>Officially recognised to need substantially increased investment to become valuable</i>						
<i>British Household Panel Survey (BHPS)</i>	<i>Possibly valuable at the regional scale but insufficient sample for local data</i>						

## Gateshead overview

This section of the report starts by summarising the background to the study – by showing the statistical basis for the interest in increasing both talent in and migration to the labour force of Gateshead – and then moves on to focus on the evidence on how many migrants there may have been to the area in recent years.

Figure 1 is taken from the research reported in Champion et al (2007) which examined the flows of talented people within and between British city regions. The latest dataset allowing these analyses is from the 2001 SMS and refers to people moving house in the previous 12 months (2000-1). The people analysed is the one who, in a set of one or more people moving together, was likely to earn most: what the Census calls the Moving Group Reference Person (MGRP). This analysis looks at those MGRPs classified as Higher Managerial or Professional (HM&P). Flows to and from areas are here analysed by an in/out ratio: values of less than 1.0 indicate that the area is losing HM&P MGRPs (who can readily be seen as a talented group of people). Figure 1 shows on its horizontal axis the migration in/out ratio of 27 large cities of Britain and the Tyneside area – identified as “NE” – has a fairly low in/out ratio below 0.75 (that is, fewer than 75 in-migrant HM&P MGRPs for every 100 of these talented people who had migrated away). More worryingly, when the analysis is widened to examine flows in and out of the whole of each city region (Figure 1 shows this on its vertical axis), the city region centred on Tyneside is seen to have a lower in/out ratio than any of its 27 competitor city regions.

**Figure 1 Migrant flows in/out of English cities by talented people (2000/1)**

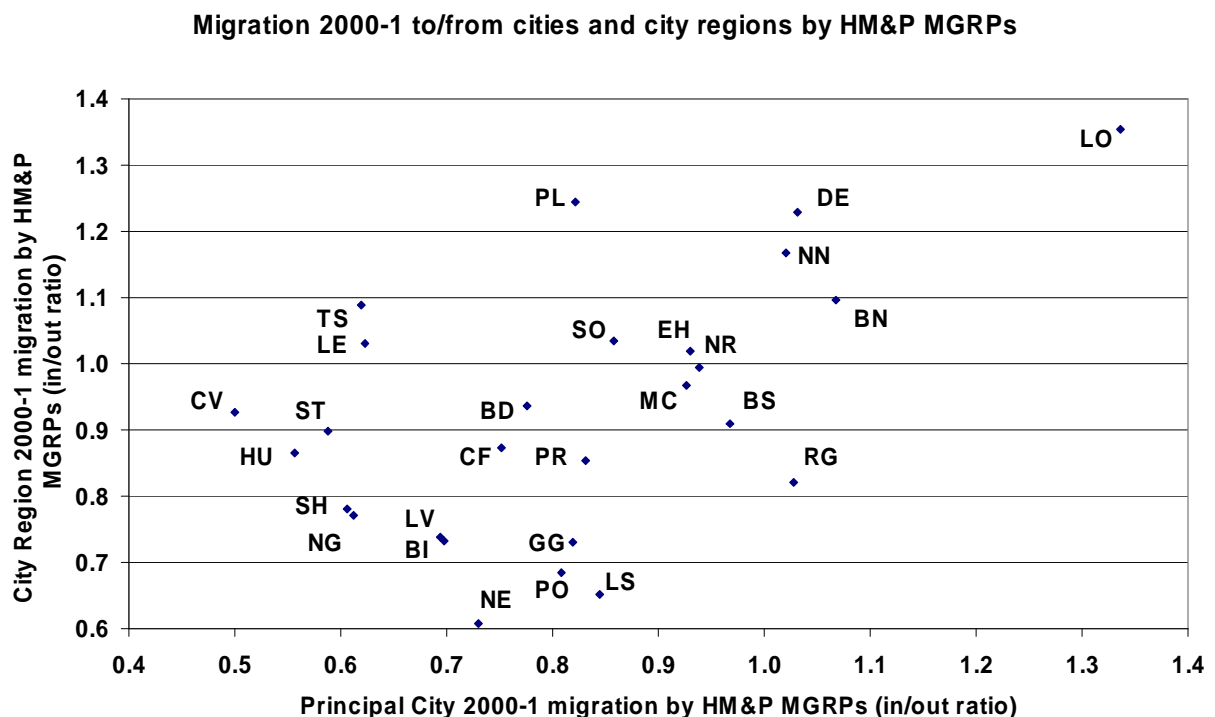


Figure 1 analysed migrants who will mostly be British – many of them may be new graduates (Champion & Coombes 2008) – but this analysis shows a clear tendency for a ‘brain drain’ from the area in which Gateshead’s is situated. Taken with other factors, this long-standing tendency produced a 2001 Tyneside workforce where 34.6% of the 16-74 year olds had no qualifications at all, with 38.4% unqualified in Gateshead itself, compared to 29.5% for the British labour force as a whole.

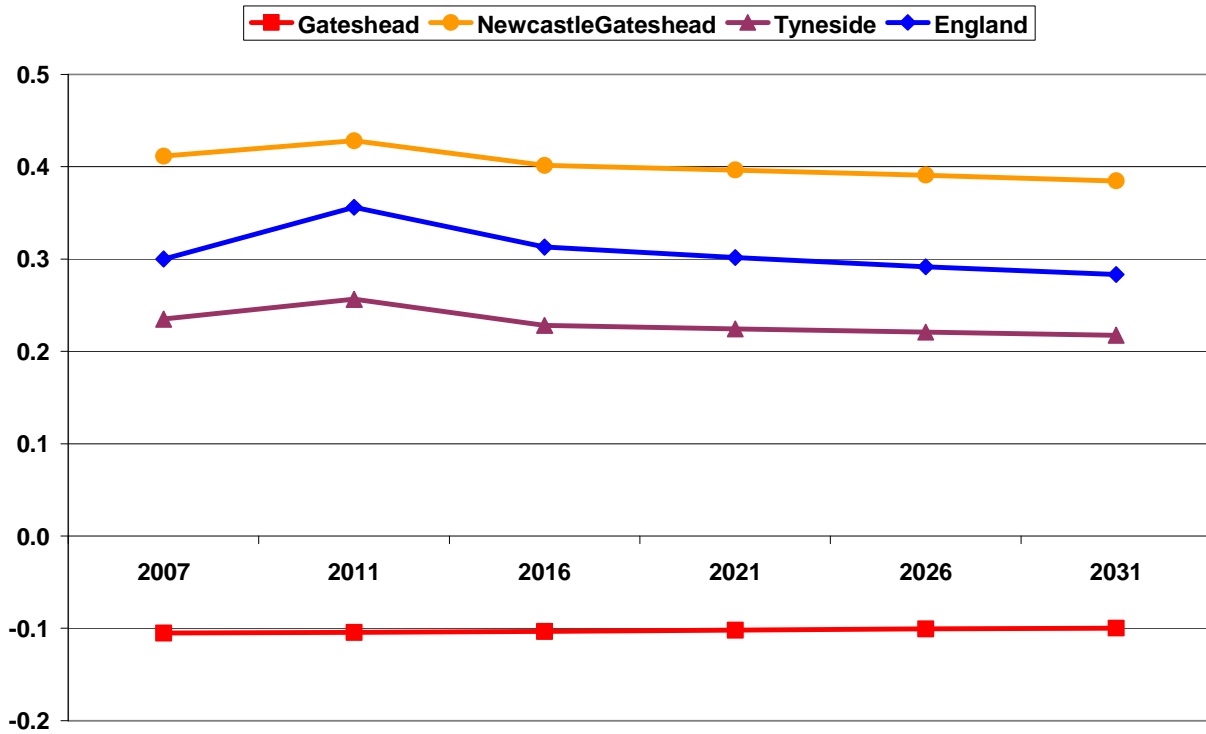
Patterns of migration over time change not only the skills mix of an area but also its social and cultural mix. Whilst there is no simple cause and effect link between a more diverse population and a more highly skilled one, studies such as Comedia (2005) argue that increasing the cultural diversity of Tyneside can help it prosper. Table 3 does show that in Tyneside generally – and Gateshead especially – the proportion of people with an ethnicity other than the majority White British category, and the proportion who had a non-UK country of birth, were well below the national averages. While these proportions result from long-term migration flows in and out, Table 3 also shows that locally the proportions of the economically active residents who had come to the area from abroad in the 12 months prior to 2001 were low too.

**Table 3 Diversity of 2001 populations: indicators of possible past migration**

% residents [*economically active residents]	ethnicity not White British	country of birth outside UK	* living abroad 12 months previously
Gateshead	3.08	2.30	0.21
NewcastleGateshead	6.69	4.66	0.59
Tyneside	5.20	3.69	0.47
England & Wales	12.34	7.90	0.76

Figure 2 moves the analysis here on from data about the 2001 period by looking at the official projections of migration for up to a quarter of a century from 2006 (the most recent base year). The values plotted are the expected net flow to/from other countries, expressed as a percentage of the initial resident population. Gateshead is expected to experience a slightly negative net flow in each year: of course, this projection is primarily based on trends over recent years and does not allow for possible impacts of any policy initiatives. On the other hand, Newcastle has been projected to see such a strong positive net flow that NewcastleGateshead in combination is expected to outstrip England as a whole in the strength of net inflow relative to its population. University cities with airports and international images often act as ‘gateways’ for international migration but, of course, these migrants may well move elsewhere within the country once they have arrived. As a result, the projections suggest that one possible strategy for Gateshead may be to attract some of the steady stream of migrants who initially settle in Newcastle but are likely to seek a ‘second destination’ after a few years.

**Figure 2 Forecast net cross-border in-migration (as % of 2006 population)**



So far, this section of the report has established four key points related to this study’s concerns:

- the area has an established difficulty in holding on to the more skilled among its workforce
- the existing workforce has above average proportions of unqualified people
- the population has low levels of diversity in terms of ethnicity or country of birth, and indeed
- the latest forecasts are for Gateshead to continue to attract few international migrants.

That said, there is expected to continue to be a strong flow of international migrants into Newcastle and so there could be a policy opportunity to attract some to move on subsequently to Gateshead (nb. the likelihood of this possibility cannot be assessed by looking at recent data on numbers making a similar move, because there is no dataset showing the ‘secondary’ moves of recent international in-migrants).

The remainder of this section of the report seeks to build an estimate of numbers of international migrants to Gateshead (and also to NewcastleGateshead). It is worth re-stating at the outset that the best that can be achieved will be some way removed from what might be the ideal here, such as a count of non-nationals who have lived and/or worked in the area for at least a year but less than (say) five years. It is also important to stress that building an estimate from several sources means that the result will be a simple count which cannot be broken down to measure, for example, how many have high skills. The reason is that combining values from different sources leads to results with the lowest common denominator from the input datasets in terms of detail; in practice, this mean that there will be no detail at all as to the migrants’ level of talent.

It is probably in the Asylum Statistics where limitations to relevant data sources are most acute. In practice, the only available breakdown is between those asylum-seekers who are supported

in accommodation, and those who are receiving subsistence only support. The latter category never included many people in this region, and fell steadily from 250 across the whole of the North East in 2003 (1st Quarter) to just 50 in 2008 (1st Quarter), echoing the national fall from over 38,000 to under 7,000 over the same period. Gateshead itself had too few of this category of asylum-seekers to be listed in the tables in the last four years. This picture alters substantially when attention turns to asylum-seekers supported in accommodation. Although these numbers too have fallen quite markedly over recent years, this reduction has been less sharp so the latest counts are not insubstantial, while the North East accounts for nearly a tenth of the national total. At the end of the 1st Quarter of this year the count recorded for Gateshead was 275 (NewcastleGateshead 1,285). This is a useful count of the 'stock' but it would be far more useful if there were 'flow' measures too. Counts of the stock do not allow estimates to be made of the number who first sought asylum in that Quarter (the on-flow), or the numbers whose cases were resolved (the off-flow), nor how many of the latter gained asylum status and became able to remain in the country. Allowing for a (widely publicised) minority of very protracted cases, it does not seem to be too 'heroic' to conclude that Gateshead has around 250 resident asylum seekers – with perhaps 1,000 more in NewcastleGateshead more widely – and few will have been in the country for very many years. Many would presumably be pleased to stay in the area if their asylum request is approved and there are suitable work opportunities. What would constitute a "suitable" opportunity will, of course, depend on the individual's skill and aptitude but unfortunately the official data source provides no information on this. (In this study all the asylum-seekers interviewed are asked about their skill levels.)

After asylum-seekers it is probably students who are the most distinctive group of migrants, although they will differ strongly from asylum-seekers in how far they aim to settle in the area. Annual data from the Higher Education Statistics Agency provides a breakdown of overseas students by their level of study and the university attended (but not the LA that they live in). Figures for 2006/7 show 9,070 overseas students at either Newcastle or Northumbria campus; some data will be presented later from local sources in support of the anecdotal evidence that Gateshead itself houses very few of these students. It has long been understood that if the region could sharply increase its level of graduate retention then they could provide a major element of an economic development strategy based on talent retention. Attracting overseas students to stay in Gateshead is thus just one variant of this wider challenge, but the numbers involved are clearly large – and all will have above average skill levels – so they must warrant inclusion in any talent-based strategy, even if Gateshead is as yet little known to most of them. In addition, the fact that there are many thousands of *new* students arriving just across the river every year means that even a very low 'success rate' for a relevant policy initiative could still reasonable numbers of talented new entrants to the area's workforce year on year.

Returning briefly to the bench-mark data that was provided by the 2001 Census: at that time the Gateshead area housed 178 economically active residents who lived abroad 12 months before (there were 1,096 in NewcastleGateshead). It is not possible to know how many of these people would fall into a 'talented' category, unless a special table from the Census was commissioned. Data from the LFS shows that *across the country as a whole* around 2001 up to half the labour

market entrants from abroad were managers or professionals: of course, it is not very likely that the skill levels of migrants to this region will match those found in the inflow to London which has tended to dominate the national picture. More recent LFS/APS data shows that the inflows of talented people has continued, but it has become a declining proportion of a total which has grown steadily with a marked increase in the number of in-migrants taking jobs at the lower end of the skills hierarchy. Putting together this national evidence with the long-standing tendency for this region to have a low share of its job opportunities in the more highly-skilled categories, the probability is that more recent economic migrants to the region will include rather few who have gained jobs requiring high skill levels. That is not to say that these migrants may not have talents which are simply not being utilised: that is a question to which the available data sources do not provide an answer. Based on the hard evidence of published statistics, a cautious view would be that the proportion of talented people among recent economic migrants to the area may well be quite low: it will clearly be lower than the level among overseas students, and the proportion of talented people among asylum-seekers may also be higher.

The remaining question concerns the size of the annual inflow of economic migrants to the area. Taking a very narrow view first to highlight those people who are so determined to stay that they attend a British citizenship ceremony, the number in Gateshead over the last 3 years has varied around 150 per year (within a NewcastleGateshead total rising from under 500 to over 700). These committed 'settlers' can be contrasted with A8 migrants, a high proportion of whom state on their WRS forms that they intend to stay in Britain only a few months. Over a similar period, the WRS data reports 187 A8 in-migrants per year to Gateshead (711 to NewcastleGateshead). With the known propensity for many A8 migrants to leave after quite a short period, and the early indications of a down-turn recently in the inflows, this most commented-upon migrant flow does not seem to be numerically of overwhelming importance to the area. For example, if the inflow to Gateshead next year dropped by about a third, and only a third of them was interested in staying – quite probably an optimistic estimate – then there would be just 40 or so arriving over that year who would then be of potential interest to a retention policy initiative, while most of them might well not be particularly talented.

Some of the previous years' A8 migrants can appear subsequently in the NINo data on entrants to Britain's labour force from abroad. In the years 2005-6 and 2006-7 respectively the numbers recorded for Gateshead were 730 and 980 (4,650 and 5,510 for NewcastleGateshead). It can be assumed that there will be some students among these new NINo registrants, but it is only possible to make a highly speculative estimate of how many. Table 4 makes this estimate and sets the calculation within a whole series of other estimates which draw together the data and discussion so far in this section of the report. There is a column for each of the four categories of migrants discussed here, with each column progressing towards an estimate of the yearly number of new talented people who may wish to stay in the area. These estimates are provided for Gateshead separately and also NewcastleGateshead in combination. It is essential to see these estimates as the product of a whole series of estimates, as outlined below.

**The groups** Refugees are not included separately from asylum-seekers because they are successful asylum-seekers (their number is set by the inflow of asylum-seekers and



the subsequent outcome of their cases); overseas students and A8/A10 migrants are each the subject of a separate set of estimates, so the NINo count has to be reduced to allow for some of the people it includes having already been included in one of the other categories.

**Initial count** The numbers are based on data from the most recent years, with the one notable adjustment of a reduction in the trend in A8/A10 migrant flow size: the first row can be seen as the 'population at risk' in the case of asylum-seekers and students but, for the other two categories, no equivalent number can be calculated so the second row directly provides estimated numbers of new labour market recruits for these categories; for the asylum-seekers there is an estimate of the number who may gain asylum and enter the labour force, while for students there is a similar estimate of the proportion who will work.

**Settling intention** The third row is based on a speculative estimate for each category of the proportion likely to want to remain in the area; it is assumed that this proportion will be highest for asylum-seekers/refugees and lowest for students.

**Proportion talented** The fourth and final row depends on equally speculative estimates of the numbers who may be talented within each of these categories; based on some of the LFS/APS data mentioned above, this is taken to be 25% for all groups except the overseas students who are all assumed to be talented.

**Table 4 Speculative estimates of 2007-8 number of talented economic migrants**

	<b>Gateshead</b>	asylum-	overseas		others	
<b>[NewcastleGateshead]</b>		seekers	students	A8/A10	(NINo)	<b>Total</b>
outside the labour market at the start of the year		250 [1250]	100 [5000]			
potential recruits into the local labour force		50 [250]	50 [2500]	120 [480]	900 [3000]	<b>1120 [6230]</b>
likely to want to settle for several years at least		40 [200]	20 [1000]	40 [160]	600 [2000]	<b>700 [3360]</b>
likely to be talented		20 [100]	20 [1000]	10 [40]	150 [500]	<b>200 [1640]</b>

Table 4 shows that the outcome of all these estimates and, for that matter, this attempt to apply an 'accounting' method is that there could well be 200 migrants to Gateshead this year who may be of interest to a new talent retention policy (1,640 in NewcastleGateshead). These estimates cannot be verified: in fact, if there were any data source against which they could be verified then there would have been no point in making such speculative estimates. One indication that they may not be too unreasonable comes from LFS/APS data on non-nationals in the workforce. The yearly increases in the number of non-nationals from 2004-5 to 2005-6 and then again from 2005-6 to 2006-7 were 400 and 100 for Gateshead (3,500 and 900 for NewcastleGateshead). These increases are the net effect of the new entrants – those of particular interest here – minus the number of non-nationals in the labour force in the previous year who did not remain. If the number leaving is half that of the new entrants – another estimate which is based upon 'collective wisdom' from varied sources of information – then these LFS/APS figures can yield

estimates of the number of new entrants. On this basis, doubling the average change over the most recent years yields 500 for Gateshead and 4,400 for NewcastleGateshead: values which are not far different to the equivalent numbers from the estimates made above (Table 4 row 3).

Accepting that all these estimates must be treated with great caution, what can be concluded from them for the present study's interest in developing possible Gateshead policy options related to talent retention? There appears to be a sufficient flow of migrants to the area for whom such policies could be relevant. Of those likely to live in Gateshead itself, only a rather small minority are from A8/A10 countries, or are asylum-seekers or overseas students. This will not help in targeting policies, because the bulk of the inflow appears to be made up of economic migrants who are not from the A8/A10 countries and so may have little in common and are not 'captured' by a specifically relevant information system (such as the WRS for A8/A10 migrants). Were the decision taken to 'widen the net' to include residents of Newcastle then a very large proportion of the additional candidates to be targeted would be overseas students.

## **Migrant survey**

The previous section of the report built up to an attempt to generate very approximate estimates of the inflow of in-migrants who could be the ‘targets’ of a migration retention policy with a focus on people with talent in the labour market. Central to these estimates were 3 groups of people: asylum-seekers (who become refugees if their asylum status is granted), overseas students, and a wider population of economic migrants (some of whom are from A8/A10 countries). It was necessary to use several different datasets to make these estimates, and this meant that it was impossible to get similar data on the characteristics of these different groups. In fact, any such dataset which *did* exist would not be likely to have many observations on people living within the Gateshead area so it was necessary for the study to carry out its own survey to establish key facts about the different migrant groups in the area. One implication for the survey from the preceding statistical analyses is that, because most migrants to the area seem likely to fall into the heterogeneous ‘other economic migrants’ group, it will not be easy for the research to make contact with a reasonable sample of recent migrants from just a few contacts (eg. by contacting an organisation representing a specific national community).

At the start of the study Gateshead Metropolitan Borough Council (GMBC) provided a database containing names and contact details for economic migrants, refugees and asylum seekers who had made an enquiry handled by the Economic Development Team (nb. the individuals had made a range of different types of enquiry to GMBC but had subsequently been referred to the Economic Development team). Contact details of additional refugees and economic migrants were gained from other bodies and/or stakeholders approached during the course of the study (eg. Gateshead NHS Trust and Tyne and Wear Care Alliance). Contact details of overseas students living in Gateshead were gained from Newcastle University’s student progress service. Additional efforts were made to contact migrants who are known to be talented – such as those working at a qualified level in the NHS – so that the survey was not too dominated by people whose contact details were known due to them having approached statutory bodies for assistance with severe and/or persistent difficulties they were facing.

### **Survey respondents**

During summer 2008 (June–September) repeated contact efforts led to 97 successful interviews with migrants ranging across the groups of interest. Table 5 shows the basic composition of the surveyed population: just over half are either asylum seekers or refugees, a third are economic migrants and just over 1 in 7 are international students. The one other respondent had migrated to join her English partner; she is excluded from subsequent tabulations because she was not currently economically active and did not speak of intending to join the labour force soon.

**Table 5 Survey respondents by migrant category used in this study ('status')**

Status	Frequency
Economic migrant	32
Refugee	39
Ayslum seeker	11
International Student	14
Other	1
Total	97

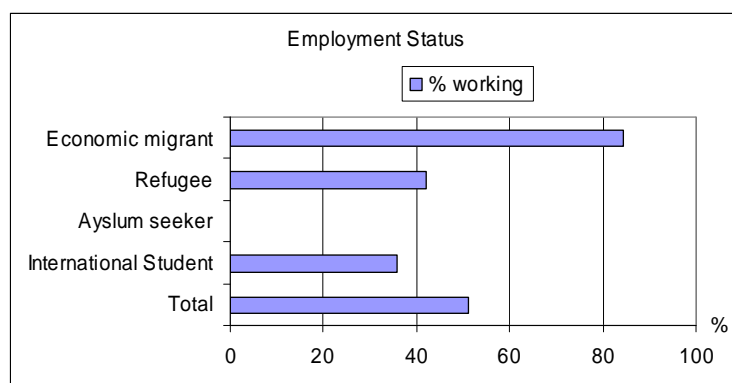
Three out of four of the economic migrants had come from other EU countries, and of them over 90% were from A8/A10 countries (especially Poland). Almost three quarters of refugees listed Africa as their origin, with Eritrea (45%) accounting for around half. Nearly two-thirds of the asylum-seekers came from the Middle East (especially Iraq). Over half the overseas students came from the Far East (mainly China). As had been anticipated then, it has proved difficult for the survey to contact economic migrants who were not from A8/A10 countries: it is not possible to know whether the previous section of this report was correct to reckon that such migrants will be a sizeable – but difficult to trace – proportion of all people from abroad coming to the area.

**Table 6 Country of Origin by status**

Country of Origin	Economic Migrant	Refugee	Ayslum seeker	International Student	Total
English speaking	0	0	0	1	1
EU	24	0	0	1	25
Middle East	2	9	7	1	19
India/Pakistan/Bangladesh	2	0	0	0	2
Far East	1	0	0	8	9
Africa	2	29	3	3	37
Other	1	1	1	0	3
Total	32	39	11	14	96

Figure 3 shows that half the survey respondents were working. This proportion varies from the 85% of economic migrants in employment to the 42% of refugees and over a third of overseas students in employment (nb. asylum-seekers are, of course, legally forbidden from working).

**Figure 3 Whether in employment**



Nearly a quarter of all the working respondents had food processing jobs (Table 7), with the total working in manufacturing sectors around 40% (well over the equivalent proportion for the wider local labour force). Hotels and restaurants employed a fifth of the total. Some of the refugees were employed in care and social work or public administration, whilst there were three economic migrants who are NHS health professionals (1 doctor and 2 radiographers).

**Table 7 Type of Work**

<b>Sector</b>	<b>Total</b>
Health Professionals	3
Care and Social Work	3
Public Administration	2
Retail	1
Hotels and Restaurants	9
Private household services eg cleaning	4
Packing/Distribution	2
Food Processing	11
Other Manufacturing	6
Construction	2
Other	3
<b>Total</b>	<b>46</b>

Table 8 shows that nearly half of the economic migrants had found their current job primarily from an agency, although family/friends/acquaintances accounted for another fifth of this group. The latter was also the main route used by international students. Refugees were, by contrast, more likely to find their jobs through a Job Centre or other methods (eg. the Refugee Centre, placements or a newspaper).

**Table 8 Method of Recruitment**

	<b>Economic Migrant</b>	<b>Refugee</b>	<b>International Student</b>	<b>Total</b>
Through own contacts (friends/family/acquaintances)	6	2	4	12
Jobcentre	3	3	0	6
Agency	13	2	0	15
Other (eg recruited directly by employer)	5	4	0	9
<b>Total</b>	<b>27</b>	<b>11</b>	<b>4</b>	<b>42</b>

To recap: the survey respondents may or may not be representative of all migrants to the area *but* this must remain unproven because the composition of the migrant population is not known. There are reasonable numbers of most migrant groups among the respondents, and the share of each group in work is intuitively reasonable, as is their distribution across sectors and the ways in which they were recruited. This assessment justifies further analyses of the survey.

## Talent and qualifications

Earlier in this report it was indicated that a form of talent that is of interest is entrepreneurialism. As a result, it is unfortunate that the survey was unable to find any respondents exhibiting this characteristic through being self-employed and/or employing others (although one migrant said they had been in business in their home country). In retrospect it was unlikely that the survey strategy necessarily aimed *either* at employees of key bodies (eg, the NHS) *or* at people who had sought help from GMBC or related agencies would in fact unearth entrepreneurs.

It is also likely that employers or self-employed people will have worked as employees when they first arrived, only having the knowledge – and perhaps assets – needed to be successfully entrepreneurial at a later date. The method of the survey resulted in over two-thirds of the respondents having arrived in Gateshead in the last 2 years: Table 9 shows that the proportion who had been in Gateshead for more than 2 years was around a third for economic migrants but less for all the other groups.

**Table 9 Length of time in Gateshead**

Length of time in Gateshead	Economic migrant	Refugee	Aylum seeker	International Student	Total
Less than 6 months	6	8	1	1	16
6 months to a year	6	8	4	3	21
1-2 years	9	13	4	6	32
2-5 years	8	1	0	3	12
More than 5 years	3	9	2	1	15
Total	32	39	11	14	96

In the absence of evidence of entrepreneurship, attention turns here to talent shown in the form of skills and qualifications. Figure 4 reveals the qualifications reported by survey respondents.

**Figure 4 Skills and qualifications**

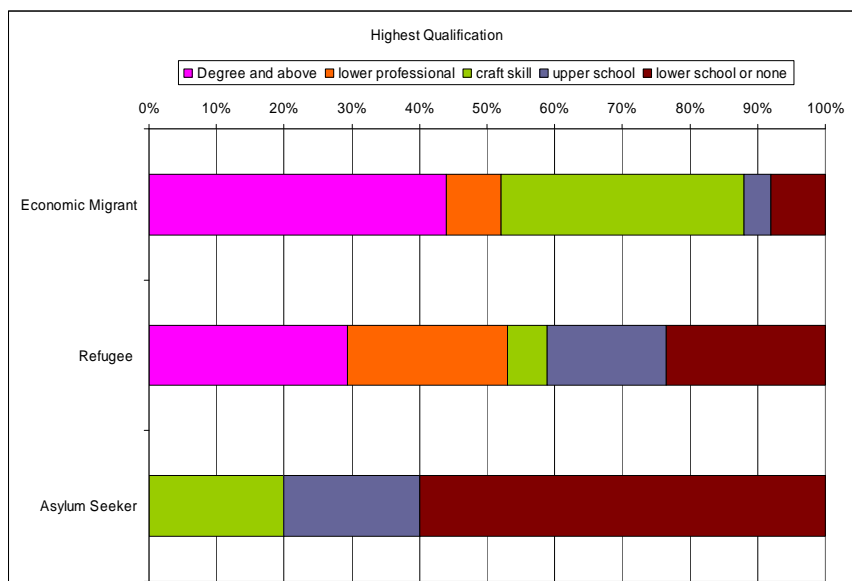


Figure 4 does not include overseas students since, on a qualification-based definition, they are all here deemed to be talented. It can be seen that getting on for half of the economic migrants are qualified at degree level or above; adding in 'lower' professionals including nurses and teachers takes the proportion to over 50% of this group and also of refugees (fewer of whom have degrees). It seems odd that refugees – who were all asylum-seekers before – are much better qualified than the latter group. Additional to these higher level qualifications are the craft skills which can fill some key local skills gaps. Figure 9 shows economic migrants are again important here. Undoubtedly these migrants are rather better qualified than the local population; the one question which could remain is whether all the qualifications gained abroad are genuinely comparable to those which are – superficially at least – their equivalents here.

### **Over-qualification or under-employment**

It is difficult to be precise about the likelihood of many migrants having jobs that do not utilise their skills. Likely reasons why a migrant may be 'under-employed' in this way include their English language skills being inadequate for more advanced work. For example, someone can have a dentistry qualification and so appear to be 'over-qualified' for many other jobs they may do but their qualifications are simply not applicable unless they can communicate satisfactorily with dental patients and other staff. Table 10 shows that fewer than 1 in 5 of migrants reported having no difficulty in finding work, and that poor English language skills were the largest single category of difficulties. (For refugees, who would previously have been asylum-seekers barred from working legally, the lack of UK work experience was as much a handicap as was the language barrier.) Migrants with limited English language skills are particularly likely to struggle to get jobs at the level which their qualifications might otherwise justify. The survey also found that 11 migrants are undertaking ESOL or other English courses (mainly at Gateshead College). A further 17 respondents said that although they weren't currently undertaking any employment related training, they intended starting ESOL classes at Gateshead College within the month.

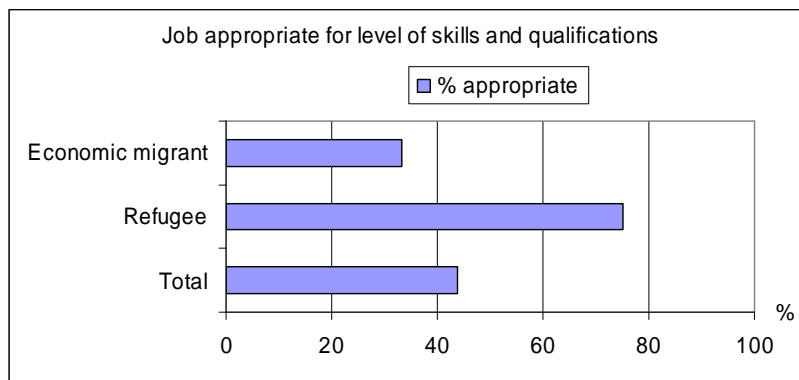
**Table 10 Difficulties finding work**

<b>Difficulties Finding Work</b>	<b>Economic migrant</b>	<b>Refugee</b>	<b>Ayslum seeker</b>	<b>International Student</b>	<b>Total</b>
No difficulties	11	1	1	2	15
Poor English language skills	9	15	0	1	25
Problems with UK recognition of qualifications	3	3	0	0	6
Lack of UK work experience	6	15	0	0	21
Lack of suitable work	2	4	0	0	6
Not allowed to work	0	0	8	0	8
Full-time student	0	0	0	6	6
Other	1	3	0	0	4
Total no of responses	32	41	9	9	91

Figure 5 reports the actual proportion of economic migrants and refugees who said that their current job is appropriate to their level of qualification (nb. they were not asked to answer this ‘considering current levels of English language skills’). Barely a third of economic migrants felt their current job reflected their qualifications, but the proportion was much higher for refugees. The survey provides some direct evidence of the importance of English language competence. For example, three economic migrants with Masters qualifications – one working as a waitress, another on a production line for a food processing company and the other as a line operator – had all attributed difficulties in finding work to poor English language skills. Another economic migrant commented that he had tried to find a better job but the agency he uses only offers him factory jobs, which he puts down to his poor English language skills. A number of economic migrants with degrees reported that they had no difficulties finding jobs but were currently employed in work such as cleaning or catering.

It is worth bearing in mind here that many of the economic migrants were from A8/A10 countries and there is evidence that many in this group do not seek to build a career in the UK: their stay is perhaps analogous to that of young Britons who go abroad on ‘gap years’ for the experience, and while away do casual jobs only, before returning to build their careers in their home country. That said, from the viewpoint of this study there do seem to be substantial numbers of migrants who are working below their abilities – perhaps in part because of their limited English skills – who are therefore a *potential* cohort for a talent retention strategy to target.

**Figure 5 Employment at the level of qualifications**



### **Intention to settle**

If it is indeed the case that there are potential targets for a migrant retention policy, the next question is whether migrants are already intending to stay and so such a policy is not required. Table 11 shows that over 2 in 3 of both the economic migrants and the refugees who responded to the survey were intending to stay in Gateshead for more than 5 years, as were all those asylum-seekers who provided a clear answer. Overseas students were the exception: for them the most frequent plan seems to be to study in the area and then move elsewhere. Perhaps the most interesting specific cases are the three health professionals who responded to the survey:



they all intend to stay in the NewcastleGateshead area for more than 5 years because they had children at school and now felt settled in the area.

**Table 11 Intended length of stay**

	Economic migrant	Refugee	Asylum seeker	International Student	Total
less than 1 year	1	5	0	3	9
1-2 years	4	0	0	6	10
2-5 years	3	0	0	3	6
More than 5 years	20	19	4	0	43
Dont Know	1	3	4	1	9
Total	29	27	8	13	77

Of those who did not intend to stay for an indefinite period, 20 respondents were able to identify where they intended to go after leaving the area. For around two-thirds of the respondents who were either economic migrants or overseas students, the idea was a return to the home country. The other one-third of those students who responded intend to go elsewhere in the UK and this was also the intention of all the refugees who responded to this question. The reasons given for leaving Gateshead were mixed, with the largest number responding that it had only ever been their intention to stay in the area for a fixed period of time. Refugees were different, citing other reasons such as finding the housing conditions unfavourable, or not feeling welcome, or moving to be with friends in other UK cities (nb. this last reason was cited by some economic migrants).

It is highly noteworthy that *among those who expressed an intention to leave* the area, the lack of job opportunities matching their qualifications was a reason for leaving given by only 1 of the 20 respondents. Does this mean that migrants find few problems with the quantity and/or quality of jobs on offer in the area? It is possible that this would be an over-hasty conclusion, given that many of the migrants who reported their intention to leave say they had never intended to stay. It is instructive to look at responses to another part of the survey where all migrants were asked about factors which would make them more willing to stay in the area. This question followed part of the survey where the focus was on quality-of-life issues, yet over 80% of the respondents stated that it was *either better paid employment or career opportunities* which would make them more willing to settle in the area.

How can this evidence on intentions and constraints be best interpreted? It seems clear that there are a minority of migrants who have planned a short stay in the area and they are unlikely to change their plan. Those who came with different intentions may well be persuadable to stay, but the local labour market will be a key factor in their decision. This latter group may well move on unless they find suitable work, which may beg the question why they came to the area in the first place. (This question is not one for asylum-seekers or refugees because the government determines where they would live.) The survey results showed that overseas students largely decided on academic or other factors, though some noted Gateshead was an inexpensive place to live. Over a third of the overseas students cited family/friends/contacts in the area; this was also the reason for choosing Gateshead for over 2 in 3 of the economic migrant respondents.

What this suggests is that many economic migrants will still have social reasons for not moving away from the area, although this is unlikely to be so strong a degree of inertia that they will stay even if there are no suitable jobs available. Other possible factors which might just make people want to stay include being a member of a club or a religious or other organisation which ties them into a local community. The survey found that churches were the most significant of these types of group, especially for refugees who sometimes also got practical help from the church. Perhaps more important here is the fact that for 5 out of 6 economic migrants there was no such local organisation worth mentioning, which indicates a potential lack of local rootedness. To the general question of how far they feel “part of the local community” it was economic migrants who were most likely to give negative answers, with 2 out of 5 saying they did not feel this way. Slightly more economic migrants gave the rather lukewarm answer “yes to some extent” and this was in fact the most frequent answer for all the groups.

If this assessment is close to an accurate picture, then the decision whether to stay in the area could be finely balanced for many migrants, especially for the more talented ones because there is a relative scarcity of suitable employment for them. This means that quality-of-life factors could possibly tip the balance of whether some migrants are likely to move away, and the study’s survey has provided information on the views of migrants on a range of relevant factors. For example, no migrant who expressed a view about the quality of local schools assessed them as “poor” whilst three-quarters judged them as good or excellent. More migrants had views on adult education – presumably because most are younger adults and so only a few will have children in schools – but here again the views were close to being uniformly either “OK” or more positive still.

Figure 6 shows the responses to the question about housing, with a breakdown by migrant group possible here because most migrants had enough relevant experience to shape their view on this issue. Here the assessment is less uniformly positive, with some overseas students and refugees distinctly dissatisfied. In general, the view seems to be that the local housing is not a great problem but, by the same token, it is also not a real attraction either.

**Figure 6 Views on housing in Gateshead**

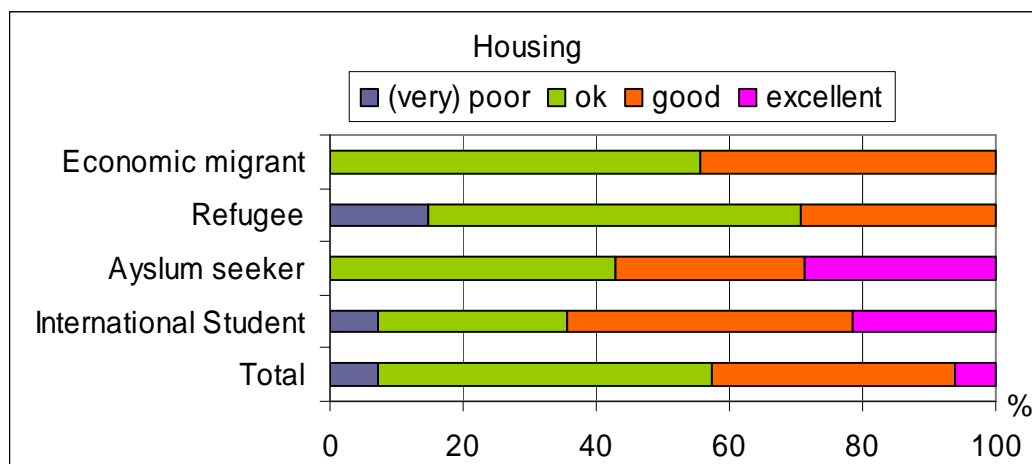


Figure 7 reveals that migrant views on transport include more “good” and “excellent” ratings, and that these views do not vary greatly between the groups. It may be worth highlighting that the most positive assessment was by the overseas students who will have to travel across the Tyne to Newcastle University main campus. It seems that the small number of students who *have* chosen to live in Gateshead find that this travelling is not a problem.

**Figure 7 Views on transport in Gateshead**

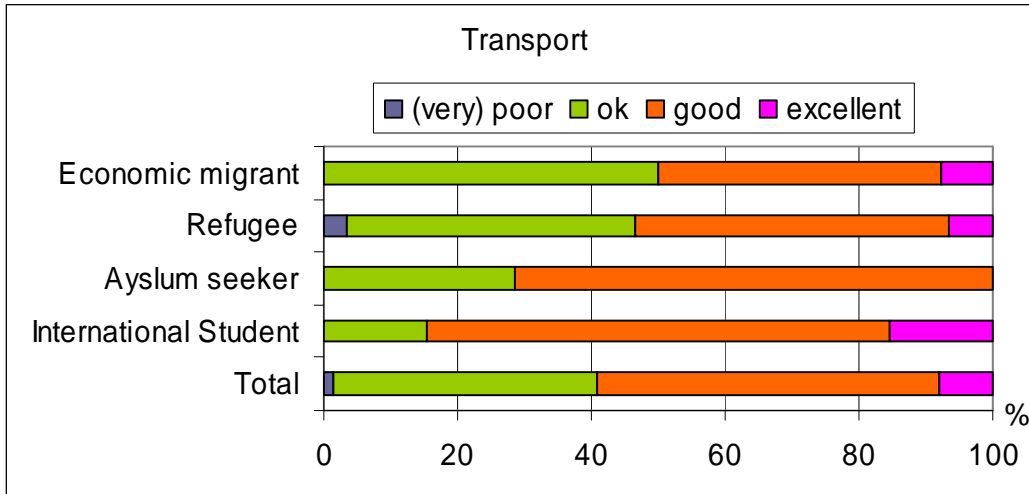
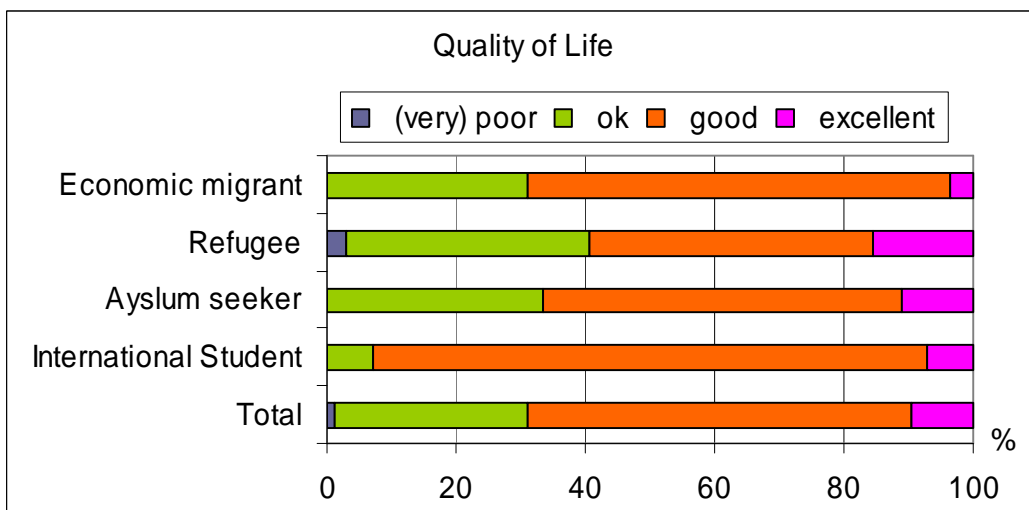


Figure 8 shows the answers to the summary question about quality-of-life in the area. Again the students gave the most positive of a generally positive set of replies. The low proportion of very positive “excellent” answers suggests that quality-of-life will not be a major reason for migrants to stay if, for example, job opportunities are inadequate. By the same token though, the high proportion of “good” answers – plus reasonable numbers saying “OK” – implies that there would be few who move away if suitable job opportunities *are* available locally. In short, the evidence on these non-work issues shows that most migrants have a mostly favourable view of the area and so these issues will not be a ‘push’ factor driving migrants away, but their views are not so positive that they will be a ‘pull’ factor restraining those who could get a better job elsewhere.

**Figure 8 Views on quality-of-life in Gateshead**



## Employer survey

The research team were supplied by GMBC with a dataset of 101 employers in Gateshead that have an estimated local workforce of 100 or more. This list was used as the basis for a survey of employers experience with migrant workers. The dataset was stratified by industry type and so a cross-section of these businesses was contacted. When contact was achieved the first question was whether the businesses had recently recruited. Only businesses that had recruited within the last two years were then interviewed.

By the end of the study, 21 employers had been interviewed. Just over half of them were in the manufacturing sector, while half of the others were in retail trades. Whilst all had recruited in the last two years, nearly three-quarters of those in manufacturing had had recruitment difficulties (this had afflicted just over half of all employers). The positions that proved difficult to fill ranged from some professional or managerial posts, together with a few high-skill manual jobs, to more basic jobs such as security officers.

Over the past 2 years, nearly 3 out of 4 employers had recruited workers who had recently moved to the area from overseas. Of these, there were 3 manufacturing companies employing mostly migrant workers, and 2 in retail who mostly took on overseas students. Of those who had recruited no overseas workers, 1 had attracted applications from migrants but they had not been recruited due to a lack of UK work experience. Over half of those who were recruited came from EU countries, 1 in 6 from India/Pakistan/Bangladesh and 1 in 10 from the Far East (eg. China). The latter two geographical groupings mentioned were less well represented among the profile of the respondents to the migrant survey, so it is useful to check whether in other respects the characteristics of the surveyed migrants – as described in the previous section of this report – differs greatly from those of the migrants working for the employers who were interviewed here. In practice, many of the answers supplied by the employers closely echoed those given by the migrants themselves:

- a substantial minority had come to Gateshead because of family/friends/contacts locally
- many had come to Gateshead directly from their home country, and also
- up to half would leave after a short while because this had always been their intention.

Nearly a fifth of the employers had recruited directly themselves, a similar number has used the Job Centre while nearly two-fifths reported that their migrant employees were recruited through an agency. Only two employers received support from public bodies or voluntary organisations when recruiting overseas workers, or to help them settle into the area. One manufacturing company received help from a job agency and had found them very helpful. The other, a food processing company, had received support from Gateshead College in providing a combined food hygiene and language course.

Just over half of the employers had supported the cost of learning or training of migrant workers. Half of the training provided by employers (mainly manufacturing companies) was on the job, one food processing company supported overseas workers in studying for a food and hygiene qualification and similar industry-specific learning was supported within the hospitality sector. Two companies supported language training. Six of the employers providing training were also aware that overseas employees had taken English language courses at their own expense, while two employers who had not supported training were aware that overseas workers were undertaking employment-related learning outside work at their own expense.

Employers considered migrants to perform better – although rarely “much better” – than local workers in equivalent positions in terms of time-keeping and reliability, flexibility and work ethic. There was very little difference between migrants and locals in terms of length of time in post, although one employer rated migrants as “much worse” on this criterion. Of the employers answering a question about difficulties with migrant workers, almost 2 in 5 reported that they had had no difficulties with overseas employees. The only problem reported by the remaining employers was poor English language skills, and in this there was very little variation between types of employer.

It is valuable to cross-check the answers given by the migrants themselves about level of skills and qualifications. Many migrant workers in manufacturing companies had apprenticeships, including welders for example. These were qualifications that were needed to work within these organisations and so employers felt that the current job was appropriate to the level of skills and qualifications of the migrants. Five employers reported that some of their overseas workers had degrees but, in each case, these were seen as irrelevant qualifications for their current position. Two employers mentioned that there were opportunities for promotion within the organisation: for example, two overseas workers with degrees had started in packing but one was now in the IT department and one now helps the sales manager.

Employers were also asked whether they were aware of any difficulties encountered by their migrant workers. The answers ranged from needing access to health care, housing, education for children and quality of city life issues such as dealing with crime. Two employers commented that their overseas workers encountered some “cultural differences” but only one elaborated, saying that Christmas is found to be a harder time to be away from home.

In general then, the survey of employers provided a high degree of corroboration of the results from the larger survey of migrants themselves. This similarity might not have been expected, given that there were considerable differences between the surveyed migrants and those who worked for the surveyed employers in their national origin, for example. It certainly might not have been expected that the employers would echo the migrants in asserting that the crucial factor in workers from abroad deciding whether to stay in Gateshead is the quality of the local job opportunities, and in particular whether there are opportunities to advance their career and to get better paid work.

## Stakeholder interviews

As a way of identifying any issues not emerging from the surveys of emigrants and employers, and also to garner local insights relating either to all migrants or specific groups, the study carried out semi-structured interviews with key contacts in relevant Gateshead partner agencies and a range of support agencies and organisations. An initial list of potential interviewees was supplied by GMBC and included a diverse set of organisation many of which, as noted below, proved to not be orientated towards dealing with migrants. Some additional organisations were identified by the research team because of their clear involvement with one or more of the groups the study was concerned with. This process of building up relevant contacts led to the research covering the activity of half a dozen stakeholder organisations. Among those surveyed are organisations that run the projects Refugee Health Professionals North East (RHPNE) and RISE (Refugees Into Sustainable Employment).

Stakeholders were asked the nature of their involvement with the three groups that are the focus of our research (asylum seekers, refugees and migrant workers). Details of any support they offered were sought, as were their views on any support or services which they consider currently under-developed or simply missing. Some stakeholders on the list from GMBC do not come into contact with individuals from migrant groups. For example, Business Link does not have data on anyone from these groups accessing their services. They would only come into contact with them through an employer who has identified their learning needs, or if they wanted to start a business. Of course, other evidence compiled by this study makes it clear that many migrant workers do have considerable learning needs – especially with the English language – so if employers do not contact Business Link to ask for help which is available then there may be a need to make this service more accessible.

There is also a possible lack of clarity within the stakeholders themselves about eligibility to the services they offer. Some respondents were uncertain whether the programmes they run are available to asylum-seekers or refugees, for example. One respondent noted she had had some difficulty trying to resolve this issue of eligibility, which was becoming pressing:

“it’s not a question of *if* an individual from one of these groups walks through our door, but *when* – and at the moment I simply don’t know if we can help them.”

Although this lack of clarity may seem surprising, it is probably due to the fact that large inflows of migrants are still a relatively new phenomenon for the area. For some of the smaller local organisations in particular, eligibility rules had yet to be re-considered in the light of these changed circumstances.

Large national organisations such as Jobcentre Plus are making concerted efforts to ensure that their front-line staff do receive up-to-date guidelines on eligibility to services. At the same time, the organisational systems within which they are able to offer services are not always designed to identify the issues which may be crucial to migrants, such as potentially underutilised skills

and experience. For example, help for migrants to find employment through JobCentre Plus will be much the same as that for anyone else (viz: access to JobPoints and JobSeeker Direct plus the JobSearch internet site). The issue of whether an overseas worker is applying for a job that is commensurate with their skill level will not necessarily arise. The systems have been devised to help the local people with few skills who were the main client group for decades. Given that one basic role of the service is filling vacancies for employers, identifying or seeking to rectify possible under-utilisation of skills is less of a priority. If an overseas worker fills a vacancy and the employer is happy then the agency has fulfilled its basic role, whether or not the worker has skills which the job will not utilise. Offering such individually-tailored help to get migrants into appropriate work is the role of two programmes in the region – RHPNE and RISE – so their activities merit detailed comment here.

### **Refugee Health Professionals North East (RHPNE)**

RHPNE is a support service designed specifically to help refugee and asylum-seeker health professionals integrate into the NHS in this region. The programme offers a variety of support including practical and emotional support, group meetings, workshops and one-to-one advice, study support, interview training and social activities plus help with job applications, some exam fees and travel costs. Since beginning in 2000 RHPNE has helped 65 people to complete the programme and so now be in full professional practice. There are around another 50 actively pursuing the programme at present. The largest cohort they have is made up of doctors but assistance is also given to nurses, dentists and a wide range of allied health professionals.

Refugee health professional have to undertake a time-consuming and sometimes difficult process in order to be able to get work in the NHS at an appropriate. Once they become eligible for JobSeekers' Allowance the JobCentres are keen for them to take any health related work, which will at this stage not utilise their full qualifications because these are still being verified. Once the refugee is working full time this will then impact on their availability to carry out the programme they need to gain recognition for their skills (eg. taking up clinical attachments). Poor legal advice and support can also hold cases back.

Many of the problems experienced by refugee health professionals are related to language proficiency requirements. For example, recent changes in funding mean that funding is only available up to ESOL Level 2 – and this provision has an uncertain future – but in fact health professionals require a score of 7 (while practicing doctors require a score of 7.5). A gap exists in general provision (though Gateshead College does offer preparation for the higher level language proficiency), hence the value of the customised service which RHPNE is providing.

### **RISE (Refugees into Sustainable Employment).**

RISE deals with refugees across all skill levels. The programme involves the project employing the refugee for 6 months but, during this time, they get a secondment with an appropriate

employer where it is felt that there is a reasonable chance of a long term job. In its most active year of operation the project achieved a 77% success rate into employment. It is believed that this rate of success was due to the individually-tailored approach in which every individual was assessed to ascertain whether they were legally allowed to work in the UK and also had all the necessary documentation. If there were any doubts then Home Office verification was sought because forged documents were not unknown. Time and effort was then taken to match the experience, skills, qualifications and aspirations of the individual – whether obtained within the UK or the home country – to a suitable job. Employer lists were compiled and extended as new contacts are made, with attempts made to find work environments where refugees can succeed.

The fact that this approach can lead to success is illustrated by the evidence of an employer who had offered two refugees RISE placements, and who was sufficiently impressed with them for him to offer them both permanent jobs. They had begun as low skilled workers but have now progressed through their own efforts and hard work in the organisation (a national dealership) and moved on from their original workplace. One decided to enrol at college evening classes and gained qualifications which allowed him to progress his career.



## **Best Practice and Future Possibilities**

This final section of the report pulls together the key points which emerged from the research. The approach is to focus on one broad issue at a time. In each of these sub-sections the core concern is re-stated and then reference made to examples of best practice that were identified, before finally any specific opportunities for new policy-related activity are outlined. No claims are made here that this is a comprehensive review of either existing best practice or future options in policy activity to embed more talented in-migrants within a local labour market. The emphasis for this short study has been on experience on the ground in Gateshead rather than on taking stock of 'what works' in other areas.

### **Housing and quality-of-life issues**

One of the problems anticipated for migrants of all kinds was that they could become the targets of anti-social behaviour such as verbal or physical abuse, intimidation and damage to property. The survey by this study showed that, in general, this is not a widespread migrant experience. In fact on most quality-of-life issues Gateshead was rated rather favourably by most migrants. That said, the results of the survey do not give grounds for complacency because some migrants did refer to problems stemming from local hostility.

It can be argued that the relatively positive experience of most migrants is at least partly the result of some good practice in community relations, rather than a justification for relaxing efforts in this direction. For example, Gateshead Housing Company identifies racially motivated illegal activity as 'hate crime' and has put policies in place to deal with this issue. The policy is based on the notion that it is better to deal with the perpetrators to prevent repetition, rather than moving the victims to different areas. Particularly vulnerable groups like asylum-seekers are most in need of support of this kind because they have no real say in where they live.

At the other end of the spectrum are overseas students. There is a potentially growing market for university-managed accommodation because the number of overseas students is expected to rise. Currently very few university students choose to live in Gateshead (eg. in May 2008 just 46 out of nearly 3000 overseas students at Newcastle University had addresses in Gateshead). A preference to be in walking distance of the campus may be currently reinforced by staff in the university accommodation offices. Yet the Quayside is very popular with students for recreation. Perhaps a new student village located near the Baltic – with its shuttle bus to the city centre – could even help the universities to attract students, because the Quayside is the 'image' for the renaissance of the city region. A student 'quarter' on the Quayside would boost the development potential of a knowledge and cultural zone centred on the Baltic: this could help keep other migrants in the area too. The new City Development Company might be a key partner in taking such an option forward.

## Support with English language competence

The study has encountered on many fronts a need to help migrants with their language skills. As with a number of other issues, this takes two main forms: there is a basic level issue which applies particularly strongly to asylum-seekers but also impacts on some other new arrivals, while there is also a higher-level issue which might affect whether overseas students stay and, more generally, influences the likelihood of skilled migrants getting jobs which they are qualified for in all ways apart from language competence.

The basic language issue for new arrivals was illustrated by one stakeholder who commented that people coming from African countries where French is the usual second language struggle with learning and understanding English: this was also said to be made all the harder by the local accent (one migrant said that after being here for five years he still cannot understand some colloquialisms). A poor understanding of English raises many issues, such as being unable to understand letters (which can be compounded by unfamiliarity with the way things work in the UK). For example, stakeholders mentioned cases of migrants who did not realise that rent has to be paid on a regular basis within a specified time, and who then receive letters from bailiffs which they cannot understand.

Gateshead Housing Company illustrates some best practice policies to avoid such situations. They include 'strap-lines' in five languages so that tenants who do not understand the letter have information in these languages on how to find help (the company will then translate letters on request). All officers have mobile phones so they can contact Language Line when dealing with tenants in their own homes.

The higher level issue applies especially to migrants who have all the skills and experience needed for a professional post (say) but *not* the required English language competence level. For example, a migrant who had completed ESOL classes still felt the need for better English:

"I need to perform better and improve my communication skills – it is essential for the job I'm doing, and for everything, and without these skills it is very difficult."

Without doubt, English competence is vital to migrants such as the refugee health professionals. It can also be critical in other fields where reliable communication at the workplace is a health and safety requirement (eg. in engineering). Provision of ESOL is currently a live political issue.

"Government policy can help immigrants raise their productivity and outcomes in the British labour market. In particular, given that language proficiency can be a key factor to economic success in the British labour market, the Government should consider whether further steps are needed to help give immigrants who come and take up employment in the UK access to English language training." House of Lords Select Committee on Economic Affairs (1st Report of Session 2007–08)

The Economic Impact of Immigration (p 58 para 38)

One way forward could be to develop more work-related English courses, with the specialised vocabulary relevant to principal local sectors or major employers. Development work could aim

to link in with the Train To Gain initiative with the involvement of local employers. There is local past practice which applied these principles of embedded learning – one in the food processing sector and one involving GO North East – which could be built upon.

## **Suitable Employment Opportunities**

The most generalised finding from the survey was that although there were few ‘push’ factors driving migrants away from the area, the attractions of staying – for example, remaining with friends or their wider community – will not be sufficient to prevent migrants moving away if they cannot find suitable employment opportunities. The surveys did not find any migrants who are currently being entrepreneurial. As a result, the key issues here become the buoyancy of the local labour market plus the effectiveness of the matching of skilled migrants into suitable jobs. The former will continue to be an issue but, of course, is well beyond the scope of this study. Thus the focus here turns to the matching issue, but setting aside here the English language competence question which has already been discussed.

A consistent picture emerged from interviews with stakeholders, the migrants themselves and even employers: living in the North East might be better than being in London for many reasons, but staying in the area depended on appropriate available work. For example, one interviewee was an asylum-seeking doctor who had nearly completed the steps necessary for employment in the NHS and who wants to continue practicing as a GP in this area but will readily move elsewhere if that is necessary to get an appropriate position. It may be that the more skilled migrants are, the more they are likely to be mobile. Once again it is possible to discern different needs of migrants at different stages: on initial arrival, and later when they might move away.

New arrivals are most likely to benefit from some sort of One Stop Shop which provides a wide variety of information but relatively little in-depth individual support. It would in effect be a first stage beyond the web-based facility being proposed by Newcastle to attract the more highly skilled migrants in the first place. The needs identified by this study which this facility would seek to meet are very varied, but would centre on sign-posting to sources of information.

- regulations on who can and cannot work, lists of foreign qualifications the UK recognises
- access points to information on job opportunities and English language learning facilities
- outline information on entitlement, and means of access, to health service facilities
- registers of landlords
- contact points for local schools
- basic guidance on Welfare State regulations related to benefits and tax credits etc.

It may be that the Economic Development team has already developed a reputation with other parts of GMBC for being well placed to provide these links, but a new dedicated post could build up this knowledge through strengthening the existing links to other GMBC departments as well as providers of the services listed above. This role could involve pro-active working with these bodies so they inform in-migrants of the facility and what it provides. Peterborough New Link [[www.peterborough.gov.uk/page-3838](http://www.peterborough.gov.uk/page-3838)] offers some best practice at least partly on these lines.

The facility just outlined aims to begin the embedding of migrants in the area, but the later step is to ensure that the more skilled migrants will stay because they have found suitable work. Meeting this challenge requires much more individualised case-work with migrants and here there appears to be examples of good practice in RHPNE and RISE in their work with refugees. There is considerable uncertainty over future funding of RISE so this may create an opportunity for a new funder to redirect its efforts to some extent. It may be possible to apply more widely the procedures developed there:

- identifying skilled migrants and registering the skills and experience they have
- seeking work experience opportunities with 'migrant friendly' employers
- helping migrants get any additional qualification they need (not least ESOL support)
- seeking to speed up administrative processes preventing migrants using their skills.

Perhaps a final word of caution is due at this point. No successful local economy staunches the onward migration of skilled people: London has a very strong out-migration rate, but it thrives because it has an even stronger in-migration rate and gains the value added these migrants bring to the local economy, even if for a relatively short period and at a cost to local employers of rather high staff turnover. It has also been stressed that some migrants have a clear career strategy in mind and staying in this area for longer than they planned is not a realistic possibility. One possibly clear-cut such group are Jewish students who migrate to Gateshead: they have come to gain rabbinical learning and the area certainly could never provide them all with the very specific job opportunities which they are aspiring towards.

### **Factors beyond local control**

It has to be recognised that many obstacles preventing talented migrants finding the work which would make them valuable to retain in the local labour market are located at the *national* level. As such, there is little point here in a detailed dissection of best practice or opportunities for improvement because those policy 'levers' are elsewhere. Yet it is important to identify these constraints on local action, so as to caution against an exaggerated view of what is possible. Major issues emerging from this study include:

- the prevention of asylum-seekers working, which stops them getting work experience
- restrictions on acceptance of refugee status, and the length of time before a decision
- limited recognition of foreign qualifications (as equivalent to those by British institutions).

It may be appropriate to end by bringing many of these problems together within a single case history from the survey work carried out by this study: this is appended below.

Doctor S lives in Gateshead: he came from Iran where he ran a clinic that helped people to stop smoking and also deal with drug addiction. The process for an overseas health professional such as S to become eligible to work within the NHS is long and tortuous. He has now passed all the necessary exams and fulfilled all the clinical requirements. He is a highly qualified, skilled and experienced individual who is work ready with an expertise badly needed locally.

He cannot work yet because he has been waiting almost 6 years for the Home Office to process his application. He has involved his MP who contacted the Home Office but only received what appeared to be a standard letter saying that his application is under consideration and that there is a waiting list; all cases would be completed by 2011 at the latest. When he first arrived the initial interview with the Home Office was very positive. His skills and experience were noted and he was informed that he would have no trouble in finding suitable work. Since then he has heard nothing specifically relating to his case.

An exam that 'S' had to complete as part of the NHS eligibility process is only valid for three years so if appropriate work is not found in that time it lapses. S now has just a few months left. The whole qualification and registration process has been funded by the NHS which has been unable to recoup its investment in him. Although he is undertaking medical voluntary work there is the concern that his clinical skills and knowledge are not being kept updated without working in the correct environment and undertaking continued professional development. He is not able to do this.

He needs help but doesn't know who can help him.

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