Scales and Spaces of Global Labor Markets

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1. Introduction

The global does not constitute a single undifferentiated set of connected points, either within the capitalist economy or socially and politically. In earlier writings on globalization, there was a tendency for many writers to highlight the deterritorialization of societies, the breaking down of borders, redundancy of geography, and the concomitant weakening of nation states (Castells, 1996; O’Brien, 1995). However, more recent writing has drawn attention to the variegated and stratified nature of the global with its shifting power geometries (Massey, 1993) in the production of goods, services, trade, and the movement of people. Although the global refers to interdependent economies, including labor markets and societies, these are organized around different scales of operation from the local, the regional within states, the nation state, the regional above the state, and the world level (see Bühler & Werron in this volume on the networked dimension of the global). In relation to labor markets, the governance of these different scales has changed in the past few decades in the context of the extension and penetration of neoliberal capitalism, the emergence of significant regional frameworks, and the changing relationship of the state to capitalist processes transcending borders and regional institutions. As noted in the introduction to this section, one of the key aspects in the recent evolution of national labor markets has occurred through international migration and changing mobility regimes through regional integration, especially in the case of Europe. States have to varying degrees become reliant on migrant labor beyond their national borders but this is not necessarily fixed as we shall see in the case of recent shifts between national, regional, and global scales and spaces.

What I want to argue is, first, that other scales, and in particular the regional, have become more significant in the past few decades and that these may be as important as the global for the formation of labor markets and the circulation of capital. Second, states may be dynamic players in the determination of the boundaries of labor markets, not only in response to economic demands but also increasingly due to pressure for greater control, and even sometimes closure, from anti-immigrant populist and nationalist movements. While the state is no longer seen as a container (Taylor, 1994), it nevertheless retains considerable regulatory power within which to generate its sources of labor supply using different scalar arrangements (McGovern, 2012). We see this most clearly in the discourses and practices of the British state in relation to the regional, in this case the EU, and the global, where in the past 20 years it has reconstructed a division of labor within an
expanding European spatiality, providing it with flexible sources of labor and skills (Ruhs and Anderson, 2010).

A number of geographers and political economists have elaborated on the spatial-temporal fixes and spatial strategies pursued by states and other political and civil society actors in the course of the collapse of the Fordist mode of production and the restructuring of world capitalism through the embedding and extension of neoliberalism (Jessop, 2008). The analysis of the production of space and its reordering and reimagining drew upon a number of interconnected spatial categories—territories, networks, places, and scales but the latter has probably generated the most discussion. Unlike the Fordist period with the nation state as the key spatial unit, it has been argued that the current period of globalization involves a proliferation of spatial scales and an increasingly convoluted mix of scale strategies as economic and political forces seek the most favorable conditions for insertion into a changing international order (Jessop, 2002). This may—at a time of a return to organized capitalism—involves a partial return to the national dimension (Nölke, 2017).

Scale as a means for ordering the world—local, regional, national, and global—is not necessarily a preordained hierarchical framework. It is instead a contingent outcome of the tensions that exist between structural forces, of human agents as well as cultural and political imaginaries. The concern has been about how particular scales become constituted and transformed in response to social-spatial dynamics. Their reordering also has implications for the way sovereignty is conceptualized, for example from the classic sovereignty of the state to the integrative sovereignty of regional bodies such as the European Union. These scales are also the object of governance and not just the socio-spatial framework through which socio-economic processes occur. Scales are deployed by different actors as discursive practices to locate problems, causes, and solutions at particular levels. The shift from one scale to another may reflect not only the spatialities through which different factors of production circulate but also cultural and political imaginaries, as we shall see in the analysis of how the British state has strategically combined the national, the regional, and the global over the last 40 years.

In the past few decades, regional organizations have become more significant. Some have developed institutional structures in the same way as states, such as the EU, while others are looser trading blocs, such as NAFTA. The EU, the most developed institutionally, has reoriented the socio-economic boundaries of the nation state, shaping the formation of labor markets by enabling the free movement of labor and the availability and transfer of social protection on equal or almost equal terms with
national labor although, for the more precarious, the right to mobility with social protection has been increasingly challenged (Barbulescu and Favell, 2019). However, the EU has developed a highly complex mobility regime which was conceived as desirable mobility for its citizens post-enlargement, enabling the EU to compete with the United States, on the one hand, and controlled immigration of third-country nationals on the other, resulting in a sharp divide between the two.

Freedom of worker mobility had been implemented between the six original members of the European Community in 1968 and from that time onwards it widened the groups of EU citizens who could exercise such rights. In 1992, the Treaty of Maastricht made free movers into European citizens, culminating with the Citizens Directive 38/2004 at the time of its first enlargement eastward. Development of mobility regimes has now become more complex and encompassed a range of categories and temporalities, comprising the free movement of European citizens, including some non-EU, who after a period of five years’ residence may be able to move to another EU country, Directive 2003/109/EC concerning the status of third-country nationals who are long-term residents, and the Blue Card granting movement rights to specified non-EU employees, such as researchers or other highly skilled individuals. A further form of mobility is that of posted workers, a Directive passed in 1996 in relation to “an employee who is sent by his employer to carry out a service in another EU Member State on a temporary basis, in the context of a contract of services, an intra-group posting or a hiring out through a temporary agency.” Germany, France, Belgium, and Austria are the biggest receivers of posted workers. Unlike mobile citizen workers, they do not acquire social rights but are expected to be paid minimum wages. Following substantial critique, a revised Directive was passed on June 28, 2018 (Official Journal of the European Union (EU) published Directive (EU) 2018/957) to be applied from July 30, 2020.

It should be noted that not all EU states have participated in the full panoply of Directives. Denmark, Ireland, and the (now former EU member state) UK have largely refrained from most of the additional migration Directives and maintained their national systems. In addition, the UK and Ireland did not sign up in 1995 to the Schengen Area enabling mobility without travel documents within the EU. Hence, theirs was a much more hybrid system combining national and EU regimes and scales and retaining a higher level of control and sovereignty. Although visa restrictions had been lifted for those from Eastern Europe in 2001, Ireland, Sweden, and the UK were the only ones to embrace free movement from the outset in 2004. Austria and Germany, on the other hand, applied the full transition period of seven years (2011 and 2014 for Bulgaria and Romania, respectively) for free movement.
Just as significantly, free movement has been contested particularly for those seeking to make use of social assistance and/or not qualifying as worker. Research also showed that two diverging mobility patterns coexist in the EU: more affluent EU-15 migrants are often described as "mobile Europeans," while those coming from the new member states are referred to as "immigrants" and may face discrimination regardless of their EU citizenship status so that these two groups are frequently viewed in somewhat different terms based on the reasons for their migration. The right of mobility for the lower skilled has been questioned most in states receiving large numbers of Eastern European migrants, such as in Austria, Germany, the Netherlands, and the UK whose ministers of the interior wrote a letter in 2013 to the European Commission and Council warning of the need to toughen the conditions regarding free movement, that is, to ensure that the original stipulation of not creating a burden for states was complied with. Political attempts to restrict entry of free movers, especially those seeking work as opposed to having a job lined up, were strongest in the UK. Discourses of welfare tourism and scroungers added pressure for measures to curtail access to welfare, either for those who did not qualify as workers after the first three months of residence in another member state, former workers, job seekers, or those with adequate resources to be self-sufficient, as several court judgments demonstrated in the case of Dano (2014) and Almanovic (2015) in Germany (Babulescu, 2017). In the UK, proposals were made to limit access to noncontributory benefits for the first four years. By 2015, 60% of respondents in an Ipsos MORI poll thought free movement should be restricted due to pressure on public services and housing and on the benefit system (D'Angelo and Kofman, 2017).

2. Juggling Scales and Spaces

I have argued that the regional is an increasingly important scale in the construction and composition of labor markets and circulation of skills. The UK, as a liberal capitalist and highly deregulated economy, has combined different scales and spaces in its attempt to plug the gaps between demand and supply of skills at both ends of the labor market (high and low) (Afonso and Devitt, 2018). Depending on skills produced beyond the nation state is nothing new but the past 30 years have been particularly interesting as the UK’s strategies have varied in combining different scales according to the reorganization of capitalist spatialities as well as political ideologies and pressures.

In this section, I shall examine how the UK’s colonial supply of labor, imperial sovereignty, and political imaginaries led to at times tense and conflictual engagements with a supply of external labor based on citizen rights (EU) rather than mobile workers with much less social protection (D'Angelo and Kofman, 2018). It led the country to juggle in different ways the national, the regional, and the global
through the development of two parallel and complementary migratory regimes. Now post-Brexit, it is seeking to undo these two regimes and unify them so as to level down social rights, access to welfare, and the right to settlement of privileged EU citizens.

In the first referendum on the UK’s membership of the European Economic Community (EEC), held in 1975 not long after the country had joined in 1973, one of the main slogans in the “No to Europe” campaign was “the right to rule ourselves,” criticizing submission to laws they had not made (O’Toole, 2018). At that time, the No vote lost. After its entry into the EEC, the UK continued to make its immigration regulations stricter under a Conservative government elected in 1979 against migrant flows from the former Commonwealth and their right to settle and acquire British citizenship. The migration of EU citizens remained low and fairly stable until the second half of the 1990s at a time of higher economic growth. The harmonization of European labor markets through the mutual recognition and accreditation of qualifications facilitated the movement of professionals through the regulation of a regional labor market (Hay, 2000). Even so, in the 2001 census, EU citizens formed less than 15% of the total migrant population in the UK and they were largely from Western Europe. London in particular had grown in popularity as a destination for professionals from Western Europe (Morgan, 2004).

Despite the growing demand for labor, the Conservative Party remained opposed to opening up immigration. It was not until the advent of the New Labour government, espousing a Third Way ideology, that the UK sought to place itself within a globalized and competitive system. Barbara Roche, the Immigration Minister in 2000, initiated the theme of a global world in a speech in which she said that international migration had potentially huge economic benefits for the UK. The theme of mobility and circulation of people as a factor of production echoed those of the European Commission in the early years of the decade.

Acceptance of immigration and the need to adopt a managed migration approach were officially enshrined in the introduction to the White Paper (Home Office, 2001). The rhetoric of managed migration enabled the state to demonstrate it could pull together a multiplicity of statuses and agents involved in the migratory process, the ability to exert control in a context of uncertainty and risk produced by globalizing processes, and the capacity to measure benefits against costs (Kofman, 2008). It was intended as an argument for the expansion of labor migration or a third way between restrictionist and expansive policies at a time when the myth of zero migration was being challenged and the reality of labor migration acknowledged (Spencer, 2003). In the UK as in other European
states, such as Germany, managed migration would serve to resolve labor shortfalls at a time of economic growth and confirm a more modern image of a society attuned to and able to benefit from globalization.

The idea of globalization was coupled with the skilled who were viewed as a mobile population and likely to return to their countries of origin, or at least not seek to settle. Opening to global flows, with competition between a number of states, generally meant restricting migratory routes for the less skilled. There would in any case be no need for non-European racialized labor following the enlargement round, first in 2004 (A8, Cyprus, and Malta) and then in 2007 (Bulgaria and Romania) which provided the UK with a source of young, relatively educated and white labor (McDowell et al., 2009). From the British perspective, it served to reorient sources of labor away from its postcolonial sources, which had filled less skilled streams in sector-specific schemes such as hospitality and food processing. Instead, in a Points Based Scheme (PBS) formally implemented in 2008, the route for less skilled workers existed but was not operationalized. And so it was that the UK, together with Ireland and Sweden, opened its borders immediately to Eastern Europeans without a transition period. Though initially estimated to attract 13,000 migrants from Eastern Europe, admittedly on the assumption that Germany would participate immediately in the enlargement, from May 2004 to September 2008, 932,000 workers from Eastern Europe registered. This did not represent the true total since it was estimated that 20-45% of those who should have registered did not and it did not include the self-employed who did not have to (Pollard et al., 2008).

The full implementation of the two migration regimes—PBS for non-Europeans and free movement for EU citizens—culminated in two complementary but parallel systems. The new Conservative-Liberal Democratic coalition government with its rhetoric of bringing down migration to under 100,000 net migration, i.e., levels last seen in the 1990s, reinforced the PBS making it an entirely graduate route. Now the PBS was for the global skilled, especially in the IT and health sectors, as well as intra-company transfers. Just as significantly, the changes introduced by the Conservative Coalition government affirmed its commitment to temporariness and the cutting of the link between migration and settlement, as indicated in 2010 by Theresa May, then Home Secretary:

> It is too easy, at the moment, to move from temporary residence to permanent settlement...Working in Britain for a short period should not give someone the right to settle
in Britain...Settling in Britain should be a cherished right, not an automatic add on to a temporary way in (cited in Consterdine, 2019).

In effect, work-related immigration from outside the EU halved between 2004 and 2010 so there was much need for EU migration which suited a liberal system with little regulation and declining training opportunities, for example through apprenticeships. Eastern Europeans (MAC, 2014) and later young, educated Southern Europeans (D’Angelo and Kofman, 2017), largely filled the need for less skilled and medium skilled labor. Another dimension of EU migration was its distribution into rural and small and medium town localities in the UK which had not experienced postcolonial migrations (Kofman et al., 2009) and which was a contributory factor in pushing immigration to be a major issue of concern, particularly in relation to the less skilled. “Open-door migration has suppressed wages in the unskilled labor market, meant that living standards have failed and that life has become a lot tougher for so many in our country.” (Farage, leader of the UKIP party cited in The Express, June 21, 2016).

Although there had been considerable discussion about the economic impacts of large-scale EU migration on jobs for British workers and pressure on wages, especially at the bottom end, it was pressure on public services and claims on welfare that came to the fore and would result in freedom of movement becoming by 2015 the most contentious issue for the British public (Nardelli, 2015). Immigration became a major issue in the 2016 referendum whose outcome was a narrow vote (52%) in favor of leaving the EU and withdrawing from regional sovereignty.

3. Post-Brexit Regimes of Migration

In terms of changes to labor markets, Brexit started before the vote in favor of withdrawal. Even before the transition period ended (31 December 2020), labor market sourcing had begun to change substantially. After the June 2016 referendum, there was a sharp decline in long-term EU migration, (Sumption, 2018). In any case, the EU had not been able to supply the necessary demand in skilled labor, especially for the IT sector dominated by Indians and the health sector, for which in 2018 the government was pushed into designating it a shortage area to be given priority in relation to the quota for Tier 2 and not subject to the resident labor market test. And then well before the end of the transition period, the government radically extended the shortage sectors under Tier 2. From October 1, 2019, the shortage occupation list for Tier 2 skilled workers was significantly expanded to include occupations covering about 2.5 million workers, or about 9% of total employment: up from 180,000
workers, or less than 1% of total employment. Also announced in November 2019 was a special NHS visa for doctors, nurses, and allied health professionals.

The post-Brexit proposal is thus intended to get rid of the two parallel systems. As the Conservative government stated,

> For too long, distorted by European free movement rights, the immigration system has been failing to meet the needs of the British people. Failing to deliver benefits across the UK and failing the highly-skilled migrants from around the world who want to come to the UK and make a contribution to our economy and society... From 1 January 2021, EU and non-EU citizens will be treated equally. (Home Office. 2020)

Equality in this case means subjecting EU citizens to the same conditional access to welfare, i.e., recommodification of their labor (McGovern, 2012) as other migrants, including the difficulties of navigating family migration regulations, and turning them into mobile workers once again (D’Angelo and Kofman, 2018). Furthermore, it forces all migrants into a probationary period, thus reinforcing a sense of precarity (Anderson, 2010), even for the skilled, and disrupting the link between temporariness and settlement.

So what might be the implications for labor in a post-Brexit landscape where the UK withdraws from a regionally integrated space and returns to an earlier period of a largely global space that matches its rhetoric of taking back control, the key Leave slogan in the Brexit campaign. It would supposedly enable it to acquire more power through its position as an unfettered global player and independent sovereign state. The term “Global Britain” was repeated seventeen times by (former) British Prime Minister Theresa May in her acceptance speech. For some, it also represents a reengagement with the Empire and imperial sovereignty, especially a harking back to the Commonwealth, and a more Anglocentric and Atlanticist outlook (Agnew, 2020). In the leaders debate before the 2015 general election, the UKIP leader Nigel Farage described leaving the EU as a chance to reconnect with the rest of the world, “starting with our friends in the Commonwealth” (cited in Virdee and McGeever, 2018).

In practical terms, how will the government deal with the gap between a demand for labor in an economy with a relatively large low-wage sector and shortages of skills across a range of sectors. Most of the attention and published documents have dealt with skilled migration. The proposed PBS
consists of two levels: 1. Exceptional talent with no quotas as is currently the situation. 2. Skilled Worker category which is much more expansive than the current Tier 2 in particular because of a much lower minimum educational qualification, starting from RFQ3 or A Level equivalent, thus covering many medium-level skilled occupations and encompassing the largest range of employment of both British and EU workers (Sumption and Fernandez Reino, 2018). Its minimum salary level at £25,400, and in certain circumstances even less, is also lower than had been previously suggested at £30,000. The rigid quota or cap on numbers would be replaced by advice from the Migration Advisory Committee (MAC). A special expedited NHS permit (much cheaper visa and options for paying the health surcharge from salary rather than ahead of time for the whole period with the visa) for doctors, nurses, and allied health professionals was proposed in November 2019. With COVID-19, which has shown to what extent the UK depends on migrant health care workers, this is likely to be implemented well before the PBS is fully applied.

There is a complete lack of clarity or pronouncement about how gaps for the less skilled would be filled. The Migration Advisory Committee (MAC, 2018) had forcefully argued against including a route for those working in less skilled jobs on grounds that immigration should not be used to solve issues of low pay and poor working conditions. At present, less skilled jobs, such as cleaners, drivers, and waiters, have often been undertaken by Eastern and Southern Europeans, many of whom have at least a medium level of education. A total of 500,000 EU citizens are working in less skilled jobs in the UK though the largest number, as with British workers, are in medium skilled employment. In 2017, 57% of EU-born workers were in middle-skilled jobs, compared to 55% of the non-EU born and 63% of the UK born (Sumption and Fernandez-Reino, 2018).

Two possibilities for plugging the gap have been mentioned. In its July 2018 White Paper (HM Government, 2018), the government said that it hopes to negotiate a UK-EU youth mobility scheme (YMS) modeled on the existing Tier 5 scheme, which permits participants aged 18 to 30 to do any kind of work without requiring a sponsor within the two-year permit (HM Government, 2018). Currently, this is based on bilateral agreements with selected countries with quotas allocated per country. Since there is no sponsor, little is known about the kind of work undertaken although a small scale study of Australians (Consterdine, 2019), by far the largest group, concludes that the scheme would be no panacea for replacing free movement. Those surveyed in London were largely doing medium and highly skilled jobs; they were from middle class backgrounds and highly educated. The reasons they had come to the UK would probably not be the same for young Europeans. MAC (2020) noted that even in the current absence of a route for lower-skilled migration from outside the EU, there are
estimated to be 170,000 recently arrived non-EU citizens in lower-skilled occupations which includes people such as the dependents of skilled migrants but these are not new workers. We could also add that there are a number of other sources of labor such as international students, family migrants joining permanent residents, and British citizens and asylum seekers, but these categories are already in the UK so would not fill needs post-Brexit.

4. Conclusion

Dismissing the need for external workers to fill jobs in low-skilled sectors would require, as Afonso and Devitt (2018) commented, changing the British model of capitalism to become less dependent on external labor or on developing a hyper-exploitative deployment of labor on temporary contracts. Some scholars do see a return to a more interventionist regime of organized capitalism (Nolke, 2017). One also hears of automation and technology replacing labor but this would need time and is not suitable for certain sectors, such as social care. Nonetheless, the government reiterated on April 8, 2020 that it was not going to open up routes for those working in less skilled sectors, apart from an expanded entry for agricultural workers. Hence the UK “is engaging in a massive labour market experiment by becoming the first major economic nation to completely close off ‘unskilled migration’” (McGovern, 2020). Whether it is able to do so by returning to a more nationally-sourced labor regime without creating massive labor shortages is still open to question. What might change the parameters are the effects of COVID-19 on rates of unemployment and more interventionist labor market policies.

COVID-19 has led to much debate and political public reconsideration of the value of those doing work which sustains society but is poorly remunerated (Goodfellow, 2020). The term “key workers” covers all skill levels from the doctors and nurses in the National Health Service to poorly paid carers who today are more likely to be Europeans. While their contribution to maintaining life may result in some re-evaluation of those who fill less skilled sectors, it would require the UK government to reconsider its Points Based System for entry and the rights at work and conditions of residence once in the UK for it to make a difference. When the UK speaks of equalizing all migrants based on global recruitment, it means reducing the economic and social rights of the currently more advantaged EU citizens. The meaning of taking back control is to make all migrants mobile workers who are subject to a probationary period. Another possibility, likely to be hastened by sectoral support is greater intervention in the educational sector to expand vocational training at both degree and sub-degree level. And, of course, high levels of unemployment in certain sectors arising from COVID may push
British youth to fill low-skilled sectors (Bell and Slaughter, 2020) and thus reduce the reliance on externally sourced labor and modifying its model of capitalism.

This chapter has shown how the state continues to play a major role in whether to source labor globally from any country in the world and under what conditions. Hence, the global is a potential field that may or may not be utilized. We have seen other countries open up to global migratory spaces to fill gaps in labor markets beyond the regional domain, particularly for skilled migrants. In the case of the UK, the global field of labor migration has a long history going back to its colonial and imperial era of world power. The return to the exclusively global has been strongly embraced for ideological reasons to assert its ability to “take back control,” redolent of its glorious past and its ability to select its sources of labor, their rights and degree of commodification, unshackled by regional commitments and sovereignty.

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