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PROGRAMME: "NICE WORK"

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DATE: 28 JUNE 2005

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LAMB: Hello. We hear a lot about Britain's demographic time bomb nowadays and our ageing population combined with a falling birth rate does mean there will be fewer younger workers on the job market in future. Employers say they're already struggling to find the staff they need. In a recent survey, 85% of them said they'd had problems filling vacancies last year and more than a third of them had to recruit staff from abroad. In Scotland the situation is even more acute. With fewer births and more deaths in almost anywhere else in Europe, the population is likely to fall below 5 million within 15 years. Now both skilled and unskilled staff are needed but where are they to come from? Last year first minister Jack McConnell set about wooing immigrant workers with his fresh talent initiative. But in a country where ethnic minorities only account for 2% of the population, and nearly 70% of the locals say they want immigration kept low, how successful can he really expect to be? Well Professor Robert Wright has been looking into that question. He's a Canadian who's lived in Scotland for 15 years and he's Professor of Economics at Stirling University. Professor Wright, how serious is the demographic situation in Scotland?

WRIGHT: Good afternoon. It's extremely serious in my view. What we're looking at if current demographic trends continue, is the population of Scotland decreasing by about 10% over the next four decades and compared that to the United Kingdom population as a whole which is expected to increase by 10% over the same period, about 10%. So we have that aspect of it and the other aspect that's, I think, more important, as you've already mentioned, is that the population will be getting smaller, by the same time it's going to be ageing. We're going to get a larger share of a proportion of people in the older age group, so big increases in the people aged 65 and above 85 and above and at the same time a large reduction in children of school age. And indeed this trend does have important implications for the labour market and the supply and demand of labour. So we'll talk about that in a minute, I'm sure.

LAMB: So what exactly is the Fresh Talent Initiative trying to do to boost these figures?

WRIGHT: Okay, what the First Talent Initiative is about, essentially it has two components. We strip it down to the basic raw material. The first is that it's spending tax-payers money on promoting Scotland as a place to work, live and stay. And essentially this is, what we can call, a PR exercise aimed at attracting people to Scotland. And the second is really is that the issuing of two-year work permits to foreign students studying at Scottish universities and institutes of higher education, what we have now is the status quo is a one-year work permit. Essentially what this will allow students in Scotland to do, foreign students in Scotland to do, is work a couple of years after they graduate.

LAMB: Okay, so the Fresh Talent Initiative is trying to grow the Scottish workforce in three ways: by holding on to home-grown talent, by encouraging Scots who have moved away to come home and by attracting new residents from elsewhere in the UK and overseas. But as our reporter, Mike Johnson, discovered some local employers have already had to go abroad to find the staff they urgently need.

JOHNSON: Well this is the Larkfield Bus Depot in central Glasgow. It's run by the First Bus Company and this company has spent a lot of time over the last few months actively recruiting drivers from countries which have newly joined the European Union and they now have about 30 drivers here at this depot from outside Britain and with a trainee bus driver who's come from Poland to work here in Glasgow. He's Maijec Solinsky who's 35. Mischeck, first of all, the obvious question really, why come all the way from Poland to be a bus driver in Glasgow?

SOLINSKY: Because I've got a family, I've got a wife, I've got a son and I'd like to earn some money in England. In Poland it's very difficult to find a good job, and if I find a good job, they don't give me a lot of money. I can't live in Poland. Here it's possible.

JOHNSON: So you took the decision to leave your family behind. That's a big decision, isn't it?

SOLINSKY: It's a very big decision. It was a very difficult decision for me and for my wife and my little son who's 7. When I leaving he crying at nights, but I have no choice.

JOHNSON: In Poland unemployment is running at 18%. In Britain it's less than 5% and First Bus has found it impossible to recruit the drivers it needs among local people. Operations director, Alex Shearer, says without workers like Maijec, he would be facing a recruitment crisis.

SHEARER: Unless we upped numbers that come in through the door, then we face the potential problem of having to cancel journeys. Bus companies would lose their licence if in fact they can't meet reliably the service that's registered with the local traffic commissioner's office and that would have happened if we had not taken steps to either cut services or to recruit somehow from wherever. We had to try something different.

JOHNSON: That something has cost First Bus around £300,000 over the past eight months as it turns to Eastern Europe for the drivers it so badly needs. The company finds them a place to live, gives them English lessons and provides full training and it pays them exactly the same as local drivers. The investment First Bus has made says Alex Shearer has been money well spent.

SHEARER: They are very courteous, they are hard working, they are conscientious and they are loyal, there's no question about that. I think what's pleased us as well is the fact that they came across here not for six months to earn money and then go back home again, but many of these drivers have now brought over with them their wife and children. So it seems to me to be a life change rather than one which is going to last for a matter of weeks or months.

JOHNSON: A shortage of bus drivers though is only one example of the

huge challenge Scotland will face in finding the workers it needs in the years ahead.

LADY: We are in the geriatric ward in Southern General Hospital.
People have

JOHNSON: Tomoyo Fujiwaro is a dietician at Glasgow's busiest hospital. Aged 32 she came to work in Britain from Tokyo seven years ago. She was attracted, she says, by the fact that dieticians have much more status and responsibility here compared to Japan. Because the NHS has skills shortages Tomoyo had no problems getting a visa. But unlike the bus drivers, she was pretty much on her own when it came to funding. The qualifications she gained in Japan weren't recognised here. So she had to retrain at university at a personal cost of £30,000. Tomoyo though believes it was worth it.

FUJIWARO: I used to be a Japanese tourist and I just love so much in this country, especially Scotland, I like the beautiful places and also a good point for me is not many big Japanese community here compared to down south. So it's quite good for me to improve my English as well.

JOHNSON: Do you feel accepted here, do you feel welcome here?

TOMOYO: Yes, yes very much so. When I came over first time, I expect some kind of, well I wouldn't say discrimination but kind of distinguish between you and me. But I never have any problems so far. I mean people just so nice to me.

JOHNSON: But that Glasgow hospitality will need to be extended not only to NHS workers and bus drivers, Scotland is in desperate need of more white-collar office staff too. People like accounting assistants, Cindy Roestel. Originally from Berlin, she now works in Glasgow for a car parts manufacturer called Eton. Cindy deals with financial queries that come in from the companies factories across Europe. When she began looking for work back in Berlin, Cindy was amazed to discover how

quickly her language skills were snapped up in Britain.

ROESTEL: I was looking for a job over the internet as I was still in Germany spending some time with my parents and agencies helped me straight away and how I got the job was pretty exciting because I had a job interview over the phone and three hours later as I was still in Germany, I got a job offer. It couldn't have gone better.

JOHNSON: What about getting into the local community, how easy was that?

ROESTEL: Sometimes I find it a little bit hard because if people sometimes hear you're foreign, they might close up a little bit. But I have loads of Scottish friends as well, so.

JOHNSON: I just wondered whether there might be some resentment that you're coming in and taking a job that might go to somebody from Scotland?

ROESTEL: Not really because they know that I need the German language for my job. Usually they don't speak German so they wouldn't think so. No I've never had a bad experience.

JOHNSON: Cindy's head of personnel is Ila West. She told me despite Glasgow's excellent academic reputation, her company still has real problems recruiting the people it needs locally.

WEST: We have 100 people based here in Glasgow and the number of foreign nationals we have I believe is 35%. I think the issue that we have that although Glasgow has five universities within the area here, there are a lack of people who are actually studying languages that are going to university and studying the accounts skills as well as the language skills. So often we find that there isn't what we're looking for here.

JOHNSON: Which comes as no surprise to Marcella Boyle at local recruitment consultancy, Hudson. She believes Scotland faces a dearth of talent across a whole raft of professions, not just accountancy but engineering, surveying and architecture too and she's sceptical that the Scottish executives Fresh Talent Initiative is doing enough to turn that situation round.

BOYLE: Skills shortages in Scotland are more about professional service roles than they are about manual work. In the next twenty or thirty years we're going to need about 100,000 professional staff to come into Scotland. These are not the type of people that are automatically going to think of Scotland as a place to come and live and work. What we should be doing is going out to them and attracting them to the market and we're not doing that successfully.

LAMB: That was recruitment consultant Marcella Boyle ending that report by Mike Johnson. Well Professor Robert Wright of Stirling University is still on the line from Glasgow and joining me here is Dr John Philpot who's chief economist at the Chartered Institute for Personnel and Development. Professor Wright, it seems to me that a big part of the problem is that overseas immigrants just aren't choosing to move to Scotland, are they, it's only a tiny proportion of the new European Union citizens, who became eligible to come to the UK last year, went to Scotland. Why do you think that is?

WRIGHT: Well that's what the initial evidence that we have at hand, it's not very detailed, suggests that this big wave of immigrants from the new EU enlargement countries that were going to swamp United Kingdom, including Scotland, has not occurred and it's about 8,000 I think which is less than we would like. I think it's mainly due to the fact that there's not a lot of information about Scotland. I don't think it promotes itself very well etc. and it's starting to do this with the Fresh Talent Initiative. But I mean the number of people that we need, as many of your previous guests have indicated, is a large number of people and this Fresh Talent Initiative is focusing on an exclusive group of people and even if it's successful it's not going to

generate enough people or convince enough people to live, work and stay in Scotland.

LAMB: How many people do you think Scotland needs?

WRIGHT: Well if we look at countries like Canada, United States, Australia, New Zealand, these countries that are, you know, their future depends on attracting immigrants on a year-by-year basis, we're looking at something about 1% of the population, somewhere in the area of 50,000 to 60,000 people per year.

LAMB: 50,000 to 60,000 workers or 50,000 to 60,000 people. You're talking about the families of the people who come in as well.

WRIGHT: In my calculations that I have done on this, we're talking about 50,000 to 60,000 people. All those people are below the age of 40 and, if you like, half of them again below the age of 20. So we're talking about a very specialised group of people in terms of demographic characteristics. Essentially young workers with children.

LAMB: Okay. Well Dr. Philpot, all the major political parties are committed to controlling immigration but the whole of the UK is facing this problem of the ageing workforce that we've been talking about. Is there an argument for saying the government should actually be making it easier for immigrant workers to come here for the sake of the economy?

PHILPOT: Well, in some ways the government is trying to make it easier by reforming the permit system into a new points system. But what the government wants to achieve is to make sure that we get the kinds of workers that we want and essentially that's workers with skills or in occupations that are in short supply and the points system will allow that to occur.

LAMB: Now this points system is the sort of system they've had in place

in Australia, in Canada for a long time, isn't it where applicants are awarded points on the basis of their skills, their qualifications, their age so that we can actually match their skills to the skills shortages here?

PHILPOT: Yes that's the main reason for it. I mean if you look at our surveys at the CIPD, most of the skills shortages and labour shortages are in professional and skilled areas and they're the kinds of areas that the new government approach will be targeting. I think in general the kind of problems that one sees in Scotland is just an acute sort of symptom of the same sorts of things we see elsewhere in the UK. So there is a big case for having more immigration, but particularly in the England and Wales context it's a matter of controlling that immigration, so that we get the kind of migrants we want.

LAMB: I can see how the new points system would make it easier for skilled workers to come here, but we do have a requirement also for non-skilled, don't we? So where are they going to come from?

PHILPOT: Yea I think there is a question mark over the government's policy on the unskilled issue. The assumption is that most of the unskilled jobs will be filled from within the EU and particularly the enlarged EU.

LAMB: The Eastern European countries.

PHILPOT: That's right. I have some doubts about that and I think there will be a case over time for more unskilled immigration from outside the EU.

LAMB: Professor Wright, one final point at this stage, there is a suggestion that this new points system might award bonus points to immigrants who chose to settle in Scotland. Do you think that would be a good idea?

WRIGHT: Yea absolutely. I mean I've argued for this for some time,

indeed I've argued for a points system for some time. Can I just say something? It's not necessarily the case that a points system will increase or decrease immigration, it depends what the level is set at, the number of points one needs. Lots of points reduces immigration, fewer points increases immigration. But we're talking about a situation where people immigrate to a country, they immigrate to the United Kingdom, they immigrate to Canada, whatever, but they live in a particular region and what you need to do in your immigration policy, like they do in Canada and Australia is that you must award points for people or give additional points or have a lower threshold for people that are willing to live, work and stay in the area where they're needed the most. So within the United Kingdom, where they're needed the least probably is in the south east of England at the moment and the most in Scotland.

LAMB: Okay, well let's turn now to Tom McCabe because he's the Scottish executive minister responsible for the Fresh Talent Initiative. He's on the line from the Scottish Parliament in Edinburgh. Mr McCabe, your first minister, Jack McConnell, has said, "the biggest single challenge faced in Scotland is this falling population" and evidently you are making progress. I see that the number of residences has risen for two years in a row, I think you saw a net gain of about 21,000 people last year. It's obviously good news. On the other hand, over 70,000 Scots left the country, didn't they, for new lives in England or Wales or abroad? What are you doing to persuade Scots to stay put?

MCCABE: Thank you, good afternoon. Obviously fresh talent is one aspect of a wider programme of work to try and make sure that we do cope with the demographic change that we're experiencing in Scotland. We've never claimed that the Fresh Talent Initiative was the sole and only answer to this, there's a whole range of other things. But we think here in Scotland, post-evolution Scotland since 1999, there's a new confidence and a new enthusiasm. We see ourselves being paid a lot more attention from countries around the world. We've had five new consulates opened up in Scotland. The Swiss Consul will move from Manchester to Edinburgh in the near future.

LAMB: But you're still losing a lot of your indigenous population, aren't you?

MCCABE: No, we've always done that in Scotland, and Scots no matter where you go around the world, you'll find that Scots have left their shores and made a very dramatic impact and if you look at the history of the United States, you'll see just how much that was influenced by Scots who left these shores. But what I think we need to do in the modern age is to make sure that, yea that still happens actually and that people gain their experience but also encourage to come back and share the skills and the experience that they've gained here in Scotland.

LAMB: So do you agree with Professor Wright, would you like to see this points system if it's brought in awarding applicants extra points for settling in Scotland.

MCCABE: We are constantly involved in a very positive dialogue with the United Kingdom government. Obviously, these matters are reserved. But I think one of the positive aspects...

LAMB: What's your personal opinion on that? Would you like to see it happen?

MCCABE: Obviously we want to see a situation best addresses the circumstances we find ourselves in Scotland and that's why that dialogue continues with the United Kingdom government, that dialogue has produced the two year extension that we now have in place and we've always said that the whole question of a devolution settlement is one which will evolve and it will evolve in this area too.

LAMB: Because it does strike me that there is presumably a potential danger that Scotland could end up with the lowest skilled and least desirable

immigrant workers if we went down that road.

MCCABE: Well that's exactly why we've picked up on these initiatives and we're aware of the dangers and that's why we've said we are determined to do all that we can to address this, and we think that're encouraging short-term signs at the moment. As you say, we had a net migration from the figures that were recently published but that's one good year and we know that these things are judged over the long-term and there'll be bad years as well as good years.

LAMB: What about this point of Professor Wright's that Scotland really needs 50,000 new people every year. Can you achieve that?

MCCABE: I have to say I don't understand the methodology behind that figure, I don't particularly recognise that figure, but I'm more than happy to discuss what lies behind it with the professor. But we said back in 2002, at that time, that a figure of around 8,000 would stabilise the population. If you take the situation based on the latest figures, then that figure drops we think quite considerably around 5,300. But, as I say, I don't know the rationale behind those figures, so it's a bit difficult to comment on them. But it's not a figure that we recognise.

LAMB: So you'd be happy with between 5,000 and 8,000 a year?

MCCABE: I think it's wrong to say we'd be happy with it but that's a figure we would aspire to. But we'd aspire to higher than that if we can possibly do it, yea.

LAMB: Mr McCabe, thank you very much indeed. Of course if employers are looking for skilled workers, there's already a pool of people here from overseas. They're refugees, asylum seekers who fled their home countries and been given leave to stay here. Many are from professional backgrounds with skills they are keen to use. But there are barriers blocking their path into work. A jobs fair was recently held in Glasgow specifically aimed at the refugee population in the City and

Mike Johnson went along to speak to some of the job hunters.

LADY: I am from Pakistan. I am homoeopathic doctor and physiotherapist and I am looking job related to my qualification. But if I couldn't find any job related to my qualification, I go for any kind of job.

JOHNSON: So you'd be prepared to work in a supermarket if necessary?

LADY: Yes, yes.

JOHNSON: How many jobs do you think you've applied for so far here in Britain?

LADY: You know 1½ years I am trying for job but I couldn't find one.

MAN: I come from central Africa. Exactly Burundi.

JOHNSON: What sort of job are you trying to get?

MAN: In Africa I worked for 10 years in development project. I worked for a long time with communities. Now I'm looking for any kind of job where I can work with communities.

JOHNSON: So how long have you been applying for jobs here in Britain.

MAN: Exactly one year.

JOHNSON: So after a year of looking, how hopeful are you now that you will find the kind of job that you want?

MAN: You know now, we have one year, I'm tired, I have to feed my

children and my family, so I'm ready because I'm strong and healthy, I'm ready to do anything.

LADY: I'm from Congo.

JOHNSON: And tell me what sort of work did you do at home?

LADY: I was a secretary.

JOHNSON: But is it possible, you think, you're looking at IKEA here, that you might have to work in a shop or something like that before you can get that kind of job?

LADY: Yea, yea I'm prepared for any job. I am prefer to start somewhere and move from where I start.

LAMB: Many employers say they are keen to recruit refugees including Strathclyde Police Force. But as Sergeant Peter Perry explains, their tough admissions policy can make it difficult for them to take immigrants on.

PERRY: We haven't taken anyone on so far. There's been quite a large number of people have expressed an interest, so hopefully, in the fullness of time, we'll see some people recruited in the force.

JOHNSON: So what are the particular stumbling blocks that refugees face?

PERRY: One of the main stumbling blocks is obviously disclosure. If, for example, you came along to join the police, you would be vetted. Do you have some kind of criminal record or whatever and that would be a matter of record. Clearly, that's not so easy for people that have come from some of the other countries and it does present difficulties obtaining that type of information.

JOHNSON: But what about the language, I note that you have to take exams to get into the police. That must be a bit of a formidable prospect for many refugees?

PERRY: You're right, there is a standard entrance exam in Scotland to be undertaken. We work in partnership with another group for people that would be interested in sitting an exam so there is some support there for people that want maybe some tuition.

LAMB: Now Maeve Sherlock has joined me. She's chief executive of the charity, the Refugee Council. As I understand it Maeve, we've got about 300,000 refugees in the UK now. What are the rules for them as far as work is concerned?

SHERLOCK: Well anyone who's been recognised as a refugee under the refugee convention is entitled to work, they're completely free of restrictions and they can take any job that they can get.

LAMB: But they run into problems don't they with things like getting national insurance numbers, it all takes much longer than it's actually supposed to do.

SHERLOCK: They do. I mean we have delays, sometimes up to six months, in getting your national insurance number after your get your refugee status. So that can be a practical problem. There are also some real difficulties and employers often just don't understand that people are allowed to work, although may have difficulty in recognising refugees' qualifications or overseas work experience. So understanding how much value they could be to them.

LAMB: So does there need to be a new system there? I know you have an idea about a green card system?

SHERLOCK: I think this should be something really simple like an American

green card so an employer could look at it directly and say, clearly you're somebody who's allowed to come and work for it. Because the new Bill that's out, for example, the new Immigration Bill, actually puts big penalties on employers if they hire someone who's not allowed to work. So employers say that they're often afraid of hiring people, like refugees, who are completely legitimately allowed to work because they can't tell easily enough from the documentation they have. So how about a British green card system?

LAMB: So this legislation sounds as if it could be a real step backwards in that respect?

SHERLOCK: Well it's intended to crack down on illegal working, which I think is absolutely sensible. But what we don't want to do is take people like refugees who are potentially a great source of talent in the UK already, legitimately here and accidentally keep them out of the workforce. So anything to make that easier will be welcome.

LAMB: Now I guess people opposed to the idea of immigrant labour might argue if you make it easier for them to work here, you might tempt economic migrants to try and use the asylum system in order to come to the UK. How would you respond to that?

SHERLOCK: Anyone who's said that's clearly never been through the asylum system in Britain. Our system is as tough as old boots. Trying to get through and get asylum in Britain is really hard. But since there are people who've come here as refugees, they've come here for a place of safety, but loads of them as it happens are really well qualified. There are doctors and dentists and teachers out there. Now we've given them safety, they want to give something back. We should be making it easier for them to do that.

LAMB: Well we do hear a lot about skills shortages and particularly, as

Mave just mentioned, in the NHS. Yet, the British Medical Association has nearly 1,000 refugee doctors registered on its database. The bad news is that only around 150 of them are believed to be practising. Refugee doctors have to pass a series of very tough professional and English language qualifications before they can work in the UK. In West London an organisation called Refugees into Jobs runs a medical club every week to help them do that. Julie Ball went along and talked to Zora, a qualified doctor from Iran.

ZORA: Since I came here I face lots of difficulty, first of all English language, I spent about one year learning.

BALL: What kind of difficulties do you think you'll have once you're qualified?

ZORA: First of all finding first job because being an overseas doctor, we are not familiar with the NHS system here and the things that we practice and we train before, some of them are not very suitable for practice in this country. After other patient, probably we can be very useful. We are very enthusiastic, all of us. We are just looking for a bright future. I'm sure that if they give us opportunity to work, we will be very good doctors.

LAMB: Well Dr. Edwin Borman is chairman of the British Medical Association's International Committee and he joins me from Manchester where the BMA conference is being held this week. Dr. Borman, we were hearing last week junior doctors complaining that there aren't enough jobs for them to go to. We've been hearing that a lot of refugees doctors are keen to work here. Does the NHS actually need them or want them?

BORMAN: Most definitely the NHS is short of skilled doctors and nurses and refugee doctors already are making major contributions to the NHS all around the country.

LAMB: And I guess the great advantage of using this pool of labour is that it is far cheaper than training doctors up from scratch? What are the figures?

BORMAN: The figures that we've been able to establish that to qualify a doctor in the UK is around £220,000 to £250,000. Whereas for a doctor who comes to the UK seeking asylum and becomes accepted as a refugee, we know that we can assist them back into practice for around £10,000 to £15,000. That's a considerable saving for the UK. More important these are doctors who are in the UK and really want to contribute their medical skills and give something back to the country that's giving them sanctuary.

LAMB: So this all sounds positive, but it's taking most of these refugee doctors three or four years to pass the tests in order to practice. Why's it taking so long?

BORMAN: Well necessarily so, everyone recognises that medicine is a profession with enormous responsibilities and the doctors do have to go through very rigorous English language and medical skills and competencies examinations before they are able to apply for jobs, and we're now finding that that takes on average three to three and a half years.

LAMB: Do you find at the end of that time when they've passed their test that NHS recruiters are willing to take them on?

BORMAN: There is a difference around the country, but what we are finding is that increasingly NHS recruiters, and particularly consultants and general practitioners, recognise that these doctors can contribute more than just to the NHS, but to British society as a whole. British society's benefited enormously from immigrants and this is a new group of immigrants who really can contribute enormously too.

LAMB: Well I'm sure we'll come back to this topic, but that's all we have time for today. Many thanks indeed to all my guests. Visit our web page if you'd like more information you can find us at bbc.co.uk/radio4 by following the links to the listen again menu. I'll be back at the same time next week when we'll be investigating why 30 years after the introduction of sex discrimination legislation so many teenagers still believe that some work is men's work and some jobs are only for girls. Join me then.