



Policy Studies Institute

Migrant workers' interactions with welfare benefits:

A review of recent evidence and its relevance for the tax credits system

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List of Abbreviations

A8	The eight Central and East European (accession) countries that joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, Slovakia (at the same time as Cyprus and Malta)
A3	For the purposes of this literature review, the three A8 accession countries considered in this study (Lithuania, Poland, Slovakia) will be described using this abbreviation
A2	The two accession countries that joined the EU in January 2007: Bulgaria and Romania
CAB	Citizens Advice Bureau
CTC	Child Tax Credit
EITC	Earned Income Tax Credit (US welfare programme)
HMRC	Her Majesty's Revenue & Customs
LFS	Labour Force Survey
NiNo	National Insurance Number
VCS	Voluntary and Community Sector
WRS	Worker Registration Scheme - The Worker Registration Scheme was introduced in 2004 when new countries joined the European Union. It allows the UK Border Agency to monitor citizens of those countries (except Malta and Cyprus) who enter the UK labour market
WTC	Working Tax Credit

Summary of findings

Background

This literature review was conducted as part of the HMRC project “**European migrant workers’ understanding and experience of the tax credits system**”. The project aimed to identify the issues faced by migrant workers when claiming Child Tax Credit (CTC) and/or Working Tax Credit (WTC). The group of interest was migrant workers who had recently settled in the UK and resided there for less than five years. Four countries of origin were selected for the study: **Poland, Lithuania, Slovakia, and Portugal**.

Main characteristics of the migrant groups

Overall migration trends and individual characteristics

Lithuania, Poland and Slovakia (from now on described as ‘A3’ within this review) represented the main countries of origin for recent migrants over the period 2004-2009. Portugal has a longer history of migration to the UK, which developed after the country joined the European Community in 1986. The number of migrants from Portugal residing in the UK in 2008 was estimated at around 300,000 people (British Educational Research Association, 2008).

For the vast majority of A3 migrants, the intended length of stay in the UK was less than one year (Home Office, 2008a, b and 2009; Ruhs, 2007; Spencer et al., 2007). They thus considered their initial **migration as temporary** and **planned to return** to their home countries after working in the UK.

Employment Situation

Many of the migrants to the UK from the eight Central and East European accession countries (from now on ‘A8’: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, Slovakia) found employment in low-paying jobs. For many the jobs did not match their relatively high levels of education (especially with Polish migrants) (Drinkwater et al., 2009; Ruhs, 2007). Recent evidence suggested that about three-quarters of the A8 migrants were in low-skilled occupations, almost 90 per cent of them earned less than £400 per week, and worked on average four hours per week longer than the UK born (Jayaweera and Anderson, 2008; Drinkwater et al., 2009; Ruhs 2007 using data from various sources, for example the Worker Registration Scheme (WRS) and Labour Force Survey).

Many Portuguese migrants worked as unskilled or semi-skilled workers in agriculture, food processing or the tourist industry (Rutter 2006). Portuguese mobility within the UK has recently been high, with families moving as jobs change (Rutter 2006).

Migrants from all four groups (the A3 countries and Portugal) experienced frequent changes in jobs and high residential mobility in the UK, as well as changes in household composition due to the immigration to the UK or the return to the home countries of family members. These changes in

circumstances are likely to represent challenges in their interaction with the tax credits system.

Language skills and attitudes towards welfare

Ryan et al. (2008a and b) and Garapich and Parutis (2009) highlighted the importance of **English language skills** for the case of Polish and Lithuanian migrants' successful integration in the labour market and in the welfare system. In their qualitative studies they showed that Polish and Lithuanian migrants with good English language skills were better able to extend their personal networks and become less reliant on help from their co-nationals.

Recent evidence suggested that attitudes in East European countries and in Portugal favoured a more paternalistic role of the state compared with the UK or other EU countries. This could influence the way recent migrants **understand the division of responsibilities** between HMRC and themselves. Strategies targeting these groups should therefore take into consideration that migrant workers may place the burden of responsibility for reporting exclusively on government agencies.

Migrant networks and the role of community in understanding migrants' interaction with welfare systems

Family and community networks play an important role for the migrant groups considered in this study. There are two main channels through which these networks have an impact on how migrant workers interact with welfare benefits:

- (i) Through the **sharing of information** on application procedures, bureaucratic details and the choices of peers they interact with (**information channel**)
- (ii) Through **social norms** which are developing inside their community, both in the home country and at destination, and determine their attitudes towards welfare (**when these attitudes are negative this can be described as a migrant worker stigma channel**).

There is no UK evidence on how migrant networks influence the understanding and attitudes of migrants to the UK tax credit system but drawing on findings from other countries may be relevant for the UK case. First, **migrant networks** might disseminate information about eligibility rules, application procedures and responsibilities resulting from becoming a tax credits customer. Second, **social norms** (values and rules shared inside migrant community networks) might, for example, increase the acceptability of welfare support and make take-up more likely.

Research on the US experience with the Earned Income Tax Credits (EITC) advised the design of **outreach strategies tailored to the needs of migrant families** including bilingual information disseminated through foreign language media and non-governmental organisation (NGOs) that came into contact with migrants.

Interactions with tax credits

The available literature for the UK did not explicitly consider the case of migrant workers' interaction with tax credits. However, two types of issues discussed in the literature on other groups could be relevant for migrant workers as well.

One type of issue is related to the **frequent changes in circumstances** (for example, of jobs, employment status or address). As previously mentioned such changes often occur for recent migrants. The literature on other groups identified a high degree of complexity in the reporting of such changes and difficulties in renewing claims under fluctuating circumstances.

Other types of issues were **information and communication** needs which have often been raised for some ethnic minorities (Finn et al., 2008; Hudson et al., 2006) who have been found to have similar situations to newly arrived migrants with weak English language skills. These revolve mainly around: **language needs** (guidance notes were, for example, considered very complex), **preference for written materials** and for **face-to-face contacts** (especially when the first language was not English).

English language barriers for recent migrants were a recurrent finding in the literature. Poor language skills hindered successful interaction with welfare benefits, prevented migrants from learning their rights and responsibilities and made them more reliant on family and community networks. They also exacerbated difficulties in reporting changes in circumstances and represented a potential impediment in communicating with HMRC.

Barriers to migrants' successful interaction with governmental services

A lack of English language skills was the primary barrier identified in most of the reviewed research and practice reports on ethnic minorities, migrants, asylum seekers or refugees. Most **other potential barriers identified in the literature applied to the general population, but could be exacerbated for migrant workers, due to circumstances and cultural background.**

According to the level at which they occur, such barriers can be classified into:

(i) **Potential barriers at a customer level**, which were identified in relation to individual characteristics of customers (Finn et al., 2008; Turley and Thomas, 2007) such as demographic variables (age, family background), personal enabling resources (**language needs**, education, **knowledge of rules and rights and understanding of the system**), community resources (network ties), attitudes (social norms, cultural background).

(ii) **Potential barriers at a provider level**, which are related to the skills and attitudes of the service provider, for example: communication style and practices, language, mode of contact (Barnard and Pettigrew, 2003; NAO, 2005a; Finn et al., 2008), translation and intercultural skills – for example, assumptions about individuals and cultures (Hudson et al., 2006; Barnes et al., 2005).

(iii) **Potential barriers at a system level**, which are related to overall organisation factors, like the complexity of the system or the length of the process.

Barriers at the customer level (for example, level of knowledge or language skills) and the provider level (for example, intercultural skills) can be more easily addressed than barriers intrinsic to the system.

Review of previous recommendations for improving in-work benefit systems

None of the recommendations emerging from the literature specifically targeted the case of migrant workers as customers of the tax credits system or of other in-work benefits.

However, this review identified three main categories of recommendations potentially relevant for the case of migrant workers:

(i) Recommendations for improving understanding and better information

Language complexity is a major impediment of particular relevance for people who do not speak English as a first language. Such claimants have expressed the need for “clear, easier to understand and more relevant information, rather than simply an increase in the kinds of information currently sent” by HMRC (Griffin, 2007, p. 65). An outreach strategy specifically designed for the needs of migrant families was also recommended by US research on the case of Earned Income Tax Credits (EITC). Varcoe et al. (2004) suggested that such a strategy should provide **bilingual information** regarding EITC in order to reach eligible Latino families and to increase their utilisation of the credits. Berube (2005) recommended coupling the targeted EITC outreach to immigrants with EITC-related information that is **tailored for immigrant families throughout local areas**.

(ii) Improving communication

Clear and accessible opportunities for **face-to-face communication** and the need for **written materials** were often mentioned in the literature especially for vulnerable users and intermediaries acting on their behalf (Turley and Thomas, 2007). Voluntary and Community Sector (VCS) organisations have been seen to be effective in addressing the acute lack of knowledge among some HMRC customers by **communicating to them in a clear and simple manner** (Hall et al., 2007). They were also more successful at reducing anxieties caused by miscomprehension due to being able to speak to clients in their **own language**.

Many studies have identified access problems experienced by some groups who face barriers to using telephone-based service delivery methods (Finn et al., 2008; Hay and Salter, 2007; CAB, 2007). Apart from high costs and long waiting times, some users also “felt that telephony either brought about or exacerbated their **communication barriers**, and preferred to use **face-to-face methods of contact**” (Hay and Slater, 2007:3).

(iii) Interactive advice and customer support

Research has suggested that: “There is a strong case for increasing **the voice of service users** of in-work benefits, and those with direct experience of poverty, in the way the service delivery system works” (Finn et al., 2008). Particularly for the processes of renewal and of reporting changes, personalised advice for renewal

queries was welcomed by customers as a possibility to explain their personal circumstances to the advisers and thus receive **tailored advice** (Turley and Thomas, 2007). Customers felt that HMRC should obtain the information **proactively**, rather than requiring customers to take more responsibility. “There is scope, therefore, to encourage claimants to consider themselves as ‘equals’ in their relationship with HMRC – as jointly accountable and responsible for getting their award right” (Griffin, 2007: 79).

None of the reviewed recommendations for improving in-work benefits were specifically tailored for migrant workers. However, general recommendations concerned with better outreach activities, a tailored communication strategy and interactive support are likely to be relevant for this group as well. Newly arrived migrants would thus be helped to familiarise themselves with the UK welfare system, to better understand the rules and to take more responsibility as claimants.

Lessons learned and recommendations

A range of recommendations for migrants emerged from the reviewed literature. None of these specifically targeted migrant worker customers of the tax credits system or of other in-work benefits. However, most of the barriers faced by migrant workers in the interaction with welfare benefit systems were shared with some in other minority ethnic groups who faced similar challenges. These derive mainly from weak English-language skills and, except for the case of minority ethnic groups who have lived in the UK for a long period of time and integrated well, a lack of familiarity with the system.

Several recommendations made for customers of tax credits or other in-work benefits could be relevant for migrant workers from the A3 countries and from Portugal. These recommendations concern:

- **Better public service outreach** (also including the role of migrant communities and networks)
- A tailored **communication strategy** (sensitivity to language needs)
- **Interactive support** (face-to-face contact and interpreter support)
- **Accurate information in simple language** as well as **more accessible guidance notes**. While these recommendations were made for other groups **more recent migrants have fewer opportunities to learn about the UK welfare system compared with more established ethnic minority groups in the UK and could therefore face greater difficulties in understanding the rules as well as their responsibilities.**

1. Background, aims and structure of the review

This literature review was prepared to provide a context for the qualitative HMRC project “European migrant workers’ understanding and experience of the tax credits system”. The groups of interest selected for the study were the main groups of European migrant workers registered with the tax credits system in 2008. Four countries were selected for the qualitative research: Poland, Lithuania, Slovakia, and Portugal. Over the last five years, nationals of all these countries benefited from the EU freedom of movement and for Poland, Lithuania and Slovakia their share of the UK labour force increased significantly. Data from the Worker Registration Scheme (WRS) showed that between 1 May 2004 and 31 December 2008 the highest proportion of registered workers were from Poland (more than 600,000, 66 per cent of the total), followed by Slovakia (100,000 – 11 per cent of the total) and Lithuania (90,000 – 9 per cent of the total).

Against this background, the present paper aims to comprehensively review available evidence relevant to understanding migrant workers’ experiences, expectations, and attitudes to tax credits as well as other benefits. Evidence is structured around three main questions:

- (i) What are the characteristics of migrants (especially the newly arrived) which are most likely to affect their interaction with the tax credits system?
- (ii) Which features of the tax credits system (and of social benefits in general) create difficulties for migrant workers in understanding their responsibilities as claimants?
- (iii) How can these difficulties be addressed through improvements to communications and interactions with the tax credits system?

While both recent migration to the UK and the current tax credits system have been prominent topics of research, the interaction between them has received very little attention. Due to the lack of specific evidence on how migrant workers interact with the tax credits system the scope of the review was broadened at the outset in two respects. First, it surveyed the available research and data on those characteristics of newly arrived migrants from the four countries which were most likely to affect their understanding of and interaction with the tax credits system. Second, the reviewed literature included relevant research on the experiences of comparable groups, for example, ethnic minorities, asylum seekers and refugees who were new to the UK and did not have English as a first language, when interacting with tax credits or other welfare benefits.

The reviewed literature and data were sourced using systematic search methods including all major databases (Web of Knowledge, International Bibliography of the Social Sciences, Econlit, ASSIA, COPAC), online documents, grey literature (information produced on all levels of government, academics, business and industry in electronic and print formats where publishing is not the primary activity of the producing body) and statistical data sources. The period considered was 2004-2009 and the main focus of the review was on the UK. However, earlier relevant publications as well as related research from other countries (mainly US, Germany, Australia and Scandinavia) were also considered for the review where relevant.

There is an extensive and growing literature on issues related to welfare participation and the likelihood of immigrants receiving benefits (see Barret and McCarthy, 2008 for a comprehensive survey). This review did not cover these or other aspects related to take-up rates and welfare dependency across migrant groups. The review also excluded broader research on the interplay of immigration policies, welfare regimes and migrants' rights and social protection.

2. Main characteristics of the migrant groups included in the study

The migrant groups considered for the qualitative research that accompanies this literature review came from countries that were the main groups of European migrant workers registered with the tax credits system in March 2008. Four countries of origin were selected: Poland, Lithuania, Slovakia, and Portugal. Over the considered period (2004-09), nationals of all these countries benefited from the EU freedom of movement and the share of the UK labour force for Poland, Lithuania and Slovakia increased significantly.¹

Several characteristics of these recent migrants are crucial in understanding their interaction with the tax credits system upon arrival in the UK. These can be grouped into four main aspects that are relevant to their migration experience in general, and in relation to welfare benefits in particular:

- employment: status, occupational mobility
- personal characteristics: educational background, English language skills
- 'migration culture': temporary mobility including return migration (returning home after a period spent in the UK) and circular migration (alternating short-term spells in the UK and in the country of origin or a third country), access to migrant networks and social interactions inside migrant communities, family migration
- social norms: attitudes towards welfare state provisions prevailing in their countries of origin and amongst other members of their migration community.

Overall trends and individual characteristics of migrant workers

After May 2004, nationals from the eight accession countries (A8) were no longer subject to immigration control following EU enlargement. There was therefore no information available on how many people had actually entered the UK since May 2004. The UK Government however has produced figures for the numbers who have registered for National Insurance numbers and those registered on the Worker Registration Scheme (this allows the UK Border Agency to monitor citizens of those countries (except Malta and Cyprus) who enter the UK labour market).

¹ The UK was among the first three countries – along with Ireland and Sweden – which fully opened their labour markets after May 2004. All other EU-15 countries maintained their work permit systems, in some cases with exemptions for certain sectors or occupations. By March 2009, all countries but Belgium, Denmark, Germany and Austria had fully opened their labour markets to A8 nationals. Germany and Austria intend to maintain access restrictions for the final two-year period (2009-11) and also apply restrictions on posted workers (employed in one EU Member State but sent by their employer on a temporary basis to carry out their work in another Member State) in service sectors such as construction and industrial cleaning.

Three countries, Poland, Lithuania and Slovakia (in this report referred to as the A3 countries) represented the main countries of origin for recent European migrants to the UK. The majority of migrants were from Poland (66 per cent of all A8 migrants), followed by 11 per cent from Slovakia and 9 per cent from Lithuania. Evidence from the latest Accession Monitoring Reports (based on management information collected through the WRS) (Home Office, 2008a,b and 2009) suggested that the largest proportion of migrants (15 per cent) registered in East Anglia, the second highest in the Midlands (13 per cent), followed by London (about 12 per cent). Compared to other migrant groups who settled earlier in the UK, these figures indicate the migration was not centred on London solely.

Portugal has a longer history of migration to the UK. Portuguese migrant workers have been a substantial group in the UK labour market: one wave of migration occurred in the mid-1970s and continued when the country joined the European community in 1986. According to Rutter (2006), a more recent migration wave started after 2000. Despite the lack of reliable data and official figures, one study has estimated the number of Portuguese migrants in the UK to be at around 300,000 people (British Educational Research Association, 2008). The geographical distribution of Portuguese migrants has become more fluid in recent years. However, migrants from specific regions in Portugal have still tended to settle in selected areas in the UK.

A3 migrants who entered the UK labour market after 2004 tended to be in younger age groups than the average for the population as a whole. There were no differences by sex, with both men and women migrating in equal proportions, and most arrived unaccompanied by family members (Home Office, 2008a, b; Ruhs, 2007, Spencer et al., (2007). No general demographic data about the educational background of A3 migrants was available in administrative data. The vast majority saw their initial migration as temporary with an intended length of stay in the UK of less than one year. Seasonal migration, usually for agricultural work in the UK, circular migration and return migration were common among A8 migrants more widely. Spencer et al. (2007) found that some spent comparatively short periods of time working in the UK before they permanently returned to their home countries or alternatively re-migrated, back to the UK or to another country.

Employment situation

The evidence suggested that many of the migrants from A8 countries (overall, not only among tax credits customers) had found employment in low-paying jobs, which in many cases did not match their relatively high levels of education. Drinkwater et al. (2009) showed that this was especially the case with Polish migrants. Data from various sources (for example, Worker Registration Scheme (WRS), Labour Force Survey (LFS), and other surveys) confirmed that about three-quarters of the A8 migrants were in low-skilled occupations, almost 90 per cent of them earned less than £400 per week, and worked on average four hours per week longer than the UK born (Jayaweera and Anderson, 2008; Drinkwater et al., 2009; Ruhs 2007). Those who arrived in the UK immediately prior to EU enlargement displayed a higher propensity to be self-employed after arrival (Drinkwater et al., 2009; Ruhs, 2007). One explanation for this fact was that they had to obtain the right to reside in the UK as self-employed under the EC Association Agreements with Central and East European countries.

Rutter (2006) noted that the migration of Portuguese families had increased since 2002, facilitated by employment agencies both in Portugal and the UK. Although detailed data about their settlement patterns were lacking, the available evidence suggests that they were even more reliant on migrant network connections than migrants from Eastern Europe. As will be discussed further in the next chapter, the presence of such relationships inside migrant communities is likely to have an impact on interactions with HMRC and increase the role of shared information about welfare state provisions, as well as help shape attitudes towards those provisions.

Rutter (2006) also found that many Portuguese migrants were unskilled or semi-skilled workers, employed in agriculture, food processing or the tourist industry. The migration of the Portuguese was complex with families returning to Portugal, and subsequently returning to the UK. This re-migration was seasonal (repeated each year), or in some cases took place in response to family illness or other circumstances. Portuguese mobility within the UK has recently been high, with families moving as jobs change.

Based on a sample of interviews with over 600 migrants and 500 employers carried out 6-8 months after 1 May 2004, Anderson et al. (2006) found that the share of A8 respondents changing jobs (38 per cent) was higher than that among other migrant groups. Although no explanation for this mobility was offered, there was an upgrading of skills with those who changed primary jobs and switched into jobs requiring greater skills: "almost half of all job changers working in elementary occupations in April 2004 had changed to skilled trades occupations or above" (Anderson et al. 2006, p.67).

All this suggests that migrants from all four groups (the A3 countries and Portugal) experienced similar fluctuating circumstances – in terms of employment, occupational and geographic mobility in the UK, return and repeat migration of family members – which are likely to represent challenges and present complications in their interaction with the tax credits system.

Language skills

Qualitative research on the social and economic situation of recent migrants has highlighted the importance of English language skills for their successful integration in the labour market and in the welfare system. **Migrants with good English language skills were more able to extend their personal networks, getting to know a wider range of people with less reliance on interacting with their co-nationals** (Ryan et al. 2008a and b; Garapich and Parutis 2009). They were also found to have access to wider sources of information (about labour market opportunities, housing, schooling, the health system, and welfare provisions) as well as practical support. There was evidence of English language barriers for all migrant groups included in this study.

Attitudes towards welfare

In Poland, Lithuania, Slovakia and Portugal, general welfare arrangements were different from those in the UK. The coverage of welfare services was often less extensive and the provision orientated towards redistribution. In-work benefits were less common and experience with earned income tax credits was limited. Attitudes in these countries also favoured a more paternalistic role of the state than in other

European countries such as the UK. Comparative research showed a similarity in attitudes towards the welfare state in Eastern Europe and in Portugal. Using data from the International Social Survey Programme (ISSP), Cerami (2006) showed that, compared to their Western neighbours, East Europeans as well as the Portuguese have persistently higher preference for a more active role of the state in the provision of welfare benefits (see also Cerami and Ettrich, 2008). **This context may help shape the way recent migrants from these countries understand their responsibilities towards welfare state provisions, including the tax credits system** (for example, when claiming tax credits and the requirement to report a change of circumstances to HMRC). When interacting with the tax credits system or other welfare benefits they are for example likely to place the burden of responsibility exclusively on government agencies.

3. Migrant networks and the role of community in understanding migrants' interaction with welfare systems

As implied in chapter 2, the role of family and community networks was important for explaining both migrant worker mobility strategies as well as their interaction with the welfare state.

Research has highlighted the role of such networks for the mobility decisions of migrants from Eastern Europe. Networks helped migrants gather information about conditions in the destination area (in this case the UK) and about job availability. Anderson et al. (2007) found that around half of the Polish and Lithuanian migrant workers included in their study (from a total of 508 respondents) organised their initial trip to the UK through network ties. In line with findings from other research, Spencer et al. (2007) showed that over time, migrant workers widen their range of relationships and contacts (in other words, networks) through migrant organisations and other links in the host society. Although the role of networks declines with the time spent in the country of destination (Anderson et al., 2007), the evidence suggests that they continued to be important in providing immigrants with access to information about jobs and service benefits as well as opportunities to influence local policies and services (Spencer et al., 2007; Zetter and Flynn, 2005). Ryan (2008b) found that A8 migrants' social networks appeared to have spread over large regions of the UK (especially in East Anglia, the Midlands and London) during the last few years to provide different types of support and resources.

“What is a migrant network?”

People who intend to transfer their place of residence on a temporary or permanent basis frequently make use of the assistance of other people in order to implement their plan. The aggregate of all the social connections that assist a person's migration make up his or her migrant network, in other words, the social network of this (potential) migrant. This migrant network can include family members, friends and acquaintances, but also contacts to institutions or even just useful strangers.

The aggregate of all migrant networks for one particular group is called a migration network. This group is frequently derived from geographic, ethnic or national connections (e.g. the migration network of a city, region or country).”

Elrick (2008), page 3

The reviewed literature suggests that there are two main channels through which migrant networks can influence individuals' understanding of, and their attitudes towards, welfare benefits; and implicitly towards tax credits:

- through the **sharing of information** inside families or communities about application procedures, administrative details, as well as about the choices of

other members of their community that they interact with (this can be described as a migrant network **information channel**)

- through **social norms** (established and approved values and rules) which are developing inside their community and determine individual and group attitudes towards welfare (**when these attitudes are negative this can be described as a migrant worker stigma channel**).

For most of the traditional immigration countries (USA, Australia, Sweden), the studies discussed below support the hypothesis that both the information and the stigma channel effects are important in explaining migrants' choices when interacting with the welfare state. These effects remain important determinants of their take-up behaviour as well as their general attitudes towards welfare provisions (such as income support or unemployment benefits) even after taking into consideration all relevant individual characteristics (such as age, education, family background) of migrants and the circumstances they face in the countries of destination.

In the case of the US, Borjas and Hilton (1996) observed that early immigrant experiences with various types of benefits were similar to those of later waves of immigrants. They suggested that **networks helped information to be passed onto new arrivals inside migrant groups, so the level of knowledge remained similar**. In a similar vein, Hao and Kawao (2001) looked in a more direct way at this network hypothesis. They showed how networks inside ethnic minority groups supported migrants from those groups in their participation in specific benefit programmes, mainly by reducing welfare stigma, and encouraging more reliance on the government than on the family.

Bertrand et al. (2000) provided important insights into how social networks inside ethnic minority groups give rise to 'welfare cultures'. Knowledge about welfare provisions inside minority language communities was found to be at a similar level amongst most people in the neighbourhood group. They developed **similar preferences towards social benefits** (they described this as neighbourhood effects). The intensity of social contacts determined how much knowledge was gained in this way.

Several studies for Australia (Baron et al., 2008), Sweden (Andren, 2007, Åslund and Fedriksson, 2005; Hansen and Lofstrom 2003, 2006), Denmark (Blume and Verner, 2007), Norway (Bratsberg et al., 2008) and Germany (Riphahn, 2004) provided evidence for the development of welfare cultures inside migrant communities and ethnic minority groups². They showed that a reliance on income support was transmitted from one generation to the next and that this effect was stronger for minority ethnic groups. The main argument used to explain this persistence was that **common values and norms can make the dependence on welfare payments more acceptable**. In addition, the transmission of information inside minority ethnic or migrant groups helped people to **learn the rules** and made their access to benefits easier.

For the purpose of this review, a relevant comparison could be made with the case of the Earned Income Tax Credit (EITC) in the United States. Berube (2005)

²Barrett and McCarthy (2008) provide a comprehensive review of more general issues around the interaction between migration and the welfare state.

analysed **immigrants' awareness of the EITC** and other tax benefits using regional level data for the tax year 1999 and information from the US census. In line with the models discussed above, he found that immigrant families were more likely to receive EITC if they lived in **high-immigrant communities** compared to the nationwide average. His results also indicated that communities with moderate numbers of immigrants (between two and 13 per cent of the population) had lower EITC participation rates than both communities with high and those with lower proportions of immigrants. He found several possible explanations for these differences. Immigrants' awareness of EITC may be lower in these moderate immigration areas compared to higher immigration areas due to a **lack of targeted outreach**. Another explanation could be that **migrant networks** were playing a less active role as sources of information than in the case of high-immigrant communities. In addition, the differences in participation rates seemed to be closely related to differences in eligibility for the credit among all households in the areas. A lower eligibility for EITC among all households seems therefore likely to reduce the local supply of information about the credit, which would in turn lower participation rates (Berube, 2005, p.10). It was not clear what the most important driver was in this study: immigrants' awareness of the EITC and other tax benefits may be lower due to a lack of targeted outreach, or to less active social networks among immigrants than may exist in high-immigrant communities.

In the context of EU enlargement, family and community relationships played an important role in the sharing of information among migrants about legal residency conditions, visa regimes and restrictions to enter the labour markets at the country of destination. Elrick and Ciobanu (2009) showed how this was particularly important when changes³ in the migration policy regimes occurred.

Apart from this, there is no research to date about the role of migrant networks in facilitating information about and influencing attitudes towards the tax credits system. However, given the characteristics of migrant behaviour discussed, many hypotheses tested in the reviewed literature are likely to hold true for migrants' interaction with the tax credits system. This suggests first that networks can be an important factor in the transmission of information about eligibility rules, application procedures and responsibilities resulting from becoming a tax credits customer. Second, social norms (values and rules shared inside migrant community networks) can determine the attitudes towards becoming a tax credits customer and understanding responsibilities as a tax credits claimant after that. If the general passive attitudes towards welfare discussed in the previous chapter are shared inside migrant communities, they might reinforce the view that the burden of responsibility (for example, when dealing with changes in circumstances) lies on the side of the government agency.

While all available evidence supported the idea that migrant networks help simplify the experiences of new migrants who need to access welfare benefits, some authors have also suggested that this assumption can lead to an underestimation of the difficulties, barriers, and lack of understanding (Timonen and Doyle, 2009) they may have faced in accessing support. In addition, there is evidence to suggest that access to migrant networks was not

³ Such changes included regularisation campaigns, the introduction of bilateral agreements for temporary migration programmes, or free access to labour markets after EU enlargement.

consistently available over time. In a study on Polish migrants Ryan et al. (2008a, b) found evidence that these networks tended to “saturate” (in other words close by not supporting new migrants as members) after reaching a critical mass, and in the end induce competition and rivalry amongst migrants. This possibility has to be taken into consideration particularly when designing **outreach strategies and communication campaigns** in the context of the tax credits system.

4. Interactions with and attitudes towards tax credits

In 2006, a Benefit Simplification Unit was set up to act as a catalyst in driving forward simplification across the benefit system to reduce complexity, systematically remove anomalies and use technology to provide better services (BSU/DWP, 2006). A review of the delivery of benefits, tax credits and employment services described how new telephone and electronic systems and a reduced network of modernised front-line offices were replacing traditional face-to-face and written communications (Finn et al., 2008). The study involved an evidence review, including consultations and ten interviews with service users who had experienced problems with the delivery of Housing Benefit, Pension Credit, Working Tax Credits, Incapacity Benefit and Jobseeker's Allowance. The evidence review suggested that these delivery changes had been welcomed by people whose needs and circumstances were straightforward and who were comfortable using the phone or a computer and had access to a bank account. However, some service users had more complex needs and circumstances and there were concerns that they were being disadvantaged by contemporary developments in service delivery approaches (Finn et al., 2008). Consultation with service users suggested that computer systems and telephone services could be prescriptive, and not give service users sufficient opportunity to explain benefit problems that they were trying to resolve (Finn et al., 2008:42). All these aspects have been identified for tax credits customers in general, but are likely to be more acute for recently arrived migrant workers due to their language barriers and the resulting difficulties in communication. However as this study used a rather small sample of respondents and was limited in scope, it provided only indicative evidence.

Tax credits customers in general

While the reviewed evidence suggested that many recipients of tax credits were grateful for the extra income, the complexity of the delivery system appeared to be generating problems (Finn et al. 2008). In particular, the interplay between eligibility rules and changes in family circumstances fuelled the scope for the accumulation of overpayments and underpayments at least in part because of the complexity of the rules. **As will be explored further below, these aspects are likely to be especially relevant in the case of migrant workers since they face both frequent changes in circumstances and greater difficulties in coping with the complexity of the rules.** Finn et al. note:

"Many recipients of tax credits are grateful for the extra income received but there has been much concern about the complexity of the rules and their implementation by HMRC which previously had little experience of delivering services to very low income groups. It has been widely reported that overpayments in tax credits and the resulting measures by HMRC to reclaim them have been time-consuming and distressing for many of those affected." (Finn et al., 2008:21).

Based on evidence from a small non-generalisable sample of tax credits customers (which should therefore be treated with caution) who also received social security benefits it was concluded that people found it hard to make decisions about moving into work or increasing their hours in a system of financial support that changes as claimants' circumstances changed. Customers were not always sure that they were

receiving the correct tax credits awards because they did not understand the calculations (Community Links, Low Income Tax Reform Group and Child Poverty Action Group, 2007, cited in Finn et al., 2008). Moreover, there was evidence to suggest that people were often unclear which benefits they were receiving, and from whom, which implies that delivery problems may have been more difficult for them to resolve (Finn et al., 2008:35).

There was evidence to suggest that customers' knowledge of the specific changes to circumstance they need to report can be patchy and they can also struggle to apply changes in circumstances to real-life situations (DWP, 2007:8). When customers reported changes in circumstances to one department or their local authority they tended to assume that it was automatically reported to another part of the department and that '*they therefore do not need to report them separately*' (DWP, 2007:8). People viewed DWP, HMRC and their local authority as all part of the same system; and thus their experience with one agency was likely to have an impact upon their views of others (Finn et al., 2008:35).

There have been reports suggesting positive developments in service delivery, including improvements in the tax credits helpline, processing accuracy and the protection of awards through 'recovery limits' (Burkitt, 2006, cited in Finn et al., 2008). However, the Ombudsman in 2007 raised concerns that the HMRC's more vulnerable customers may experience long-term financial impacts from the need to make repayments (Ombudsman, 2007, cited in Finn et al., 2008). The renewal deadline for tax credits was moved forward by one month to reduce the time that families were being paid tax credits based on out-of-date information (HMRC, 2007:21) although there was no evidence on the impact of this specific change on overpayments.

A National Audit Office report (NAO, 2005) noted that in 2003/4 the Inland Revenue handled 69,000 complaints, a third of which concerned tax credits. The House of Commons Select Committee on Public Administration's fifth report (2005) discussed how complaints alongside other forms of customer feedback, such as customer surveys and focus groups, allowed organisations to gain 'customer insight' that is knowledge and understanding of those that use the service. Individual complaints could indicate more widespread issues, giving organisations the opportunity to put things right not only for the individual concerned, but for other customers too. Complaints can also reveal what is important to users. HMRC had received many complaints that a 40-page version of the tax credits award notice was unnecessarily long and complicated. In response, they introduced a much simplified two-page version of the tax credits award notice which received a 95 per cent positive rating in their research (House of Commons, 2008). HMRC has targeted better delivery through the Tax Credits Transformation Programme which has a change programme for the improvement of service delivery. During 2006-7 the number of complaints received at any one time was halved and most complaints received a reply within six weeks (HMRC, 2007:25). It was argued that greater efficiency in how government departments deal with complaints and appeals can bring significant savings (NAO, 2005).

Ethnic minority and migrant groups

None of the reviewed studies explicitly addressed the issues faced by migrant workers when interacting with the tax credits system. However, many of the conclusions reached about the experiences of other customers are also likely to be

relevant for the case of migrant workers. Recent migrants are likely to have even greater needs than other groups (for example those who do not speak English as their first language) and they may be less familiar with the British welfare system.

The issues faced by migrant workers in their interaction with the tax credits system (and other governmental benefits) can be categorised into two types. The first type is related to the **frequent changes in circumstances intrinsic to the experience of recently arrived migrants**. The second type of issue arises due to **specific information needs of migrants and cultural differences**.

The first type of issue (migrants' frequent changes in circumstances) has not been explored in the literature. However, combining findings from the literature on experiences of recent migrants with those on experiences with tax credits would suggest that this is potentially a critical aspect. On the one side, circumstances for recent migrants were likely to have been fluctuating more than for others (Anderson et al. 2006). On the other side, some tax credits customers reported difficulties in understanding how sensitive the tax credits system was to such changes in circumstances (Griffin, 2007).

Issues related to **information and communication problems** have often been raised for the case of ethnic minorities (Finn et al. 2008; Hudson et al. 2006). These revolve mainly around: **language needs** (the guidance notes were for example considered very complex), **preference for written materials** and for **face-to-face contacts** (especially when the first language was not English).

Recipients of tax credits have had positive perception of the system but the evidence suggested that the complexity of delivery generates problems as highlighted above. In particular, the interplay between eligibility rules and changes in family circumstances was fuelling the scope for the accumulation of overpayments and underpayments (Finn et al. 2008, Ombudsman 2007), which was likely to be especially relevant for migrants who faced frequent changes in circumstances and greater difficulties in coping with the rules.

Formal and informal intermediaries, including advice agencies as well as family and friends, have been a lubricant in service delivery interactions – by sharing information and helping in the application process or with language skills. Without these services, minorities might struggle to access services (Barnard and Pettigrew, 2003, cited in Finn et al., 2008:25).

Outreach activity amongst newer migrant communities has been demonstrated to be beneficial for their interactions with service delivery systems. This involves mainstream HMRC staff visiting harder-to-reach communities in the social spaces that they frequent often by collaborating with community-based organisations. These organisations may be better equipped to work with ethnic minority and migrant groups who have weak English language ability, perhaps because of the organisations' language skills or cultural understanding, for example understanding the religious requirements of communities or attitudes to certain occupations or childcare. This was illustrated in the evaluation of the Ethnic Minority Outreach pilots (Barnes et al., 2005) and was also important in community-based unionism as trade unions try to build their links with migrant workers as a potentially vulnerable constituency of workers (TUC, 2006).

5. Barriers to migrants' successful interaction with government services

The primary barrier to migrants' successful interaction with government services identified in most research and practice reports was, as discussed in the previous section, related to English language ability. Other potential barriers identified in the literature applied to the general population, rather than being specific to those customers who have English as a second language. However, these barriers can be exacerbated for migrant workers, due to their circumstances as migrants and cultural background (such as the prevailing attitudes towards welfare provisions in the countries of origin previously discussed in chapter 2).

To better understand the nature of these other general barriers it is useful to classify them according to the level at which they occur: the **customer level**, the **provider level**, or the **system level**. There is an established body of research on barriers faced by British minority ethnic groups, asylum seekers and refugees (Spencer, 2006 gave for example, an overview of integration issues faced by refugees). Many of the results obtained in research which studied barriers faced by ethnic minorities who have English as a second language applied also for service provisions to migrant workers. **However recent migrants have specific problems and greater needs than established ethnic minorities** (lack of language, knowledge of the system, entry restrictions on the labour market or in the benefits system).

Barriers at customer level

Potential barriers to interaction with government services at customer level were those identified in relation to individual characteristics of customers like:

- demographic variables (age, family background)
- personal-enabling resources (language needs, education, knowledge about the UK system)
- community resources (network ties) and attitudes (shaped by social norms and cultural background).

There was very little information specifically relating to tax credits or benefits, but in thinking of some of the barriers that an individual may face in dealing with government services, then work by Robinson (2008) which reviewed the experiences of new immigrants and migrants in the allocation process of social rented housing may be relevant. From the limited available evidence he concluded that "new immigrants and migrants are **rarely skilled players of the welfare system** and are **often unaware of their legal rights**, unclear about the opportunities afforded by the social rented sector and unsure how to access social housing" (Robinson 2008, p. 1).

The majority of barriers at the customer level were usually reported in connection to English language needs and their interaction with understanding of the complexity of the welfare system and cultural misunderstandings. One prominent and recurring issue, for those on low

incomes, was the problematic and cost intensive communication via telephone (Finn et al., 2008, Turley and Thomas, 2007).

Written guidance and materials were more welcomed by people with English language needs. This gives more opportunity to use dictionaries or for family members or friends to help with translation. As they were perceived to be less rushed than helpline contact, face-to-face meetings were also preferred by some with weak English language skills, it offered a better opportunity to clarify any areas of confusion than on the telephone (Turley and Thomas, 2007, p. 37).

Barriers at provider level

Potential barriers at provider level are related to the **skills and attitudes of the service provider**:

- communication style and practices – for example, complex language, lack of face-to-face contact – (Barnard and Pettigrew, 2003; NAO, 2005a, Finn et al., 2008)
- translation and intercultural skills – for example, stereotypical assumptions, cultural insensitivity – (Hudson et al., 2006, Barnes et al., 2005).

Evidence suggested that front-line staff “*may not be adequately trained to deal with the diverse needs of people from minority and disadvantaged groups*” (Barnard and Pettigrew, 2003; NAO, 2005a cited in Finn et al., 2008). In the primary data collection for Finn’s review of benefits, tax credits and employment services people with weak English language skills were among the service users that respondents⁴ thought should have access to face-to-face help in completing forms (Finn et al., 2008:38). A study among ethnic minority perceptions (among ethnic minority groups including Bangladeshi, Pakistani, Black Caribbean and Black African customers) and experiences of Jobcentre Plus found that understanding cultural differences, and their links with ethnicity, gender and age, were an important part of providing an appropriate service to people from ethnic minority groups (Hudson et al., 2006). For example, staff should understand (and respect) cultural and religious aspects of dress and the importance of Muslim Friday prayer, in terms of customer availability for appointments. The provision for those with English language needs was also an issue. The study found that, while under the Race Relations (Amendment) Act 2000, the Department for Work and Pensions was responsible for ensuring that ethnic minority language needs are met, there was a lack of Jobcentre Plus advisers who spoke ethnic minority languages. A range of interviewed staff reported that there were resource constraints on drawing on formal types of interpreting support (Hudson et al., 2006). An earlier study of Ethnic Minority Outreach also emphasised the value of cultural and language support (Barnes et al., 2005).

⁴ From 20 interviews with service users who had experienced delivery problems with key benefits or tax credits and from four consultation groups composed of people using a particular community service.

Barriers at system level

Potential barriers at system level are related to the **overall organisation factors**:

- complexity of the system
- length of the process.

Both aspects are relevant in the case of the migrant groups considered in this review. In particular, the length of the process is likely to play a role in the way temporary migrants will engage with the tax credits system. The complexity of the rules and the short-term or mid-term plans to return to their home countries might discourage and prevent them from applying. Another aspect mentioned in the literature was that not all groups of migrants meet the conditionality rules for some of the broad in-work benefits interventions⁵.

While most of these identified barriers are relevant to all customers of government services, some – especially those related to language and intercultural communication – are particularly important for migrant workers. No generalisable conclusion can be drawn from literature about the relative importance of these three levels in the barriers faced by customers. Barriers at the customer level (for example, level of knowledge or language skills) and the provider level (for example, intercultural skills) can be more easily addressed than barriers intrinsic to the system.

⁵ Spencer (2006, p. 44) notes that tax credits belong to these type of interventions – along with minimum wage regulations and Active Labour Market Programmes like the New Deal – but does not elaborate more on this. This was however not relevant for the case of the considered migrant groups since they are all EU nationals and no longer subject to immigration control.

6. Review of previous recommendations for improving the in-work benefit system

A range of recommendations for migrants emerged from the reviewed literature. None of these specifically targeted migrant worker customers of the tax credits system or of other in-work benefits. However, as discussed in the previous two chapters, most of the barriers faced by migrant workers in the interaction with welfare benefit systems were shared with some of those from other minority ethnic groups who have not lived in the UK for a long period of time and had weak English language skills. These derived mainly from any English language difficulties and a lack of familiarity with the system.

This section summarises those recommendations for improving the delivery of tax credits and other in-work benefits which are relevant to the case of migrant workers. These recommendations are grouped into three main categories: (i) **raising the awareness and understanding** of tax credits, (ii) improving the **communication strategy** between clients and service providers and (iii) improving the **interactive support** throughout the customer journey.

(i) Improving understanding through better information

The available research findings indicated the need to improve informational programmes that **reach out** to ethnic minority communities and migrants with English language needs. Research suggests these should provide accessible, as well as accurate, information about the existence of the tax credits system, eligibility criteria, application procedures and availability of support that is required.

Several studies identified the **complexity of the language** as a major impediment for clients' access to information and for improvement to their level of understanding of tax credits. This complexity of the language used in information materials can be considered to be of particular relevance for people who do not speak English as a first language. Griffin (2007), among others, finds that many customers would welcome a **simplification of the guidance notes**, which should use a less complex and more accessible language. Many tax credits claimants expressed the need for "*clear, easier to understand and more relevant information, rather than simply an increase in the kinds of information currently sent*" (Griffin, 2007: 65)⁶.

Other studies of tax credits claimants also mentioned the need for accurate **information in simple language** as crucial for claimants' understanding of the process of **reporting changes** (Griffin, 2007) and of the **renewal process** (Turley and Thomas, 2007).

An outreach strategy specifically designed for the needs of migrant families was also recommended by US research on Earned Income Tax Credits (EITC). Varcoe

⁶ HMRC has since revised guidance.

et al. (2004) suggested that such a strategy should provide **bilingual information** regarding EITC in order to reach eligible Latino families and to increase their utilisation of the credits. Berube (2005) recommended coupling the targeted EITC outreach to immigrants with EITC-related **information that is tailored for immigrant families throughout local areas**: “*Advertising the credit’s availability through foreign-language media (television, radio, newspapers) and government/non-profit organizations that come into contact with immigrants who live throughout the region can help ensure that foreign born taxpayers are aware of the EITC, whether or not they live in a high-immigrant neighbourhood*” (Berube, 2005: 11).

(ii) Improving Communication

Apart from the complexity of the language used in many information materials provided by HMRC (Finn et al. 2008), some studies also suggested improvements in communication strategies would assist users of the tax credits system. This was an area that has been picked up by HMRC in a report that recommended improving **customer communication** and **access** as part of its work on ‘Tackling Errors and Fraud in the Child and Working Tax Credits’ (HMRC, 2007:25-26).

One frequently mentioned aspect across many studies was for the provision of clear and accessible opportunities for **face-to-face communication** and **written materials**, especially for vulnerable users, which could be seen to include migrant workers, and intermediaries acting on their behalf.

Face-to-face communication

A study by Turley and Thomas (2007) looked at customers claiming tax credits in 2005-2006 and recommended that opportunities for **face-to-face contact** were vital for claimants whose first language was not English (Turley and Thomas 2007:6).

Analysing the role of the Voluntary and Community Sector (VCS) in HMRC service delivery, Hall et al. (2007) found that **VCS organisations** were seen to be effective at addressing customers’ acute lack of knowledge by **communicating to them in a clear and simple manner**. They were also more successful at reducing anxieties caused by lack of understanding due to being able to speak to clients in their **own language**.

Written communication

The evidence reviewed by Finn et al. (2008) suggested that “*the traditional emphasis on face-to-face and written communications with service users is being displaced by the introduction of **new telephony** and the growing emphasis on electronic service delivery*” (Finn et al., 2008: 9). Although telephone-based service delivery has emerged as the preferred delivery channel for DWP and HMRC services, many studies identified access problems for some groups who face barriers to using such methods (Finn et al., 2008; Hay and Salter, 2007; CAB, 2007). Apart from high costs and long waiting times, some users also “*felt that telephony either brought about or **exacerbated their communication barriers**, and preferred to use face-to-face methods of contact*” (Hay and Slater, 2007:3).

Besides face-to-face communication, another preferred alternative to phone contact was **written materials and applications** (Finn et al., 2008; CAB 2007). Turley and Thomas (2007) also found that tax credits customers preferred written guidance and materials rather than the telephone helpline if English was not their first language.

(iii) Interactive advice and customer support

Finn et al. (2008) looked at benefit claimants who had experienced problems with the delivery of Housing Benefit, Pension Credit, Working Tax Credits, Incapacity Benefit and Jobseeker's Allowance. Based both on this and on findings from a review of available evidence they suggested that: "*There is a strong case for increasing **the voice of service users**, and those with direct experience of poverty, in the way the service delivery system works*".

Particularly for the processes of renewal and of reporting changes, customers prefer **personalised advice, information and support**. Turley and Thomas (2007) highlighted positive customer views on the tax credits delivery initiative in which customers received personalised advice for renewal queries. Customers included in the study welcomed the possibility of explaining their personal circumstances to the advisers and thus receiving **tailored advice**.

Customer support

With regard to the process of reporting changes of circumstances, Griffin (2007) found support among tax credits customers for **listing previously reported changes on renewals forms** and for sending **reminders** to report changes outside the renewals period. Many respondents included in the study felt that the HMRC should find the information proactively, rather than customers taking more responsibility. She concluded that it would be helpful to define more clearly the relationship between claimants, HMRC and their tax credits award: "*There is scope, therefore, to encourage claimants to consider themselves as 'equals' in their relationship with HMRC – as jointly accountable and responsible for getting their award right*" (Griffin, 2007: 79).

To sum up, none of the reviewed recommendations for improving in-work benefits were specifically tailored for migrant workers. However, some of the general recommendations are likely to be relevant for this group. These were concerned with a better outreach, a tailored communication strategy and a focus on interactive support. This could help newly arrived migrants who lack familiarity with the welfare system to better understand the rules and to take more responsibility as claimants.

7. Conclusions of the review

There was a consensus in the literature that many of the migrants from Poland, Slovakia, Lithuania and Portugal who recently entered the UK labour market found employment in low-paying jobs. Both the quantitative and the qualitative studies reviewed in **chapter two** evidenced the tendency of these migrants to work long hours and shifts and the high propensity of A3 migrants to be self-employed.

Some of the studies revealed that newly arrived migrants from Poland, Lithuania, Slovakia and Portugal were exposed to **frequent changes in their employment status** (full-time, part-time, self-employed) and also changed job more often than natives or other migrant groups. Due, for example, to family reunification, their household composition was also changing and they were likely to switch addresses upon arrival in the UK. Such **fluctuating personal circumstances** could make necessary updates to the HMRC more difficult when tax credits claims are made soon after arrival.

Another recurrent finding in the literature was that many migrants from these groups faced **English language barriers**. These were not only relevant for their successful integration in the UK labour market but also for their interaction with the welfare system. Poor language skills could make migrants more dependent on family or community networks as sources of information about tax credits. They could also exacerbate the previously mentioned difficulties in reporting changes in circumstances and represented a potential impediment in communicating with the HMRC.

As described in **chapter three**, migrants from the countries considered in this review relied heavily on family and community network ties to gather information about life and employment opportunities in the UK. As a result, these interactions were likely to shape their understanding of and attitudes towards the provision of welfare benefits in the UK, including the tax credits system. No direct evidence about the role played by network ties in facilitating information about tax credits was available for the UK. However, findings from other countries presented in chapter 3 suggest **that the role of networks as transmitters of information could be relevant for the UK as well, particularly when designing outreach and communication strategies. Further research is required to determine how the network ties of recent migrants interface with such strategies in the UK.**

There was no direct evidence available in the reviewed literature on how recent migrant workers interact with the tax credit system or on their attitudes towards the system. However, some relevant conclusions emerged from the research on other groups reviewed in **chapter four**. In particular, fluctuating circumstances were often suggested as a factor that increased the complexity of reporting changes to HMRC. Due to the frequency of changes in migrants' employment, household composition and addresses after settling in the UK, discussed earlier, this characteristic of the migrant worker experience was likely to be of critical importance for recently settled migrants. Information and communication problems in the context of tax credits were often reported as being experienced by ethnic minorities who were new to the UK and had weak English language skills. The reviewed literature highlighted that this type of ethnic minorities found the **rules of the system** (for eligibility, renewal and reporting changes in circumstances) and the **language used** (both in the written information and for communication) **very complex**. Recently arrived migrants could be even more affected by this since they

lack **familiarity with the tax credits system** (and the **welfare system in general**) as well as the English language skills that might facilitate their rapid and efficient integration into those systems.

The reviewed evidence suggested that attitudes in East European countries also favoured a more paternalistic role of the state compared with the UK or other European countries (**chapter two**). This could influence the way recent migrants **understand the division of responsibilities** between HMRC and themselves. Therefore, strategies targeting these groups would need to consider that migrant workers may place the burden of responsibilities for reporting exclusively on government agencies when interacting with the tax credits system or other welfare benefits.

To better understand the factors identified in the literature as barriers to migrants' successful interaction with tax credits, **chapter five** classified them into barriers at a **customer level**, at the **provider level**, and at the **system level**. While the relative importance of these three levels was not fully investigated in the literature, this classification could be used in considering improvements to the delivery of tax credits. Barriers at the customer level (for example, level of knowledge or language skills) and the provider level (for example, intercultural skills) may be easier to address than barriers intrinsic to the system (rules and timing of the process).

Lessons learned and recommendations

There were no recommendations emerging from the available literature which specifically target migrant workers as customers of the tax credits system. Several recommendations summarised in **chapter six** were **derived in general** for customers of tax credits or other in-work benefits but were nevertheless also likely to be relevant for migrant workers from the A3 countries and Portugal. This could be the case with recommendations concerning a **better public service outreach** (especially given evidence that migrant communities and networks are an important vehicle for disseminating information across migrant groups – see also chapter 3), a tailored **communication strategy** (for example, in terms of sensitivity to language needs), and **interactive support** (face-to-face contact and interpreter support) which could **help newly arrived migrants to access advice and to take more responsibility as claimants**.

The need for **accurate information in simple language** as well as **more accessible guidance notes** was repeatedly identified in the literature as a crucial element for improving the level of understanding of tax credits and processes of renewal and reporting of changes.

It was difficult to assess to what extent these recommendations for improving in-work benefit systems were relevant for migrant workers. Recent migrants could have similar experiences with those of ethnic minorities who are new to the UK and have weak English language skills, due to barriers in communication and understanding generated by the lack of English language skills.

Research on the US experiences with the Earned Income Tax Credits (reviewed in chapters three and six) advised the design of outreach strategies tailored to the needs of migrant families including **bilingual information** disseminated through foreign language media and NGOs that come into contact with migrants.

Opportunities for future research

Further research could explore how recently arrived migrants integrate into the tax credits system. Two particular aspects have received little attention in recent research but can significantly affect migrants' experiences with welfare benefits in the UK.

First, the question of whether the length of time spent in the UK helps migrants better integrate into the welfare system. A longer period of time can allow migrants to acquire language skills, specific knowledge on the UK system and make them **less reliant on networks and support agencies**. However, there is to date no evidence that this applies to the four migrant groups that were the focus of this review.

Second, migrants' interaction with welfare benefits is likely to be influenced by their short-term migration plans. Most of the migrants from the A3 countries conceived their migration as temporary. It may be useful to follow migrants from the beginning of their migration journey and explore if their plans included **return or repeat migration**. Temporary migrants might be less motivated to learn the complexities of specific UK welfare benefits, potentially making them more reliant on support.

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