

THE CONVERSATION

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Governments can keep raiding takeaways and nail bars, but businesses will still employ undocumented migrants

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The UK is far from the only country to be caught in a heated debate over its migration system and border security. Unfortunately, it is unlikely to get its response right, because the UK debate ignores a fundamental truth: migration trends largely follow economic cycles and labour demand.

It is well-documented that immigration increases during periods of economic growth and declines during downturns. Furthermore, Brexit has aggravated the UK's labour shortages – a pinch being felt across nearly every work sector.

Nearly 40% of UK businesses have not been able to grow or take advantage of new opportunities because of these labour shortages.

Public discussions, including recent news coverage, tend to focus on border control and enforcement while overlooking the economic realities that shape migration. Past and present UK governments have largely failed to address the fact that migration is driven by the needs of UK businesses – and is often facilitated by informal recruitment systems, due to the lack of efficient legal migration channels.

Our recent research backs up the idea that demand for labour is a major driver of both documented and undocumented (also known as “irregular”) immigration. Despite not being legally allowed to work, undocumented migrants are still sought after because of the shortages.

Read more: Irregular, not illegal: what the UK government's language reveals about its new approach to immigration

Efforts to “crack down” on irregular migration often fail because businesses – especially in sectors like agriculture, healthcare, construction and the service industry – continue to rely on these workers. So without addressing labour shortages and recruitment practices, policies to restrict migration won't work.

But who bears the cost of migration? It's not the UK government.

Like most countries, the UK requires prospective workers to obtain a work visa while they are still in their country of origin. Getting this paperwork done is costly and complicated. A worker needs to apply, certify translations of the required documents, in some cases undergo a medical examination, cover travel expenses, pay the visa application fee, and show proof that they have enough personal savings to support themselves in the UK.

For example, Nepalese workers pay around £6,000 to emigrate to Europe. This can amount to four years of wages for low-income workers there.

To get to the UK, many rely on licensed recruitment agencies, known as “sponsors”. However, neither these sponsors nor the employers who desperately need workers are legally required to cover the costs of migration. For instance, the UK's seasonal worker scheme, designed to provide much-needed labour for agriculture, does not require employers to pay for visa fees or recruitment expenses.

This is a major weakness in the system, as it leaves the burden of migration costs on prospective workers – people who are ready to take on low-paid and seasonal jobs that UK citizens often avoid. To pay their way, many of these workers borrow from private money-lenders in their home countries, whose monthly interest rates can be excessive. Unsurprisingly, some turn to people smugglers.

These smugglers often operate a business model that offers shortcuts for entering the UK, frequently making false promises about the length of employment and wages on offer. Studies show that most migrants are aware of the severe risks involved in using these illicit services, yet they still do due to the lack of better alternatives.

The Employer Pays Principle

Crossing the Channel is not the primary source of undocumented migration into the UK. The main issue is people overstaying legally granted visas, as the renewal process is complex and costly.

It is no secret in the business world that migrant workers are exposed to significant costs just to access employment. To address this, the Institute for Human Rights and Business – a UK-based thinktank – introduced the Employer Pays Principle (EPP). This asserts that the costs of migration should be paid not by the workers but by employers. Leading corporations in the UK including Unilever, Morrisons, Waitrose and IHG Hotels & Resorts have adopted EPP.

However, embracing this principle can be much more challenging for small and medium-sized enterprises (SMEs). The more-than-800 premises, including nail salons and takeaways, raided across the UK in January 2025 are unlikely to have the human resources and financial means to cover migration costs for the workers they need. Issuing civil penalty notices and demanding that SMEs pay £60,000 per worker if found liable will not solve the problem of undocumented workers.

In general, punitive policies do not stop migration. They simply make it more precarious for already vulnerable people.

And the government's social media campaigns in countries like Vietnam and Albania, aimed at discouraging people from illegal travel to the UK, are also unlikely to work. The EU tried similar policies between 2015 and 2019 at a cost of nearly €45 million (£37 million) – and they largely failed.

Home Office launches social media campaign in Vietnam to det...



The UK government has run campaigns aimed at discouraging would-be migrants from Vietnam.

To prevent undocumented migration, firms in need of workers should take responsibility for covering the actual costs of migration. Large firms should be legally required to do so, while for SMEs, the UK government could consider ways to improve access to financing and advisory services. It should also consider incentives and rewards for companies that have voluntarily adopted the EPP or introduced other good practices.

Important next steps

It is possible to estimate the cost of responsibly recruiting a migrant worker from a specific country to the UK. Providing clear and open access to this information would be another important step towards facilitating legal migration routes. After all, universities, consultancies and non-governmental organisations are collecting this data. Cross-sector partnerships could save time and money.

Social media campaigns should prioritise educating potential migrants about UK immigration laws and their rights. This would be more valuable than focusing on the risks of undocumented journeys.

It is also crucial to evaluate whether educational campaigns are more effective than those aimed at deterring migration. The government should remain open to abandoning any overseas social media campaigns that don't demonstrate cost-effectiveness.

The solution starts with accepting the realities of migration and acknowledging labour market forces. Then, creating the right regulatory environment will reduce the human cost of irregular migration, while supporting UK businesses to find the workers they need.