

READY, WILLING & ABLE

The cost of not allowing survivors in the NRM to work

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Report 2
The Economic
Benefits



Why we have decided to focus on those in the NRM who are prevented from working



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Issues of immigration are top of the current government's agenda.

This series of reports does not aim to answer those larger political questions; instead, they focus on those potential victims of trafficking and modern slavery languishing in the National Referral Mechanism (NRM) who cannot work. We have chosen to look into the plight of these individuals, because not allowing them to work during such extensive wait times in the NRM is tortuous, pointless and a waste of human resources. Yet the issue is often overlooked by policymakers who determine that once in the NRM these survivors' needs are being adequately met.

They are not.

We hope that these reports will show how just a small change in legal policy allowing survivors of trafficking and modern slavery to work while in the NRM could have a huge positive impact on them, the economy and the country more generally.

Moreover, this policy change would **cost nothing** and take up very little of parliamentarians' time.

We acknowledge that the NRM system has its flaws (for example, one criticism is that it fails to address and prevent the causes of labour exploitation) and that other migrants and refugees in the UK (such as asylum seekers) also languish without work and purpose due to excessively long wait times. We congratulate all those who have already worked so hard to highlight these problems, and we encourage many more to continue to raise such issues and call for change.

In this series, however, we have chosen to give a voice to survivors waiting for years, essentially stuck in the NRM, who can often be overlooked among the wider discourse.

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Kalayaan is producing a series of five ‘mini reports’, highlighting the benefits to be gained and costs saved in allowing those in the National Referral Mechanism (NRM) who do not currently have the right to work, to do so.

This report is the second in the series, examining the benefits to the economy and the labour market that will result from granting the right to work to all survivors in the NRM.

Granting the right to work would increase tax revenue

If adult foreign nationals were permitted to work between 30 and 40 hours per week, on the national minimum wage¹ they would be making between £17,846.40 and £23,795.20 a year, thus contributing £1,055.28 to £2,245.04 in income taxes every year. On that same salary they would be making between £1,629.12 and £2,925.95 in National Insurance contributions.²

This is £2,684.40 to £5,170.99 in additional tax revenue per worker.

Not every survivor in the NRM will want or be in a position to work. However almost all survivors surveyed showed a willingness to work. Indeed, the 2022 Hestia report found that 96% of those surveyed wanted to work³, and at Kalayaan up to 100% of clients ask their caseworkers about whether they can work while in the NRM.

Based on a conservative estimate of adult foreign nationals who are currently not allowed to work while in the NRM as set out in Report 1, **we are looking at a potential loss of £36 million per year in additional tax revenue for the UK government by not allowing these individuals to work while in the NRM.**

This additional revenue could help improve the UK's public services such as healthcare, housing and infrastructure, all of which are in urgent need of additional funding.

Granting the right to work to all survivors could help ease the UK's labour shortage

Labour shortages in the UK have been an issue for businesses and the economy since the pandemic. In November 2022, 35% of businesses in accommodation and food services, and 13.3% of all businesses surveyed by the ONS, reported experiencing a shortage of workers.⁴

¹ On the April 2024 rate of £11.44 for workers 21 and over.

² These values include both the employee's NI contributions as well as the employer's, and they are calculated on the 2024-2025 rates for a Category A employee.

³ Hestia and Pro Bono Economics, October 2022, Underground Lives: Aspirational Britain: Survivors of Modern Slavery Want to Work Too (available at: <https://www.hestia.org/Handlers/Download.ashx?IDMF=8d6b66d0-3224-440e-a50f-9d69278570eb>)

⁴ Office for National Statistics (ONS), December 2022, Business insights and impact on the UK economy, 14-27 November 2022 (available at: <https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessinsightsandimpactontheukeconomy>)

Moreover, the CBI/Pertemps survey of 2023 found that labour shortages had affected 71% of businesses, and that 54% of those businesses had been unable to grow and respond to new business opportunities despite demand.⁵

In the most recent CBI/Pertemps survey, labour shortages continue to be a concern for businesses, with 58% of those surveyed perceiving labour shortages as a future threat to labour market competitiveness.⁶ Moreover, while the ONS' latest report shows some improvement, current job vacancies remain higher than before the pandemic.⁷

In order to deal with these labour shortages, the UK recruits workers from abroad. While this is a sensible solution, this report argues **that there are already workers in the UK able to fill these vacancies but who are prevented from working due to arbitrary immigration rules.**

As set out in Report 1, in 2023, adult foreign nationals spent a median 1.56 years in the NRM, with many waiting much longer periods. These individuals therefore have plenty of time to be recruited, trained and fully contribute to a new job while they await a decision on their status as a confirmed victim of trafficking and modern slavery.

In 2022, Hestia published a report in which they surveyed 228 individuals in the NRM. They found that 96% wanted to work, 23% were educated to university graduate level or above, and 50% had experience of paid work in industries currently facing labour shortages in the UK, including health and social work, accommodation and food services, and construction.⁸

By granting the right to work to these survivors, British employers could tap into a 'ready made' pool of workers in the country who are willing to work hard and contribute to the economy.

That same Hestia report spoke to businesses willing to hire from this talent pool, with one employer stating:

“We currently have more job vacancies in the country than we have unemployed people. The idea that we are stopping people from working who want to work and to build a life seems to me to be absolutely bizarre. It's such a waste of human capital, such a waste of talent.”⁹

⁵ CBI, November 2023, The UK's Labour Market: Strength or Strain? The 2023 CBI/Pertemps Employment Trends Survey results (available at: https://www.cbi.org.uk/media/qoocdgvw/12848-employment-trends-survey-2023-report_final-draft.pdf)

⁶ CBI/Pertemps, September 2024, Employment Trends Survey 2024 (available at: <https://www.cbi.org.uk/media-centre/articles/cbipertemps-employment-trends-survey-2024/>)

⁷ Office for National Statistics (ONS), September 2024, ONS website, statistical bulletin, Labour market overview, UK: September 2024 (available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest>)

⁸ Hestia and Pro Bono Economics, October 2022, Underground Lives: Aspirational Britain: Survivors of Modern Slavery Want to Work Too (available at: <https://www.hestia.org/Handlers/Download.ashx?IDMF=8d6b66d0-3224-440e-a50f-9d69278570eb>)

⁹ Ibid.

Many businesses in the UK have already successfully hired survivors of trafficking. Trauma-informed hiring and employment practices have been put in place by these companies through their employment of survivors of trafficking and modern slavery that have the right to work. Survivors working under these schemes have seen a significant increase in their wellbeing, their contribution to society and integration into the local community.

Bright Future Co-operative is a shining example of an initiative committed to finding safe, stable and high-quality employment for victims of trafficking and modern slavery. Its members include formidable employers such as the Co-op Group, Midcounties Co-op, Currys, Pilgrims, Balfour Beatty, Greencore and Morrisons. Not only does this coalition show that businesses are keen to hire survivors, but they have also shared success stories, even launching a jobs website for modern slavery survivors this year.¹⁰

“My experience with Bright Future has been excellent. [Eric] came in nervous at first, at the very beginning, and then once [Eric] had actually left, he was excited, really keen to start. [...] He just wants to learn and get on. [...] What a fantastic opportunity it is, not just for the company, but for also the people that wouldn't have had the chance to find full-time employment. Gives them that opportunity to be able to learn and grow within a safe environment. Definitely recommend other companies should take up the chance.”

- Roy, Currys Warehouse Manager¹¹

In the NRM, potential victims who have the right to work are currently entitled to support to access the labour market, vocational training and education.¹² They access this support primarily through their support worker under the Modern Slavery Victim Care Contract (MSVCC). Many organisations provide support in this area. One such is Sophie Hayes Foundation (SHF) which provides long-term support programmes aiming to build sustainable freedom for women survivors of modern slavery and trafficking. One key programme they offer is their Employability Programme that empowers survivors to find work through skills-development, training and education, and work placements. SHF has been building pathways to employment for their service users since 2011, and they have had huge success in finding work for survivors.

¹⁰ Bright Future Co-operative, June 2024, From Exploitation to Employment: The UK's First Jobs Website for Modern Slavery Survivors (available at: https://www.youtube.com/watch?v=G1qmcSwZh_w)

¹¹ Bright Future Co-operative, March 2024, Eric's Story: From Exploitation to Employment with Bright Future Co-operative (Full) (available at: <https://www.youtube.com/watch?v=5stMzQ3nCaQ>)

¹² See paragraph 15.109 of the Modern Slavery: Statutory Guidance (version 3.10, May 2024) (available at: https://assets.publishing.service.gov.uk/media/6659a22316cf36f4d63ebcc3/Modern+Slavery+Statutory+Guidance+_EW_+and+Non-Statutory+Guidance+_SNI_+v3.10.pdf)

“Offering a Right to Work scheme as part of the NRM, would provide survivors with the critical ability to work to support their independent lives, but in a coordinated, controlled, and supported framework. Through collaboration with civil society partners such as SHF and Kalayaan who are already working with survivors on employability and skills, survivors can have a supported introduction to work, which enables them to thrive independently once out of the NRM. Otherwise if this introduction only takes place post-NRM, it is highly likely that it would be in an unsupported way, meaning survivors may still struggle to find and stay in work, but would only then find themselves in the benefits system rather than supported by services who are already doing this work; or alternatively may return to exploitative working environments.”

Emily Death, CEO, Sophie Hayes Foundation

Clearly the workforce, the willingness to hire and the support mechanisms, are there. The only obstacle is an arbitrary immigration policy.

Granting the right to work would have huge overall benefits for the UK economy

In addition to increasing tax revenue and easing labour shortages in the UK, **allowing all individuals in the NRM to work would have many indirect benefits on the UK economy.**

The obvious first benefit would be a **lessened reliance on benefits by these survivors**, as they are freed up to be able to make a living, pay for rent, cover their expenses and save money.

Indeed, in 2022, Pro Bono Economics estimated that extending the right to work to all potential adult survivors of modern slavery while they wait in the NRM could generate **net economic benefits of £10m to £41m per year.**¹³

Other less obvious benefits include the human capital benefit on economic growth and the intergenerational wealth effects of allowing these individuals to work in the UK. These benefits are more difficult to calculate but cannot be overlooked.

Finally, the health and wellbeing benefits arising from employment, as well as a renewed sense of independence, confidence and purpose, would certainly lessen the pressure on the UK's health and mental health services. These benefits are discussed in more detail in the next issue: **Report 3: Enabling Recovery, available on Wednesday 27 November 2024.**

¹³ Pro Bono Economics, October 2022, Paving their way: Extending the right to work to all survivors of modern slavery (available at: <https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=819f8707-5617-43c2-9401-fd9be5e25e46>)



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