



Brexit food ethics: Beyond migrant labour

How can businesses tackle ethical issues relating to the food & farming workforce post-Brexit?

A report of the Business Forum meeting on Tuesday 27th September 2016

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About the Business Forum

Ethical questions around climate change, obesity, food security, people and animal welfare, and new technologies are becoming core concerns for food businesses. The Business Forum is a seminar series intended to help senior executives learn about these issues. Membership is by invitation only and numbers are strictly limited.

The Business Forum meets six times a year for an in-depth discussion over an early dinner at a London restaurant.

To read reports of previous meetings, visit foodethicscouncil.org/businessforum.

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Introduction

The manner in which the UK leaves the EU will affect how food is grown and sold, what UK citizens eat, and how its workers are treated. Whatever the UK's food system looks like post-Brexit, there will undoubtedly be changes. The big question is whether they will be for the better or the worse. In other words, at issue is not just a question of capacity, but of ethics.

As part of Brexit negotiations, important questions are being asked about free movement of labour. Any change is likely to affect the hundreds of thousands of EU-nationals currently working in the UK farming and food manufacturing sectors – undertaking many of the low skilled, low paid, seasonal roles local people often do not want to do.

Even if a future EU/ UK trade agreement mandates continued free movement, there is no guarantee that EU nationals will continue to do these critical jobs, particularly if anti-migrant feeling in Britain increases. Who will pick, grow or produce British food in the future? What effect will this have on the UK's food and farming businesses, and on the food system as a whole?

The September 2016 meeting of the Business Forum explored likely impacts of Brexit for food & farming businesses previously reliant on EU workers, and the impacts for migrant and seasonal workers. It considered how to best ensure workers (domestic or international) in food, agriculture and horticulture are treated fairly post-Brexit. It also discussed the implications for the environment, the economy and innovation and research.

We are grateful to our keynote speakers, Margaret Beels, Chair of the Gangmasters and Labour Abuse Authority (formerly GLA); Beverly Dixon, Group HR Director of G's (salad & vegetable growing group); and Tim Lang, Professor of Food Policy, City University London. The meeting was chaired by Dan Crossley, Executive Director of the Food Ethics Council.

The report was compiled by Anna Cura and Liz Barling and outlines points raised during the meeting. The report does not necessarily represent the views of the Food Ethics Council, the Business Forum, or its members.

Key Points

- The UK agri-food sector employed 3.9 million people in the first quarter of 2016. A large number of these employees are temporary, seasonal workers from other EU countries.
- As well as affecting access to labour, Brexit could also affect the way that the labour force is treated. In other words, at issue is not just a *capacity* question of *who* will grow our food, but an *ethical* question of how they will be treated.
- Some argue that the UK needs to make food and farming jobs more attractive to British workers, as agriculture will have to shift towards healthier diets and more environmentally sensitive production methods, which will in turn require an increase in labour input.
- Others point out that a fall in migrant labour will be an impetus for further technological advances, already supported through the agri-tech strategy.
- Whilst many employers in the UK food and farming sectors are fair-minded, it was claimed that there is a dark side to some migrant work. Some workers experience coercion, entrapment, control of their bank accounts, their passports withheld and suffering physical violence. This dark underbelly is fed by modern day slavery and people trafficking.
- Worryingly, there may be a rise in illegal workers post-Brexit. It was reported that there are already criminal networks operating in food and farming. This is a critical issue for migrant workers, who are often already afraid for their jobs. The stakes are much higher when the worker is in the UK illegally, with the ultimate result of deportation if s/he is caught. Workers are rarely likely to complain about pay and conditions if they are in the country without any protections. This will, it was suggested, increase the risk of further exploitation of workers.
- Issues over availability of suitable quality labour are not just a post-Brexit concern for food and farming businesses. These issues are very live concerns and parts of the sector are already finding it difficult to recruit and retain enough staff.
- In the rush to secure sufficient numbers of staff, it is vital that short cuts are not taken and that all those working in food and farming are treated fairly.

Capacity and ethics

The UK agri-food sector employed 3.9 million people in the first quarter of 2016¹. A large number of these employees are temporary, seasonal workers from other EU countries.

How will the UK's exit from the EU affect these workers, the businesses that rely on them, and the UK's food system as a whole? It was pointed out that as well as affecting access to labour, Brexit could also affect the way that the labour force is treated. In other words, at issue is not just a *capacity* question of *who* will grow our food, but an *ethical* question of how they will be treated.

Important questions are now being raised about free movement of labour. Any change is likely to affect the hundreds of thousands of EU-nationals currently working in the UK farming and food sectors. A reduction in the migrant workforce will have important implications for the future of the UK's food and farming sectors.

The geopolitics of Brexit

There are different views about the impact of a reduction in foreign workers in UK farming and food. Some argue that the UK needs to make farming jobs more attractive to British workers, as agriculture should shift towards healthier diets and more environmentally sensitive production methods, which will in turn require an increase in labour input. Others point out that a fall in migrant labour will be an impetus for further technological advances, already supported through the agri-tech strategy. And some even warn that "Brexit could herald end to British fruit and veg sales,"² although a complete end to the production of UK grown produce is highly unlikely. The terms of the UK's exit from the EU, and the geopolitics that shape them, have far reaching consequences for the UK's food and farming sectors.

It was suggested that there are three likely potential 'Brexit' scenarios that will help shape the UK's food system. The first scenario outlined was that countries across Europe are facing

political uncertainty. General elections in France, Germany and Spain, and a referendum in Italy are marked by populist, nationalist parties making gains. The pattern repeats in other EU member states, which, it could be argued, is destabilising the European project. A key area of contention is the free movement of labour, which many nationalist supporters are unhappy about. This political context colours the whole context of the UK's Brexit negotiations. Could Brexit signal the failure of the EU?

The second scenario sketched out was a 'soft Brexit', where the UK negotiates a European Economic Area model (EEA). However, this deal is inextricably linked with the issue of free movement of labour. Theresa May has indicated that labour movement controls are non-negotiable, so this scenario would appear less likely to come to pass.

The third scenario was that, failing to negotiate an EEA deal, the UK will retreat into the WTO model after two years of negotiation, becoming one trading nation amongst many, and negotiating bilateral partnerships. It was suggested that this may be the default model, especially if the six founding EU nations are resistant.

If this third scenario came to pass, the UK would need to develop new UK food laws, which would take more than two years to put in place. It was argued the regulation to tackle these issues is – currently – all at a European level. It was also argued that the UK's Food Standards Agency is weakened by years of cuts. It was suggested that standards and regulations will have to be developed as the top priority, with wider food system issues to come swiftly after that. This could be an opportunity to ask what institutions the UK needs to enable better standards? For example, could this be an opportunity to create something better than the European Food Safety Authority in the UK?

Taking back control?

The question was asked – what is British about most of the food that is consumed in Britain? Much of the labour and equipment used in UK food production is not British, and nearly half our food is imported. Is the UK able to – or does it even want to – put more British ingredients – specifically the labour force – in its food system?

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/553390/foodpocketbook-2016report-rev-15sep16.pdf

²<https://www.theguardian.com/environment/2016/aug/03/brexit-could-herald-end-to-british-fruit-and-veg-sales-producers-warn>

One key question was whether UK workers would take on the food and agriculture jobs that migrant workers currently fill. It was suggested that because much agricultural labour is low skilled and low paid, this may be unlikely. The perception of working in food production needs to change, it was suggested, through a new focus on food education.

It was also argued that another reason why migrant workers are not easily replaced by UK workers is that many agricultural businesses work in geographical areas of low unemployment, away from large towns and cities. Coupled with the seasonal nature of agricultural work, this often means that it is hard to recruit in the UK.

It was noted that whilst the main focus has been on farming jobs (particularly horticulture), issues around labour in other parts of food and farming also need to be urgently addressed. In food manufacturing, 30% of the workers are from the EU, whilst the foodservice sector is claimed to be the biggest employer of EU nationals in the UK.

Unethical practices

The temporary, seasonal and low skilled nature of many food and farming jobs means that there are many ethical issues facing employers and their employees, including:

- Unethical practices around pay, such as deductions from pay packets or lack of holiday pay.
- Unfair extra charges borne by workers that they are unable to negotiate, such as having to take out personal accident insurance, work finding fees or language training.
- Employers not calculating the correct National Insurance, tax or pension contributions, or forcing people to work for subcontractors or to be self-employed.
- Unfit living conditions – sometimes workers are housed in grossly substandard accommodation and are charged over the odds. The transport they are forced to use to get to and from work can be unroadworthy and unsafe. The general lifestyle of some food and farming workers can be very harsh. For instance, chicken catchers go from farm to farm catching chickens in huge sheds full of chickens on a conveyer belt of dirty, miserable and unsavoury work.

- Uncertainty and unpredictability of work hours (because of the just-in-time nature of food retail).

It was argued that this long and serious list of ethical issues has an even darker side, with some workers experiencing coercion, entrapment, control of their bank accounts, their passports withheld and suffering physical violence. This dark underbelly is fed by modern day slavery and people trafficking.

This precarious, dangerous and low paid situation has come about due to a number of reasons. Firstly, because margins in food and farming are often so tight that there is fierce price competition. Labour providers protest that they are unable to provide workers for the money that is available.

Secondly, employers are sometimes ignorant of their obligations (sometimes wilfully, sometimes genuinely). And employees are often ignorant of what they are entitled to. Some workers are complicit – they know they are taking part in something illegal, but often they are afraid to challenge it in case they lose their jobs.

Whilst the above situation may currently be the case only for a minority of employers in UK food and farming, one of the risks of Brexit is that ‘unethical practices’ in the sector might mushroom.

Brexit and workers

Around 460,000 people in the UK work in food manufacture alone, many of them migrant workers. With a depleted workforce, how will UK food businesses continue to operate? Is there a willingness amongst UK citizens to undertake this hard, seasonal work? And how will they be protected post- Brexit? It was suggested that trade unions could play a key role in making sure both UK and future migrant workers were protected at work, and in being a part of the informal alliance that some see is emerging to make sure that food standards do not fall.

There will be unavoidable impacts of Brexit on agricultural employment. There is likely to be a numerical cap on EU migrant workers, who make up a large proportion of UK temporary farm workers. Whether this cap is phased in or introduced in one fell swoop, there will be a number of possible knock on effects.

There may be a push towards more efficiency and mechanisation of food production. The issue here, though is whether – with the current uncertainty over the terms of Brexit – companies will have the confidence to invest in large scale mechanisation. Will there be less price competition in the food industry as a result of Brexit? It was suggested that this is unlikely to be the case.

Worryingly, there may be a rise in illegal workers. It was reported that there are already criminal networks operating in this area, and some argued that the issue is likely to increase post Brexit. This is a critical issue for migrant workers, who are often already afraid for their jobs. The stakes are much higher when the worker is in the UK illegally, with the very high result of deportation if s/he is caught. This also pushes abuses of workers further into the shadows. Workers are rarely likely to complain about pay and conditions if they are in the country without any protections. This will, it was suggested, increase the risk of further exploitation of workers in the future.

Industry reaction

It was argued that there is a lot at stake for the food production and processing industries. Large companies operating in this sector are likely to want to continue operating under the terms of the single market – not just free movement of labour, but also of machinery, food products, technology, the environment and strategic development.

It was suggested that food and farming businesses are likely to lobby the UK government for continued access to EU workers. It was suggested that the government may need a lot of persuading to accept this position, and if it does, it will fully expect the food industry to monitor its own workforce. This could have big cost implications for business. Essentially, the food industry will have to be (even) more vigilant regarding exploitation amongst the workforce.

A significant shortage of labour coupled with extra costs of policing a migrant workforce scheme, may lead to many businesses deciding it is more practical to move their operations overseas. So, instead of importing workers, much more food may end up being imported. This could lead – overall – to shrinking UK food production.

Government enforcement

Although it is possible that industry will have to police itself in future, there are government enforcement agencies that work to stamp out illegal and exploitative practices in the food and farming sectors. They too will be affected by Brexit. One example is the Gangmasters and Labour Abuse Authority ('GLAA') - formerly Gangmasters' Licensing Authority ('GLA') - which, it was pointed out, works closely with the European agency EUROPOL. Once the UK has left the EU, it will no longer automatically work alongside that agency.

However, the GLAA will maintain bilateral links in Europe. It already works bilaterally with Romania, the Netherlands and Belgium. Good progress can still be made by sharing intelligence bilaterally.

It was suggested that it will be important for enforcement agencies to nurture trust in this period of uncertainty. The GLAA already runs education programmes for industry, and helps businesses recognise and deal with exploitative workforce issues.

The GLAA's powers, under the new Immigration Act, have been expanded, which will enable it to focus on labour market enforcement. It will broaden its brief to include employment agency standards (that did not already fall under the auspices of the GLA) and the National Minimum Wage. This means its overarching new strategy will be to oversee labour practices in the UK. Its powers of investigation are also expanded, to investigate offences under the Modern Slavery Act.

Agricultural technology

The government's agritech strategy has helped industry develop mechanisation to improve productivity, it was argued, by employing fewer people but upskilling jobs. Brexit has arguably made it difficult for industry to invest in agritech, or indeed, in innovation and research projects, because there are uncertainties over funding. Even though the government assures industry that the next four years, in funding terms, are secure, research takes much longer than that. This means that many firms that were possibly thinking of investing in agritech research have now put their plans on hold.

The environment

The environmental impacts of Brexit are potentially very significant. To pick just one area, increasingly sophisticated distribution innovations have helped save many road miles and CO2 emissions. If lorries are forced to wait at borders, this may reverse many of the gains. There was also a suggestion that such changes could affect the quality of food, with products kept in holding bays and delivered less fresh.

Labour issues

Much agricultural labour is low skilled, and there may be a shortage of seasonal workers post Brexit. Coupled with the introduction of the National Living Wage, there is an increased risk of illegal Gangmasters and increased uptake of illegal workers by some less scrupulous players. The majority of businesses recognise that they are not immune to these dangers, and it was argued that they would like to see an increase in law enforcement. They do not want to accidentally fall foul of illegal labour practices.

A recent British Growers Association survey revealed that the pressure on the food sector is likely to only grow. Eighty thousand seasonal workers a year are currently being employed in the UK, a number predicted to grow by 15,000 over the next five years, despite an increase in mechanisation. It was argued that this is partly because the customer is increasingly wanting to eat foods that require more labour to grow, harvest and package (e.g. berries).

Anecdotally it was reported that since Brexit, companies have seen a decline in people from outside the UK who want to work in the industry, as well as an increase in uncertainty amongst current employees. The exchange rate has also caused problems, because what people earn is now worth less than it would have before the referendum. Some workers are leaving the UK to find work in Germany and Norway, for example.

Other anecdotal evidence shows that hate crime is becoming a problem for bona-fide migrant workers in the UK. Many EU workers bring families to the UK, and they are worried about their children's futures.

Investment decisions

The food and farming sector needs to know whether there will be import tariffs, border controls or freedom of labour in order to plan for a sustainable future.

Because of government uncertainty over the terms of Brexit, many businesses, it was suggested, are currently unable to make strategic decisions about whether to buy land, build more UK accommodation, invest in mechanisation, or move their business overseas.

It was suggested that although businesses may not have changed many overall decisions yet, the EU referendum vote has in some instances delayed money coming in, in order that senior management gain clarity before making strategic investments. This is bad for workers, bad for the company and bad for the UK economy.

Where next?

It is clear that the uncertainty over the terms of Brexit is already causing problems, from a decrease in migrant labour to postponement of investment decisions. It was argued that what the sector needs is clarity, and quickly. Businesses are asking for one unified government voice, and for reassurance that the civil service has the capacity to negotiate the deal that is best for everyone – workers, business and the economy. It was argued that as a passionate advocate of the Modern Slavery Act, Prime Minister Theresa May could be persuaded to listen to the concerns of the food industry. But here again, it was suggested, one voice was needed to convey the industry's concerns coherently. There is much work to do.

Post-script

Crucially, availability of suitable quality labour is not just a *post-Brexit* concern for food and farming businesses. The issue is a very live concern and parts of the sector are already being severely affected. They are finding it difficult to recruit and retain enough staff, e.g. in horticulture. Labour is rapidly becoming *the* dominant issue for food and farming businesses in Brexit-related debates.

In the rush to secure sufficient numbers of staff, it is vital that short cuts are not taken - and that all those working in the sector are treated fairly.

Speaker biographies



Margaret Beels is Chair of the Gangmasters and Labour Abuse Authority (formerly Gangmasters' Licensing Authority); (since July 2011). Her career began in the Department of Energy. In 1987-90 she played a key role in setting up competition and delivering the privatisation of the electricity industry in England and Wales. Margaret spent 4 years running the electricity market before joining British Gas as Head of Compliance. When British Gas demerged, Margaret joined Centrica and led several major corporate change programmes. The delivery of customer focused service has always been a particular concern to her. Margaret has been involved in various government reviews of GLA and has taken a particular interest in updating its governance. Most recently Margaret has become involved in the transformation of GLA into GLAA – the Gangmaster and Labour Abuse Authority. She chairs the Programme Board delivering this initiative. Margaret represents GLA externally and takes a keen interest in the delivery of GLA's mission and working with its stakeholders. In July 2015 Margaret became an independent non- executive director of Market Operator Services Ltd, which is responsible for running central systems and processes required for competition in the non-domestic water market in England from April 2017.



Beverly Dixon is Group HR Director, G's Fresh, one of Europe's leading salad and vegetable producers, appointed 2008. She holds posts as Non-Executive Director Haygrove, Non-Executive Director MDS and trustee of Rural Cambs Citizen's Advice Bureau. Beverly was previously the Consulting Director at Modena Consulting and spent the lion's share of her early career in HR at M&S having joined as a graduate trainee. Beverly is a fellow of CIPD, holds a BSc Agriculture (Newcastle upon Tyne) and an MBA (CASS) where she is a guest lecturer. Beverly is actively involved in developing skills and growing talent in the food and farming industry through ARTIS training and the Agri Skills Forum. She has implemented international leadership development programmes, graduate training schemes and apprenticeship programmes to develop talent within the G's Group. Beverly champions ethical working across the entire group by promoting good communication, explaining worker rights and expectations and through risk based auditing throughout the G's supply chain. Beverly is actively involved in supporting local communities in part through the Ely Cathedral Business Group in UK and in partnership with Emerging Leaders in Senegal.



Tim Lang is Professor of Food Policy at City University London's Centre for Food Policy. He was a hill farmer in Lancashire in the 1970s. This formed his interest in the relationship between food, health, the environment, justice and culture, asking how policy shapes it. He studies and engages with food policy debate at local, national and international levels. He was food commissioner on the Sustainable Development Commission 2006-11 and a member of the Council of Food Policy Advisors 2008-10. He is a member of the London Food Board advising the Mayor of London since 2009. His new book Sustainable Diets (Routledge) is due late 2016. He's co-author of Food Wars (Routledge, 2nd ed, 2015), Unmanageable Consumer (Sage, 3rd ed, 2015), Ecological Public Health (Routledge, 2012) and Food Policy (Oxford University Press, 2009) and many articles and reports.
