

# **Fake self-employment: The case of Ukrainian migrants in London's construction sector**

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## **Abstract**

This article, presenting qualitative accounts of Ukrainian fake business owners, highlights how migrants engage in bogus self-employment in the UK. Their experiences problematise notions of legality and binary depictions of migrant workers as “victims or villains”, demonstrating that migrants see their illegal status as a transient stage before gaining legal status.

**Key Words:** work informality, illegality, fake self-employment, migrants, vulnerability

## **Introduction**

Bogus or ‘fake’ self-employment amongst migrants is rising as an increasingly hostile regulatory environment combines with widespread precarity amongst new arrivals to the UK (Behling and Harvey, 2015; Hopkins and Dawson, 2016). This is particularly the case in construction, a sector characterised by high migrant participation and irregular working practices (Eldring et al., 2012; MacKenzie et al., 2010). Yet the processes by which migrants enact fake self-employment, their experiences and coping strategies, and their ultimate objectives (or projective agency), remains largely unexplored. We examine the lived experiences of illegal Ukrainian migrants working in the UK construction sector. They are ‘new’ migrants to the UK (Jones et al, 2014) and engage in irregular work practices, including various forms of fake self-employment. We contribute to existing scholarly attention on how low-waged migrant workers experience the construction sector not only in the UK but also across Europe (Eldring et al., 2012; MacKenzie et al., 2010), and also enhance understanding of how vulnerable groups of workers, such as migrants, seek to negotiate the institutional complexities of the UK’s construction sector (Mustchin, 2014).

We view the notion of ‘illegality’ as a fluid process rather than as a given and static end state. Such a perspective transcends binary perceptions of illegal migrants as “victim or villain” (Anderson and Ruhs, 2010). Rejecting ‘dualistic’ representations of economies (Gibson-Graham, 1996, 2006), our empirical findings demonstrate how individuals engage in a new particular type of informal self-employment, a new shade of grey, which represents a rational process of becoming legally embedded into the UK economy. By examining the degree to which an individual engages (or not) in formal, legal labour markets, the article’s empirical

findings contribute to a broader understanding of linkages between notions of illegality and informality in work environments. Further, by recognizing the diversity of work practices, involving varying degrees of interaction with formal, legal labour markets, we contribute to a ‘diverse economies’ (Gibson-Graham, 1996, 2006) approach to understanding contemporary labour markets. This de-centres the formal, legal work environments and highlights alternative approaches to understanding the lived experiences of migrant workers within the UK economy and moreover, the diverse ways that individuals can be viewed as being ‘self-employed’.

We challenge the prevailing view of illegal migrant workers as necessarily either “victim or villain” (Anderson and Ruhs 2010). Rather than relying on this narrow binary opposition, ‘vulnerability’ is seen as a useful conceptual tool to explain the diverse ways that illegal migrant workers navigate the UK labour market. The findings also highlight how, perhaps unexpectedly, there are similarities between how illegal migrants and non-migrant regular self-employed individuals operate in UK labour markets. Secondly, rather than the status of illegality being viewed as a static phenomenon - a fixed intended state - the findings demonstrate that new migrants to the UK see their illegal status as a transient stage within their journey to gaining legal status. We show how different forms of legality and illegality co-exist. A migrant worker may be ‘illegal’ according to his/her migration status whilst simultaneously paying tax as a business owner and employing workers. Moreover, the findings demonstrate the heterogeneity in the manifestations of self-employment.

The heterogeneity we report contributes to debates on the ‘socially constructed’ distinctions between social and legal boundaries that fragment the notion of work into various categories such as ‘market’, ‘nonmarket’, ‘informal’ and ‘formal’ labour (Hatton, 2015). Whilst scholars have examined the immense diversity of practices, recognised as ‘labour’ in these studies, nonetheless, the uncritical acceptance of binary distinctions between ‘formal or informal’, ‘good or bad’ forms of labour (Kalleberg, 2011) remains (Zatz, 2009). We focus on the inter-linkages and boundaries between categories to illuminate the full range of work practices, particularly within the small business context. In order to do this, this article explores the following core research question; to what extent do self-employed Ukrainian migrants working in the UK construction sector see their illegal status as an end state or more broadly as a process?

The article is organised as follows. Firstly, we critically assess debates on migration and the transient state of migrant workers, considering changes to workers’ legal status and its impact on employment. We focus on self-employment, as one of the possible employment opportunities that is available for such migrants, which to date has received little coverage. Then the trends in Ukrainian migration are presented, relating these to studies on illegal business migration and the construction sector (Behling and Harvey, 2015). The findings from interviews with twenty Ukrainian self-employed construction workers about the transient nature of illegality and informality of these migrants precede the discussion and conclusions sections of this article.

## **Migration and Illegal Migrants**

The phenomenon of migrant is not precisely defined in the literature. For instance, Anderson (2010, p301) does not distinguish between settled ‘immigrants’ and temporary ‘migrants’ when referring to ‘migrants’ and argues “it is difficult to maintain [such distinction] in practice. The definition of “illegal immigrant” is quite vague but for the purposes of this article, “illegal migrants” can be specified through the term of “non-compliance”, which Ruhs and Anderson

(2006) define as migrants without the rights to reside in the host country. “Semi-compliance” indicates a situation where a migrant is legally resident but working in violation of some or all of the conditions attached to the migrant's immigration status.

Other, often pejorative, terms have been used in the literature, including: undocumented, irregular, clandestine, non-compliant, unauthorised, precarious, trafficked, and *sans papiers* (Anderson and Ruhs 2010, p.175). ‘Illegality’ is favoured by the constituents of the mass media that promote and reinforce negative public attitudes to immigration, and illegal immigration in particular (Düvell and Triandafyllidou, 2009). As Hatton (2015) argues, the existence of such socially constructed ‘social’ and ‘legal’ boundaries means that individuals engaging in work located in spheres outside of the paid, state-regulated market ‘real’ work, often have their work practices culturally or economically devalued (i.e. not seen as ‘proper’ work or paid less than the market standard). The term ‘illegality’ is rarely used in a morally neutral sense, a failure noted by Staring (2000), who makes the often overlooked point that “illegal immigration” is an entirely artificial construct, which did not – and could not - exist prior to the twentieth century criminalisation of cross-border movement. Indeed, Author3 et al (2007) see parallels with alcohol prohibition in the US, and its futile attempts to stem an irresistible tide.

Ahmad (2008, p.302) argues that the problems faced by irregular migrants are rooted in the changing nature of employment in Western societies, especially the emergence of ‘flexibility’ and its impact upon labour processes (Adam-Smith et al., 2003), work–life balance (Hyman et al., 2005), health and safety in the workplace (Holgate, 2005;) and workplace experience (MacKenzie and Forde, 2009). Some critics present illegal migration as a “problem to be solved through stronger borders, internal and external, state enforcement of immigration and residents’ control, and increasingly, the cooperation between the state and civil society” (Frank, 2008). However, others blame immigration control (or lack thereof) for the artificial construction of the illegal status “as a means of prioritising the national labour force in employment, at the same time as protecting migrants from exploitation” (Anderson 2010, p.301). Even so, Anderson (2010) argues that over the years the UK immigration regime has failed to deliver on both objectives.

Other studies argue that immigration policy is affected by the demands of employers for temporary labour, which vary by the phase of business cycle (Hanson, 2006). Illegal migrant workers may be more in demand in those types of industries, where temporary contracts are widespread (Bloch, 2013). Moreover, Anderson (2010, p.304) argues that as a result, immigration policy creates clustering of illegal migrants in particular jobs and segments of the labour market. Considering migration as a dynamic and temporal process, entails its blending with temporal requirements of different segments of the labour market.

MacKenzie and Forde (2009) argue that as the migrants stay longer in the UK, they become more ‘British’, more demanding and intractable. However, as Anderson and Ruhs (2010, p.175) point out, it is debatable whether illegality is “an end state, category or a process?” Instead, they question the relevance of the existing dual approach of an illegal immigrant being seen as either ‘a victim’ in relation to exploitation in the labour market or a ‘villain’ in relation to involvement in trafficking and other crime (Sharma, 2003). Further doubt on the villain stereotype has been cast by Author3 et al. (2006), whose detailed case studies expose this as a gross over-simplification of a complex reality in which illegality cannot be examined in isolation from other societal and political processes. Cvajner and Sciortino (2009) have also described irregular migration as temporary, linking dynamism to the interaction of migration

flows and policy changes that create structural, economic, political and regulatory conditions for the migrants' careers.

Hitherto, despite a large number of illegal workers residing in the UK (with recent estimates ranging between 417,000 and 863,000 in 2009 (Gordon et al, 2009) there have been few studies addressing the opportunities for entry and subsequent employment for illegal migrants in the UK. Author4 et al. (2002) studied informal employment in Indian and Bangladeshi businesses, where a significant proportion of employees are illegal. Ruhs and Anderson (2007) undertook a study of origins and function of illegal migrants in the UK, using a survey of 576 illegal migrants, of which, however, only nine were in-depth interviews with Ukrainians, and 79 were survey interviews. They focused mostly on the role and costs and benefits of semi-compliance in the illegal employment. In line with a multitude of studies showing a correlation between immigrants and entrepreneurship (Author4 and Author3 2008), many of Ruhs and Anderson's (2007) respondents were engaged in self-employment. Evidently, illegality itself is no bar to working for yourself.

### **The Nature of Self-Employment**

Research on immigrant self-employment in Britain (e.g. Clark and Drinkwater, 2006; 2010; Author3 et al. 2016) has focused on two sets of causal factors. First, it is argued that immigrant workers enter into self-employment as a rational response to labour market obstacles, often in the form of employer discrimination. These obstacles (or push factors) reduce the opportunity cost of self-employment and hence, other things equal, should lead to an increased representation of discriminated-against groups in that sector. This, however, ignores the possibility that there may be group-specific influences, which would lead minorities into self-employment even in the absence of discrimination. This second set of pull factors includes such factors as the existence of ethnic enclaves, which may provide a self-sustaining economic environment, the influence of religion and access to informal sources of finance and labour through familial ties or cultural resources. This emphasis on ethnic social capital is now regarded as exaggerated (Jones and Author3, 2008), a point to which the article returns to later.

In the case of illegal migrants, however, self-employment becomes virtually the only viable option. It might be argued that, while an illegal status is a label imposed on such migrants by immigration policy, self-employment is a strategy designed to overcome this inferior, illegal status. Self-employment is one of the pathways to employment that potentially leads to much better financial returns in comparison to other types of work available to such ethnic migrants within the country's given specific socio-political and economic conditions. The challenges these conditions bring to migrants within the host country include obtaining information, capital, training and skills, customers and suppliers, competition and various political responses. Consequently, ethnic migrants develop personal and structural awareness, both types of which are not confined to ethnic business practices. Informal self-employment has been represented as "an increasingly important survival strategy for marginalised populations" (e.g., the unemployed, women, ethnic minorities and immigrants) (Williams and Windebank, 2001).

However, as Williams and Windebank (1998, p.7) argue "informal employment is not simply a survival strategy for the marginalised. Notably, there is a heterogeneous informal labour market with a hierarchy of its own which reproduces the socio-spatial divisions prevalent in the formal labour market", explained by "a cocktail of factors" composed of "a range of economic, political, institutional and environmental conditions". Informal work is defined as

covering “only activities that are illegal solely because they are not declared to the state for tax, social security and/or labour law purposes. It excludes activities in which the good and/or service itself is illegal (e.g., drug trafficking, prostitution)” (Williams and Windebank, 1998). Similarly, Williams and Windebank (2004) point out that the realm of underground work “includes only paid work that is illegal because of its non-declaration to the state for tax and/or social security purposes”.

In a different way Author3 et al. (2006, p.357) consider “one specific informal practice, the evasion of labour legislation, and the use of illegal migrant workers. In particular, they “examine non-compliance with the national minimum wage (NMW), which was introduced in the UK in 1999”, in the food and clothing industries in West Midlands, while pointing out that further studies of other ethnic migrant communities in other sectors would be desirable to shed more light on the issue.

### **Insert TABLE 1 here**

A typology of how the formal/informal dichotomy cuts across the legal/illegal distinction is displayed in Table 1. While appreciating the advantages of this typology, critics suggest that it still underplays matters of political economy, as those informal vs. formal practices which emerge as a result of conditions that allow for these activities to take place (Kloosterman et al, 1999) and in particular the way personal resources are used and personal choices are made in the context of the prevailing economic and regulatory environment. Additionally, the notions of informality and illegality discussed so far do not reflect all possible variations of employment of illegal ethnic migrants, as developed further in this article.

Hence, firstly self-employment for illegal migrants can be seen as a process of engaging with the context of sectoral, spatial and regulatory environments imposed through policy and encompasses a strategy to avoid being victimised by the host country’s conditions. The conditions created by these environments will be the focal point of subsequent analysis. Within this broader framework, conditions created within the construction sector will be the second analytical focus of the study, and will be adopted in the analysis of twenty Ukrainian migrants operating as self-employed in this sector. In the next section we outlined the context of the empirical study.

### **Migration Context**

After the EU accession in 2004, a wave of migrants from new Eastern European member states moved to Western European member states, with the numbers of migrants from the South and Eastern European countries into the UK tripling since 1990s (Ciupijus, 2011; Drinkwater et al., 2009). However, another parallel process has been taking place – greatly increased migration from non-EU countries like Russia, Ukraine, Belarus, Moldova into the new member states as well as into Western European countries such as the UK. Importantly, in contrast to citizens of the new post-2004 EU member states such as Poland, Czech Republic, Bulgaria and Romania, Ukrainians, as non-EU citizens, have no general right to work or reside in the UK.

Ciupijus (2011, p.548) explores the mobility patterns of central eastern Europeans and concludes that they are disadvantaged labour migrants. This resonates with the work of MacKenzie and Forde (2009) who reveal that this migrant group, although migrant workers representing a heterogeneous group with internal ethnic, gender and class divisions, often face

the realities of low-wage, low-skill workplaces. However, they do not see themselves solely as exploited workers but also as citizens making conscious decisions and for whom work in Britain is a temporary choice. Similar to the illegal migrants explored in Ahmad (2008, p.308) upon arrival the Ukrainian migrants, “without the right to reside or work...enter pre-existing” Eastern European employment networks in search of jobs that do not require what Portes (1981) calls formal ‘structural embeddedness’ in the regulated economy.

### **Construction: Current Sector Trends**

According to Steele and Todd (2005, p.1018), “the construction sector employs over two million people and is the largest employer in the UK”, with eighty per cent of the labour force composed of self-employed workers. Employment in the construction sector has traditionally consisted of large numbers of self-employed workers, a reflection of the cyclical and seasonal nature of the business sector (Behling and Harvey, 2015; Nisbet and Thomas, 2000). Recently, especially before the current economic downturn, the sector had experienced an expansion, accompanied by skill shortages and increased recruitment requirements, conditions that could be interpreted as “pull” factors for temporary migrants.

In the construction sector in the UK (see Druker and White, 2013; Druker, 2016), which incorporates the specific features of the Construction Industry Scheme (CIS), over recent years increasingly it is a norm to employ workers as self-employed, as this brings potential benefits to the employer, due to simplified contractual arrangements. As Behling and Harvey (2015) elucidate in their ‘neo-Polyanian’ depiction of the UK’s construction sector, bogus self-employment has become the dominant feature of British construction sites, which reflects the ‘degenerative competition’ (Harvey, 2000), involving widespread tax evasion and a lack of investment in skills development. In such an environment, employers benefit from improperly employing individuals on a spurious self-employment fashion, in order to evade the direct employment costs relating to taxes, national insurance costs and annual leave. In such a ‘buyer’s gain, sellers’ loss form of market exchange’ (Behling and Harvey, 2015, p.971.), employers get away with recruiting migrant workers, often irrespective of their legal or illegal status. In such an environment, many migrants face little ‘choice’ about being classified as ‘self-employed’ and instead would be better classified as being ‘bogus’ or ‘fake’ self-employed.

### **Methodology**

Between 2010 and 2015, a sample of twenty illegal Ukrainian self-employed construction workers were interviewed in London. Interviews lasted between an hour and ninety minutes (totaling 1563 minutes). The interviews were in the Ukrainian language, recorded with each respondent’s consent and later transcribed verbatim. Transcripts were checked for accuracy by the lead author and another author, who both also speak the Ukrainian language. Names of respondents have been anonymised. The background of these interviewees is detailed in Appendix 1. The lead author used an intermediary to make contact and undertake telephone interviews with these individuals who identified themselves as self-employed. Dunlap and Johnson (1999) claim that in order to get access to the hidden population the “right contact” is a critical element. When dealing with such hard-to-reach groups like illegal immigrants, the intermediary might have to carry out the interviews themselves, providing an additional security feature within the data collection stage. As Düvell et al. (2008:8) point out, “if irregular migrants themselves are the subjects of study, such information [. . .] could be of interest to enforcement agencies”. In the light of this, “security features ...[were] built into the method

because the intermediaries who formed the links of the referral chain were known to the potential respondents and trusted by them”, and they did not disclose the identities of the respondents to the researchers. “They are thus able to vouch for the researcher’s bona fides” (Lee, 1993: 67). This decision was informed by other qualitative researchers undertaking similar approaches (Hamilton, 2006; Author3 et al., 2008) in particular with hidden communities.

In the context of discussing the work environment of the respondents, following the methodological suggestions of Eisenhardt (1989), the researchers used triangulation of the intermediary to help “build theory from cases” (p.534). The intermediary that helped collect the data can be considered an insider as they were of Ukrainian origin and were fluent in the Ukrainian language as well as having personal experience in being an illegal immigrant worker as well as self-employed in the UK. The intermediary was fully apprised of the aims of the research, the types of interviewees required, and the critical importance of confidentiality. The intermediary’s “practical understanding” of the exigencies of Ukrainian illegal immigrants employed in the UK was also “of vital importance in expediting the research reported on here” (Author4 et al., 2007). This understanding is based on more than co-ethnic ties, which for some is seen as the most appropriate means of undertaking research on ethnic minorities. A part of the respondents were interviewed from the intermediary’s social circle. However, having exhausted these close ties, the intermediary then asked their contacts to be introduced to more contacts from different social circles via Facebook and Skype, in the spirit of snowball sampling and respondent driven sampling methods. Snowball sampling is a method particularly useful for undertaking research on sensitive topics and accessing ‘hidden’ populations and more suitable for small sample sizes (Blanken et al, 1992).

Each of the interviewees talked in different ways about their personal aspirations, as well as those for their current and future business, the experience they brought to the business and what they had gained from being in business as well as the degree of integration into various social networks and the types of support they gained. Their legal status also was discussed. In essence, what was obtained was a ‘story’ pertinent to these individuals’ lived experiences of self-employment within construction sector, thus highlighting the vulnerabilities of their status and prospects. The similarities and differences were examined in the ways each of the participants established, developed and operated as self-employed. The findings were generalised back to theory (Eisenhardt and Graebner, 2007). Three themes have emerged from the data that we theorise in the discussion section: on illegality, informality and “fake” self-employment. These theoretical shards of meaning enabled the researchers to explore the vulnerabilities of the lived experience of the respondents, thus challenging the dichotomy of “victims or villains”, attached to illegal migrant workers in extant literature. We shall discuss these in turn in the following section.

## **Findings and Discussion**

The first section below presents findings which demonstrate how the notion of illegality exists as a process and not as a given, static status amongst the interviewed Ukrainian workers. Continuing, we highlight the existence of diverse patterns of informality and illegality among the self-employed respondents including patterns of work, which elucidate the hitherto undocumented intertwined nature of illegality and informality and the vulnerabilities of their existence within the UK’s existing institutional spaces.

### *Illegality - an end state, category or a process?*

What does working and being self-employed in the construction sector and living illegally in the UK mean to Ukrainian migrants? Do they see this situation as the end state, or a process? Based on the findings, these migrants in addition to superior working conditions live a much better, more fulfilled life in the UK as an illegal migrant worker in comparison to living and working legally or illegally in Ukraine. These migrants tap into the existing ethnic community, and utilise their social connections to obtain jobs, and organise living arrangements. Even though they are viewed as illegal from a policy perspective, it is clear from an employment regulation viewpoint these migrants can, in effect, be categorised as legal workers, in the sense that they pay taxes on their earnings (NI contributions and income tax through self-assessment).

The construction industry is typical of industries, where temporary contracts are widespread, and hence employers within this sector readily employ illegal migrant workers (Behling and Harvey, 2015) safe in the knowledge that construction sites are rarely raided by governmental officials, searching for illegal workers. So why do these Ukrainian migrants choose to be “villains” based on their immigration status, and “heroes”, from the employment perspective whereby they adhere to the law?

Seemingly, these migrants have a vested interest in eventually legalising their status. Hence, being illegally employed is only a stepping-stone in the process of their moving from illegality to legality and from informality to formality. Such individuals view their illegal status as a transitory stage rather than a fixed condition.

In order for integration processes to take hold, they need some passing of time, and ability of these individuals to legalise themselves and access the opportunities that are not available to them in the current state. For example, P3 mentions that obtaining a status may help get a better job. P4 mentions the same: “*Because of my current status in the UK (residence permit) I think I deserve more money*”. However, P4 qualifies this statement by saying: “*no company will keep workers because of status, the main thing is business*”. P5 says that obtaining British citizenship should help get a better job and offers more security in case his business fails. P15 says in connection to this, that now that he has British citizenship, “*I think I have more respect from clients.*”

### *Illegality vs. Informality: New Shade of Grey*

We now analyse particular patterns of informality and illegality among the self-employed respondents. It should be noted that so far the literature has not chosen to differentiate between the two sides of informality – non-payment of income taxes/ social security contributions, and being employed in breach of labour or immigration law. It has been automatically assumed that workers employed in breach of labour legislation do not pay taxes. Therefore, the findings suggest that a finer approach to informality, distinguishing various “*shades of grey*”, is necessary.

### **Insert TABLE 2 Here**

As Table 2 below demonstrates, all self-employed in the sample, regardless of their immigration status, do pay taxes at least some of the time, and many of them, independently of the degree of legality, pay taxes most of the time. Most respondents claim all or part of their taxes back, but they stress that they do it legally.

The respondents clearly understand and utilise the social norms in identifying how to work legally within the construction sector, but also how to claim back the money they pay as taxes. According to Williams and Windebank (2001), the construction sector in the UK is supposed to be a sector where informality is conspicuously widespread. However, what is clear from Table 2, is that these self-employed individuals use their connections within their social networks not only to find jobs, but also to learn social norms, and follow those. P7 illustrates that he “pay(s) taxes in UK, and claims some of it back”. P14 like many others says - “everybody does this”. Some of them like P9 use the agency to “help claim back taxes”. P5 hires an accountant who does his tax return. While adjusting to the existing structures and social norms, the respondents in turn are circumventing the structural constraints

### *Construction sector shaping the migrants path to ‘fake’ self-employment*

Sectoral practices play an important role in the ability of Ukrainian illegal migrants to adapt to working conditions. All respondents mention safety, training and induction provided by the employer on the site. This finding questions the perception of informal / illegal employment as being subject to exploitation and inferior working conditions, at least in this particular sector. “In Ukraine – there are no tools, no safety, no money, no one pays for overtime...” P3 responded that “not long ago I started thinking about staying in the UK for good, because it’s really better to live here, even better than in Germany”. P13 said: “In UK there are more professional tools so it is a lot easier to work... We have paid breaks, paid overtime, less hours for Saturday and Sundays, and get paid more.” Regarding working hours, one respondent (P14) reports habitually working long hours: “Mostly I keep working on one project for quite a long time (from 2 to 7 months). It is a hard job, so not everyone can do it for long time.” However, P14 said that the overtime work was paid. P14 then goes on to comment: “Work in the UK is stable. Every Friday is payday. We have good quality materials, which are easier to work with. There are very good conditions for work. Everything works well, on time and is safe. There are safety inductions on every site.”

The intermediary, who had hands-on experience of working as an illegal employee in construction in London, explained that, first, while the wage rates of the newly arrived migrants who are unskilled at construction work are lower than the minimum wage, they quickly catch up with the minimum wage legislation as the new employee accumulates skills. As the employee progresses from the lower-skilled jobs such as labour to more skilled jobs, his/her wage rate tends to converge to that of the legal employees. This is in line with some of respondents’ answers, e.g., P2 indicated that his salary has been 100-120 pounds a day for the last three years (the usual working day is 8-5, 6 days a week, but sometimes workers need to work longer hours), it did not change much when he changed from illegal to legal status. P5 who employs both illegal and legal workers, said that “I need workers who understand the Russian language and Ukrainians work for less money (...) When people don’t have any permit for work – they agree to work for less money (...) If a lot of workers are available I pay as low as £45 a day. If I need skilled workers I pay up to £120 for a day”. P8 reflected on his conditions of pay and employment in the UK: “The main reason to be here is money. There is a huge gap between the same work in Ukraine and in the UK. In the UK you can be illegal but you feel more protected. (...) You have money in any case. People in Ukraine have to start their own business to earn money, but here in the UK you can work just as self-employed or employed for a company and have a life.” P8 also feels that the UK employment gives him more opportunities to develop in his trade: “Here, there is better money and better tools, which make the job easier”. This happens partly because in the construction sector, certain

occupations are “unpopular” among non-immigrant workers, thus offering a niche for both legal and illegal immigrant workers to take employment. This contrasts with the below-minimum-wage employment of most illegal employees in manufacturing and food industry reported in Jones et al (2007).

Moreover, despite being denied payment once or twice, all respondents, both legal and illegal, feel that business transactions in the UK are based on trust, which aligns to the findings of Author4 et al (2007) from the Asian migrant entrepreneurial community. However, most of them also report the absence of discrimination towards them as foreign workers. They emphasize the importance of the regulatory and business environment in their decision to become self-employed in the UK. P1, P2 and P3 mention how the business environment in the UK is better than in Ukraine, and P3 mentions that it is a better business environment than in Germany. P5 says: *“The main reason for me – is the ability to earn money and have real possibilities to run a small business. I can’t imagine how it would be possible to run a small business in Ukraine without huge bribes to government officials. In the UK I can save money and take a bank loan but in Ukraine it is very difficult to get a loan and the interest rate is very high.”* This illustrates the importance of the interpretation of the ethnic social networks and the context of being embedded in wider sectoral, spatial and regulatory environments (Jones et al 2008).

Overall, our findings highlight how respondents are pulled into the construction sector with its prevailing spatial, economic and regulatory factors, as well as monetary considerations (“pull” factors). The activities these respondents undertake fall into *“shades of grey”*, a new classification of illegality and informality within their self-employment activities, previously unexplored in the literature. They pay taxes and social security contributions and then claim them back legally, while at the same time informally employing illegal fellow migrant Ukrainians. These migrants do not perceive themselves as being victimised in terms of working conditions and pay, marginalised or discriminated against, thus the findings are in line with those of Williams and Windebank (1998, 2001).

Additionally, construction companies prefer not to hire workers but rather “self-employed” subcontractors. This way, construction companies save on social security payments, and the self-employed workers are not given holiday or sick pay. Despite this, as the salaries are quite high compared to other sectors, workers are still drawn to being self-employed in construction. Thus, many of the Ukrainian illegal migrants prefer to work within this sector, seeing themselves eventually becoming legal and having a much wider pool of opportunities available to them for their business activity. As outlined above, a number of them are taking active steps in moving from illegality to legality, which for some of them starts with adhering to the employment law within the UK.

### **Concluding remarks**

With the aim to advance existing discussions on how new and undocumented migrants engage in self-employment (Bloch, 2013; Edwards et al. 2016; Hopkins and Dawson, 2016; Jones et al, 2014) within the UK’s construction sector (Druker, 2016; Druker and White, 2013; Eldring et al., 2012; MacKenzie et al, 2010; Mustchin, 2014), this article highlights how illegal self-employed Ukrainian migrants engage in a set of multifarious work practices, including ‘fake’ self-employment, when faced with an institutional and regulatory environment in London’s construction sector, which certainly accommodates and perhaps even encourages the growth of fake forms of self-employment. The empirical findings highlight a variety of work practices,

which involve differing degrees of illegality and informality, constantly negotiating formal and informal work environments, whilst living on the margins of UK society (Imas et al., 2012). Such findings contribute to extant debates (Hatton, 2015) regarding the categorization and accompanying fragmentation of notions of different work practices. Seeking to move beyond binary representations of different forms of work practices, this study endeavoured to heed Zatz (2009)'s call for placing categorizations of work under critical academic scrutiny. To this end, this article has examined the notions of "illegality" and "informality" and crucially the misty, unclear intertwined nature of some forms of work practices within and between these two notions of work. The empirical findings highlight how some forms of work cannot be accommodated within the existing dualistic typologies of formal and informal work. Rather, these findings corroborate Williams and Windebank's (2004) understanding of the diverse nature of informal economic practices.

Moreover, the article's findings challenge the prevailing view of the illegal migrant worker as necessarily either "victim or villain" (Anderson and Ruhs 2010) instead highlighting the 'vulnerabilities' (Mustchin, 2014) of the existence of migrant workers as they seek to navigate the UK's labour markets. The article highlights the inherent limitations of existing notions of 'informality' and 'illegality' as categories of work, demonstrating how some illegal migrants choose to operate in a non-compliant, but otherwise formal way, existing in a new '*shade of grey*' between the formal and the informal economy and thus challenging existing forms of labelling by scholars and society alike. Their current position represents not an "end state" but rather a stepping-stone in a process of their legalisation, which can bring a number of benefits to their career and assimilation in the UK.

Finally, the article argues that although the employment of illegal migrants, who overstay their visa or enter the UK illegally is prohibited, the construction sector with its combination of structural conditions has demonstrated leniency to this characteristic of the respondents and implicitly encouraged forms of bogus and fake self-employment (Behling and Harvery, 2015). Crucially, not only is this leniency and the common employment practice of illegal migrants seen by outsiders and researchers as a norm within this industry, the push of such migrants towards self-employment can be viewed as a result of the cost cutting mechanism and simplification of contractual agreements.

Future work will be needed to explore the Ukrainians as a new migrant group operating in different cities in the UK and different sectors of UK economy, thus exploring in a more nuanced way the nature of super diversity in the UK (Jones, et.al. 2008). Additionally, to test the proposition of illegality being a transient, rather than an end-intended fixed state within a process that spans across a continuum of illegality-legality, it will be worthwhile to re-interview the respondents at a later stage to see if their legal status has evolved and see whether these migrants are closer to being more embedded into the UK society. This would be valuable especially in light of recent changes in immigration policy within the UK and continued political desire for 'managed migration' (Bach, 2010), which could further affect the conditions for self-employment in various sectors of the economy.

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**Table 1: Participants**

<b>Code</b>	<b>Gender</b>	<b>Age</b>	<b>Education</b>	<b>Business</b>	<b>Legal Status</b>	<b>Time in UK</b>	<b>Employees employed by respondent</b>
INT1	Male	25-34	NVQ2 carpentry	Construction	Illegal	7 years	8
INT 2	Male	25-34	University Degree	Construction	Illegal	7 years	100+
INT 3	Male	35-44	High School	Construction	Illegal	8 years	30
INT 4	Male	45-54	University Degree	Construction	Illegal	8 years	10
INT 5	Male	25-34	Commercial College	Construction	Illegal	7 years	30
INT 6	Male	25-34	College of Law Degree	Construction	Illegal	13 years	8
INT 7	Female	25-34	University Degrees in Arts/BA Theatre in UK and Economics in Ukraine	Decorator	Illegal	10 years	Up to 20
INT 8	Male	25-34	University Degree in Ukraine	Construction	Illegal	7 years	50
INT 9	Male	25-34	University Degree in Ukraine	Project Management in Construction	Illegal	7 years	15-30
INT 10	Male	25-34	English College in UK	Construction	Illegal	9 years	30
INT 11	Male	18-24	High School	Construction	Illegal	5 years	15
INT 12		18-24	High School	Construction	Illegal	3.5 years	20
INT 13	Male	35-44	Technical College (construction)	Construction	Illegal	4 years	15
INT 14	Male	35-44	Technical College (construction)	Construction	Illegal	9 years	20
INT 15	Male	25-34	High School	Construction	Illegal	6 years	13
INT 16	Male	25-34	Technical College (construction)	Construction	Illegal	8 years	12

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INT 17 Male	35-44	High School	Construction	Illegal	8 years	6
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INT 18 Male	25-34	High School	Construction	Illegal	3 years	5
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**Table 2: Interview details, frequency and summary of responses**

Question	Summary of key responses	Illustrative quotes
<p><b>INSTITUTIONAL ENVIRONMENT PUSHING PEOPLE INTO FALSE SELF-EMPLOYMENT</b></p> <p><b>WORKERS' VULNERABILITIES</b></p> <p><b>WORKERS' COPING STRATEGIES</b></p>	<ul style="list-style-type: none"> <li>• Too many regulations</li> <li>• Lack of understanding of employment law and rights</li> <li>• Use of social networks to gain employment opportunities</li> <li>• Employers directly approach and encourage self-employment</li> <li>• Wage theft</li> <li>• Wage with-holding</li> <li>• Lower wages than National Minimum Wage</li> <li>• Accident/illness</li> <li>• De-skilling</li> <li>• In response to deskilling, individuals decide to set up a business</li> <li>• See opportunities to make money – bring co-migrants from back home to the UK</li> <li>• Become the 'conduit' to bring new workers in</li> </ul>	<p>'It is hard to know how to sort the correct documents here'</p> <p>'The regulations are changing all the time'</p> <p>'I use one of my old friends in Kyiv who can help find some new workers'</p> <p>'One guy came up to me and said he'd sort out all the necessary documents. Only recently did I realise that I am self-employed!'</p> <p>'When I was first here, the boss stole some of my wages'</p> <p>'The owner can sometimes not pay full wages and promises that the remaining will be soon. This can be for months'</p> <p>'With no work permit, people agree to work for less money'</p> <p>'I have no protection. It's all up to me. If I'm ill, I lose my pay'</p> <p>'I am a qualified engineer. The work here is just unskilled work'</p> <p>'I worked as a project manager until I came here. The work was unskilled. I decided to set up my business. It's great, I now manage over twenty workers'</p> <p>'London is a busy town. There is more work than people. I started bringing workers from Ukraine last year and it is very profitable'</p> <p>'Other employers contact me to get more workers'</p>

<p><b>DESIRE FOR 'NORMAL' LIFE IN THE UK AND COME OUT OF THE SHADOWS</b></p>	<ul style="list-style-type: none"> <li>• Engage in subcontracting</li> <li>• Payment of UK taxes</li> </ul>	<p>'Subcontracting is the name of the game. The British big guys do it and it works down the chain'</p> <p>'I don't mind paying taxes here in the UK. The government spends the taxes properly'</p> <p>'I just want a normal life for my family and myself'</p>
<p><b>PATCHWORK ACTIVITIES</b></p>	<ul style="list-style-type: none"> <li>• Future aspirations</li> <li>• Dip in and out of legal and illegal work practices</li> </ul>	<p>'I want people to see me as a real person, not just an invisible migrant'</p> <p>'I live a strange life. I've never paid so much tax in my life than here in the UK. However, my business depends on employing illegal workers.'</p>