Original Article

Globalisation and Healthcare Labour Markets: A Case Study from the United Kingdom

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Abstract

This paper examines the recent significant growth in international recruitment of qualified nurses to the United Kingdom (UK). The paper examines trends in recruitment using data from the UK professional register of nurses, and discusses the reasons why employers recruit internationally, and why nurses are internationally mobile. Specific attention is given to the impact of globalisation in the international recruitment of nurses. Recommendations are given for further research in this area.

Key words: *international recruitment, globalisation, nurses.*

Introduction

This paper examines recent trends in the international recruitment of nurses to the United Kingdom (UK). The level of international recruitment of nurses to the UK has increased significantly in recent years, and the aim of this paper is to highlight some of the key issues relating to globalisation of health care labour markets by examining a case study of an "importing" country. The paper draws from research commissioned by the National Health Service in England[1].

International mobility of health care professionals has long been recognised as a factor of major significance in health care planning and policy determination. Mobility of nurses from developing countries can represent a tremendous drain of resources from the "exporting" developing country. In developed countries, international recruitment is used to compensate for home-based skills shortages. However, international mobility also can have many positive features for the individual health professional, representing the search for additional knowledge, expertise and training. It can also represent a significant source of foreign earnings for some countries.

The globalisation of markets and the development of free trade blocs (e.g. North American Free Trade Agreement (NAFTA), European Union (EU), MERCOSUR), with associated free mobility of labour, represents a factor of significant and growing importance when examining international mobility of nurses. The Third World Trade Organisation Ministry conference, due to meet in November/December 1999, and subsequent negotiations on General Agreement on Trade in Services (GATS), are predicted to increase the effect of globalisation on human resources for health[2]. This impact will be direct, through increased cross-border flow of nurses and other health professionals, and indirect, through foreign investments and increased private sector involvement in the training of health professionals, and harmonization of regulation.

Despite the significant and growing importance of international mobility of nurses to health sector functioning and funding, little is known about the magnitude of flows of health

professionals, trends in these flows, and barriers and incentives to mobility. The major study on the pattern of flows was conducted more than twenty years ago by the World Health Organisation[3].

In the United Kingdom, concern has been expressed about the impact of employers ("trusts") in the National Health Service (NHS) recruiting nurses from developing countries. In its report on Future NHS Staffing Requirements, the Health Committee of the UK Parliament noted "We were concerned at the high cost of recruitment of overseas nurses, paid mainly to agencies. We do not think it acceptable to solve our nursing shortages by this means if we are creating shortages in development countries"[4]. It also stated "we realise that trusts have to resort to ad-hoc recruitment of foreign nurses, but ... we are suspicious that not enough was done in some areas to give extra support and incentives to local nurses before resorting to recruitment from abroad"[4-5]. The UK has traditionally been both an "importer" and "exporter" of nurses[3], but in recent years, the level of inward recruitment has grown significantly.

The Dynamics of the UK Nursing Labour Market

The underlying reason for the increasing level of interest in international recruitment has been shortages of nurses within the UK labour market. From the late 1980s, the number of nurses employed in the NHS has remained largely static, after four previous decades of employment growth. This has happened despite a continuing increase in NHS activity. Various supply-side factors - in particular, the ageing of the nursing profession and the reducing size of the pool of potential returners - are likely to further exacerbate short term recruitment difficulties, while demand for healthcare will continue to grow[6].

The Department of Health in England has embarked on an advertising campaign to attract recruits and returners to NHS nursing, and has acted to increase intakes to nurse education. This campaign is beginning to have a positive effect[7], but it will take some time for the full effect of the increase in student nurses to become apparent in the nursing workforce. In the meantime, nursing shortages are becoming more pronounced in some areas. It is against this background that more NHS Trusts have become active in recruiting nurses from abroad.

Recruitment of Overseas Nurses

The UK labour market for nurses is dynamic, with a continued inflow of new and 'returner' entrants, and a continued outflow of temporary and permanent leavers. The Register of the United Kingdom Central Council for Nursing, Midwifery and Health Visiting (UKCC) represents the "pool" of nurses from which all employers must recruit.

There are three sources of 'inflow' or new additions to this pool of nurses. These are:

- new entrants from education in the UK;
- re-entrants of returners to nursing; and,
- new entrants from non-UK sources.

As the number of new entrants from UK nurse education has declined in recent years, the third source of inflow - nurses from non-UK sources - has taken greater prominence. These international recruits can be either nurses from abroad, actively recruited by UK employers, or individuals with nursing qualifications who have moved to the UK, who then enter the UK nursing labour market.

One aspect of globalisation is that individuals with general first level nursing or midwifery qualifications from the other countries of the European Union (EU) have the right to practise in the UK. They can register with the UKCC via the European Community Directives. These Directives ratify free mobility within the countries of the EU, for professionals with designated qualifications. Such Directives exist both for registered nurses and for registered midwives. However, nurses from countries

outside the EU have to apply to the UKCC for verification of their qualifications in order to be admitted to the Register.

The Inflow of Nurses to the UK

Recruiting nurses from abroad to solve staff shortages has been a strategy used by a number of countries at different times. The UK has played a significant role in this activity. In the 1970s, it was the second most important "destination" country for internationally mobile nurses, after the United States. It was also the second most important "source", after the Philippines, of nurses moving to other countries[3]. More recent analysis[8] suggests that the UK has continued to be active in recruitment from abroad, but that the level of inflow of nurses from overseas has fluctuated markedly over time.

In this section, data from the professional register of the UKCC is used to map recent trends in the inflow of nurses from other countries[a]. It should be noted that UKCC data concern qualified nurses, not persons moving to the UK in order to enter pre-registration nurse education.

Any nurse or midwife, who has trained and registered outside the UK, and wishes to practise in the UK, has to apply for admission to the UKCC register. Individual judgements are made by the UKCC on each application, on the basis of the duration and type of training and previous work experience of the applicant. Data from the UKCC register therefore allows trends in the number of applications and admissions from overseas to be examined. But there are limitations in using the data to monitor inflows to the UK:

- it registers intent, rather than the actuality of working. Nurses moving to the UK and registering may not all take up employment in nursing;
- the timing of the application may occur some time after the geographical move, so there may be a lag between move and registrations. (Evidence from work permit data suggests that many nurses were already in the UK at the time of their application - see[9]);
- individual nurses may apply to more than one part of the UKCC register (e.g. to general nursing and to midwifery) at the same time. There may therefore be some double counting;
- the use of UKCC data as an indicator of 'job' moves requires a wide definition of job, which could include study tours, post basic education, and occasional work for nursing agencies; and,
- the statistics on applications relate to the country of origin of the application, which will not necessarily be the country in where the nurse was first trained.

Nevertheless, the UKCC Register provides an indicator of potential, or actual, inflow of nurses to the UK by recording the annual number of nurses from non-UK sources entering the register as new admissions from overseas.

New Admissions from Overseas

Initial admissions to the UKCC register of nurses and midwives originally trained and registered outside the UK are shown in Figure 1 for the years 1993/94-1998/99. Over the period, total annual admissions from non-UK sources have increased. In 1998/99 a total of 4,981 initial entrants were from all overseas sources. The four most important countries were Australia (1,335), South Africa (599), New Zealand (527) and Finland (312).

Admissions from EU sources have accounted for between one-quarter and one-third of annual total overseas admissions in recent years. Historically, Ireland has been the main EU source of nurses for the UK, but in the last two years, Finland has been more significant. In terms of globalisation, it should be noted that the recent

a Note: The UKCC data include small numbers of midwives which are not differentiated separately in this report

Figure 1 Admissions to the UKCC register from EU directive/non-EU sources 1993/94 - 1998/99 (initial registrations)

Source: UKCC

increase in inflow of nurses to the UK has not been primarily due to increased numbers of nurses moving from within the EU.

Admission to the register from non-UK sources as a proportion of total new admissions is shown in Figure 2. This figure shows the comparative importance of non-UK countries as a source of 'new' nurses on the UK register. This importance has increased, as the number of nurses admitted from UK sources has tended to decline over recent years. In 1998/99, international admissions accounted for approximately 28% of total initial registrations.

How many internationally recruited nurses are there in the UK?

Data from the UKCC register indicated that there are currently 29,313 registered nurses on the UKCC register who had trained abroad (February 1999). However, at most, only 20,000 are currently resident in the UK, since 9,228 (31%) report an overseas address (see Table 1).

These data highlight that many overseas registered nurses who are admitted to the UKCC register, may spend only limited time in the UK before moving on to another country or returning home. And, as noted earlier, others may apply and be admitted to the register, but have not yet, and may never, enter the UK.

Overseas registrants represent 4.7% of the total number of practitioners on the UKCC register, but only 3% of those reporting a UK postcode (see Table 2). This data suggests that three in every hundred UK-based nurses currently on the UKCC register were admitted from

Table 1 Overseas Registrants on the UKCC Register, Current Postcode, 1999

UK Postcode	17,674	(60%)
Non-UK Address	9,228	(31%)
Incomplete Details	2,411	(8%)
Total	29,313	

Source: UKCC, February 1999

Figure 2 Admissions to the UKCC register from abroad as a percentage of total admissions 1989/90 - 1998/99 (initial registrations)

Source: UKCC

international sources.

Why do nurses come to the UK?

Previous research on nurse mobility[3,8,10] highlights the importance of 'push' and 'pull' factors, leading nurses to leave one country and look for employment opportunities in another. But there is no comprehensive or up-to-date information available on the reasons why overseas nurses come to the UK.

Assessing the push and pull dynamics of current and future patterns of nurse mobility to the UK would require a more detailed picture of the impact of attitudinal and career history factors than can be achieved with available data. The **reasons** for, and the **permanence** of, movement need to be examined to understand the likely nature and extent of future mobility.

Drawing from information gained during case study interviews and from previous research, it is possible to develop a typology of different 'groups' of overseas nurses in the UK (Table 3). It is clear that the significant increase in active recruitment of nurses from abroad in recent years points to a relative growth in the numbers of "contract workers".

Table 2 UKCC Registrants, 1999

	UK Registrants	Overseas Registrants	Total	Overseas as a % of total
UK Postcode	567,047	17,674	584,721	3.0
Overseas Address	15,486	9,228	24,714	3.7
Details Incomplete	16,662	2,411	19,073	12.6
Total	599,195	29,313	628,508	4.7

Source: UKCC, February, 1999

Table 3 Internationally Recruited Nurses in the UK: A Typology

"Permanent" Move	
The Economic Migrant	- attracted by better standard of living
The Career Move	- attracted by enhanced career opportunities
The Migrant Partner	- unplanned move, as a result of a spouse or partner moving
"Temporary" Move	
The Working Holiday	- nursing qualification used to "finance" travel
The Study Tour	- acquisition of new knowledge and techniques, for use in home country
The Student	- acquisition of post basic qualifications, for use in home country
The Contract Worker	- employed on fixed term contract; often awaiting improved job prospects in home country

Source: Buchan J et al., 1997, updated

From the perspective of employers in the UK, the major distinction, which has to be drawn, is that between overseas nurses anticipating a permanent move to the UK, and those planning only a temporary move. Whilst personal individual circumstances can change (some 'permanent' moves will be only temporary, some temporary movers will remain in the UK), the main issue for employers is to be clear about the motivations and career plans of the overseas nurses that they are recruiting.

It is clear that the opportunity for professional and personal development working in the NHS can be a major incentive for many nurses considering a temporary move to the UK. Some trusts recruiting abroad have been adept at highlighting these career development opportunities as a means of attracting international recruits.

Nurses recruited from Scandinavia (particularly Finland), and from Australasia, often conform to the "working holiday" or "contract worker" types. Many of these nurses anticipate working in the UK for a relatively short period of time, prior to moving on, or back to the home country. A survey of 41 nurses recruited from Australia in 1999, found that 61% had chosen the UK for travel reasons, or to visit friends or relatives, and that 27% had moved for career development reasons (Source: recruitment agency, 1999).

How long do nurses remain in the UK?

Anecdotal information from trusts and agencies suggests that many nurses recruited internationally plan only a temporary stay in the UK. The UKCC requires every practitioner to re-register every three years, to maintain a "live" register. Data from the UKCC (Table 4) suggests that the proportion of non-EU overseas registrants whose registrations lapse at the end of their first three year period in the UK has been increasing. More than half (56%) of these registrants first registering in 1995 did not re-register in 1998.

As well as understanding the motivation (and planned tenure) of these nurses, it is also imperative that employers are clear about their own reasons for recruiting from abroad, and understand the implications of their choice of source country or countries. These issues are examined in the next section.

How do NHS Trusts Recruit from Other Countries?

All applications from nurses to work in the UK have to be approved by the UKCC. Additionally, those from non-EU/European Economic Area (EEA) sources require a work permit. Recruitment of nurses from non-EU

Table 4 Percentage of overseas registrants whose registration has lapsed, at 3, 6, and 9 years after initial registration

Year of initial registration	Total admissions	Expired after 3 years	Expired after 6 years	Expired after 9 years
1988	1,832	38%	53%	85%
1989	2,087	37%	58%	73%
1990	2,321	36%	53%	
1991	2,254	38%	56%	
1992	2,099	41%	65%	
1993	1,715	41%		
1994	1,652	45%		
1995	1,888	58%		
1996	2,415			
1997	2,627			
1998	2,552			
Total	23,622			

Source: UKCC
Note: 1. Excludes admissions to UKCC register from EU
2. Based on calendar year

countries will often take several months. The requirement to undertake a specified period of adaptation to gain additional experience in the UK will be the decision of the UKCC, based on the application of the individual nurse. This does not apply to all nurses. Those that do have to undertake adaptation may have to pay a fee to the UK employer or college. The adaptation period may last several months, during which the applicant will not be on the Register.

Essentially, there are three options open to NHS trusts planning to recruit from abroad: to recruit from EU/EEA; to recruit from non-EU countries and use the "working holiday" visas for younger nurses from Commonwealth countries; to recruit from non-EU countries and obtain work permits. The main aspects of each approach are listed in Table 5.

The growth in the international recruitment activity has led in turn to a growth in agency activity, and in the number of agencies.

Subcontracting by recruitment agencies, with no retention of quality control, can create difficulties. Nurses interviewed at one case study site had been given misleading information by an in-country subcontractor. To counteract this potential problem, several UK and Irish based agencies have overseas offices or partner agencies in other countries, which can facilitate the recruitment process, and contribute to their level of knowledge of other labour markets.

The Role of Agencies

It is apparent from the interviews that NHS trusts can be involved in one or more of four models of active recruitment from overseas. The main determinant of model is the extent of agency involvement in the recruitment process. These models, and the main strengths/weaknesses from a NHS trust perspective, are set out in Table 6.

The Cost of International Recruitment

The cost of replacing a single staff nurse who leaves a NHS Trust can be considerable[11], and will vary depending on the recruitment and replacement methods used. Much of the cost will be indirect, relating to time spent by the

management in the replacement process, and to the length of time the replacement nurse takes to reach the same level of contribution to the organisation[12].

Against this backdrop, recruitment from overseas is only one of many options open to NHS managers seeking to fill nursing vacancies. NHS managers' interviews during case studies

Table 5 Three main options for International Recruitment

Source Countries	UKCC admission required?	Other main requirements/Restrictions
EU/EEA	Yes	No restrictions on first level registered general nurses who are nationals of EU/EEA countries.
Commonwealth working holiday visa	Yes	Commonwealth citizens aged 17-27. Applications to British High Commission. Nurses on working holiday may work full time (25 hours +) for only one of maximum two years duration, or part time for full two years.
Non-EU, work permit	Yes	In most cases, employer has to provide evidence, in form of advertisements, that they have unsuccessfully attempted to recruit EU/EAA nurses (this requirement waived for designated shortage specialties - currently intensive care, paediatric intensive care, neonatal, theatre, mental health, learning disabilities). Work permit, if issued, is for specific job with specific employer, normally for two years in first instance.

Table 6 Models of Recruitment Agency Involvement

Model	Main Features	Strengths/Weaknesses
Agency Provided	Agency actively recruits nurses on their own behalf for short term placements as temporary staff (often Commonwealth nurses on working holiday visas).	Source of temporary staff. No additional costs beyond that of usual agency fees.
Agency Led	NHS trust appoints an agency to identify source country. Agency takes lead on recruitment, selection and placement with some input from NHS trust managers.	Up front costs per trust. Potentially a problem with quality control. Some direct and indirect costs caused by management time and travel. Dependent on agency knowledge/contacts.
Agency Facilitated	NHS trust works in active partnership with agency to identify source country. Trust managers directly involved in selection process, which is facilitated by agency.	Up front costs for trust. Higher direct and indirect costs relating to management time and travel. Potential for greater quality control.
NHS Led	NHS trust uses its own resources to identify a source country, select, recruit and place nurses; deal with UKCC, permit issues, etc.	No agency fees. High direct/indirect costs relating to management time and travel and time spent on placement. Dependent on overseas knowledge/contact.

emphasised that overseas recruitment was only considered after other 'home-based' alternative approaches to recruitment had been attempted, or considered.

Generally speaking, the case study NHS trusts reported that the competence and performance of international recruits after appropriate induction was, at the least, acceptable. Six of the seven NHS trusts examined as case studies reported that they were planning further international recruitment activity.

However, despite this high and continuing level of international recruitment reported by some of the NHS trusts, none was able to give a complete assessment of the cost effectiveness of overseas recruitment, and only some were able to give costings for this activity. In part, this relates to the general issue of current limitations in the capacity to assess the cost effectiveness of any recruitment initiative. It also highlights that in some cases decisions had been made to embark on international recruitment (an approach with relatively high up-front costs), with only a limited assessment of the likely costs/benefits.

The costs of international recruitment activity vary markedly, depending on number of nurses recruited, agency fee structure, and additional costs (flights, accommodation). The following three examples (see Table 7) were provided by trusts; none takes account of indirect costs, management time, and induction time for nurses to become fully effective.

The evidence reviewed in previous sections suggests that the trend in international recruitment is towards 'batch' recruitment, with a potentially high effect, in terms of numbers of recruits, but mainly with a short term impact. As such, if the recruitment costs per nurse are considered acceptable, international recruitment may be used primarily as a short term measure to give the trust management a breathing space to identify and implement other recruitment options, which may have a lower cost per nurse, and more scope for a longer term span of effect.

Conclusion

The growth in international recruitment of nurses to the UK has been highlighted in this paper. Much of the recent growth is related to active recruitment by NHS employers (Trusts) attempting to fill vacancies. There has been a broadening of recruitment focus from the "traditional" sources of Australia, New Zealand and Eire, to include other countries, such as the Philippines, South Africa and Finland.

Two questions remain to be answered. Firstly, will this 'pull' factor continue to operate in the NHS - will NHS Trusts continue to attempt to recruit abroad over the next few years? Secondly, if trusts do continue actively recruiting from overseas nursing labour markets, what 'push' or 'pull' changes are likely to occur?

Firstly, it should be stressed that the 'pull' factor is likely to continue to be a dynamic in the UK nursing labour market. New initiatives to increase the number of nursing students and

Table 7 Example of Costs of International Recruitment, 1998/99.

- Recruitment from Australia, costed at approximately £3200 per nurse (assumes 40 nurses arrive). (Includes airfare of £800 - cost met by nurse but reimbursed by trust if nurse stays to end of contract). (Agency fee includes % of salary).
- Recruitment from Philippines, costed at approximately £1700 per nurse (assumes 50 nurses arrive). (Flights are an additional cost, paid by trust, deducted from nurse salary over twelve months).
- Recruitment from Scandinavia. Flat rate of £1150 per nurse recruited, plus £150 contribution towards cost of air fare, per nurse. (Trust reports this fee structure has now been changed/increased).

Source: Case study trusts (average cost per nurse recruited)

to improve retention and return rates will have a positive effect on the supply side. However, the ageing of the UK nursing profession[13], and the growth of non-NHS employment opportunities is likely to continue to challenge the capacity of the NHS to recruit and retain nurses[6].

There will be a differential effect of these factors in different geographical regions within the UK, but overseas recruitment is likely to remain an option considered by many NHS Trusts. The extent to which the level of international recruitment activity continues to reflect recent past trends of growth will depend upon the degree of success in implementing other 'home grown' methods of improving recruitment, retention and return.

If international recruitment of nurses does continue at its current historically high level, how might it be affected by changes in the dynamics of nursing labour markets in "source" countries?

Predicting the future volume and direction of international nurse flows is fraught with difficulty due to the sparsity of consistent, accurate and reliable international data on past and current nurse inflows and outflows. Labour market information in healthcare sectors is imperfect, and further research is required to map out the current flows, assess reasons for these flows, and project likely future trends.

It is possible, however, to identify one general factor which is likely to have a bearing on the likely future pattern of overseas recruitment of nurses. This is the globalisation of markets and the development of free trade blocs, which facilitate international migration. The EU, NAFTA, MERCOSUR and other similar entities will reduce barriers to trade and mobility. If it is the case that nurse mobility is less likely to be permanent, and more likely to be across shorter geographical distances than physician mobility[3], globalisation may have a greater impact on medical labour markets. However, at the least, globalisation will facilitate nurse mobility (even if some of it is unplanned moves related to the migration of partners).

This study represents a "single country" focus on inward migration. Given the growing importance of international mobility of health professionals, and the likely significant impact of globalisation, there is an urgent need for further research in this area. Such research can be either single country in focus, but using standard methods so that key findings can be coordinated across countries, or could adopt a multinational perspective, focusing on high "importer" or "exporter" countries.

Specific areas that merit research attention are:

- To replicate the single country focus study in "high importer" countries;
- To undertake detailed attitudinal research on the reasons and motivations for international mobility of individual health professionals; and,
- To undertake multi-country research which maps linkages between countries, identifies key obstacles and incentives for international recruitment, and assesses likely future trends.

The lessons from the case study of the UK as an "importer" of nurses suggests that increasing numbers of nurses have the propensity to be internationally mobile, and that there will be different reasons why individual nurses will wish to move. The study findings also highlight that home based skill shortages will continue to be a powerful motivator for employers to look to international recruitment.

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