REPORT

Migrants' labour market profile and the health and economic impacts of the COVID-19 pandemic

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This report considers available data and analysis on the implications of the COVID-19 pandemic for the UK's migrant population based on their labour market profile.

The foreign-born population in the UK has diverse employment characteristics. Their occupational distribution varies substantially across migrant communities due to differences in levels of education, reasons for migration, legal status or country of origin, among other factors. The negative health and economic impacts of the COVID-19 pandemic are likely to be worse for some migrant groups because they are over-represented in jobs where they are more at risk of contracting the disease, in sectors that have been significantly affected by the shutdown due to the social distancing measures, or in occupations where there are limited options for working from home (teleworking).

Non-EU born workers are over-represented in the health sector, making them more exposed to diseases, including COVID-19

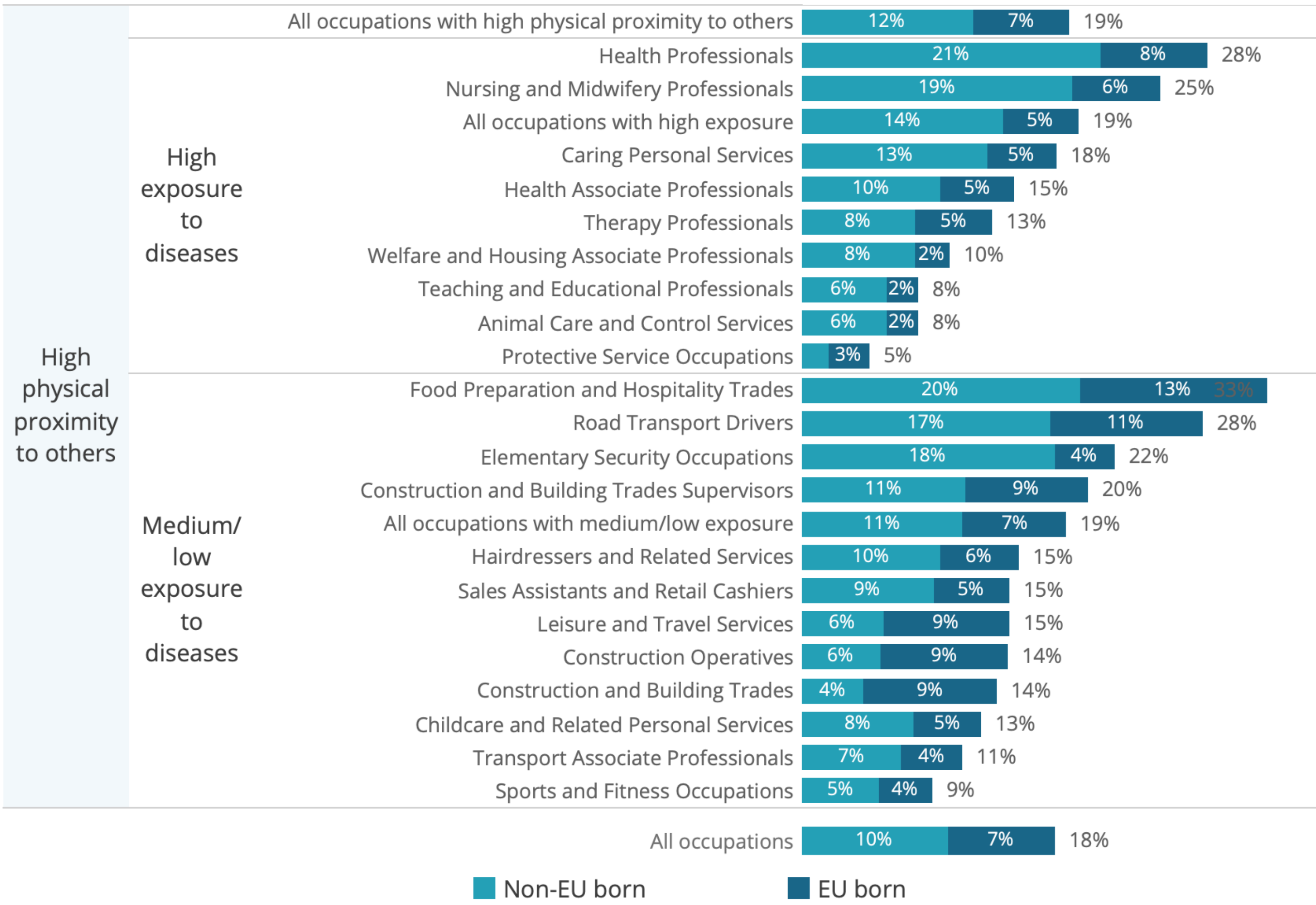
A substantial share of migrant workers are in jobs involving a high exposure to diseases, including COVID-19, or in occupations that require close contact with other people - which facilitates the transmission of diseases that are transmitted through droplets, such as COVID-19 or the flu (ONS, 2020a).

Almost all jobs in the health and care sectors involve working in high physical proximity with others and workers are frequently exposed to diseases. Non-EU born migrants are over-represented in such jobs. While non-EU born workers make up 10% of the overall UK labour force, they represent 21% of health professionals and 19% of nurses and midwives (Figure 1). EU-born migrants are also over-represented in jobs requiring close contact with other people, such as workers in the food and hospitality industries or in security jobs, where social distancing is difficult (Figure 1).

Figure 1

Share of non-UK born workers in occupations involving high physical proximity to others, by level of exposure to diseases, 2019

Employed population, aged 16+



Source: Migration Observatory analysis of ONS data estimates of occupational exposure to generic disease, and physical proximity to others.

Note: occupations with high physical proximity to others involve working very closely with others (within arm's length and often touching). Occupations with high exposure are those where workers are exposed to diseases at least once a month.

Some industries that have traditionally depended on lower-waged migrant labour have been hit particularly hard by the pandemic

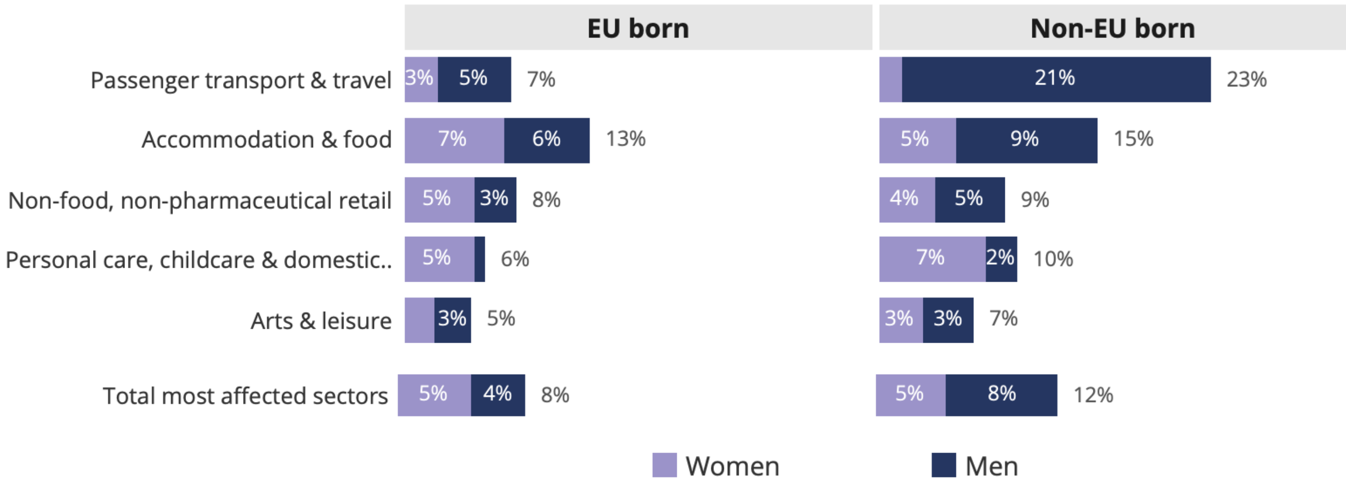
A large share of workers in essential jobs, especially in the health and care sectors, are migrants (see the Migration Observatory report on migrant key workers Locking out the keys?), but the foreign born are also slightly over-represented in sectors of the economy that have been particularly affected by closures during the lockdown. Based on the ONS Business Impact of Coronavirus Survey (BICS) from the second half of June 2020 (ONS, 2020b), 48% of business in the accommodation and food sector and 60% of those in the arts, entertainment and recreation industries were still closed or paused trading. According to recent research based on a longitudinal online survey (Adams-Prassl et al., 2020), people working in 'food preparation and service' and in 'personal care and service' occupations have been more likely to lose their jobs due to the pandemic.

Two of the worst affected sectors have been hospitality and non-food or pharmaceutical retail (Joyce and Xu, 2020), with many shops closing from late March until July. Migrant workers represent 28% of the workforce in the accommodation and food sectors and 17% in the retail sector (Figure 2). Non-EU born men are over-represented in the passenger transport and travel sectors (e.g. taxi and bus drivers), which have also been significantly affected during the lockdown (ONS, 2020c). Overall, migrants are slightly over-represented in the most affected industries compared to their overall share in the UK labour force.

Figure 2

Share of non-UK born workers in the economic sectors most affected by the pandemic, 2019

Employed population, age 16+



Source: Migration Observatory analysis of the Labour Force Surve 2019 (average of 4 quarters).
Note: list of most affected sectors based on IFS Briefing Note BN278 (in 4-digit SIC codes): Non-food, non-pharmaceutical retail (4719, 4730-4772, 4776-4799); passenger transport (4910, 4931-4939, 5010, 5030, 5110); accommodation and food (5510-5630); travel (7911-7990); childcare (8510, 8891); arts and leisure (9001-9329 except 'artistic creation' 9003); personal care (9601-9609 except 'funeral and related activities' 9603); domestic services (9700).
Figures may not sum due to rounding.

Workers in on non-permanent contracts or who are self-employed are more at risk of losing their jobs or experiencing income losses, according to recent research

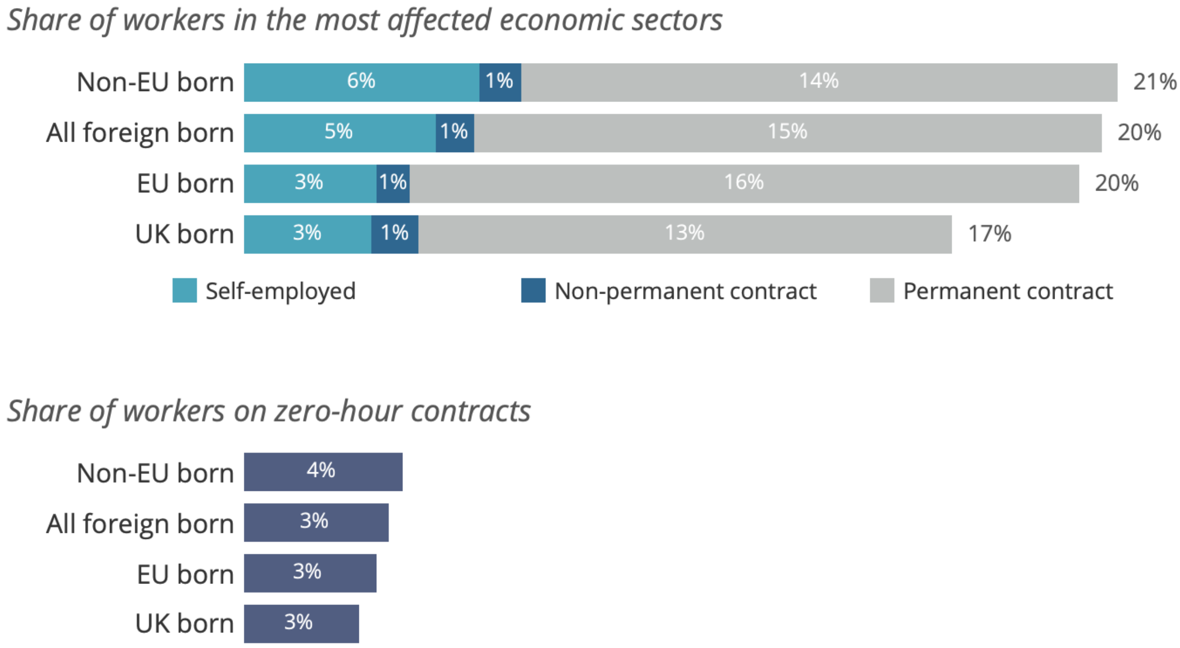
Recent research on the economic impacts of the COVID-19 pandemic has shown that, in the UK, people with temporary contracts or less secure work arrangements have been more likely to lose their jobs (Adams-Prassl et al. 2020). In the UK, self-employed workers have also been hit particularly hard by the pandemic (Adams-Prassl et al. 2020; Blunder and Machin, 2020); low-income and older self-employed workers reported large income losses in a recent survey, which is related to their inability to work from home. In general, self-employed workers appear to be particularly vulnerable to economic shocks, according to research (Blanchflower et al., 2017).

This suggests that workers who are on non-permanent contracts or self-employed in the sectors most affected by the pandemic may face a higher risk of losing their jobs or experiencing income losses. An estimated 6% (309,000) of foreign-born workers are in this situation, compared to 4% of the UK born (Figure 3). An estimated 154,000 (3%) foreign-born workers are on zero-hour contracts, which are common in the hospitality, care and health sectors – a similar share to the UK born (Figure 3).

Figure 3

Share of workers on non-standard employment arrangements or who are self-employed, 2019

Employed population, age 16+



Source: Migration Observatory analysis of the Labour Force Survey 2019 (average of four quarters) and quarters 2 and 4 for data on zero-hour contracts.

Note: list of most affected sectors based on IFS Briefing Note BN278 (in 4-digit SIC codes): Non-food, non-pharmaceutical retail (4719, 4730-4772, 4776-4799); passenger transport (4910, 4931-4939, 5010, 5030, 5110); accommodation and food (5510-5630); travel (7911-7990); childcare (8510, 8891); arts and leisure (9001-9329 except 'artistic creation' 9003); personal care (9601-9609 except 'funeral and related activities' 9603); domestic services (9700).

Most workers in professional and administrative occupations have been able to work remotely from their homes, while this was less feasible for those in elementary and manual jobs

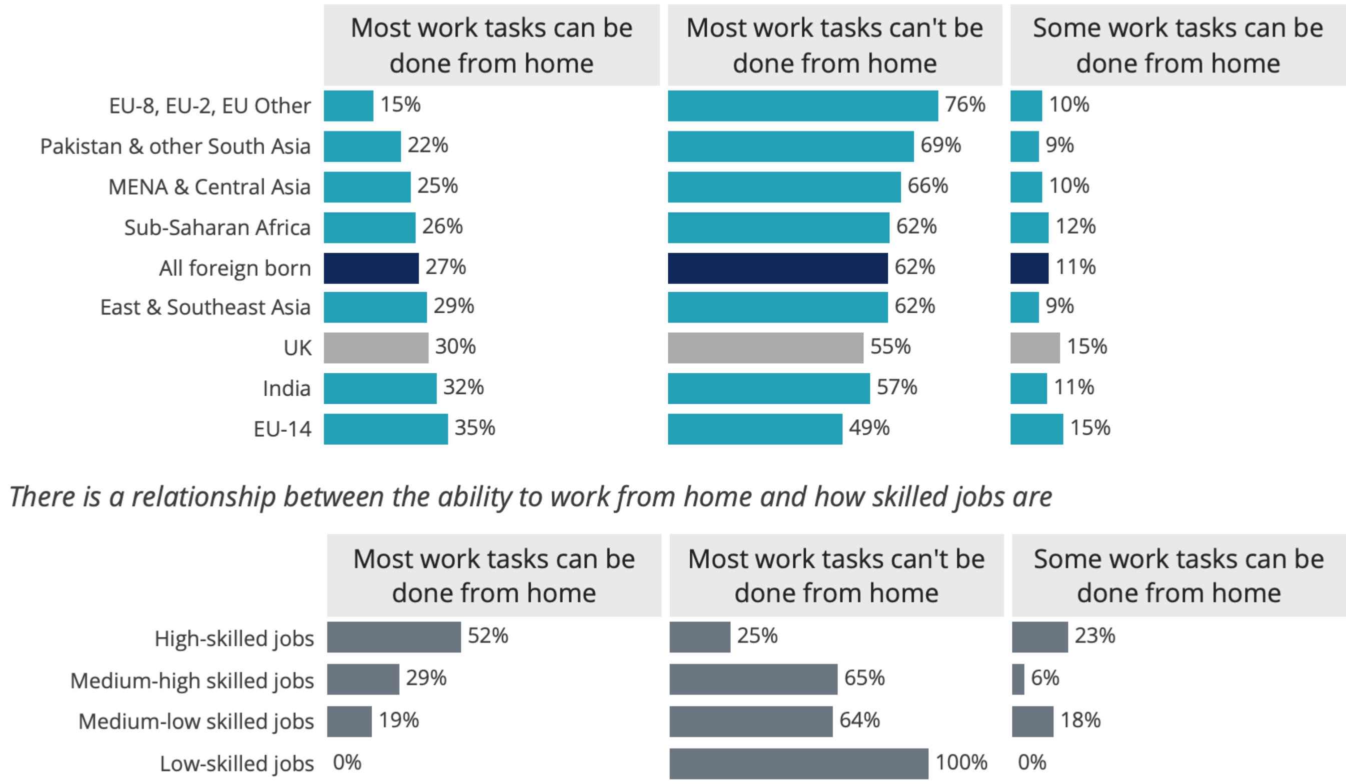
One of the main effects of the pandemic has been the large increase in the number of people working from home. However, not all jobs can be performed from home (Figure 4); most workers in professional and administrative occupations have been able to work from their homes while those in elementary and manual jobs generally could not (ONS, 2020d; Dingel and Neiman, 2020). According to recent research, workers who cannot work from home have been more likely to lose their jobs and to experience falls in their income due to the pandemic (Adams-Prassl et al., 2020). In addition, workers with lower annual earnings have reported being less able to work from home than those with higher earnings. Overall, this is expected to widen inequalities in the short term (Adams-Prassl et al., 2020)

Around a third of workers born in EU-14 countries are in jobs in which they are expected to be able to work remotely from their homes, a similar level to those born in India. However, only an estimated 15% of workers from new EU accession countries have been likely to do so (Figure 4). These differences largely reflect the different labour market profiles of these migrant groups; workers from Central and Eastern EU countries are over-represented in manual and low-skilled jobs, while those born in India and EU-14 countries are more likely to be in professional jobs (see the Migration Observatory briefing Migrants in the UK labour market for a review of the labour market profiles of different migrant groups).

Figure 4

Share of workers who are likely to be able to work from home, by country of birth, 2019

Employed population, age 16+



Source: Migration Observatory analysis of the Labour Force Survey (average of 4 quarters)
Note: the classification of jobs is based on the four-category classification developed by the ONS in 2010. In this context, job skills mainly indicate the educational credentials that are required to perform a job and do not consider other types of skills that might be relevant for the job. Data on ability to work from home based on authors' scores given to occupations at 4-digit-level.

Conclusions

The COVID-19 pandemic represents a public health and economic shock unprecedented in a generation, at least. Crucially, both the health and economic impacts of the crisis appear to be unequally distributed across migrant groups depending on their labour market profile, with some communities facing greater vulnerabilities than others.

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