



Immigrant Workers and the COVID-19 Pandemic

Francesco Fasani, Associate Professor, School of Economics and Finance, Queen Mary University of London

A growing body of evidence on the labor market impact of the pandemic suggests that employment losses are concentrated among low-wage industries and occupations, young workers, those with lower education levels, women, and ethnic minorities. The fact that relatively vulnerable workers tend to suffer more from economic downturns is hardly surprising and has been highlighted also during previous recession episodes ([Hoynes et al., 2012](#)). Inequality in the effects of the pandemic is not limited to the labor market: several studies have shown how disadvantaged population groups tend to be more exposed to the contagion, experience more mental distress, and display higher mortality rates.

If the detrimental effects of the pandemic interact with and amplify preexisting inequalities and vulnerabilities, it is then natural to expect that migrant workers will be severely hit. As new entrants in the host country labor markets, migrants typically face linguistic, legal, and institutional barriers that restrict the set of occupations they can access and often confine them—at least in the first years since arrival—into low paying and low security jobs, where non-standard and informal employment contracts are widespread and job turnover is high. These are also the type of jobs that are most likely to be lost when economies enter a recession, making migrants' employment status more sensible to business cycle fluctuations than that of comparable natives ([Orrenius and Zavodny, 2010](#)). Indeed, early evidence for the United States ([Borjas and Cassidy, 2020](#)) shows that immigrants are

undergoing a particularly severe decline in employment, with undocumented migrant workers suffering the most.

Migrants' relatively weaker labor market attachment is only part of the economic fragility that they experience. Lower wages, less savings, the need to transfer substantial fraction of their income abroad through remittances, and limited access to social services, among other factors are all elements that make it harder for migrants to cope with prolonged periods of unemployment relative to native workers. A further element of uncertainty for migrants comes from the fact that residency status is often tied to employment in hosting societies, leading to an increased risk of losing legal status and being forced to return home or staying as undocumented migrant.

The link with origin communities is also a fundamental factor to consider. If in “normal times,” the extended families at home may be able to support migrant members abroad and help them overcome temporary negative shocks, this insurance mechanism breaks down in the context of a pandemic that is impacting source and destination areas at the same time. As a matter of fact, families in origin countries may have pressing needs for income support during the pandemic (for instance, to face unexpected health expenditures), adding to the physical and mental strain to which migrants are already subjected. In the context of low- and middle-income countries (LMICs) such as Nepal and Bangladesh, [Barker et al. \(2020\)](#) document that migrant households have suffered a double fallout induced by COVID-19: their

income dropped due to reduced migration of household members and lower remittances, while their health hazard increased due to the return of members from national and international destination areas that were more affected by the pandemic.

The evidence on the impact of the COVID-19 pandemic on migrant workers in Europe is still extremely limited. In recent work ([Fasani and Mazza, 2020a](#)), we have tried to fill this gap by developing a novel measure of exposure to employment risk that allows us to produce a timely assessment of the potential consequences of the pandemic recession on the employment status of foreign born workers in the EU14+UK area. In particular, we characterize migrants' occupations along four dimensions related to the role of workers' occupations in the response to the pandemic, the contractual protection they enjoy, the possibility of performing their job from home and the resilience of the industry in which they are employed. According to our estimates, over 9.3 million migrant workers employed in non-essential occupations in EU14+UK countries—corresponding to slightly less than one third of their total employment in the area—face a high risk of becoming unemployed due to the pandemic crisis. Among them, roughly 1.3 million are exposed to a very high employment risk. Further, we find that migrants' exposure to COVID-19 is significantly larger than that of comparable natives in the same occupations and industries. When considering essential occupations, we observe that migrants are overrepresented among these occupations ([Fasani and Mazza, 2020](#)). This may be good news, as occupations that are deemed essential are

certainly less affected by social distancing measures and forced shutdowns. Key workers, however, are potentially more exposed to health hazards. Moreover, when comparing migrants with similar natives in key occupations, we find that the former are significantly more vulnerable than the latter along several dimensions (contract duration, wages, possibility of working from home, and physical proximity to other co-workers and/or customers). The overall picture we draw is that of a migrant workforce on the frontline in this pandemic crisis, both because migrant workers are providing essential services to hosting societies and because they are more exposed to its harmful effects.

As recently advocated by international organizations such as the World Bank ([WB, 2020](#)) or the Overseas Development Institute ([Kumar et al., 2021](#)), the vulnerability of migrants to the COVID-19 crisis calls for swift policy action. All schemes that government are putting in place to support firms and citizens and to prevent mass layoffs will undoubtedly benefit migrant as much as native workers. Still, specific interventions designed for migrant workers are probably needed in the current situation. If governments can do little at this stage to deal with the hurdles that migrants faced in the pre-pandemic world, they can certainly try to mitigate some of their direst consequences. Three areas should be prioritized to effectively increase migrants' welfare. First, improving migrants' access to welfare safety nets as well as to health care, irrespective of migrants' legal status. Second, extending the duration of working and residence visas as well as offering easier pathways to legal status and to citizenship. Third, putting in place

interventions to support origin communities in source countries. Several host country governments have implemented some of these policies, in different forms and combinations: The effects are still to be assessed but more action is certainly needed.

References

1. Hoynes, H., Miller, D.L. and Schaller, J. (2012). “Who suffers during recessions?,” *Journal of Economic Perspectives*, vol. 26(3), pp. 27-48.
2. Orrenius, P. and Zavodny, M. (2010). “Mexican immigrant employment outcomes over the business cycle,” *American Economic Review*, vol. 100(2), pp. 316-20.
3. N. Barker, A.M. Mobarak, et al. “Migration and the labour market impacts of COVID-19,” UNU/WIDER working paper 2020/139.
4. Fasani, Francesco & Mazza, Jacopo, 2020a. “Being on the Frontline? Immigrant Workers in Europe and the COVID-19 Pandemic,” IZA Discussion Papers 13963, Institute of Labor Economics (IZA).
5. Fasani, F. and Mazza, J. (2020b). “Immigrant Key Workers: Their Contribution to Europe’s COVID-19 Response,” Institute of Labor Economics (IZA).
6. Claire Kumar, Elsa Oommen, Federica Fragapane and Marta Foresti (2021) “Beyond gratitude. Lessons learned from migrants’ contribution to the Covid-19 response,” Overseas Development Institute (ODI), Working paper 605.
7. World Bank. (2020). “Potential responses to the covid-19 outbreak in support of migrant workers,” World Bank.