Employment of Foreign Workers Male and Female Labour Market Participation

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This article describes the differences in labour market characteristics of migrants compared to the UK born population. The analysis is carried out on the basis of country of birth. This is the preferred ONS method of defining migrant workers.

In this article the term 'migrant worker' is defined as anyone born outside the UK. This is discussed in Clancy (2008). The country of birth definition merely indicates that a person was born abroad and does not reflect their current nationality or citizenship.

The article investigates migrant workers estimates using the Labour Force Survey (LFS). The analysis is undertaken by country groups and individual countries - the term 'country groups' refers to groups based upon geographical and political alliances.

1. Employment rate by grouped country of birth

This section explores; (i) how the employment rate of migrants from country groups has changed over the past decade and, (ii) the differences between male and female employment rates from different country groups. For this analysis, countries have been grouped as in the 'Quarterly LFS Migrant Worker Estimates' published in August 2008. This grouping method

keeps the sample sizes reasonably large, enabling more accurate estimates to be provided. Occasionally, a 'group' comprises one country because no suitable 'partner' countries were identified. 'EU14' refers to; Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Sweden and Spain. 'EUA8' refers to; the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. 'Other Europe' refers to European countries not in the EU14 and EUA8 groups.

Figure 1 shows the working age employment rates by country of birth in the three months ending June 1998 and June 2008. Over this period the employment rate for the UK born population increased by 1.5 percentage points. It shows that the largest increases over the period are for 'EUA8' (23 percentage points) 'Pakistan and Bangladesh' (10) and 'EU14' (8). 'Middle East and Asia' was the only country group for which the employment rate fell over period (1 percentage point).

Figure 2 shows the male and female employment rates for the three months ending June 2008. It shows that the highest male rates are for males born in 'EUA8' (91 per cent), South Africa (90) and 'Australia and New Zealand' (88). The lowest rates for males are for 'Middle East and Asia' (67 per cent), 'Other Europe'

(71) and 'Pakistan and Bangladesh' (74). The male rate for the UK is 79 per cent. The countries with the largest female rates are South Africa (83 per cent), 'Australia and New Zealand' (81) and 'EUA8' (77) and the lowest female rates are for 'Pakistan and Bangladesh' (17 per cent) 'Other Europe' (51) and 'Middle East and Asia' (52). The female UK born rate is 70 per cent. The groups with the largest difference between the male and female rates are for those born in 'Pakistan and Bangladesh' (56 percentage points), India (26) and 'Other Europe' (20). In all groups the male rate is higher than the female rate, and the difference for the UK is 8 percentage points.

2. Employment rate by ungrouped country of birth

As mentioned in Section 1, labour market estimates for migrants are usually presented in country groups. However, grouping countries together can hide differences between countries. Therefore further analysis has been undertaken using ungrouped countries of birth, but as a consequence some estimates are unreliable due large sampling variability. Coefficients of variation for rates cannot be provided at present. However, an indication of the statistical robustness can be assessed in part by referral to **Table 3**. This gives confidence intervals and an indication of the coefficients of variation around estimates of the working age population by country of birth.

Male employment rates

Table 1 presents the working age employment rate by country of birth and sex in the three months ending June 1998 and June 2008. Over this period the employment rate for males born in the UK

was almost unchanged. The countries with the largest increase in the male employment rate are for those born in the Philippines (47 percentage points), Poland (45), and Iraq (33). The countries with the largest decrease in the male employment rate are for those born in Iran (22 percentage points), Uganda (10) and Canada (8).

Female employment rates

The employment rate for females born in the UK rose 3 percentage points over the period. The increase in the rate may be due to a combination of social factors (including educational achievement and participation) and economic factors.

Table 1 shows that the countries with the largest increase in female employment rates are Poland (48 percentage points), Zimbabwe (31) and the Philippines (28). The largest decreases are for Portugal (5 percentage points), Canada (5) and Iran (4).

Employment rates for females born in Pakistan, Bangladesh and (to less of an extent) India are low in comparison to other countries with large levels of working age populations (countries toward the top of Table 1). Section 3 discusses this further.

Some countries have high rates for both male and female employment, whereas others have larger male employment rates. The country with the largest difference between the male and female rate is Pakistan (59 percentage points). Three countries – Iran, Canada and Jamaica - have higher rates for women than men. There are a number of reasons for these variations. These may include the differences in the typical motivation for migration by country. Clancy (2008) cites

study, holidays, and asylum or family ties (including children who come with their parents) as influencing labour market participation by gender. These factors will vary from country to country.

3. Male and female unemployment and inactivity by individual country of birth

Migrants born in a country with a low employment rate would be expected to have a high unemployment rate, a high inactivity rate, or both. This will depend on a number of factors, including: why people migrate to the UK (such as for study and/or enhanced job prospects) and the socio-economic characteristics of migrants (such as work experience, education, and cultural influences). For example, Borjas (2005) states the skills acquired in advanced, industrialised economies are more easily transferable to the other industrialised economies. Therefore it would be expected that migrants born in these countries would have lower unemployment rates in the UK labour market.

Table 2 presents unemployment and inactivity rates by country of birth and sex for the three months ending June 2008. The countries have been selected according to the 30 largest, by working age household population, for the three months ending June 2008 (as presented in Table 3). As with the Section 2, care needs to be taken when interpreting some of the rates due to the sample sizes and therefore the robustness of the estimates.

Male inactivity and unemployment rates

The largest male inactivity rates are for Iran, China and Iraq (45, 35 and 33 per cent respectively). The largest male

unemployment rates are for Somalia, Iran and Iraq (41, 28 and 25 per cent respectively). Iran and Iraq have both high inactivity and unemployment rates, whereas China has a high inactivity rate and a low unemployment rate. A recent study by Shen (2006) has shown that a large proportion of the working age population of people born in China are full-time students. The study also suggested that there has been a large inflow of students from China since 2001. This is due to a number of factors, including: higher disposable incomes leading to more demand for foreign education, tighter immigration controls in the USA and a policy change in the UK to attract larger numbers of international students. It is difficult to draw conclusions from the Iran and Iraq examples because these estimates are based on a small sample size.

The lowest inactivity rates for males are for Poland, the Philippines and South Africa (3, 6 and 7 per cent respectively) and the lowest unemployment rates are for Australia, France and the USA (0, 1 and 2 per cent respectively). Of the ten lowest male unemployment rates, five are EU member states and two are other advanced economies (Australia and the USA). This lends some strength to Borjas' argument that migrants from more industrialised or advanced economies are more likely to succeed at finding work than those from less advanced economies.

Female inactivity and unemployment rates

For females the largest inactivity rates are for Somalia, Pakistan, Bangladesh and Iraq (84, 80, 75 and 66 per cent respectively). The largest female unemployment rates are for Somalia, Iraq, Pakistan and Bangladesh (39, 31, 23 and 18 per cent respectively). It is clear that

females born in these countries have high inactivity rates and high unemployment rates.

There are a number of points regarding the female inactivity and unemployment rates that are noteworthy. Firstly, in all groups (including the UK) the female inactivity rate is higher than the male rate (except for Hong Kong and Canada). Secondly, whereas the male UK unemployment rate is higher than the female UK unemployment rate, 20 out of the 30 countries presented have higher female unemployment rates than male unemployment rates. Thirdly, of the seven countries with the highest female inactivity rates and the seven countries with the highest female unemployment rates, six are in both categories (Somalia, Iraq, Turkey, China, Bangladesh and Pakistan). A final point to note is the relatively low inactivity and unemployment rates of females (and males) from the Philippines.

4. Household population by country of birth

The stock of the working age migrant population can be estimated using Labour Force Survey (LFS) data. This is referred to as the 'household population' as it is a survey of private households, student halls of residence and NHS accommodation and therefore excludes most types of communal establishments, such as hotels and hostels. Using household population figures by country of birth allows for comparison between years and therefore gives an estimate of the changes in stocks. **Table 3** presents the working age household population by country of birth in the three months ending June 1998 and June 2008 and the change over the period.

Working age - rather than for people aged 16 and over - household populations are used in this section of the analysis because the focus is the employment characteristics of migrants - this is mostly influenced by people of working age. These estimates therefore differ with the Labour Market First Release and the 'Employment of Foreign Workers: Quarterly Migrant Worker Estimates' that present levels for people aged 16 and over.

The countries with the largest increases over the period are Poland (355,000), Pakistan (178,000), India (129,000) and South Africa (104,000). Only two countries fell over the period; Ireland (113,000 – a 31 per cent fall) and Jamaica (3,000).

The confidence intervals of the estimates are provided as an indication of the variability of the data. In particular, the estimates for the Philippines, Lithuania and Iraq in 1998 are considered unreliable for practical purposes.

References:

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Clancy G (2008) 'Employment of foreign workers in the United Kingdom: 1997 to 2008', Economic & Labour Market Review 2(7), pp 18-36.

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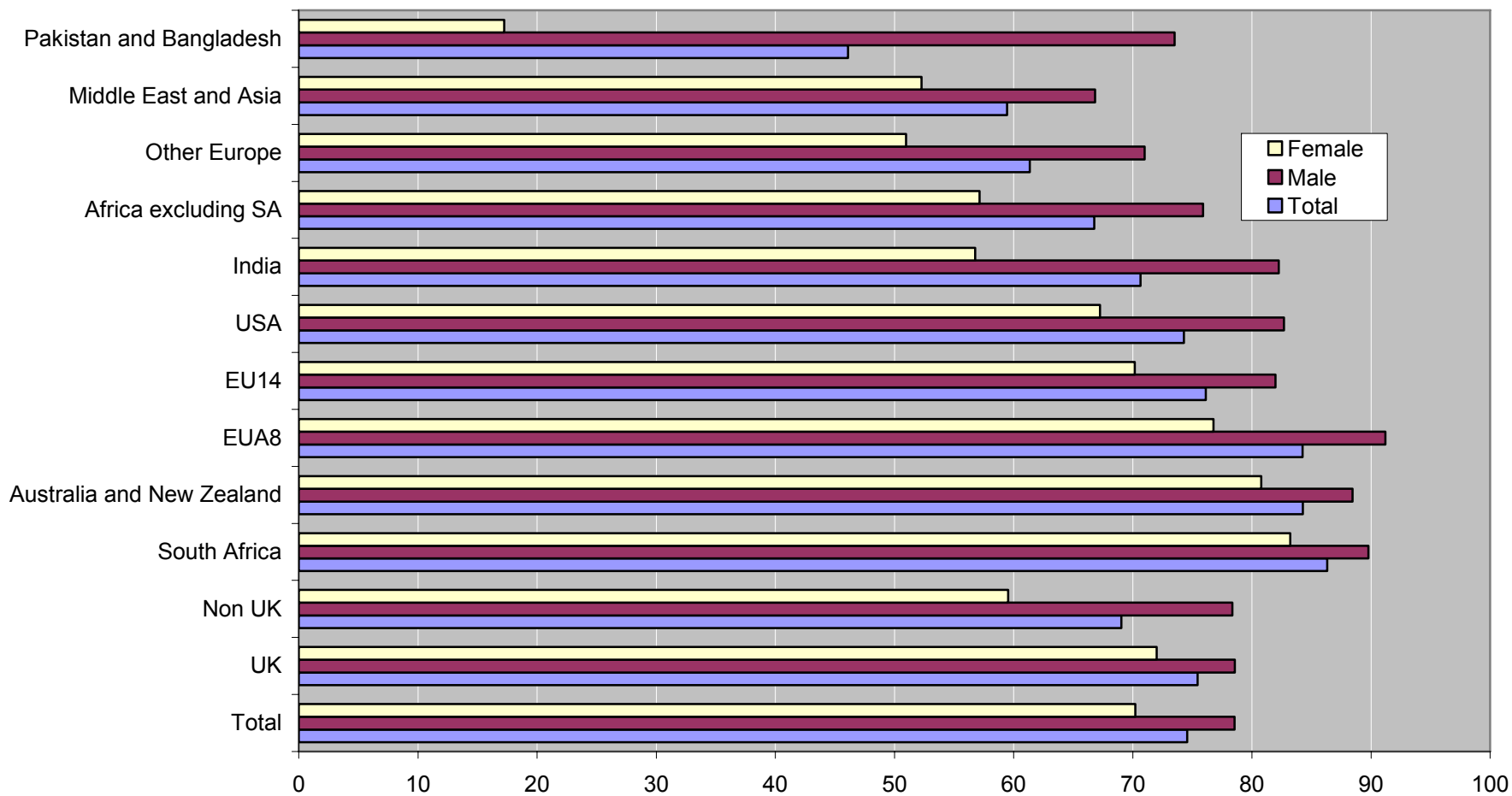
Figure 1: Employment rate by grouped country of birth
Three months ending June, 1998 and 2008

Percentages
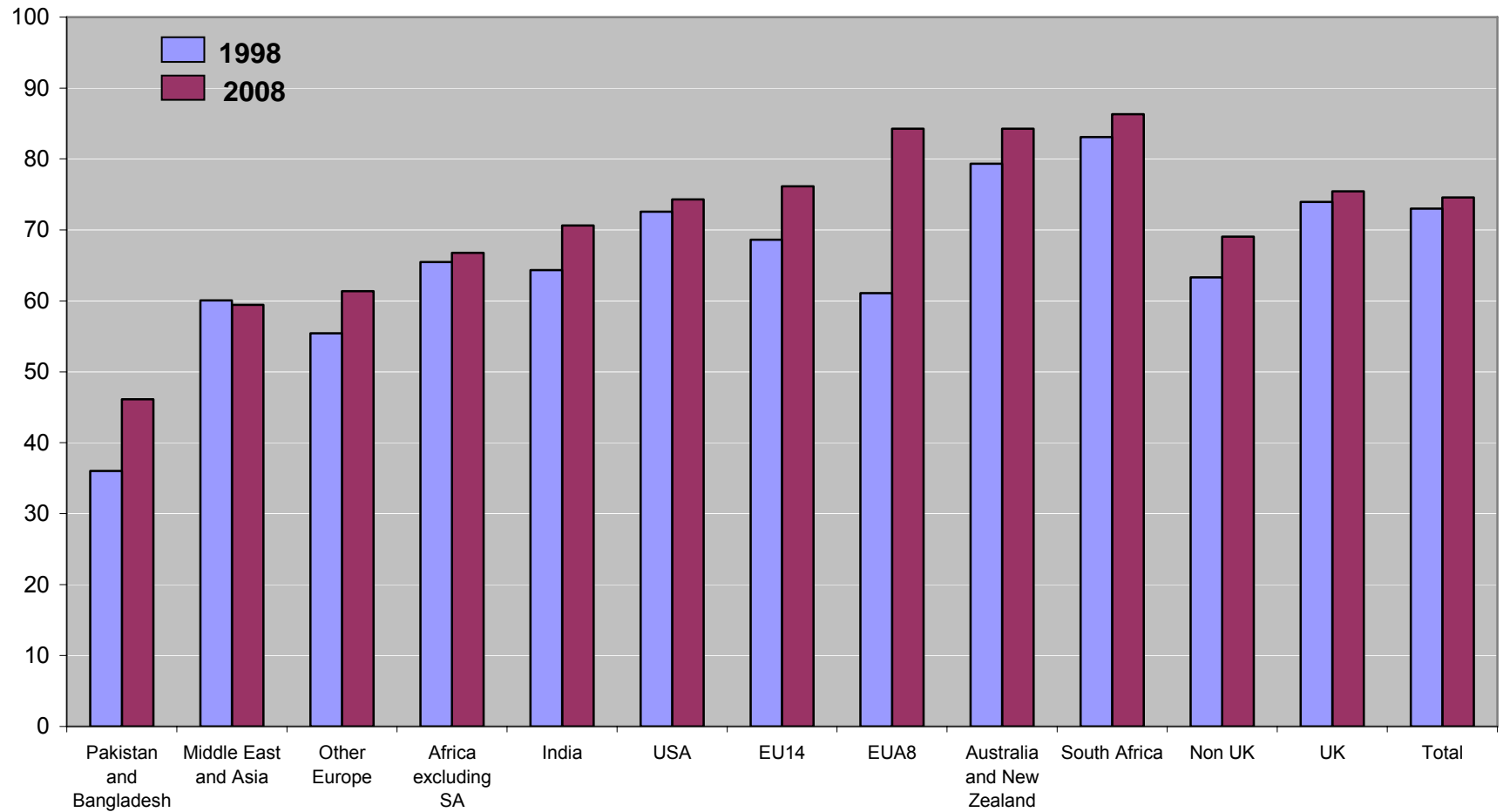
Figure 2: Male and female employment rate by grouped country of birth
Three months ending June 2008

Percentages

TABLE 1: Working age[1] employment rate by country of birth[2]
United Kingdom, Three months ending June

Percentages, not seasonally adjusted

	Male			Female		
	1998	2008	Change 1998-2008	1998	2008	Change 1998-2008
United Kingdom	78.6	78.6	-0.1	68.9	72.0	3.1
India	74.5	82.3	7.8	53.7	56.8	3.1
Poland	49.2	93.7	44.5	30.6	78.5	47.9
Pakistan	58.7	74.8	16.1	13.5	15.9	2.4
Ireland	68.8	77.0	8.2	67.1	66.4	-0.7
Germany	77.6	80.3	2.7	63.7	71.8	8.0
Bangladesh	56.9	70.9	14.0	11.5	20.3	8.7
South Africa	85.8	89.8	4.0	79.7	83.2	3.5
United States	87.1	82.7	-4.4	59.8	67.3	7.4
Kenya	85.9	84.8	-1.1	64.1	76.1	12.0
Nigeria	69.9	85.1	15.2	51.3	70.3	19.0
Australia	84.0	86.5	2.5	69.5	81.6	12.1
France	69.5	88.4	18.9	72.9	73.5	0.5
China	41.9	62.2	20.3	18.9	41.5	22.6
Ghana	77.6	80.7	3.1	42.0	65.5	23.5
Jamaica	67.7	66.1	-1.6	64.8	73.8	8.9
Zimbabwe	62.5	81.6	19.1	45.5	76.2	30.7
Hong Kong	62.8	63.8	1.0	66.4	63.7	-2.7
Philippines	45.6	92.1	46.6	50.6	79.0	28.4
Sri Lanka	75.0	86.3	11.3	48.8	46.8	-2.0
Portugal	82.8	82.8	0.0	73.9	68.8	-5.1
Italy	88.2	88.5	0.3	59.3	72.3	13.0
Somalia	21.5	40.1	18.6	*	9.6	*
Turkey	53.0	67.7	14.7	19.0	30.6	11.6
Lithuania	*	84.1	*	*	80.7	*
Canada	79.7	72.1	-7.5	80.8	76.2	-4.6
Iran	61.5	40.0	-21.5	52.5	48.5	-3.9
Uganda	84.7	74.4	-10.3	63.3	61.1	-2.1
Iraq	17.1	50.3	33.1	25.1	23.2	-1.9
Spain	74.6	82.9	8.2	55.0	70.2	15.2

Notes:

[1] Aged 16 to 59 for females and 16 to 64 for males.

[2] The figures presented are weighted to the population estimates published in 2007.

* Estimate cannot be provided due to an insufficient sample size.

Countries are ordered according to the 2008 working age household population as presented in Table 3.

Table 2: Working age[1] unemployment and inactivity rates by country of birth and sex[2].

United Kingdom, Three months ending June 2008

Per cent, not seasonally adjusted

	Male		Female	
	Unemployment rates[3]	Inactivity rates	Unemployment rates[3]	Inactivity rates
United Kingdom	5.7	16.7	4.7	24.5
India	5.7	12.8	7.9	38.3
Poland	3.4	3.1	4.3	18.0
Pakistan	7.2	19.4	22.6	79.5
Ireland	3.5	20.2	7.8	28.0
Germany	4.2	16.2	6.4	23.4
Bangladesh	13.1	18.4	17.5	75.4
South Africa	3.1	7.3	3.1	14.1
United States	1.8	15.8	3.8	30.1
Kenya	4.4	11.4	2.8	21.7
Nigeria	4.0	11.4	9.8	22.0
Australia	0.0	13.5	4.7	14.4
France	1.4	10.4	3.2	24.1
China	4.1	35.1	12.9	52.4
Ghana	6.8	13.4	7.9	28.9
Jamaica	17.1	20.2	5.8	21.7
Zimbabwe	5.3	13.8	4.3	20.4
Hong Kong	6.6	31.7	9.3	29.8
Philippines	2.0	6.0	3.9	17.8
Sri Lanka	6.0	8.2	13.5	45.9
Portugal	7.4	10.5	9.8	23.8
Italy	3.8	8.0	4.8	24.1
Somalia	41.4	31.4	39.1	84.2
Turkey	10.4	24.5	19.8	61.8
Lithuania	2.4	13.8	6.0	14.1
Canada	5.8	23.4	3.0	21.4
Iran	27.5	44.8	8.0	47.2
Uganda	12.9	14.6	0.0	38.9
Iraq	25.1	32.9	31.1	66.4
Spain	6.1	11.7	0.0	29.8

Source: ONS Labour Force Survey

Notes:

[1] Aged 16 to 59 for females and 16 to 64 for males.

[2] The figures presented are weighted to the population estimates published in 2007.

[3] Unemployment rate is expressed as:

$$\frac{\text{Total unemployment}}{(\text{Total employment} + \text{Total unemployment})}$$

Therefore employment rate + unemployment rate + inactivity rate will not sum to 100 per cent

Countries are ordered according to the 2008 working age household population as presented in Table 3.

TABLE 3: Working age[1] population[2] by country of birth[3]
United Kingdom, Three months ending June

Thousands, not seasonally adjusted

Country of Birth[4]	1998 Level	1998 Confidence Interval[5]	2008 Level	2008 Confidence Interval[5]	Change 1998-2008 Level
United Kingdom	32,238	±359	32,516	±416	278
India	334	±37	442	±49	108
Poland	64	±16	419	±47	355
Pakistan	182	±27	352	±43	171
Ireland	360	±38	228	±35	-131
Germany	179	±27	212	±34	33
Bangladesh	127	±23	169	±30	42
South Africa	65	±16	169	±30	104
United States	98	±20	128	±26	30
Kenya	109	±21	120	±25	11
Nigeria	64	±16	118	±25	54
Australia	59	±15	117	±25	57
France	73	±17	108	±24	36
China	30	±11	104	±24	74
Ghana	46	±14	89	±22	43
Jamaica	92	±19	88	±22	-3
Zimbabwe	29	±11	87	±22	58
Hong Kong	69	±17	87	±22	18
Philippines	20	±9	83	±21	62
Sri Lanka	56	±15	78	±20	21
Portugal	28	±11	76	±20	47
Italy	69	±17	76	±20	7
Somalia	41	±13	73	±20	32
Turkey	44	±13	65	±19	21
Lithuania	3	±3	59	±18	56
Canada	51	±14	55	±17	4
Iran	37	±12	53	±17	16
Uganda	42	±13	50	±16	7
Iraq	15	±8	50	±16	35
Spain	33	±11	49	±16	17

Source: ONS Labour Force Survey

Notes:

[1] Defined as 16 to 59 for females and 16 to 64 for males.

[2] The Labour Force Survey is a survey of the population of private households, student halls of residence and NHS accommodation.

[3] The figures presented are weighted to the population estimates published in 2007.

[4] Countries of birth are selected according to the 30 largest, by total working age household population, in 2008.

[5] The confidence intervals are presented at a level of 95 per cent confidence.

Coefficient of Variation (CV) (%)	Statistical Robustness
0 ≤ CV < 5	Estimates are considered precise.
5 ≤ CV < 10	Estimates are considered reasonably precise.
10 ≤ CV < 20	Estimates are considered acceptable.
CV ≥ 20	Estimates are considered unreliable for practical purposes.