

► The migrant pay gap: Understanding wage differences between migrants and nationals

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► Key findings

This report presents a comprehensive global analysis of the migrant pay gap based on data covering 49 countries (33 High Income Countries (HICs) and 16 Low- and Middle-Income Countries (LMICs)) and about a quarter of wage employees worldwide. The 49 countries host nearly half of all international migrants and roughly 33.8 per cent of migrant workers worldwide. The report aims to contribute to efforts towards achieving the SDG targets 8.5 and 8.8, which respectively call for equal pay for work of equal value, and protected labour rights for all workers, including migrant workers, in particular women migrant workers and those in precarious employment in the framework of the United Nations agenda for 2030.

The following summarizes the key messages and conclusions from the study:

- A. **Migrant workers in HICs earn about 12.6 per cent less than nationals, on average.** Notable variations, however, exist among countries and across different wage groups, with migrant workers earning as much as 42.1 per cent less than nationals on average (in Cyprus), and 71 per cent less than nationals among low-skilled workers.
- B. **Within a labour market already quite unfavourable to migrant workers in HICs, women migrant workers face a double wage penalty, both as migrants and as women.** The pay gap between men nationals and migrant women in HICs, for example, is estimated at 20.9 per cent, which is much wider than the aggregate gender pay gap in HICs (16.2 per cent).
- C. **Migrant care workers in HICs (majority of whom are women) also face a double wage penalty for being migrants and care workers.** The pay gap between migrant care workers and non-migrant care workers is about 19.6 per cent compared to the aggregate migrant pay gap of 12.6 per cent.
- D. **The migrant pay gap has widened in many HICs compared to ILO's previous estimates.** Among the 20 countries with the most significant migrant pay gaps, the estimated pay gap has widened in more than half of them compared to previous estimates reported in the ILO Global Wage Report 2014/15. The pay gap in these countries has increased by 1.3 to 26.4 percentage points.
- E. Migrant workers have been among the hardest hit by the economic downturn associated with the COVID-19 pandemic, both in terms of employment losses and a decline in earnings for those who have remained in employment.
- F. Despite similar levels of education, migrant workers in HICs tend to earn less than their national counterparts within the same occupational category.

- G. **Migrant workers in HICs are more likely to work in lower-skilled and low-paid jobs that do not match their education and skills. Higher-educated migrant workers in HICs are also less likely to attain jobs in higher occupational categories relative to non-migrant workers.** This reflects the fact that migrants in HICs are likely to be affected by skills mismatch and have difficulties transferring their skills and experience across countries, in large part due to lack of adequate skills recognition systems for qualifications of migrant workers.
- H. **Among LMICs, migrant workers tend to earn about 17.3 per cent more than nationals on average, with notable exceptions.** This is due, in part, to the significant proportion of temporary high-skilled expatriate workers among the total migrant population in some countries who tend to pool up the average wage of migrant workers.
- I. **A significant part of the migrant pay gap remains unexplained even when workers' characteristics such as education, experience, age, or location are accounted for.** About 10 percentage points of the estimated 12.6 per cent migrant pay gap in HICs remains unexplained by labour market characteristics of migrant workers and nationals. This may point to discrimination against migrant workers with respect to pay.
- J. **If the unexplained part of the migrant pay gap is eliminated, the migrant pay gap would nearly disappear in many countries and reverse in others.** If wages were set based on factors such as education, experience and age, the migrant pay gap would stay very low in many countries and would even reverse in favour of migrant workers in some countries.
- K. **The rate of working poverty among migrants, in particular migrant women would significantly reduce if the unexplained part of the pay gap is to be eliminated.** Measures to eliminate the unexplained part of the migrant pay gap can reduce the proportion of low-paid migrant workers, by about 49 per cent in the sample of HICs and about 12 per cent in the sample of LMICs.
- L. **In some selected countries (14 LMICs and two HICs), 62.4 per cent of migrant wage workers are informally employed compared to 50.8 per cent of nationals.** Informal employment is higher among migrant women than among their men counterparts.
- M. **In HICs, migrant workers are disproportionately represented in the primary sector and take far more jobs in the secondary sector than their national counterparts.** More migrant workers, in particular migrant women, tend to work under temporary contracts and part-time.