

ETHNIC MINORITY DISADVANTAGE IN THE LABOUR MARKET PARTICIPATION, SKILLS AND GEOGRAPHICAL INEQUALITIES

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Through a comprehensive study of 2001 and 2011 Census data for the whole population in England and Wales, this report explores differences between ethnic groups in labour market participation and employment status, and considers if geography matters for the employment outcomes of each ethnic group. Labour market inequalities are shown for three geographical levels; country, Local Enterprise Partnerships, and local authorities.

The report explores:

- ethnic group differences in labour market participation (unemployment and type of employment, e.g. self-employment and part-time work), and the persistence of these inequalities over time;
- levels of disadvantage between ethnic groups for those in work (concentration – ‘occupational segregation’ – between sectors and by gender);
- the geography of unemployment; and
- geographical differences in the experiences of ethnic minority groups in employment, in terms of occupational status (segregation within the labour market).

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EXECUTIVE SUMMARY

Persistent ethnic inequalities in the labour market play a major part in the high poverty rates among some ethnic minority groups. The differing experiences between ethnic groups in labour market participation and experiences when in work lead to questions about equality of opportunity. Through a comprehensive study of Census data for the whole population in England and Wales, this report develops the evidence base on the persistence of ethnic inequalities in the labour market over time and between places.

Context

Poverty does not affect all ethnic groups equally, with ethnic minority groups more likely to experience poverty than the majority White group. Differing levels of economic inequalities are experienced *between* specific ethnic groups, and *within* ethnic groups (e.g. between men and women of the same ethnic group) (Barnard, 2014). This report is concerned specifically with ethnic inequalities in the labour market, a significant contributor to the experiences of poverty for individuals and households (Harkness, *et al.*, 2012). Focusing on England and Wales in 2001 and 2011, the study explores differences between ethnic groups in labour market participation (unemployment, employment and hours worked), and employment status (low- and high-skilled occupation levels) for those in work. The study also uses data for major occupational types (ranging from elementary to professional occupations), to consider, is each ethnic group found in each occupational type in equal proportions? Or is there a clustering ('occupational segregation') into some occupations for some groups? Since labour market experiences are not equal between places, evidence is provided on how geography matters for unemployment and for segregation in occupational types, and how this varies between ethnic groups.

There is now a substantial evidence base which points to not only the *existence*, but the *persistence* over time, of ethnic inequalities in employment.

Labour market inequalities between ethnic and gender groups, as well as between geographical areas, is a policy issue for government (Barnes, *et al.*, 2005; Heath and Cheung, 2007; Simpson, *et al.*, 2006; Berthoud and Blekesaune, 2007; Bell and Casebourne, 2008; Bourn, 2008). However, evidence shows that inequalities in labour market participation have persisted for minority groups (Nazroo and Kapadia, 2013a and b; Owen, 2013), and that there are barriers to progression up the career ladder for some people in ethnic minority groups who are in work (Hudson and Radu, 2011). High unemployment has to date been particularly notable for the Pakistani, Bangladeshi and African population, as well as for Caribbean men (Simpson, *et al.*, 2006). Such ‘ethnic penalties’ in the labour market are not explained away by differences in education or other individual characteristics (e.g. Longhi, *et al.*, 2012; 2013).

In addition to ethnic inequalities in entry *into* the labour market, there is evidence that inequalities in the labour market can arise for those *in* work, including in occupation types (e.g. skills levels), contract types and stability, wage differentials, hours worked and levels of self-employment and part-time employment (Modood, *et al.*, 1997; Clark and Drinkwater, 2000; Blackaby, *et al.*, 2002; Brynin and Güveli, 2012; Owen, 2013). In terms of the types of employment individuals are engaged with, ethnic minority groups tend to be over-represented in either low-skilled occupations, or high-skilled occupations associated with self-employment, which are often used by members of ethnic minority groups as a way of escaping from unemployment or low-status manual work (Srinivasan, 1995; Jones and Ram, 2007). This general pattern results in a more unequal spread across occupation types by ethnic minority groups compared with the White British group.

While it is well-recognised that place may affect an individual’s life chances, there remain significant gaps in what we know about how much the place where someone lives impacts upon their likelihood of experiencing poverty, and the extent to which there are ethnic differences in these experiences. Geographical disparities in labour market outcomes have been shown in several studies (e.g. Simpson, *et al.*, 2006; Clark and Drinkwater, 2007; Lalani, *et al.*, 2014); this study updates this evidence base using data for the whole population of England and Wales by ethnic group, drawing on the most recent Census data.

The project aims are:

- to analyse the persistence of ethnic inequalities in labour market participation in England and Wales over time;
- to explore the concentration (occupational segregation) of ethnic groups in different types of jobs, in the context of disadvantage and inequality;
- to provide evidence on the geographical disparities in labour market outcomes for ethnic minority groups; and
- to gain a better understanding of how each of these aspects of labour market inequality might vary by gender within each ethnic group.

Methodology

The project uses data from the 2001 and 2011 Censuses, which report information on economic activity and occupational groupings, for major ethnic groups, for the whole working-age population of England and Wales. In addition to rates of employment and unemployment, we use an indicator (index of dissimilarity) to measure the spread of each ethnic

While it is well-recognised that place may affect an individual’s life chances, there remain significant gaps in what we know about how much the place where someone lives impacts upon their likelihood of experiencing poverty.

minority group across the nine major occupational categories, compared with the White British group. Finally, we employ a commonly used measure (location quotients) to describe the occupational concentration of each ethnic minority group in one area, relative to the national average in England in 2011. For the sake of simplicity, the latter measure uses aggregated occupational categories (high-, intermediate- and low-skilled).

The project explores labour market inequalities at three geographical levels: country, Local Enterprise Partnerships (LEPs) and local authorities (comprising districts and unitary authorities). LEPs, set up in 2010, constitute a new geography in England and are designed to reflect economic geographies and to approach local growth and job creation. There are currently 39 LEPs, which cover the whole territory of England. This is the first time that analyses of ethnic inequalities of occupational segregation have been undertaken for LEPs in England. This allows economic areas with particularly acute inequality to be identified, so that appropriate interventions can be implemented.

Ethnic inequalities in labour market experiences

As with allied research to date on labour market outcomes (e.g. Clark and Drinkwater, 2007; Platt, 2011a and b; Nazroo and Kapadia, 2013a and b; Kapadia, *et al.*, 2015), this report has suggested a mixed picture for ethnic minority groups. Change in employment patterns over time could be described as a story of success for the Indian ethnic group, and to some degree the Chinese group. There is also continued occupational success for the White Irish group, as measured by rates of unemployment and their professional status. However, the overwhelming picture is one of continuing ethnic minority disadvantage compared with the White British majority group. In terms of unemployment, there is a clear ethnic minority penalty in the labour market, which is persistent over time. In 2011, the most notable differential in unemployment between the White British and any ethnic minority group was for White Gypsy/Irish Traveller. This group also had by far the lowest proportion of its workforce in professional occupations and the largest share in elementary occupations. Unemployment rates increased the most between 2001 and 2011 for the Caribbean and Mixed White-Caribbean groups. Self-employment increased for the Pakistani group between 2001 and 2011, while rates of working for an employer declined for this group. Inequalities in unemployment for women in 2011 were marked for the White Gypsy/Irish Traveller, Bangladeshi, Arab and Pakistani groups. Other Black and Mixed White-Caribbean men have the largest differences in unemployment from the White British population.

Various explanations may be offered for these differences, including ethnic group differences in socio-demographic indicators (age, educational levels, time of entry into the UK for those born overseas), the effects of ethnic group traditions and 'norms', the push and pull factors into certain job types (e.g. self-employment as a sign of entrepreneurial success or exclusion from the job market by potential employers), and the role of discrimination in the labour market.

Some ethnic minority groups are over-represented ('segregated') into certain occupation types. Where these are low-skilled, this could represent discrimination from other forms of employment or stereotyping into particular jobs. Over-representation in professional forms of employment might be interpreted as a story of success in the labour market, or concentration into managerial roles which are self-employed, in the face

of exclusion from other opportunities for employment. The distributions of ethnic minority groups in occupational types are clearly unequal compared with the relatively 'even' distribution of the White British group, with significant differences *between* and *within* ethnic minority groups.

The role of geography

Geographical variation in the labour market experiences of ethnic groups was explored for local authorities in England and Wales (comprising districts and unitary authorities), and Local Enterprise Partnerships in England. Unemployment rates are hugely variable across local authorities in England and Wales, with some places offering more positive experiences for ethnic minority groups than others. While there is some commonality between groups (particularly at the regional level), the *local* geography of ethnic unemployment is distinct; there is no clear consistency in which places do better or worse in employment between ethnic groups. The relationship between ethnic group population size and labour market outcomes is complex and variable between ethnic groups. For purposes of robustness, areas with very small proportions of an ethnic group are excluded from the analysis.

In terms of employment, some local authorities are performing less well than others. For example, Birmingham features among the top five local authorities for unemployment for several ethnic groups (e.g. Indian, Pakistani, Chinese and African). Several districts in the London LEP are among the top five local authorities for unemployment, for a number of ethnic groups. While inner London districts feature in the top unemployment rankings, outer London districts are commonly listed among those with lowest unemployment (e.g. for the Caribbean group). Concentrated pockets of unemployment are particularly notable for the African group in London and parts of the north of England, and in the north west for the Pakistani group. For the African group in particular, there are large percentages not in employment in most major urban areas, including in London and the north west. This raises key questions about what needs to be done to tackle unemployment in these places. Compared with the African and Pakistani groups, unemployment is fairly evenly spread for the Indian and Chinese ethnic groups, with lower rates throughout England and Wales. The Caribbean group has notably higher unemployment in parts of London, Birmingham and the north east, than in other places. London, Birmingham and parts of northern England have particularly high rates of unemployment for the Bangladeshi ethnic group. All White ethnic groups tend to have lower rates of unemployment and this is evenly spread; an exception is the White Gypsy/Irish Traveller group, with high unemployment throughout much of England and Wales.

For England and Wales taken as a whole, the highest levels of occupational segregation are found among the African, White Gypsy/Irish Traveller, Pakistani and Bangladeshi groups. The lowest levels are found among the Other Black, Caribbean and Other groups. Occupational segregation is generally greater at the subnational level (LEPs) than nationally, thus highlighting the importance of analysing the spread of ethnic minority groups across occupations beyond the national level. Nonetheless, there are patterns of occupational segregation which are found regardless of the geography of study. For instance, in-line with the national-level results, evidence from the LEP analysis highlights that, for all ethnic minority groups, there are more places with high occupational segregation for men than women, with the exception of the White Irish, Gypsy/Irish Traveller, Other White and Chinese groups.

The results also suggest that the areas with the largest concentrations from each ethnic minority group tend to experience lower levels of occupational segregation of that ethnic group, than the areas where own-ethnic group concentration is low, at the LEP level. In large cosmopolitan areas, such as London's LEP, with their diverse range of job types, two different forms of relative concentration within occupational types are observed: an over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. White Irish, White Gypsy/Irish Traveller, Other White, Mixed groups, Indian, Pakistani, Bangladeshi, Chinese, Other Asian and Other Black); and an under-representation within high-skilled and low-skilled occupations (e.g. African, Caribbean and Arab). In those LEPs where the population size of each ethnic minority group is small (typically in areas other than London), three different patterns are usually found: an over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. Indian, Pakistani, African, Other Black); an over-representation within low-skilled occupations and under-representation within high-skilled occupations (e.g. White Irish, Other White, Mixed groups, Chinese, Other Asian); and an over-representation within high-skilled and low-skilled occupations (e.g. White Gypsy/Irish Traveller, Bangladeshi, Caribbean and Arab). It is worth highlighting that over-representations within high-skilled occupations, particularly outside large cosmopolitan cities, may not necessarily indicate 'career success'. Instead, this could reflect the existence of obstacles in the labour market such as discrimination, which forces those in some ethnic groups to enter specific occupations as self-employment in higher-skilled (yet possibly insecure) employment, rather than as employees. Moreover, in all areas, intermediate or 'mid'-skilled occupations are systematically under-represented among all the selected ethnic minority groups.

Key messages for public policy

This research has demonstrated how the 'ethnic penalty' in the labour market has persisted over time, with evidence of inequalities between ethnic groups in terms of unemployment, self-employment, and the types of jobs employed people take up. The picture of ethnic labour market outcomes is inevitably complex due to the presence of various interrelated factors such as education, cultural preferences, and discrimination. However, where ethnic differences in labour market experiences are not a result of educational achievement and/or preferences, these can be interpreted as a form of inequality. Much labour market outcomes, including occupational segregation, tend to reflect barriers to entry to occupation, ranging from lack of information about job options to discouragement and discrimination. Yet while a fairly negative story of ethnic inequalities in the labour market has been reported here, it is worth noting that the story is more positive for some ethnic minority groups. Both the positive and undesirable labour market experiences of ethnic groups are not even between places, and the role of locales in shaping employment outcomes needs to be recognised.

Key recommendations arising from this research:

- More interventionist policies are needed to ensure that labour market discrimination is eradicated. This may mean having more effective anti-discrimination legislation to combat prejudice, stereotypes and popular beliefs which emerge from a lack of understanding of cultures other than the majority one.

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- Creating employment targets for those ethnic minority groups which systematically appear most disadvantaged (e.g. Pakistani, White Gypsy/Irish Traveller) should be a policy priority.
 - There is a localised geography of labour market disadvantage. The differential labour market experiences between places for members of different ethnic groups suggest the need for a targeted approach to policy-making at the national level, as well as to include area-based policies to tackle labour market inequalities locally.
 - Labour market inequalities in employment are experienced by ethnic minority groups in areas where they are populous, but also in areas where they are few; local authorities need to be aware of the challenges facing both well-established populations and newly emerging ethnic minority communities in some locales.
 - LEPs need to monitor ethnic inequalities in the labour market. The Local Growth White Paper set out guidance on what policy areas LEPs may choose to engage with while creating economic growth.
 - Gender must be taken into account as an integral part of the strategy on ethnic inequalities. This means not only adopting a gender-neutral approach to occupations and avoiding gendered stereotypes, but also incorporating views in the public and private sector that better reflect different cultural preferences, traditions and 'norms'; for instance, being sensitive to cultural differences in tendencies to care for family dependents, and thus requirements for opportunities for flexible working.
 - Although the promotion of self-employment can be seen as positive, it is important to consider both the quality and the quantity of self-employment among ethnic minority groups. An appropriate policy response to expand employment opportunities for ethnic minority groups should therefore consider whether or not self-employment is truly connected to an entrepreneurial dynamic, rather than the result of limited opportunities in employment.
 - Outreach support for employability and job access should be a priority targeted specifically at inactive, unemployed or under-employed adults and young people from ethnic minority groups.
 - The public sector should be at the forefront of recruiting people from ethnic minority groups, particularly those who face systematic disadvantage in the labour market, including the African, Pakistani, Bangladeshi and White Gypsy/Irish Traveller groups. At the same time, businesses need to be given support to create more diverse workforces.

1 INTRODUCTION

This chapter introduces the context for the study of ethnic inequalities in the labour market, and the importance of recognising how employment experiences vary between places. The aims of the study are then outlined, before detailing the project's methodology and the structure of the rest of the report.

Poverty does not affect all ethnic groups equally, with ethnic minority groups more likely to experience poverty than the majority White group. Differing levels of economic inequalities are experienced *between* specific ethnic groups, and *within* ethnic groups (e.g. between males and females of the same ethnic group) (Barnard, 2014). This report focuses specifically on ethnic inequalities in the labour market, a significant contributor to the experiences of poverty for individuals and households (Harkness, *et al.*, 2012).

There is now a substantial evidence base which points to not only the *existence*, but the *persistence* over time, of ethnic inequalities in employment. Labour market inequalities between ethnic and gender groups, as well as between geographical areas, is a policy issue for government (Barnes, *et al.*, 2005; Heath and Cheung, 2007; Simpson, *et al.*, 2006; Berthoud and Blekesaune, 2007; Bell and Casebourne, 2008; Bourne, 2008). However, various studies show that inequalities in labour market participation have persisted for minority groups (Nazroo and Kapadia, 2013a and b; Owen, 2013), and that there are barriers to progression up the career ladder for some people in ethnic minority groups who are in work (Hudson and Radu, 2011). High unemployment has to date been particularly notable for the Pakistani, Bangladeshi and African population, as well as for Caribbean men (Simpson, *et al.*, 2006). Such 'ethnic penalties' in the labour market are not explained away by differences in education or other individual characteristics (e.g. Longhi, *et al.*, 2012; 2013).

In addition to ethnic inequalities in entry *into* the labour market, there is evidence that inequalities in the labour market can arise for those *in* work, including in occupation types (e.g. skills levels), contract types and stability, wage differentials, hours worked and levels of part-time and self-employment (Modood, *et al.*, 1997; Clark and Drinkwater 2000; Blackaby,

et al., 2002; Brynin and Güveli, 2012; Owen, 2013). In terms of the type of employment individuals are engaged with, ethnic minority groups are less likely than the White British group to be represented across all the occupation types, and are usually over-represented in occupations with relatively low-skilled requirements and under-represented in higher-skilled occupations, especially high-paying managerial occupations (Srinivasan, 1995; Jones and Ram, 2007). A study of occupational segregation by Brynin and Güveli (2012) showed how barriers to the highest-paid occupations have resulted in wage differentials between the White majority and minority groups. Occupational segregation should be of concern to policy-makers because while some occupational patterns may be due to an individual's preferences (e.g. gender 'norms' influencing men's and women's preferences and behaviour), much occupational segregation tends to reflect barriers to entry to occupation, ranging from lack of information about alternative job options to discouragement and discrimination. Self-employment, it has been argued, should not be taken as a sign of a healthy entrepreneurship but rather as a reflection of the difficulties of obtaining paid jobs and as a contributory factor to the UK's declining productivity (Clark and Drinkwater, 1998; 2000; Clark, 2014).

The picture is inevitably complex, and the role of cultural preferences, traditions and expected norms cannot be ignored. However, the fact that people from ethnic minorities continue to experience high unemployment rates, greater occupational concentration and little occupational progress when in work suggests the persistence of an 'ethnic penalty' in the labour force. This report explores how employment patterns vary by ethnic group, whether inequalities have reduced over time, and whether geographical disparities in employment can be identified in England and Wales.

Occupational segregation should be of concern to policy-makers.

Geography matters

It is well-recognised that *place* may affect an individual's life chances, although there remain significant gaps in what we know about how much the place where someone lives impacts upon their likelihood of experiencing poverty, and the extent to which there are ethnic differences in these experiences. Geographical disparities in labour market outcomes have been shown in several studies (e.g. Simpson, *et al.*, 2006; Clark and Drinkwater, 2007; Lalani, *et al.*, 2014); this study aims to update this evidence base using data for the whole population by ethnic group, drawing on the most recent Census data.

Geographical location may affect a person's labour market prospects given poor local employment opportunities. Living in a deprived neighbourhood has been shown to have a negative impact on employment prospects, particularly for people affiliating with an ethnic minority group (Clark and Drinkwater, 2007). People seeking work may not live near where that work is available, and this geographical disconnect between job supply and job demand ('spatial mismatch') may affect ethnic minority groups differently from the White majority group (Thomas, 1998; Fieldhouse, 1999). According to the spatial mismatch hypothesis, there are fewer jobs per worker in areas with higher concentrations of immigrant and UK-born ethnic minority groups than in predominantly White areas. There is evidence that people in an ethnic minority group are more likely to search for employment and work near where they live (Mensah, 1995). Being on a low income further impacts on the ability to find employment locally (Holtom, *et al.*, 2013); those in poverty may be less able to afford to move towards

labour supply, or engage in lengthy commutes. As a result, recent migrants, for example, may have greater difficulty in finding good jobs, be paid less, and have to make a longer commute in comparison with UK-born people with similar job credentials (Ihlanfeldt and Sjoquist, 2010).

The effects of place have unequal (negative and positive) impacts on members of different ethnic groups (Barnard, 2014). Likewise, the links between poverty, ethnicity and place, in particular the impact of 'segregation', are complex and vary between locales (Garner and Bhattacharyya, 2011; Lalani, *et al.*, 2014). While most research in this area tends to concentrate on the debate about the spatial concentration of minority groups and the impact of this concentration on experiences of poverty, it is also important to consider that there are long-standing concentrations of poverty and social exclusion with relatively small ethnic minority communities. Although the latter issue is far less researched, the experiences of poverty of people from ethnic minorities in areas of 'non-concentration' are also relevant and 'require us to avoid thinking of homogenous blocs when trying to understand geographical patterns of poverty' (Garner and Bhattacharyya, 2011: 6).

This report considers the geography of unemployment, and the geographical differences in the experiences of ethnic minority groups within the labour market, in terms of occupational status. The project explores labour market inequalities at three geographical levels: country, Local Enterprise Partnerships and local authorities. This work has important implications for understanding how experiences may differ between locales, and how this might affect ethnic groups differently. By considering in which places individuals in ethnic minority groups perform less well in the labour market, there can be more efficient targeting of resources to tackle ethnic inequalities. Some UK-based research has shown how the socio-economic characteristics of residential areas are among the main factors explaining employment rates among ethnic minority groups (Lalani, *et al.*, 2014).

The significance of gender

The ethnic inequalities discussed above do not occur in isolation; the *intersectionality* of different characteristics operating together results in unequal labour market outcomes. In this regard, this report focuses in particular on gender, following the lead from multiple studies which have demonstrated the importance of gender in affecting and explaining ethnic inequalities in employment patterns (e.g. Nazroo and Kapadia, 2013a; Dale, 2002; Dale, *et al.*, 2002). The concentration of men and women in different types of jobs (occupational segregation) varies for different ethnic groups, with women and men in each ethnic group being occupationally segregated from the rest of the labour force to varying degrees.

During the 1990s, the concentration of men and women in different types of occupations declined in England and Wales to a larger extent than in previous decades, and the fall took place across all ethnic groups (Blackwell and Guinea-Martin, 2005). This study also highlights that occupational segregation is higher by sex than ethnic group. In a similar vein, Nandi and Platt (2010) showed how women in ethnic minority groups are more likely to experience poverty, but that there are differences *between* ethnic minority women; Pakistani and Bangladeshi women tended to fare worst in terms of individual and household income levels, a situation which was also experienced by Black African women.

In addition to the differences between ethnic minority women and their White British counterparts, it is also evident that men and women tend

to work in different occupations and careers, with men typically working continuously up to retirement, whereas women may have more varied patterns of labour force engagement throughout their life. The disparity between the types of jobs taken up by men and by women in the UK is still very large, with the largest concentrations of women's employment in what have been called 'the five Cs': caring, cashiering, catering, cleaning and clerical. Occupational patterns and their variation between men and women and by ethnic group can vary considerably, thus illustrating the way in which occupational distributions and the trajectories of men and women of different ethnic groups remain distinctive (Platt, 2011a and b).

Aims of the study

This project is concerned with the nature of ethnic inequalities in the labour market for the most recent period (2011), but also considers whether the relationship between poverty and ethnicity has changed since 2001. The study concentrates on England and Wales and does not include Scotland and Northern Ireland given lack of data availability at the time of writing.

The project aims are:

- to analyse the persistence of ethnic inequalities in labour market participation in England and Wales over time;
- to explore the concentration (occupational segregation) of ethnic groups in different types of jobs, in the context of disadvantage and inequality;
- to provide evidence of geographical differences in terms of labour market outcomes for ethnic minority groups; and
- to gain a better understanding of how each of these aspects of labour market inequality might vary by gender within each ethnic group.

Key research questions which underpin these aims include:

- Have ethnic inequalities in unemployment, self-employment and hours worked decreased over time?
- Have these inequalities changed in different ways for men and women of the same ethnic group?
- Are ethnic groups spread similarly across different types of jobs?
- Are women more concentrated in some types of jobs than men, and is this consistent for each ethnic group?
- How does geography affect labour market outcomes for ethnic groups?
- Which places fare the most and least well for individuals in each ethnic group in terms of their labour market outcomes?

Economic and policy context

Why are there ethnic inequalities in access to the labour market and among those in work? While discrimination in the workforce is unlawful, there is evidence of persistent unequal treatment of individuals because of their ethnicity/race (Bourn, 2008). This can mean that there are fewer opportunities to enter the labour market, for those who are available and seeking work, which translates into unemployment, or part-time work where full-time work is sought. There may also be unequal access to certain types of employment, such as higher-skilled work, which is often more stable and

better paid, even when appropriate experience and qualifications are held. This might occur upon entry into the labour market, whereby someone may find themselves working in a job for which they are over-qualified. There may also be poor promotion prospects due to discrimination *within* the labour market. Other explanations for inequalities in the labour market might be ethnic group differences in educational qualifications, or, for those originally from outside the UK, poor translation and/or misunderstanding of qualifications gained overseas. Language barriers might also present problems in gaining access to employment.

Recession

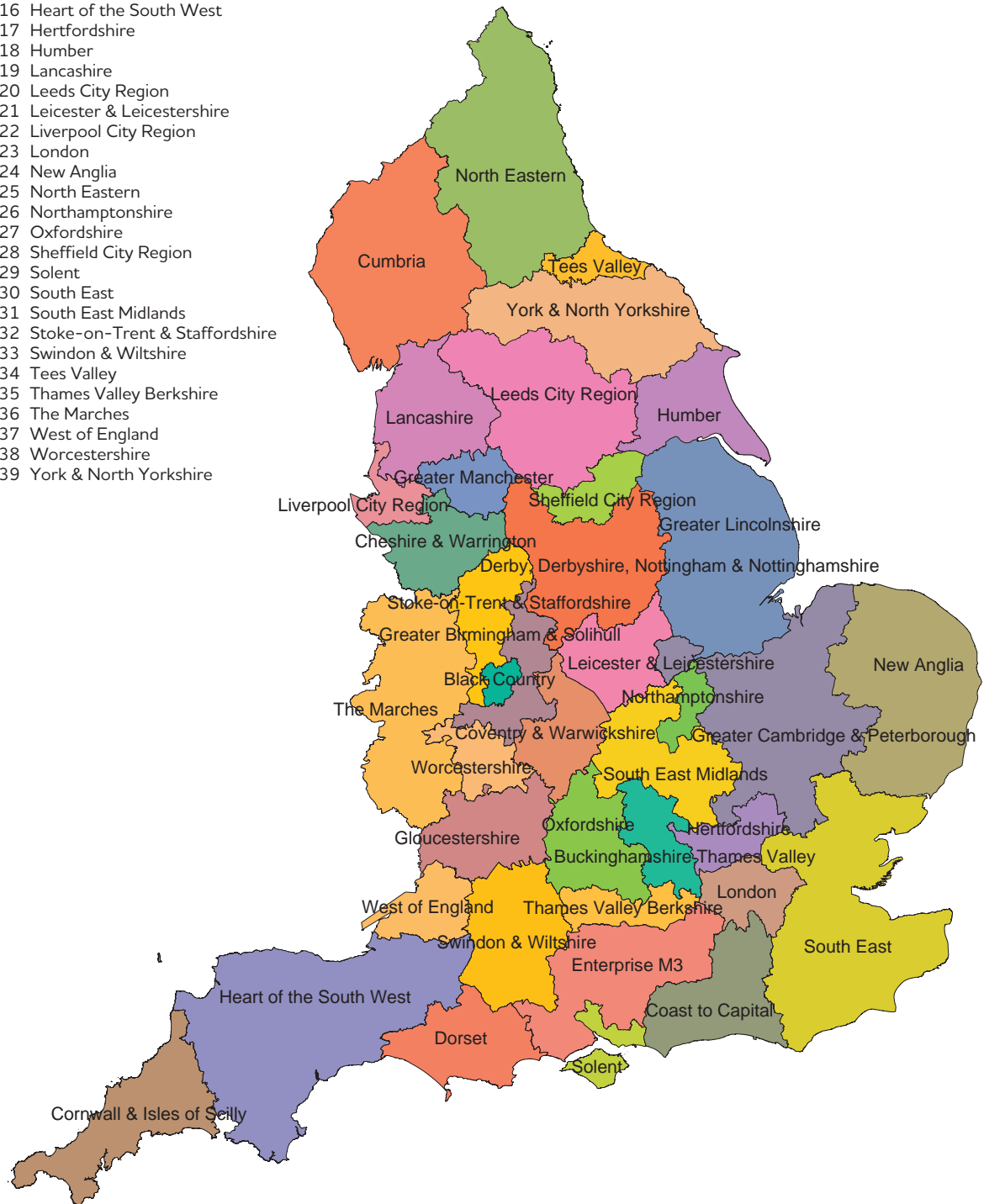
The economic recession has had a transformative effect on the UK economy. While employment has almost recovered and is now situated at pre-recession levels, average wages are still behind inflation and overall living standards have declined as a result. In addition, the value of personal wealth has also declined, particularly housing wealth, due mostly to house price falls in areas other than London. In addition, the impact of the crisis has not been felt evenly across the entire population. For instance, it is well known that the employment rates of young people were particularly badly hit at the start of the recession, despite being more likely than previous generations to hold degree qualifications or higher (Hills, *et al.*, 2013). Since ethnic minority groups tend to have youthful age structures, it is not unreasonable to expect that they have been particularly badly affected by the recession. From a policy perspective, the situation might be worsening as public sector jobs, where people from ethnic minority groups are over-represented, have continued to be squeezed. Meanwhile, the growth of self-employment has become one of the stories of the recovery, yet Census data reveals a much less rosy picture of self-employment for ethnic minority groups in the UK (Nazroo and Kapadia, 2013a; Kapadia, *et al.*, 2015), as discussed in the final chapter of the report.

Local Enterprise Partnerships (LEPs)

In 2010, the Coalition Government announced that Regional Development Agencies would be abolished and Regional Growth Funds (£3.2bn for the period 2014–2020) would be delivered through new Local Enterprise Partnerships (LEPs) and Enterprise Zones (EZs). The former are defined as aggregations of local authorities and aim to reflect economic geographies as well as a more responsive approach to the needs of local business and people, by enabling and encouraging local ownership and leadership of action to address local economic priorities. There are currently 39 LEPs which cover the whole territory of England (see Figure 1). EZs are geographically defined areas, hosted by LEPs, in which potential and existing commercial and industrial businesses can receive incentives to set up or expand. There are currently 25 EZs in England, although it is important to note that not all LEPs have EZs. While similar policies have been adopted by devolved administrations in Scotland and Wales, LEPs exist only in England. There are currently four Enterprise Areas (EAs) in Scotland and seven EZs in Wales. A pilot scheme is operating in Northern Ireland. It is expected that LEPs and EAs or EZs will determine planning priorities, including an investment strategy for their specific geographical area and a demonstration of the benefits in terms of private sector growth and creation of sustainable private sector jobs.

Figure 1: Map of Local Enterprise Partnerships (LEPs), England

- 1 Black Country
- 2 Buckinghamshire Thames Valley
- 3 Cheshire & Warrington
- 4 Coast to Capital
- 5 Cornwall & Isles of Scilly
- 6 Coventry & Warwickshire
- 7 Cumbria
- 8 Derby, Derbyshire, Nottingham & Nottinghamshire
- 9 Dorset
- 10 Enterprise M3
- 11 Gloucestershire
- 12 Greater Birmingham & Solihull
- 13 Greater Cambridge & Peterborough
- 14 Greater Lincolnshire
- 15 Greater Manchester
- 16 Heart of the South West
- 17 Hertfordshire
- 18 Humber
- 19 Lancashire
- 20 Leeds City Region
- 21 Leicester & Leicestershire
- 22 Liverpool City Region
- 23 London
- 24 New Anglia
- 25 North Eastern
- 26 Northamptonshire
- 27 Oxfordshire
- 28 Sheffield City Region
- 29 Solent
- 30 South East
- 31 South East Midlands
- 32 Stoke-on-Trent & Staffordshire
- 33 Swindon & Wiltshire
- 34 Tees Valley
- 35 Thames Valley Berkshire
- 36 The Marches
- 37 West of England
- 38 Worcestershire
- 39 York & North Yorkshire



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In this study, we focus on LEPs. LEPs incorporate all local authorities in England, and tend to have diverse economies, including dynamic core cities, major towns, and the countryside and rural economies. Since EAs and EZs only cover specific geographical sites and are focused on the specialisation and growth of certain industries, they are less useful to analyse ethnic minority disadvantage in the labour market. Unfortunately, the Local Growth White Paper (HM Government, 2010) does not explicitly mention the reduction of labour market inequalities as one of the priorities, despite LEPs becoming the recipients of 6.2bn euros of EU Structural and Investment Funds (EUSIF) during the period 2014–2020. Of course, this is an issue which requires further attention (albeit it clearly goes beyond the scope of this report), given that one of the main priorities of EUSIF is to ‘combat poverty, enhance social inclusion and promote gender equality, non-discrimination and equal opportunities’ (see Chapter 1, Article 2 of the European Social Fund Regulation No. 1304/2013, page 474). Within this context, the Department for Business, Innovation and Skills (BIS) has been tasked to monitor LEPs’ objectives.

Data

The report draws on England and Wales Census data for 2001 and 2011. The Census provides the best picture of the population by ethnic group, occupational status and sex. A guide to Census tables used is provided in Appendix 1.

Labour market indicators

This report is concerned with people who are economically active only. Within the economically active category, individuals can be either employees (part- and full-time), self-employed (part- and full-time), unemployed, or full-time students. Economically inactive people include those who are retired, long-term sick or disabled, looking after the home or family, and students. Brief definitions of each of the categories used in this report are provided below, and relate to activity in the week before Census enumeration.

Employed: Employee

Individuals who are economically active and an employee of an individual or organisation, but who are not self-employed.

Employed: Self-employed

Individuals who are economically active and self-employed, either with or without employees.

Full-time employment

Employees and self-employed people who work more than 30 hours per week in their main job, including paid and unpaid overtime.

Part-time employment

Employees and self-employed people who work less than 30 hours per week in their main job, including paid and unpaid overtime.

Unemployed

Individuals who are not in employment, but available to start work in the next two weeks and who either have looked for work in the last four weeks or are waiting to start a new job.

Occupation

An occupational category is assigned to those in employment and this is used as one of our main measures of the differing experiences between ethnic groups within the labour market. The analysis of occupational types is for 2011 only. Nine broad categories of occupational type are provided in the 2011 Census. These are used in full for some analysis, and aggregated into approximate skills levels for other parts of the analysis (see Table 1).

Table 1: The highest level (nine Major Groups) of the ONS Standard Occupational Classification (SOC)

| Occupation types | Aggregation into skills level |
|--|--|
| Managers and Senior Officials | High-skilled occupations |
| Professional Occupations | |
| Associate Professional and Technical Occupations | Intermediate (mid-skilled) occupations |
| Administrative and Secretarial Occupations | |
| Skilled Trades Occupations | |
| Personal Service Occupations | |
| Sales and Customer Service Occupations | |
| Process, Plant and Machine Operatives | |
| Elementary Occupations | Low-skilled occupations |

The aggregation of occupations for more refined analysis follows guidance in Office for National Statistics (2010). While this aggregation leads to an inevitable loss of detail, it is preferred for segregation measurement given (i) small numbers in occupational categories by sex and ethnic group, and for (ii) ease of interpretation. It should be noted that while high- and low-skilled occupations vary in skills levels, those occupations classified as intermediate are not ranked on a continuous scale from high- to low-skilled.

Employment rates and segregation measurement

Full-time students can be employed or unemployed in the Census. In calculating rates of employment, self-employment and unemployment, students are excluded from the calculations; as such, rates reported in this study are for all economically active people except students. Students are not included in this analysis as the key concern here is with ethnic inequalities in the labour market for those who are not in education. The inequalities which might be experienced between ethnic groups who are students are suspected to differ from those engaged in the labour market and not in education.

Differences in data availability between the 2001 and 2011 Censuses mean that comparisons of economic activity over time are only possible for those aged 16–49, making use of a commissioned table for 2001 (see Appendix 1). Where this age range is used, this is clearly indicated in the report.

Rates in each occupation are as a proportion of all people with an occupational category, for the whole population aged 16 and over. All analyses are for England and Wales, except Chapter 5, which is for England only.

Given data limitations, the analyses do not statistically control for the different socio-economic and demographic profiles of ethnic groups which might impact upon their differing labour market experiences (e.g. educational attainment, age, health), but instead provide a broad overview of the position of each ethnic group in the labour market between 2001 and 2011.

The level of concentration of ethnic groups across different types of jobs is measured with the index of dissimilarity. For this purpose, the spread of each ethnic group across occupations is compared, with the White British as the reference group. All the computations are undertaken using the nine major occupational categories (see Appendix 2). Separate analyses are undertaken for England and Wales, and for each LEP in England in 2011 for individuals in employment aged 16 and over.

Location quotients (LQs) are used to capture the over- and under-representations of each ethnic minority group within broad occupational categories in LEPs, which allow a comparison between these areas relative to the national average in England in 2011 (see Appendix 2). LQs are also computed with data for individuals in employment aged 16 and over.

Ethnic groups

A question on ethnic group has been included in the England and Wales Census since 1991, and includes a choice of tick boxes for respondents, or write-in options for those selecting an 'Other' ethnic group. The question wording has altered very slightly between 2001 and 2011, but in 2011 asked 'What is your ethnic group?' In total, data for 16 major ethnic groups in 2001 and 18 in 2011 were reported from the Census. All categories and correspondence between 2001 and 2011 are shown in Table 2. Between 2001 and 2011, the White Gypsy/Irish Traveller and Arab groups were added, under, respectively, the broad White and Other categories.

Changes in Census ethnic group categorisation mean that harmonised ethnic groupings are necessary for analyses which compare change over time. This is also important given inconsistency in ethnic group self-identification, which affects some ethnic groups more than others (Simpson, *et al.*, 2014). This report makes use of the recommendations by Simpson and colleagues, a study which used the Office for National Statistics Longitudinal Study to analyse stability in ethnic group affiliation over time. Given much greater instability in the four Other categories (Other Mixed, Other Asian, Other Black, and Other), these are included as an aggregate 'Other' category only for the sake of completeness, and caution must be exercised when considering change over time for this group. The result is a set of 12 comparable ethnic groups for analyses of change between 2001 and 2011, plus an 'Other' group which is not strictly comparable over time. All analyses of 2011 data use the full range of 18 ethnic groups. A table detailing the population size of each ethnic group in 2001 and 2011 is provided in Appendix 3.

Table 2: Ethnic group categories, 2001 and 2011 Censuses of England and Wales

| Ethnic groups 2001 | Ethnic groups 2011 | Ethnic groups and labels used for 2001–2011 comparison |
|--|--|--|
| White – British | White – British | White British |
| White – Irish | White – Irish | White Irish |
| | White – Gypsy/Irish Traveller | |
| White – Other | White – Other | Other White (includes White Gypsy/Irish Traveller in 2011) |
| Mixed – White and Black Caribbean | Mixed – White and Black Caribbean | Mixed White-Caribbean |
| Mixed – White and Black African | Mixed – White and Black African | Mixed White-African |
| Mixed – White and Asian | Mixed – White and Asian | Mixed White-Asian |
| Mixed – Other | Mixed – Other | |
| Asian – Indian | Asian – Indian | Indian |
| Asian – Pakistani | Asian – Pakistani | Pakistani |
| Asian – Bangladeshi | Asian – Bangladeshi | Bangladeshi |
| Asian – Other | Asian – Other | |
| Black or Black British – Black Caribbean | Black or Black British – Black Caribbean | Caribbean |
| Black or Black British – Black African | Black or Black British – Black African | African |
| Black or Black British – Other | Black or Black British – Other | |
| Chinese | Chinese | Chinese |
| | Arab | |
| Other ethnic group | Other ethnic group | All Other (includes Other Mixed, Other Asian, Other Black, and Other, plus Arab in 2011) |

Geography

LEPs are the main focus for geographical analysis in this report, in addition to the 348 local authorities of England and Wales (comprising districts and unitary authorities). LEPs are allowed to overlap so a local authority is permitted to be part of more than one LEP. Given the functionality of LEPs, these overlaps are ‘ignored’ in our analyses so each LEP is examined using data for the relevant local authorities, regardless of the overlap.

The results of the analysis are presented in maps and tables. Maps have been produced at local authority level for England and Wales and for the English LEPs. Some maps for local authorities and LEPs have been re-shaped in proportion to the population size in 2011 (cartograms). The rationale for using this type of map is that urban areas with large populations are displayed more clearly than with traditional maps, which tend to highlight patterns of sparsely populated areas.

Structure of the report

The next chapter deals with ethnic differences in labour market participation and how these have changed over time (2001–2011). Chapter 3 is an analysis of how ethnic minority groups are faring in terms of employment when compared with the White British group, and explores the national and local level picture for 2011. Chapter 4 explores ethnic differences in the types of jobs which working people occupy, by analysing how dominance in occupational sectors varies by ethnic group and gender. Chapter 5 is a study of occupational segregation by ethnic group and gender for Local Enterprise Partnerships (LEPs) in 2011, for all people in employment aged 16 and over. The final chapter pulls together the evidence and presents policy recommendations.

2 ETHNIC MINORITY EMPLOYMENT, UNEMPLOYMENT, SELF-EMPLOYMENT AND HOURS WORKED: HAVE INEQUALITIES CHANGED OVER TIME?

This chapter explores patterns of economic activity for ethnic groups between 2001 and 2011, for 16–49 year olds living in England and Wales. The chapter provides a picture of ethnic differences in labour market participation by gender, and how these differences may have changed over time.

While unemployment is defined in terms of actively seeking work, ethnic differences in the proportions of people who are employees and self-employed could be attributable to either *choice* (a preference for particular working patterns) or *constraint* (e.g. discrimination from employment within a company driving self-employment, or lack of availability of working longer hours).

The main findings from this chapter include:

- There are differences between ethnic groups in the levels of those who are employees, self-employed and unemployed. Many of these differences have persisted over time.
- A very clear ‘ethnic minority penalty’ in the labour market is apparent when examining unemployment rates in 2001 and 2011. In 2001, unemployment rates were highest for the Bangladeshi (18 per cent) and African, Mixed White–Caribbean, and Pakistani groups (each 16 per cent).

In 2011, unemployment rates were highest for the ethnic groups Mixed White-Caribbean (19 per cent), African (16 per cent), and Bangladeshi, Caribbean and Mixed White-African (each 15 per cent). Unemployment rates increased the most for the Caribbean and Mixed White-Caribbean groups, each by 3 percentage points over the ten-year period.

- Unemployment rates for the Chinese and Indian groups have been consistently low, and considerably lower than any other 'non-White' minority group (6 and 7 per cent respectively), although a greater share of employment is in self-employment for the Chinese than the Indian group.
- Between 2001 and 2011, both the Pakistani and Other White ethnic groups experienced a decline in the proportions of people who are employees, accompanied by a considerable increase in rates of self-employment. Self-employment in 2011 is respectively most and second-most common for the Pakistani (20 per cent) and Other White (16 per cent) ethnic groups. This increase could be an indicator of entrepreneurial success, but may more likely be an outcome of discrimination by potential employers.
- There are important differences in the experiences of men and women in many ethnic groups. Women's unemployment rates were lowest for all three White groups in 2001 and 2011, although Chinese, Indian and Mixed White-Asian women also had relatively low unemployment rates at both time points.
- Self-employment is considerably more common for men than women. While Chinese male self-employment rates were highest in 2001, by 2011 Pakistani male self-employment rates were the highest by a considerable margin, at 26 per cent. As with 2001, the proportion of Pakistani men who were employees lagged considerably behind the White British majority and were the lowest of all ethnic groups in both periods (63 and 62 per cent respectively).
- Unemployment rates were very high for Bangladeshi women, accounting for one fifth of employed and unemployed 16–49 year olds in both 2001 and 2011. Pakistani women's unemployment rates were equally consistent over time, at 17 per cent for 2001 and 2011.
- Relatively high women's unemployment is also observable for the African and Mixed White-Caribbean groups (16 per cent), these groups experiencing an increase in unemployment in the ten-year period. While in 2001 Caribbean women had a nearly comparable rate of employees to White British and White Irish women, this decreased in the ten-year period, from 88 to 83 per cent.
- Unemployment among men is most common for the Mixed White-Caribbean ethnic group, and this is a persistent pattern for both 2001 and 2011. In 2011, Caribbean and African men had the next highest unemployment rates, while men in the Other White ethnic group fared best, with an unemployment rate of a relatively low 5 per cent.
- Full-time employment has become less common over time, with part-time employment on the rise (and thus a narrowing of the difference between the two). This is a pattern observable for every ethnic group. Part-time work might be an indicator of tentative contracts and lack of opportunity to work longer hours, or a preference for greater flexibility in working patterns.
- There are clear gender differences in the propensity to work part-time, consistent across all ethnic groups. For women, full-time employment is more common than part-time employment, but the difference in the rates of part- and full-time work between ethnic groups is considerably

smaller than for men. This is especially notable for the White British group, for whom relatively few men are in part-time employment.

Ethnic inequalities in the labour market over time: employee, self-employed and unemployment rates compared, 2001–2011

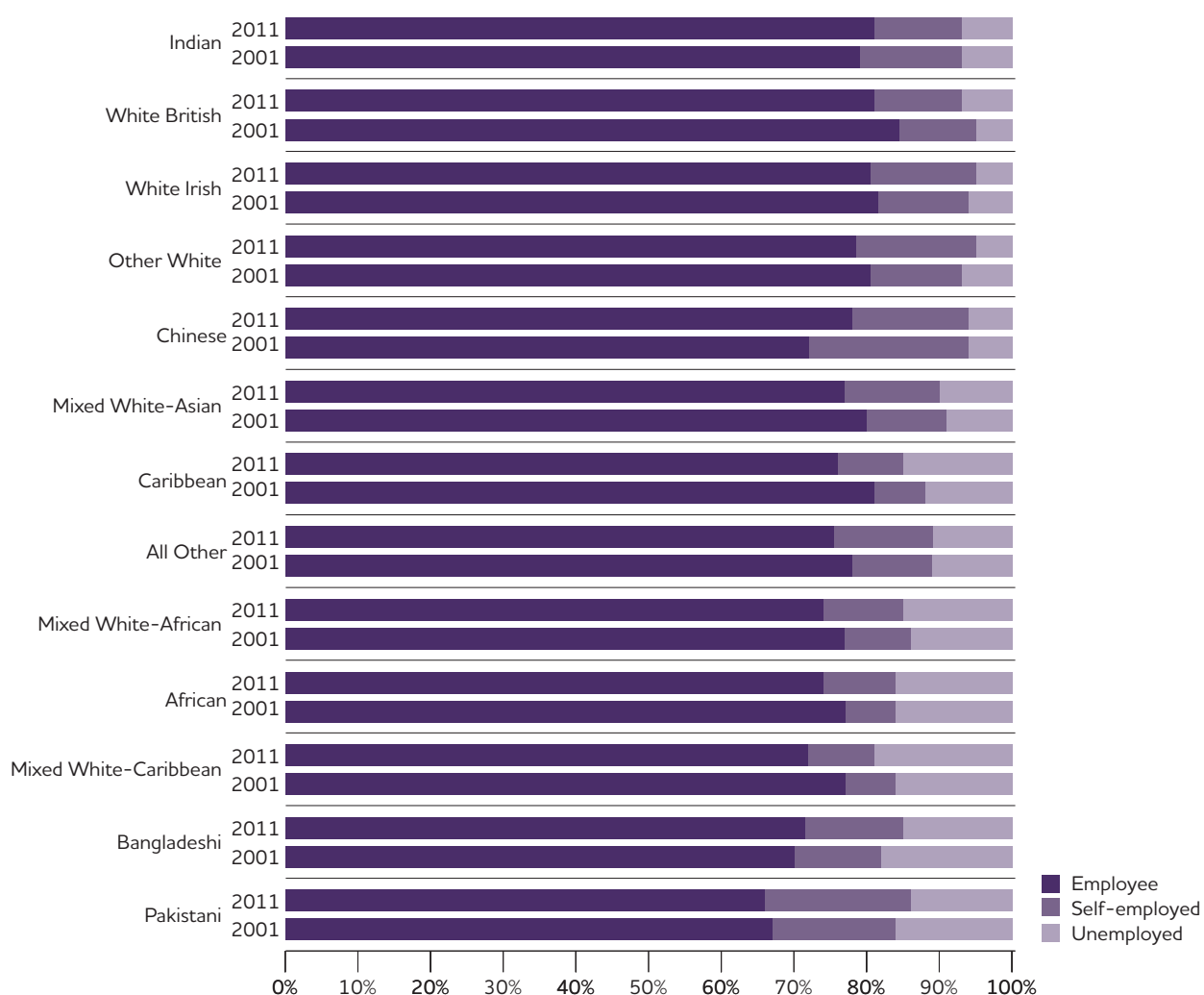
This section explores rates of employment for ethnic groups that are comparable between the 2001 and 2011 Censuses. Given differences in available age categories between Censuses (see Chapter 1), all figures are for individuals aged 16–49. Full-time students are excluded from the analysis. The analysis does not statistically control for the different socio-economic and demographic profiles of ethnic groups which might impact upon their differing labour market experiences (e.g. educational attainment, age, health), but instead provides a broad overview of the position of each ethnic group in the labour market between 2001 and 2011. The work builds on that by Nazroo and Kapadia (2013a) and Kapadia, *et al.* (2015), which explored ethnic differences in labour market participation for 25–49 year olds.

Figure 2 shows the proportion of employed and unemployed people who are employees, self-employed, and unemployed, for (i) all people aged 16–49, (ii) men aged 16–49, and (iii) women aged 16–49. Being in employment is by far the most common status for all ethnic groups, although there are some clear differences between ethnic groups in the proportion of employed, self-employed and unemployed people.

In 2001, rates of employment (excluding self-employment) were highest for the White British ethnic group, making up 84 per cent of economically active White British people (excluding students) (Figure 2). The 16–49 year olds who fared worst in employment terms were those in the Pakistani and Bangladeshi groups, at the low employee rates of 67 and 70 per cent respectively. By 2011, the proportion of people who were employees had dropped slightly for the White British group, to 81 per cent. The corresponding rate for the Pakistani group dropped to 66 per cent, while the Bangladeshi group saw a very minimal improvement, the proportions of people who were employees rising to 71 per cent. Considering both forms of employment (employee and self-employed), the greatest improvements between 2001 and 2011 were experienced by the Bangladeshi, Pakistani and Other White groups. Correspondingly, unemployment decreased for these groups.

However, care needs to be exercised when interpreting what might at first appear to be a positive story of improving labour market positions. While for the Bangladeshi group, this increase related to a growth in the proportion of employees and self-employed people, both the Pakistani and Other White ethnic groups experienced a decline in the proportion of employees accompanied by a considerable increase in rates of self-employment (both with an increase of 3 percentage points). Self-employment in 2011 was respectively most and second-most common for the Pakistani (20 per cent) and the Other White (16 per cent) ethnic groups. This report cannot address whether this increase in self-employment is a positive sign of success in the labour market, or an indicator of exclusion from other forms of work (Clark and Drinkwater, 1998; 2000), but this is certainly a fundamental issue which needs to be better understood.

Figure 2: All employees, self-employed or unemployed aged 16–49, by ethnic group. England and Wales, 2001–2011



The ethnic minority group with the highest proportion of employees in 2011 was Indian (81 per cent), having risen by 2 percentage points. The Indian and Chinese ethnic groups were the only two groups not to experience an increase in self-employment rates between 2001 and 2011. The Chinese group saw a considerable decrease in self-employment in the ten-year period, from 22 to 16 per cent; this was countered by an equivalent level of increase in the proportion of Chinese employees, from 72 to 78 per cent and, as such, unemployment rates remained the same for the Chinese group. Despite the decrease in self-employment for the Chinese group, self-employment rates remained among the highest of all ethnic groups in 2011 (16 per cent), after Pakistani and Other White.

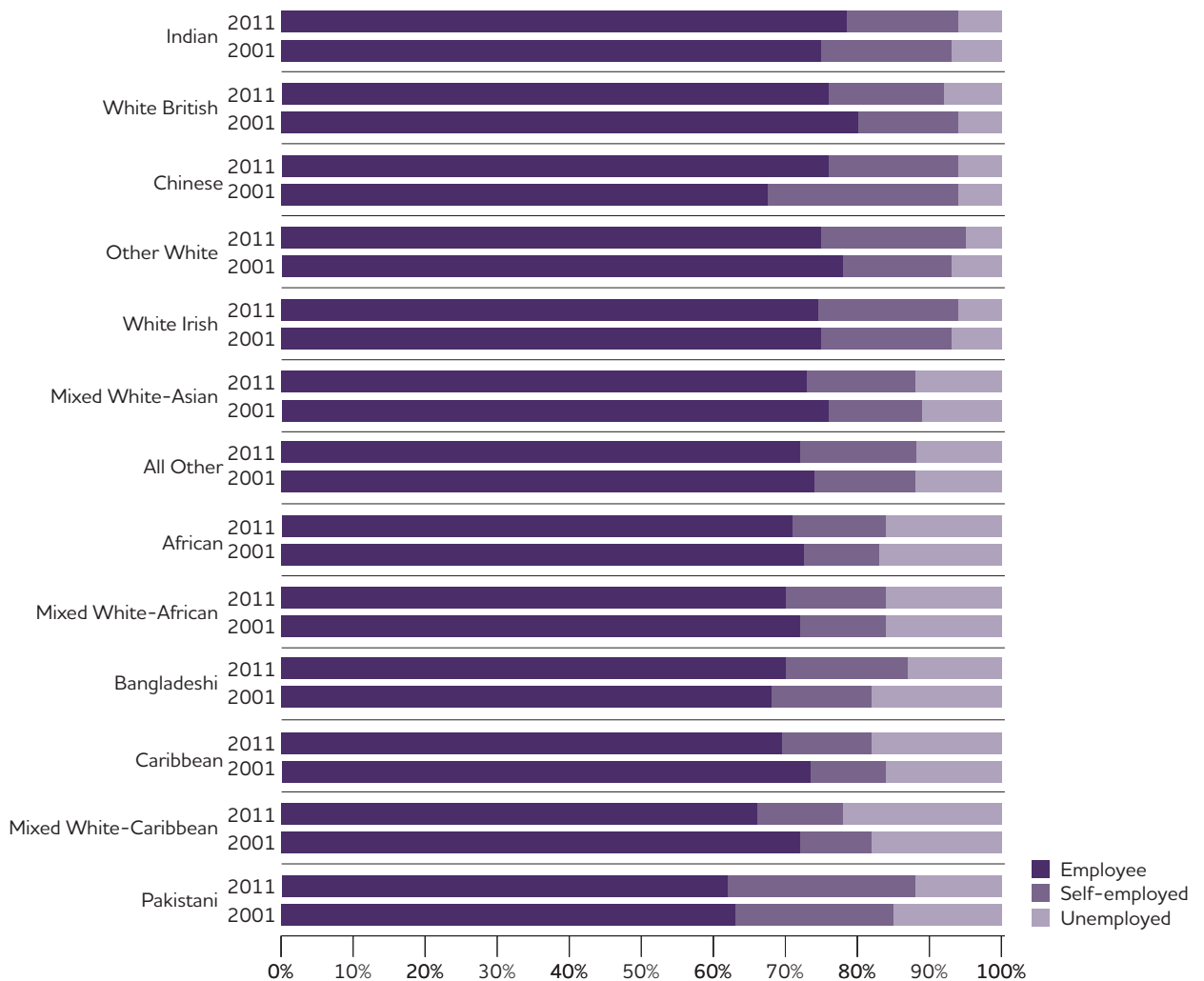
A very clear ‘ethnic minority penalty’ in the labour market which is persistent over time is apparent when examining unemployment rates in 2001 and 2011. In 2001, unemployment rates were highest for the Bangladeshi (18 per cent) and African, Mixed White-Caribbean, and Pakistani groups (each 16 per cent). In 2011, unemployment rates were highest for the ethnic groups Mixed White-Caribbean (19 per cent), African (16 per cent), and Bangladeshi, Caribbean and Mixed White-African (each 15 per cent). Unemployment rates increased the most for the Caribbean and Mixed White-Caribbean groups, each by 3 percentage points over the ten-year period. There appears to be a disadvantage experienced by ‘visible’ minority

A very clear ‘ethnic minority penalty’ in the labour market which is persistent over time is apparent when examining unemployment rates in 2001 and 2011.

groups; White groups (White British, White Irish and Other White) have lower unemployment rates than other ethnic groups. Unemployment rates were lowest for the White British ethnic group in 2001, and then for the Other White and White Irish in 2011. An exception to this observation is the slightly lower unemployment rates in 2011 for the Indian and Chinese groups, compared with the White British. Unemployment rates for the Chinese and Indian groups have been consistently low, and considerably lower than any other 'non-White' minority group (6 and 7 per cent respectively), although, as outlined above, a greater share of employment is in self-employment for the Chinese than the Indian group.

Figures 3 and 4 show these rates by gender, demonstrating how there are important differences in the experiences of men and women in many ethnic groups. In 2011, employee rates (those in work, excluding the self-employed) were highest for Indian men, for all ethnic groups including White British (Figure 3). In contrast, in 2001 White British employee rates were highest. Unlike in 2001, by 2011 Chinese male employee rates were just slightly lower than White British rates. Figure 4 shows that White Irish and White British employee rates are highest among 16–49 year old women, a finding which is consistent over time. Women's unemployment

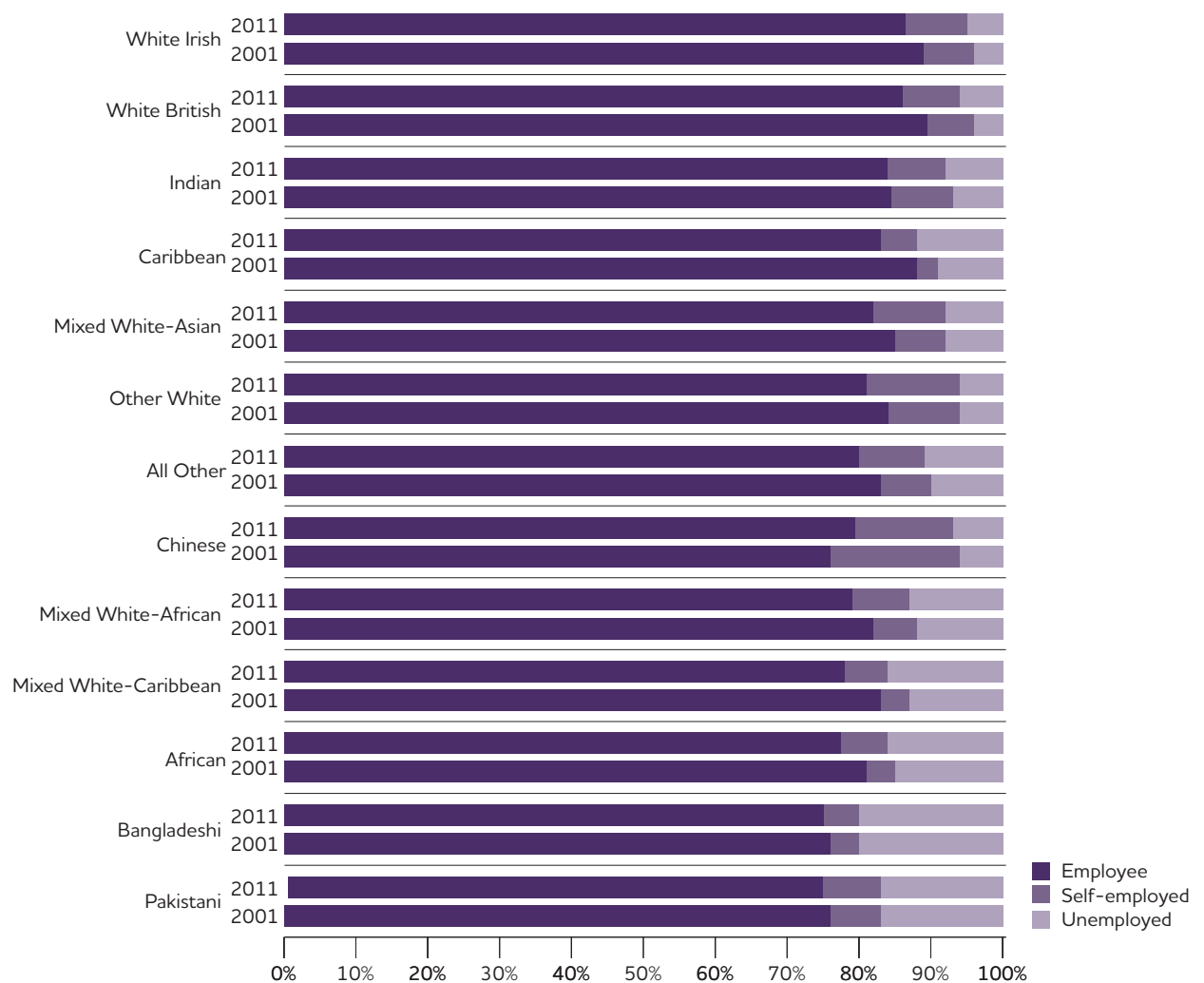
Figure 3: Male employees, self-employed or unemployed aged 16–49, by ethnic group. England and Wales, 2001–2011



rates were lowest for all three White groups in 2001 and 2011, although Chinese, Indian and Mixed White-Asian women also had relatively low unemployment rates at both time points. While not shown on the same graph, by comparing Figures 3 and 4 it is clear that self-employment is considerably more common for men than women. This is consistent for all ethnic groups – majority White British and minority. The decreasing self-employment rates for Indian and Chinese groups between 2001 and 2011 alluded to earlier was experienced by both men and women aged 16–49, but particularly so for Chinese men. For women, self-employment rates were by far the greatest for the Chinese, Other White and Mixed White-Asian groups in 2011, a pattern consistent with 2001 for all but the latter group.

In both 2001 and 2011, the largest difference in self-employment rates between men and women were for the Pakistani group (in 2011, a difference of 18 per cent, which is a larger difference than for 2001). While Chinese male self-employment rates were highest in 2001, by 2011 Pakistani male self-employment rates were the highest by a considerable margin, at 26 per cent. As with 2001, the proportion of Pakistani men who were employees lagged considerably behind the White British majority

Figure 4: Female employees, self-employed or unemployed aged 16–49, by ethnic group. England and Wales, 2001–2011



and is the lowest of all ethnic groups in both periods (63 and 62 per cent respectively). Thus while Pakistani employee rates are very low, unemployment is also relatively low for this group, given these high rates of self-employment. The proportions who are employees were lowest for Pakistani and Bangladeshi women, at 75 per cent each in 2011 (albeit higher than the rates for men in these groups, with low levels of women engaged in self-employment). This disadvantage is consistent with 2001, yet while the proportion of Chinese women who are employees were the lowest in 2001 along with the Pakistani and Bangladeshi groups, the proportion for Chinese women grew to 80 per cent in 2011. Unemployment rates are very high for Bangladeshi women, accounting for one fifth of employed and unemployed 16–49 year olds in both 2001 and 2011. Pakistani women unemployment rates are equally consistent over time, at 17 per cent for 2001 and 2011.

Relatively high women's unemployment is observable for the African and Mixed White-Caribbean groups (16 per cent), these groups experiencing an increase in unemployment in the ten-year period. While in 2001 Caribbean women had a nearly comparable rate of employees to White British and White Irish women, this decreased in the ten-year period, from 88 to 83 per cent. Unemployment among men is most common for the Mixed White-Caribbean ethnic group, and this is a persistent pattern for both 2001 and 2011. In 2011, Caribbean and African men had the next highest unemployment rates, while men in the Other White ethnic group fared best, with an unemployment rate of a relatively low 5 per cent.

Are there differences between ethnic groups in hours worked, and have these changed over time?

Rates of full- or part-time work among employed and self-employed people are shown for 2001 and 2011 in Figures 5, 6 and 7, for (i) all 16–49 year olds, then (ii) men and (iii) women within this age range. Employees and self-employed people are shown together, and students are excluded. The sum of the proportion of employed individuals in full- and part-time work in each year is 100 per cent.

It is clear from Figure 5 that full-time employment has become less common over time and part-time employment is on the rise. This pattern is consistent for every ethnic group, including the White British majority. The gap in the proportion in full- and part-time work is the smallest for the Bangladeshi ethnic group, and this has become increasingly the case over time. Indeed, by 2011, an equal proportion of Bangladeshi employed people were engaged in full- and part-time work. It has been argued that the traditionally higher rates of part-time work for people affiliating with an ethnic minority group are not attributable to cultural preferences or tradition (Modood, *et al.*, 1997; Blackaby, *et al.*, 2002) and this finding may be significant in terms of poverty outcomes; there is high in-work poverty among this group, which is linked both to people working fewer hours, and to part-time work being generally lower paid (Whittaker and Hurrell, 2013).

The greatest difference in the proportion of full- and part-time employment was for the White Irish ethnic group in 2011 (82 per cent in full-time work and just 18 per cent in part-time work), with just a slight narrowing of this differential in the ten-year period. Over time, men's full-time employment (Figure 6) has decreased slightly and part-time employment has become more common, for all ethnic groups. While for men the proportion of those in full- and part-time employment is most equal for the Bangladeshi group, for most ethnic groups full-time

employment accounts for by far the greatest share of working patterns (although this difference is decreasing over time). While the difference in the proportion in full- and part-time employment is much less for women than for men, this has narrowed over time. There are two main differences between men and women in employment. Firstly, for women, as with men, full-time employment is more common than part-time employment, but the difference in the rates of part- and full-time work between ethnic groups is considerably smaller than for men. This is especially so for the White Irish and White British groups in 2001 and 2011, for whom relatively few men were in part-time employment. As with men, this difference has narrowed over time, for all ethnic groups. While greater levels of part-time employment for women compared with men are not a surprising finding, the fact that this trend is consistent across ethnic groups is worth noting. A second difference in hours worked between men and women is that, in 2011, Bangladeshi employed women were marginally more likely to be engaged in part-time than full-time employment.

Figure 5: All part- and full-time employees aged 16–49, by ethnic group. England and Wales, 2001–2011

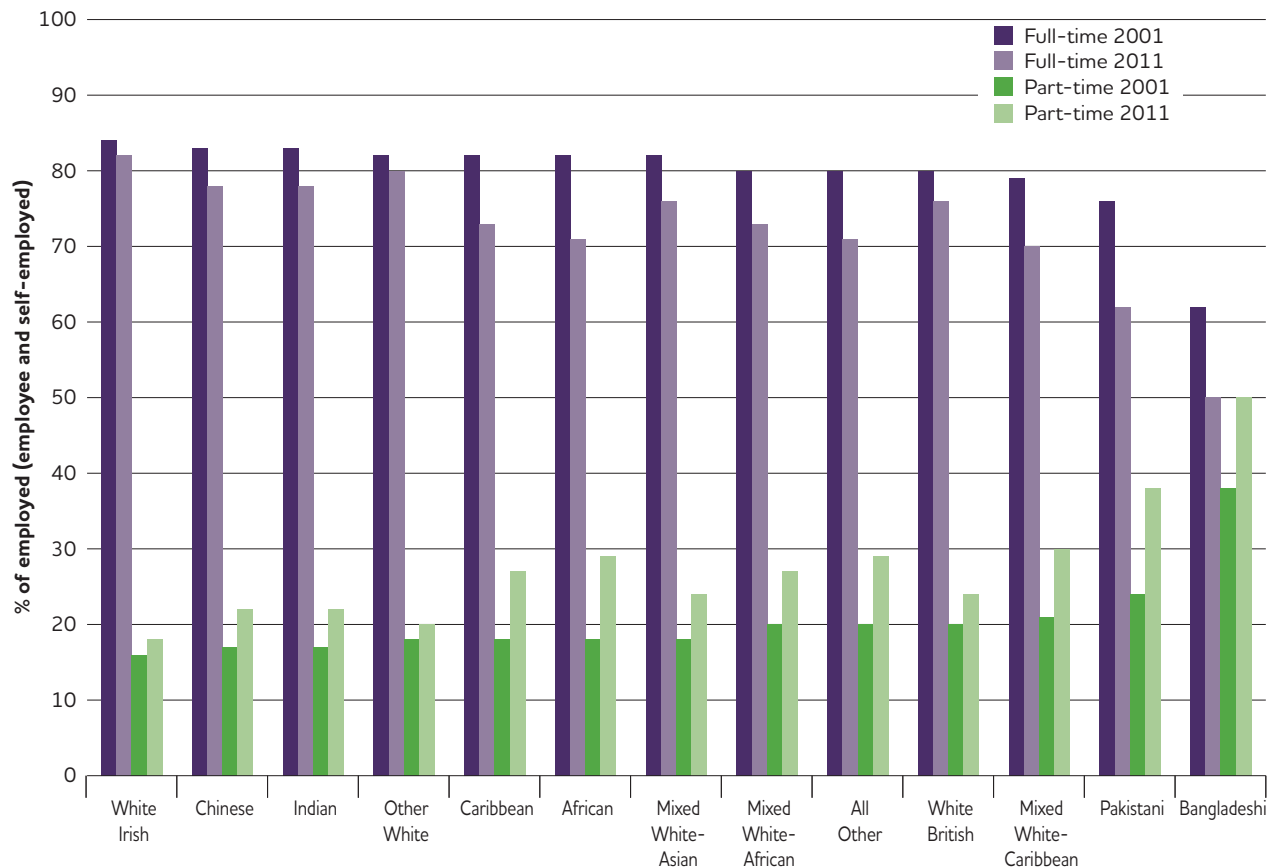
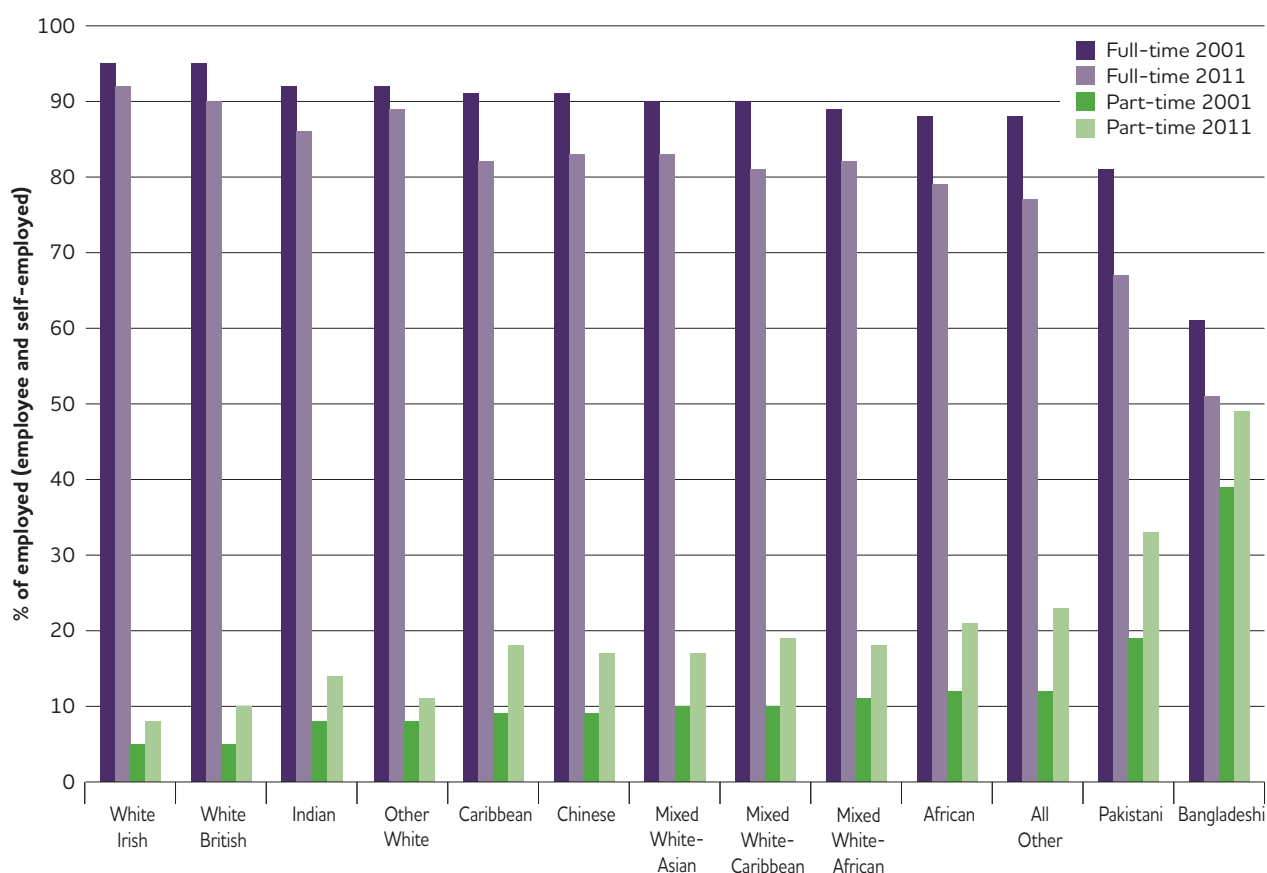
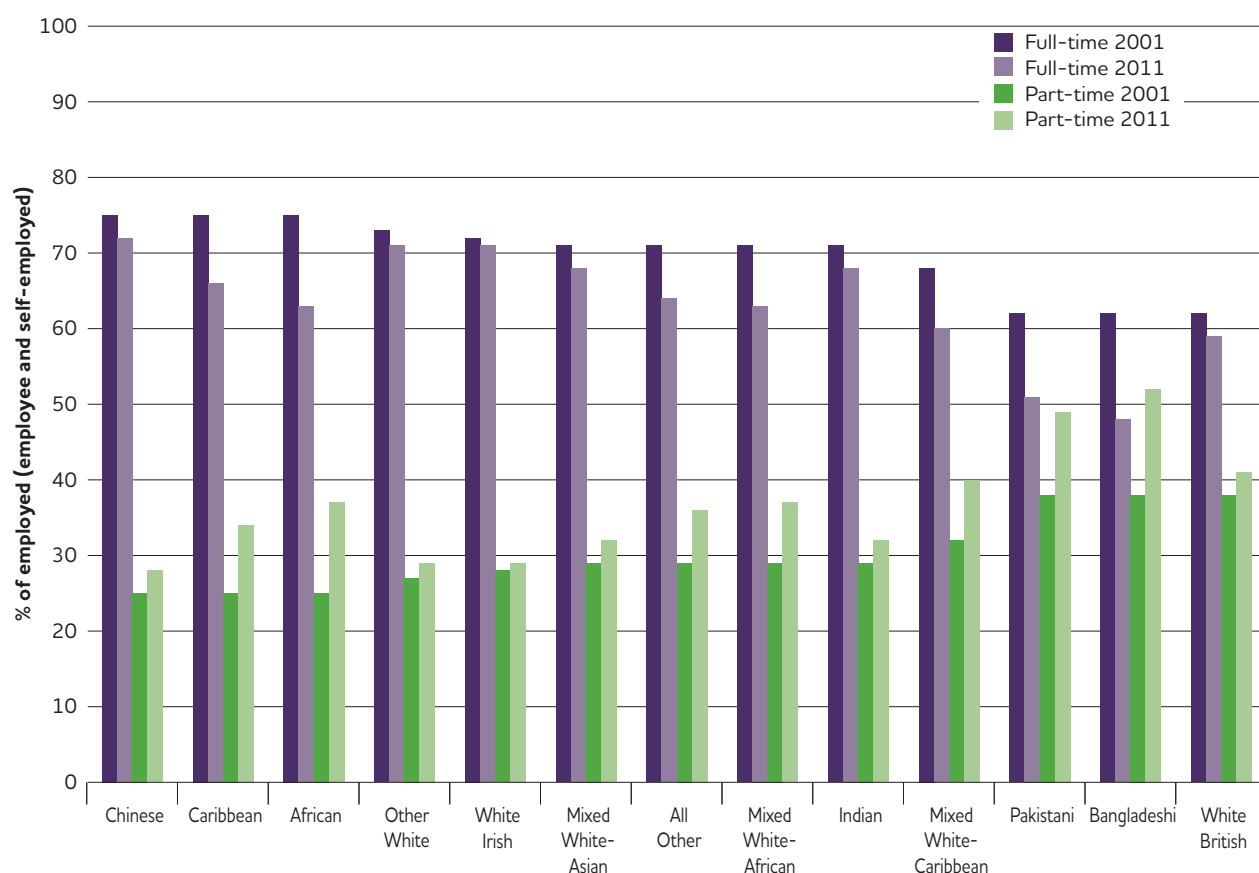


Figure 6: Male part- and full-time employees aged 16–49, by ethnic group. England and Wales, 2001–2011



Some of the ethnic differences in labour market participation observed may be explained by factors not explored in this chapter, such as ethnic group differences in (i) educational attainment: barriers to entry into the workplace will be experienced by those with fewer qualifications, or, for those born outside the UK, with qualifications which do not translate well from an immigrant’s country of origin. However, research has shown that ethnic penalties in the labour market persist after statistically controlling for individual differences in education (e.g. Longhi, *et al.*, 2012; 2013). (ii) The differing age profiles between ethnic groups may also affect labour market engagement, particularly in the period of first seeking work after full-time education is completed. (iii) The poorer health outcomes of some ethnic minority groups (Bécares, 2013) will also impact on the ability to work or limit the types of work individuals can engage with and could lead to unemployment or underemployment. A host of other factors such as family structures, caring responsibilities, and cultural norms and expectations may also explain some of these ethnic differences.

Figure 7: Female part- and full-time employees aged 16–49, by ethnic group. England and Wales, 2001–2011



3 ETHNIC MINORITY DISADVANTAGE IN EMPLOYMENT

This chapter focuses on the employment experiences of ethnic minority groups in England and Wales. The ethnic inequalities in labour market participation demonstrated in the previous chapter are explored in more depth in this chapter, by concentrating on the results from 2011.

By focusing on 2011 rather than the change between 2001 and 2011, the analysis presented in this chapter examines more detailed ethnic groupings than is possible with an exploration of change over time, and includes the full population aged 16 and over (rather than 16–49). In the first part of this chapter the situation for ethnic *minority* groups is the focus, and, as such, analyses are for each ethnic minority group *compared with* the White British majority ethnic group. Data presented in the previous chapter demonstrated that the White British group are not consistently the most advantaged across all employment-related measures, but this group is by far the largest in England and Wales, and, in the context of persistent ethnic minority discrimination in the labour market (Bourn, 2008), acts as an appropriate comparator group.

The unemployment category in the Census relates to those actively seeking work; where, for example, there are cultural or other preferences for not working, there are other boxes which a respondent could tick, such as looking after the home or family.

The main findings from this chapter include:

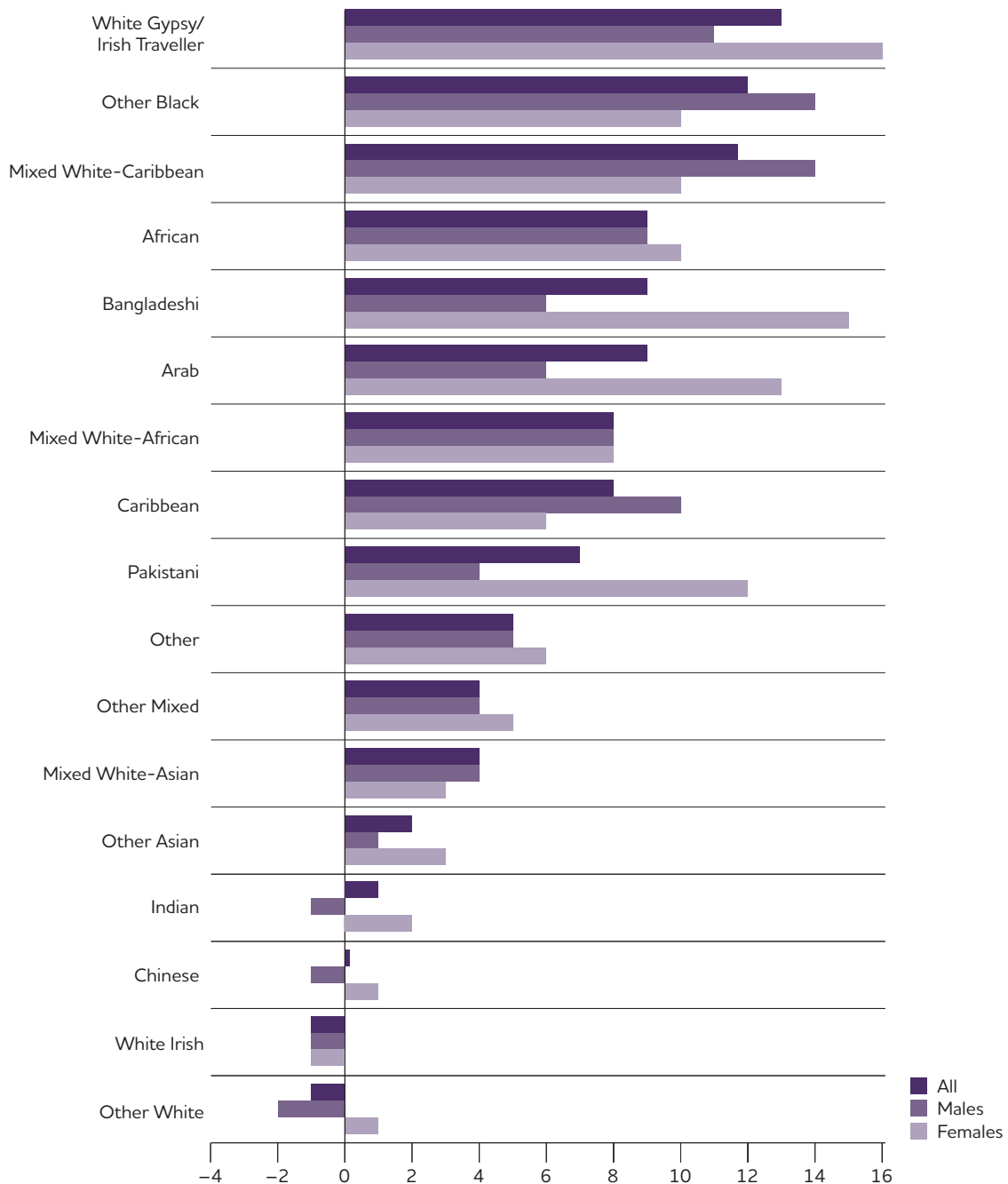
- There is an ethnic minority disadvantage in the labour market, with minority groups having considerably higher rates of unemployment than the majority White British group.
- The most disadvantaged ethnic minority groups in unemployment when compared with the White British group are White Gypsy/Irish Traveller, Other Black, and Mixed White-Caribbean.

- The only ethnic minority group to have lower unemployment rates than the White British population for men *and* women is White Irish, accounted for largely due to their higher self-employment (rather than employee) rates. There are also slightly lower unemployment rates than White British men for men in the Other White, Chinese and Indian ethnic groups, but not for women for any ethnic group when compared with White British women.
- Inequalities in unemployment for women are marked for the White Gypsy/Irish Traveller, Bangladeshi, Arab and Pakistani groups.
- Other Black and Mixed White-Caribbean men have the largest differences in unemployment from the White British population.
- Aside from White Irish women, the only groups to have higher proportions of people who are employees than the White British are men in the Indian, Other Asian and Other White groups.
- Differences between ethnic groups in rates of self-employment show a more mixed picture – self-employment is considerably more common for White Gypsy/Irish Traveller men, when compared with men in the White British group. This is also the case for women in the White Gypsy/Irish Traveller group, Pakistani men and Chinese women.
- Self-employment rates are lower than the White British group for both genders in the ethnic groups Caribbean, Mixed White-Caribbean, Other Black, African, Mixed White-African, Other Asian and Bangladeshi.
- Unemployment is not experienced evenly between places. National level unemployment rates mask huge variability in unemployment, and thus the differing experiences members of certain ethnic groups may have in specific locales.
- While some places consistently perform better or worse in terms of ethnic group unemployment, there is a distinct local geography of unemployment experienced between each ethnic group.
- The range of high unemployment rates is very variable between ethnic groups. For example, the highest unemployment rates for the African group were all above 20 per cent, with Birmingham's African unemployment rate at over 25 per cent. While the Indian and Chinese groups also experience high unemployment rates in some places, these are considerably lower than for the African and Pakistani groups.
- Concentrated pockets of unemployment are particularly notable for the African group in London and parts of the north of England, and in the north west for the Pakistani group. For the African group in particular, there are large percentages not in employment in most major urban areas, including in London and the north west.
- Compared with the African and Pakistani groups, unemployment is fairly evenly spread for the Indian and Chinese ethnic groups, with lower rates throughout England and Wales.
- The Caribbean group has notably higher unemployment in parts of London, Birmingham and the north east than in other areas. Some places including South Wales and Cornwall have few of this group, but high unemployment for those who live in these locales. London, Birmingham and parts of northern England have particularly high rates of unemployment for the Bangladeshi ethnic group.
- Some local authorities are performing less well than others, in terms of unemployment. For example, Birmingham features among the top five local authorities for unemployment for several ethnic groups (e.g. Indian, Pakistani, Chinese and African). Several districts in the London LEP are among the top five local authorities for unemployment, for a number of ethnic groups.

Is there an ethnic minority disadvantage in employment?

Figure 8 shows the difference in the unemployment rate for each ethnic group from the White British ethnic group, for the whole population in 2011, and for men and women separately. Values above one indicate higher unemployment rates than the White British population, while values below

Figure 8: All unemployed aged 16+, by gender; percentage point difference from White British for each ethnic minority group. England and Wales, 2011



one indicate unemployment rates below the majority ethnic group. For example, in 2011 the White British population had an unemployment rate of 6 per cent while the Caribbean rate was 13.5 per cent; this difference of +7.5 percentage points is shown in Figure 8. Unemployment rates are calculated as a proportion of that ethnic group who are employees, unemployed, or self-employed, and are for the whole population aged 16 and over (excluding students). Figures 9 and 10 are the same as 8, but show the comparative proportions of each group who are employees (b) and self-employed (c). Note that the scales are different on all three figures.

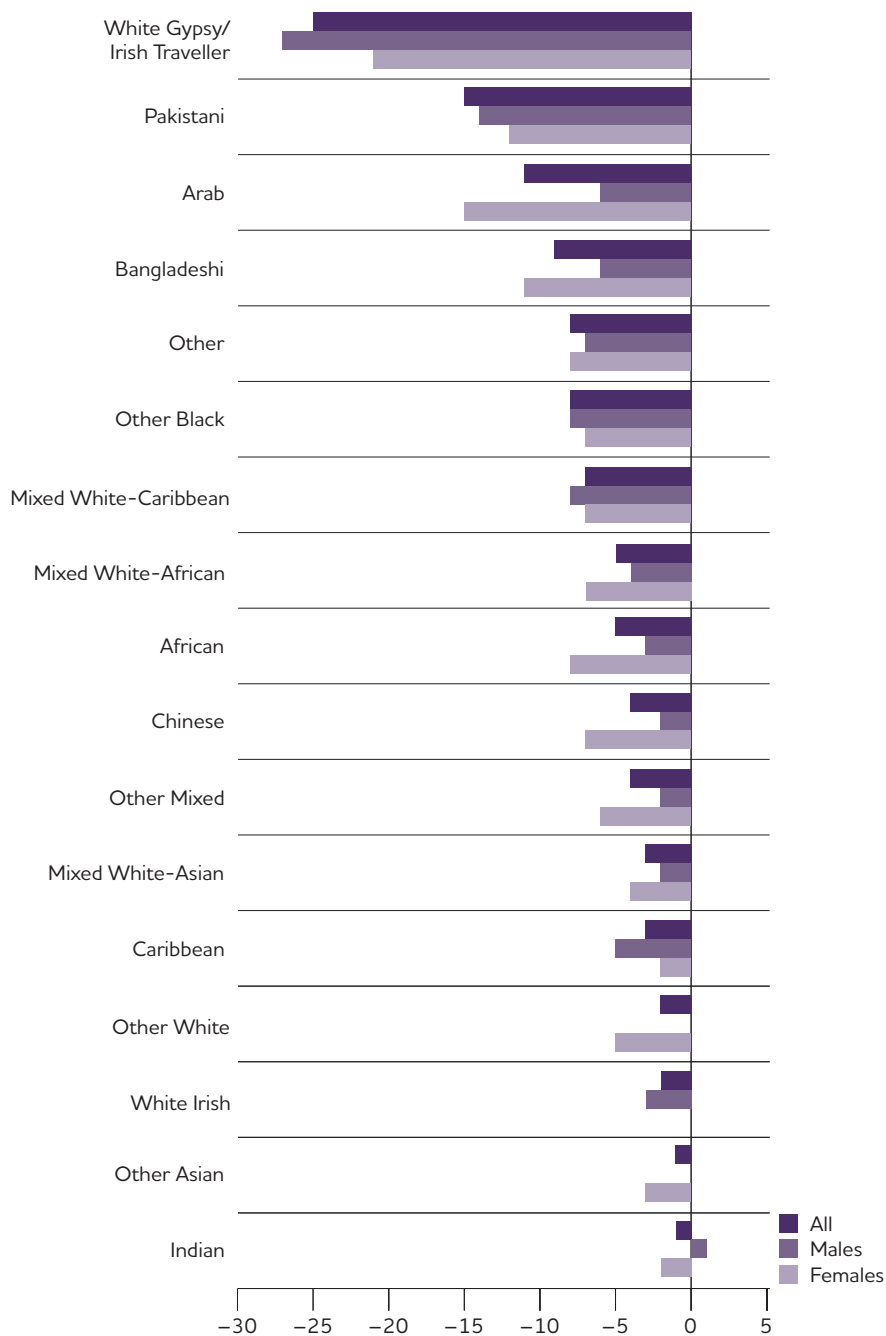
There is an ethnic minority disadvantage in the labour market, with minority groups having considerably higher rates of unemployment than the majority White British group. The only ethnic minority group to have consistently (i.e. for men *and* women) lower unemployment rates than the White British population is White Irish. There are also slightly lower unemployment rates than the White British for men in the Other White, Chinese and Indian ethnic groups, but not for women for any ethnic group.

The most disadvantaged ethnic minority groups in terms of unemployment are White Gypsy/Irish Traveller, Other Black, and Mixed White-Caribbean groups. The most notable differential in unemployment between the White British and any ethnic minority group is for White Gypsy/Irish Traveller. This group's unemployment rate is 13 percentage points higher than the White British rate, and nearly 16 percentage points different for White Gypsy/Irish Traveller women compared with White British women. Inequalities in unemployment for women are also marked for the Bangladeshi, Arab and Pakistani groups. Other Black and Mixed White-Caribbean men have the largest differences in unemployment from the White British population.

Figure 9 shows the proportions of people who are employees for ethnic minority groups as a difference from the White British rate, while Figure 10 shows the same for self-employment. It is clear that the White Irish group's advantage over the White British group in terms of unemployment is due largely to the higher self-employment rates for the White Irish group. Women in this group have only a marginally higher employee rate than the White British group, while the male rate is lower. White Irish self-employment rates are higher than the White British for both men and women. The considerably lower proportions of White Gypsy/Irish Travellers who are employees is to some extent countered by their higher self-employment rates, yet, as shown in Figure 8, this ethnic group has very high relative unemployment rates. In addition to White Gypsy/Irish Traveller men and women, Arab women, Pakistani men and women, and Bangladeshi women have considerably lower employee rates than their White British equivalent.

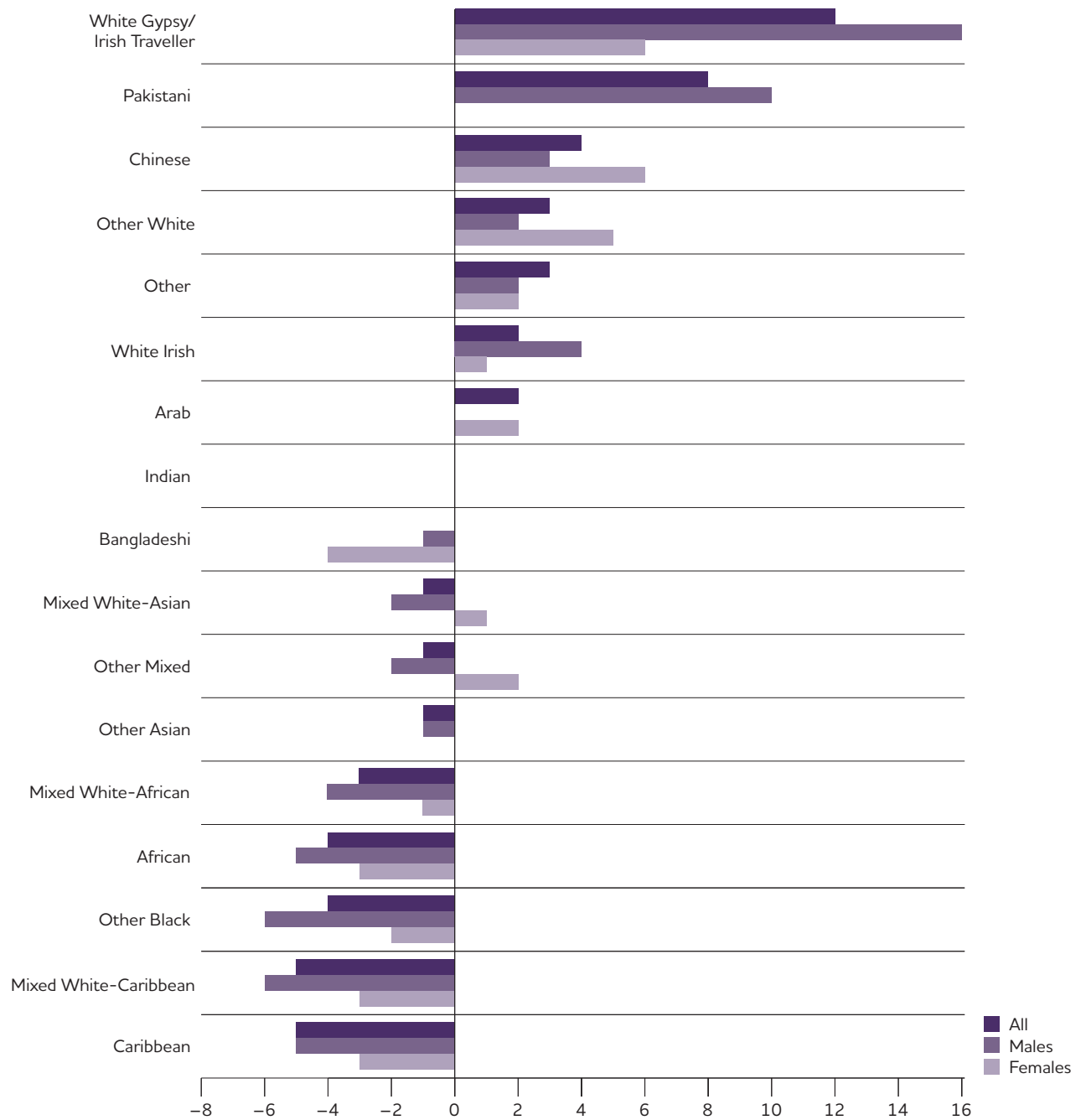
There is an ethnic minority disadvantage in the labour market, with minority groups having considerably higher rates of unemployment than the majority White British group.

Figure 9: All employees aged 16+, by gender; percentage point difference from White British for each ethnic minority group. England and Wales, 2011



Aside from White Irish women, the only ethnic groups to have higher proportions of people who are employees than the White British are men in the Indian, Other Asian and Other White groups, all with only a slight advantage over the White British group. However, there may be differences in the experiences of these employed individuals, in terms of their occupational position (explored later in this report), and ethnic differences in earnings (see Brynin and Longhi, 2015). Other groups which demonstrate small differences from the White British population, albeit with lower employee rates, are men in the Mixed White-Asian, Chinese and Other Mixed groups, and women in the Caribbean, Indian and Other Asian ethnic groups.

Figure 10: All self-employed aged 16+, by gender; percentage point difference from White British for each ethnic minority group. England and Wales, 2011



Differences between ethnic groups in rates of self-employment show a more mixed picture. Self-employment is considerably more common for White Gypsy/Irish Traveller men, when compared with men in the White British group. This is also the case for White Gypsy/Irish Traveller women, Pakistani men, and Chinese women. Self-employment rates are consistently lower than the White British group for both sexes in the ethnic groups Caribbean, Mixed White-Caribbean, Other Black, African, Mixed White-African, Other Asian and Bangladeshi. In particular, lower self-employment rates are found for Other Black and Mixed White-Caribbean men, and Bangladeshi and Caribbean women, when compared with their White British equivalent.

As discussed in the previous chapter, these ethnic differences in labour market participation do not statistically control for socio-economic and demographic characteristics of individuals, which may lower their chances of employment and increase their chance of being unemployed; these factors include, for example, education, age, having dependent children, and health.

Are unemployment rates equal across England and Wales?

This section explores in more depth ethnic differences in unemployment, by considering the *geography* of unemployment rates. Table 3 shows the top and bottom five local authorities for unemployment rates for four ethnic groups (Indian, Pakistani, Chinese and African) in 2011. Only four ethnic groups are shown as examples given space constraints, but the other groups can be found in Appendices 4 and 5. Unemployment rates are the proportion of that ethnic group aged 16 plus, out of everyone who is employed, self-employed and unemployed, excluding full-time students. For purposes of robustness, only areas with relatively high levels of an ethnic group are included; the proportion of each ethnic group (aged 16 plus) in England and Wales is calculated and only local authorities with a proportion at least as large as the 'national' proportion for that ethnic group are included in this rank. For example, local authorities with a population of less than 2.51 per cent Indian people aged 16 and above (see Table 3) are not included in the table for this group. Figure 11 shows a map of the unemployment rates for these four ethnic groups, for all local authorities. Rates of unemployment are given, along with the number of local authorities within each unemployment category, given in brackets. For example, for the Indian ethnic group, 136 local authorities had 5–10 per cent unemployed.

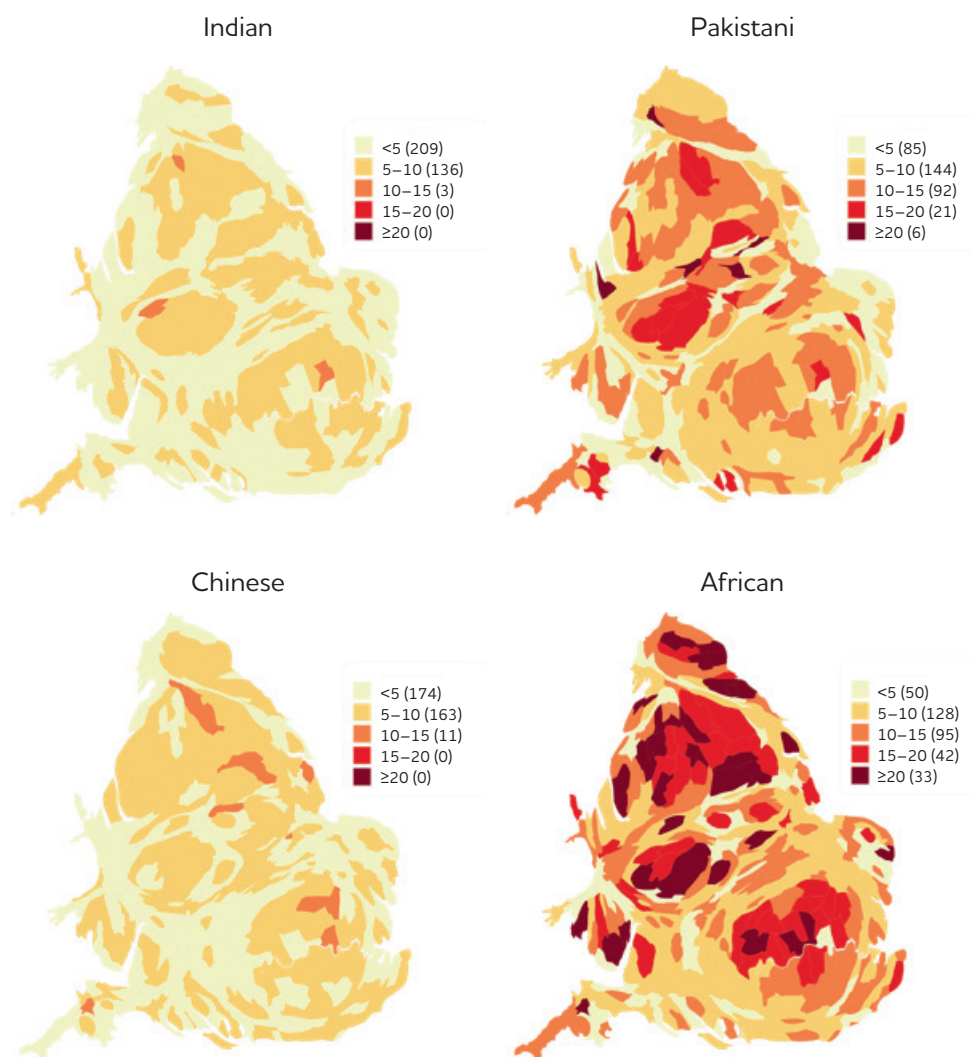
Several observations on the geography of unemployment can be made from Table 3. Firstly, it is very clear that unemployment is not experienced evenly between places. National level unemployment rates mask this huge variability in unemployment, and thus the differing experiences members of certain ethnic groups may have in specific locales. It is also notable that the range of high unemployment rates is very variable between ethnic groups. The highest unemployment rates for the African group were all above 20 per cent, with Birmingham's African unemployment rate at over 25 per cent. While the Indian and Chinese groups also experienced high unemployment rates in some places, these were considerably lower than for the African and Pakistani groups. Indeed, the lowest unemployment rates for the African ethnic group are not much lower than the highest unemployment rates for the Indian group. Given that each of the maps in Figure 11 use the same ranges for categories of unemployment, it is again clear that the variability in unemployment rates is great for the African and Pakistani groups' experiences, compared with Indian and Chinese. Concentrated pockets of unemployment are particularly notable for the African group in London and parts of the north of England, and in the north west for the Pakistani group. For the African group in particular, there are large percentages not in employment in most major urban areas, including in London and the north west. Compared with the African and Pakistani groups, unemployment is fairly evenly spread for the Indian and Chinese ethnic groups, with lower rates throughout England and Wales.

National level unemployment rates mask this huge variability in unemployment, and thus the differing experiences members of certain ethnic groups may have in specific locales.

Table 3: Top and bottom unemployment rates, by selected ethnic group (aged 16+). England and Wales, 2011

| Ethnic group | Top 5 unemployment rate for ethnic group | | | | Bottom 5 unemployment rate for ethnic group | | | |
|---|--|---------------------------------|-----------------|------------------------------|---|--|-----------------|------------------------------|
| | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) |
| Indian <i>16+ EW total = 2.51 per cent</i> | 1 Hackney | London | 2.94 | 11.03 | Cambridge | Greater Cambridge and Greater Peterborough | 2.76 | 4.16 |
| | 2 Wolverhampton | Black Country | 12.68 | 10.57 | Hertsmere | Hertfordshire | 3.72 | 4.05 |
| | 3 Sandwell | Black Country | 10.20 | 9.75 | Kingston upon Thames | London | 4.11 | 4.05 |
| | 4 Newham | London | 14.99 | 9.35 | South Bucks | Buckinghamshire Thames Valley | 6.81 | 3.96 |
| | 5 Birmingham | Greater Birmingham and Solihull | 6.34 | 9.30 | City of London | London | 3.05 | 3.23 |
| Pakistani <i>16+ EW total = 1.66 per cent</i> | 1 Birmingham | Greater Birmingham and Solihull | 11.23 | 18.17 | Aylesbury Vale | Buckinghamshire Thames Valley | 2.41 | 8.81 |
| | 2 Sandwell | Black Country | 3.56 | 18.08 | Oxford | Oxfordshire | 2.66 | 8.69 |
| | 3 Walsall | Black Country | 4.25 | 17.02 | Stockport | Greater Manchester | 2.05 | 8.56 |
| | 4 Dudley | Black Country | 2.56 | 16.63 | Trafford | Greater Manchester | 2.62 | 8.54 |
| | 5 Bradford | Leeds City Region | 16.92 | 15.49 | Watford | Hertfordshire | 5.76 | 8.47 |
| Chinese <i>16+ EW total = 0.75 per cent</i> | 1 Haringey | London | 1.58 | 10.13 | City of London | London | 3.75 | 3.39 |
| | 2 Waltham Forest | London | 1.08 | 10.08 | Warwick | Coventry and Warwickshire | 0.92 | 3.24 |
| | 3 Birmingham | Greater Birmingham and Solihull | 1.33 | 9.72 | Woking | Enterprise M3 | 0.91 | 2.73 |
| | 4 Hackney | London | 1.56 | 9.57 | Wokingham | Thames Valley Berkshire | 0.77 | 2.63 |
| | 5 Sheffield | Sheffield City Region | 1.50 | 9.33 | Newcastle-under-Lyme | Stoke-on-Trent and Staffordshire | 0.86 | 2.61 |
| African <i>16+ EW total = 1.52 per cent</i> | 1 Birmingham | Greater Birmingham and Solihull | 2.34 | 25.28 | Reading | Thames Valley Berkshire | 3.50 | 9.33 |
| | 2 Liverpool | Liverpool City Region | 1.60 | 23.09 | Medway | South East | 1.61 | 9.04 |
| | 3 Westminster | London | 3.47 | 21.73 | Hertsmere | Hertfordshire | 2.54 | 8.53 |
| | 4 Leicester | Leicester and Leicestershire | 3.18 | 21.52 | Welwyn Hatfield | Hertfordshire | 3.40 | 8.44 |
| | 5 Islington | London | 5.09 | 21.14 | Stevenage | Hertfordshire | 1.97 | 7.51 |

Figure 11: Unemployed aged 16+ (%), by selected ethnic group. Local Authorities in England and Wales, 2011



Maps for other ethnic groups in Appendix 5 show the uneven distribution of unemployment between ethnic groups. For example, the Caribbean group has notably higher unemployment in parts of London, Birmingham and the north east than in other areas. Some places including South Wales and Cornwall have few of this group, but high unemployment for those who live in these locales. London, Birmingham and parts of northern England have particularly high rates of unemployment for the Bangladeshi ethnic group. All White ethnic groups tend to have lower rates of unemployment and this is evenly spread; an exception is the White Gypsy/Irish Traveller group, with high unemployment throughout much of England and Wales.

Table 3 shows evidence that certain local authorities seem to be performing less well than others, in terms of unemployment. Birmingham features among the top five local authorities for unemployment for every ethnic group shown in Table 3 (Indian, Pakistani, Chinese and African) and many of the other ethnic groups shown in Appendix 5 (including Mixed White-Caribbean, Mixed White-Asian, Other Mixed, Other Asian, White Irish and Other). Several districts in the London LEP are among the top five local authorities for unemployment, for a number of ethnic groups. This raises key questions about what needs to be done to tackle unemployment in these places. While inner London districts feature in the top unemployment

rankings, outer London districts are commonly listed among those with lowest unemployment, for several ethnic groups (e.g. Caribbean). While there is some commonality between groups (particularly at the regional level), the *local* geography of ethnic unemployment is distinct; there is no clear consistency in which places do better or worse in employment between ethnic groups.

The relationship between ethnic group population size and labour market outcomes are explored in more depth in the following chapter, but it can be seen from Table 3 that there is a fairly complex story in this regard. While the African group in Liverpool is relatively small (albeit still above the England and Wales proportion), unemployment rates are high for this group in Liverpool. However, Islington has a high proportion of individuals in the African ethnic group and also high unemployment rates. A similarly mixed picture is shown for the Indian and Pakistani groups in Table 3. Exploring this in a little more depth, Table 4 shows the local authority with the highest proportion

Table 4: Unemployment rates for local authorities with highest proportion of own ethnic group (aged 16+). England and Wales, 2011

| Ethnic group | Local authority with highest ethnic group per cent pop. 16+ | Local Enterprise Partnership | Ethnic group pop. (per cent) | Ethnic group unemployment rate (per cent) | Ethnic group unemployment rank of 348 local authorities (highest to lowest) |
|---------------------------------|---|---|------------------------------|---|---|
| White British | Redcar and Cleveland | Tees Valley | 97.82 | 10.61 | 10 |
| White Irish | Brent | London | 4.60 | 5.96 | 100 |
| White Gypsy/ Irish Traveller | Swale | South East | 0.45 | 29.22 | 35 |
| Other White | Kensington and Chelsea | London | 29.19 | 4.35 | 216 |
| Mixed White-Caribbean | Nottingham | Derby, Derbyshire, Nottingham and Nottinghamshire | 2.80 | 27.08 | 4 |
| Mixed White-African | Lambeth | London | 1.02 | 15.03 | 87 |
| Mixed White-Asian | Kensington and Chelsea | London | 1.31 | 8.47 | 161 |
| Other Mixed | Lambeth | London | 1.86 | 9.73 | 154 |
| Indian | Leicester | Leicester and Leicestershire | 28.44 | 9.18 | 8 |
| Pakistani | Bradford | Leeds City Region | 16.92 | 15.49 | 22 |
| Bangladeshi | Tower Hamlets | London | 25.80 | 22.63 | 10 |
| Chinese | Cambridge | Greater Cambridge and Greater Peterborough | 3.85 | 4.40 | 228 |
| Other Asian | Harrow | London | 10.24 | 7.83 | 88 |
| African | Southwark | London | 14.74 | 15.30 | 73 |
| Caribbean | Lewisham | London | 11.22 | 13.21 | 78 |
| Other Black | Lambeth | London | 3.69 | 20.05 | 52 |
| Arab | Westminster | London | 6.24 | 14.34 | 84 |
| Any Other | Enfield | London | 4.47 | 12.47 | 68 |

of each ethnic group, and its corresponding unemployment rate for that group, plus its rank among all 348 local authorities in England and Wales. As with Table 3, unemployment rates are the proportion of that ethnic group (aged 16 plus) out of everyone who is employed, self-employed or unemployed (excluding full-time students). Taking the local authority with the largest percentage of each ethnic group, for four ethnic groups the corresponding unemployment rate is in the top ten for that group – Mixed White-Caribbean, Indian, Bangladeshi and White British. Once again, it is clear that the range of unemployment rates for ethnic groups is highly variable. While the local authority with the greatest proportion of Africans can be found in Southwark, 72 other local authorities have higher unemployment rates for this group.

4 OCCUPATIONAL INEQUALITIES BETWEEN ETHNIC GROUPS: THE NATIONAL PICTURE

This chapter explores ethnic differences in the types of jobs that working people occupy. It includes an analysis of how dominance in occupational sectors varies by ethnic group and gender. In doing so, it provides a picture of the level of occupational inequality of each ethnic minority group, in relation to the White British group. The chapter focuses on the picture for England and Wales in 2011, setting the context for geographical analysis of occupation in the following chapter.

The main findings from this chapter include:

- Of all ethnic groups, White British and ethnic minorities, the White Irish group fares best in terms of highly-skilled occupations. This group has the largest proportion in both management and professional occupations and the lowest proportion in elementary occupations. This could be because of their older than average age profile.
- In addition to the White Irish ethnic group, the Arab, Chinese, Indian, White British, Other and Mixed White-Asian ethnic groups each also have high proportions in managerial occupations; professional occupations are common for the Arab, Chinese and Indian groups.
- The group with the lowest proportion in managerial occupations is the African group. The White Gypsy/Irish Traveller ethnic group has by far the lowest proportion of its workforce in professional occupations.

- Elementary occupations (e.g. construction, cleaning, 'shelf-fillers') are least common for the White Irish as well as for the Chinese, Indian, Mixed White-Asian ethnic groups. The White Gypsy/Irish Traveller group has the largest share in elementary occupations, followed by the Other White group.
- Each 'intermediate skills' occupational type is dominated by a particular ethnic group, or groups:
 - Associate professional occupations (e.g. building and civil engineers, IT operations technicians, paramedics) are most common for the Mixed White-Asian and Other Mixed ethnic groups, while the Bangladeshi workforce has a very small proportion in this type of occupation.
 - Administrative and secretarial employment is common for the Caribbean ethnic group, with the lowest rates for the White Gypsy/Irish Traveller and Arab groups.
 - By far the greatest share of an ethnic group employed in skilled trades occupations (e.g. farmers, electrical and building trades) is White Gypsy/Irish Traveller, with the lowest rate for the African and Indian groups.
 - The African group has the largest share in personal service occupations (e.g. nursing auxiliaries and assistants), with the smallest for the Chinese ethnic group.
 - The Bangladeshi and Pakistani have the largest shares in sales and customer service occupations, with the smallest for the Other White ethnic group.
 - Process, plant and machine occupations (e.g. textile, plastics and metal-working-machine operatives) are by far the most common for the Pakistani group than any other ethnic group, while rates in this occupational type are very low for the Chinese ethnic group.
- There are some clear gender differences in types of occupation, which are consistent across all ethnic groups (albeit to different extents). For example, for every ethnic group, there are more women in administrative and secretarial occupations than men, and more men as process, plant and machine operatives than women.
- The distributions of ethnic minority groups across the major occupations are clearly unequal compared with the relatively 'even' distribution of the White British group, with significant differences *between* and *within* ethnic minority groups.
- The African, White Gypsy/Irish Traveller, Pakistani and Bangladeshi ethnic groups are the most unevenly spread across occupation types (i.e. they experience the highest occupational segregation compared with the White British), whereas the Other Black, Caribbean and Other groups are more evenly distributed across jobs.
- Some ethnic minority groups are over-represented ('segregated') into certain occupation types. Where these are low-skilled, this could be a reflection of a low level of qualifications, the (in)existence of social networks, as well as discrimination from other forms of employment or stereotyping into particular jobs. Over-representation in professional forms of employment might be interpreted as a story of success in the labour market, or concentration into managerial roles which are self-employed, in the face of exclusion from other opportunities for employment.
- The analysis of occupational segregation by gender indicates that men's occupational segregation was highest among the African and Pakistani groups and lowest among the White Irish and Other White groups. Women's occupational segregation was highest among the White Gypsy/

Irish Traveller and African groups, and lowest among the Caribbean and Other Black groups.

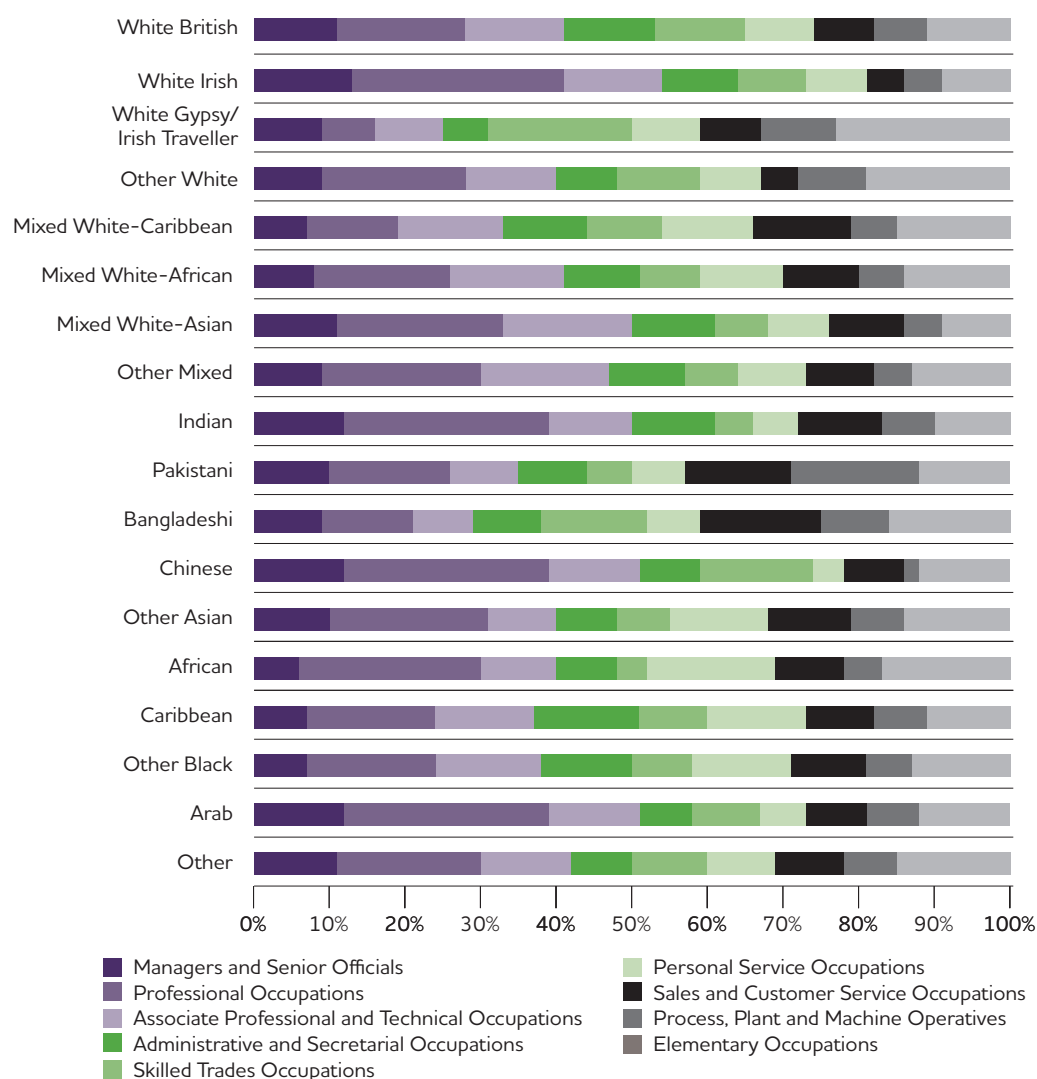
- Men from ethnic minority groups tend to be more occupationally segregated than women, although for some ethnic minority groups the reverse is the case. For example, African, Pakistani, Indian, Bangladeshi and Caribbean men are more concentrated in particular occupations than women, whereas White Gypsy/Irish Traveller, Chinese, White Irish and Other White women experience greater levels of occupational segregation than men.

Are there ethnic group differences in occupational sectors?

Figures 12 and 13 show the spread of occupational types for people aged 16 plus and in employment, for each ethnic group in 2011, for (i) the whole population and (ii) men and women. This is explored using the highest level (Major Groups) of the ONS Standard Occupational Classification (SOC), with nine occupational categories in total, as detailed in Chapter 1. Managers and senior officials and professional occupations can be understood as the two occupational categories that require the greatest skill levels. In contrast, elementary occupations require the least training and qualifications. As noted in Chapter 1, occupational types between these categories are not 'ranked', and so do not appear on a continuum of decreasing skills requirements. Differences in the characteristics of individuals not accounted for in this study may partly explain observed differences in occupational status (e.g. qualifications and age), although this is more likely to explain differences in unemployment than in-work experiences (Brynin and Longhi, 2015).

By examining Figure 12, it is clear that the White Irish ethnic group fairs best in terms of highly-skilled occupations. Of all ethnic groups, this group has the largest share in both management (13 per cent) and professional (28 per cent) occupations. In contrast, the White Irish have the lowest proportion in elementary occupations (8 per cent) of all ethnic groups. This could partly be explained by the older than average age profile of this ethnic group (Simpson, 2013), whereby individuals will have had more time to rise up the 'employment ranks'. The Arab, Chinese and Indian ethnic groups each have the next highest proportion in managerial occupations (12 per cent), followed by the White British, Other and Mixed White-Asian groups (11 per cent). The lowest proportion in this occupational category is for the African group, at just 6 per cent. In addition to the White Irish group, professional occupations are most common for the Arab, Chinese and Indian groups (each at 27 per cent). The White Gypsy/Irish Traveller ethnic group has by far the lowest proportion of its workforce in this category, at 7 per cent. While the White Irish group has the lowest proportion in elementary occupations (e.g. construction, cleaning, 'shelf-fillers') by some way, this occupational type is also less common for the Chinese, Indian, and Mixed White-Asian ethnic groups. The White Gypsy/Irish Traveller group has the largest share in elementary occupations (22 per cent), followed by the Other White (19 per cent).

Figure 12: Occupational types for all in employment and aged 16+, by ethnic group. England and Wales, 2011

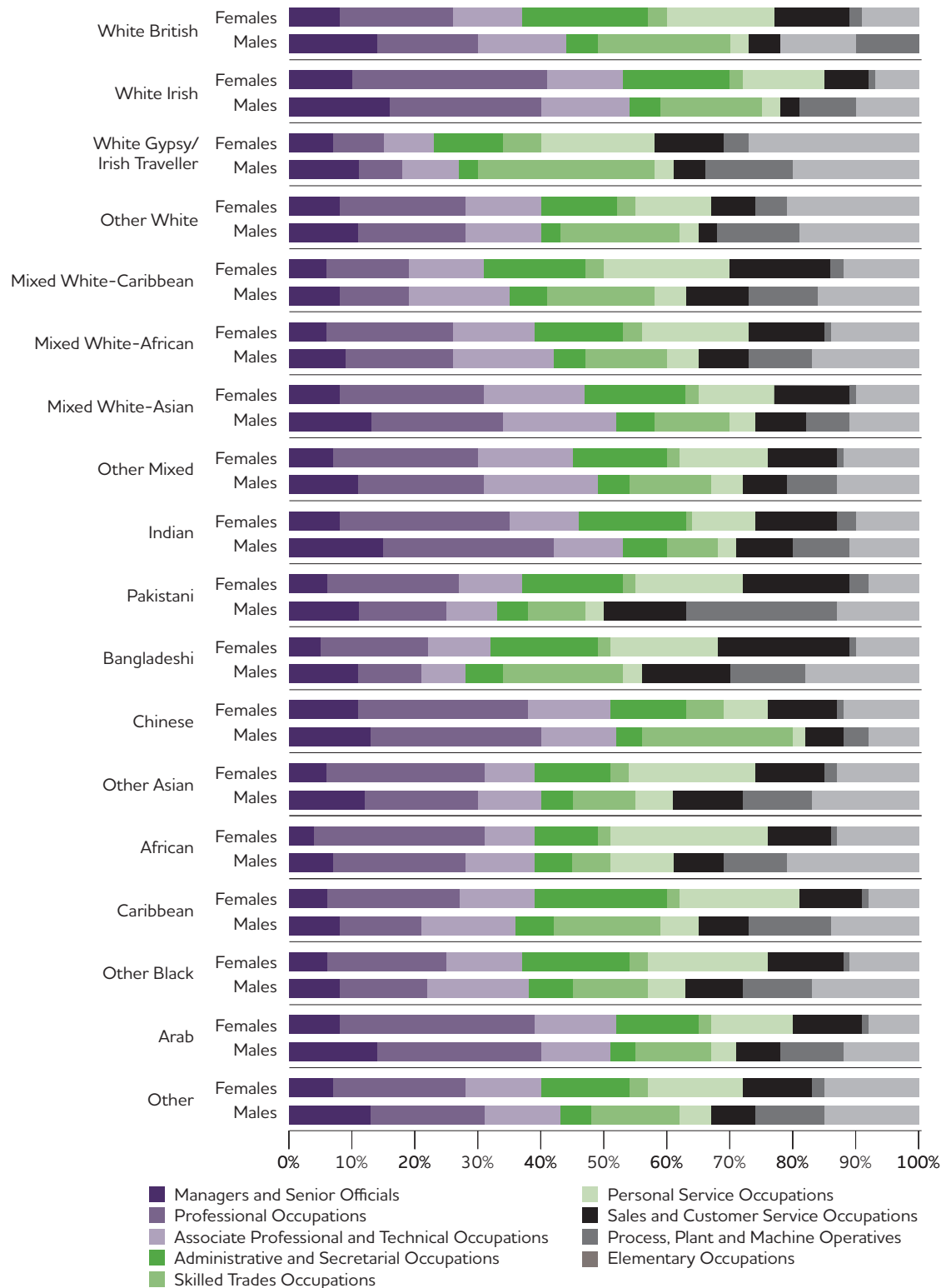


In terms of ‘intermediate’ occupations, each occupational type is dominated by a particular ethnic group, or groups. In the case of associate professional occupations (e.g. building and civil engineers, IT operations technicians, paramedics), these are the Mixed White-Asian and Other Mixed (17 per cent) ethnic groups, while the Bangladeshi workforce is just 8 per cent associate professional. Administrative and secretarial employment is common for the Caribbean ethnic group (14 per cent), with the lowest rates for the White Gypsy/Irish Traveller (6 per cent) and Arab (7 per cent) groups. By far the greatest share of an ethnic group employed in skilled trades occupations (e.g. farmers, electrical and building trades) is White Gypsy/Irish Traveller (19 per cent), with the lowest rate for the African (4 per cent) and Indian (5 per cent) groups. In contrast, the African group has the largest share in personal service occupations (e.g. nursing auxiliaries and assistants) (17 per cent), with the smallest for the Chinese ethnic group (4 per cent). The Bangladeshi (16 per cent) and Pakistani (14 per cent) ethnic groups have the largest shares in sales and customer service occupations, with the smallest for the Other White ethnic group. Process, plant and machine occupations (e.g. textile, plastics and metal-working-machine operatives) are by far most common for the Pakistani group than any other ethnic group (17 per cent), while rates

in this occupational type are very low for the Chinese ethnic group, at 2 per cent of the Chinese population's workforce.

Figure 13 shows the same occupation data, but for men and women separately. There are some clear gender differences in types of occupation, which are consistent across all ethnic groups. For example, as might be

Figure 13: Occupational types for all in employment and aged 16+, by ethnic group and gender. England and Wales, 2011



expected, skilled trades occupations are considerably more common for men than women, for every ethnic group. The difference in rates employed in this occupational type is greatest for the ethnic groups White Gypsy/Irish Traveller, White British, Chinese and Bangladeshi. Process, plant and machine operative occupations have the largest men–women divide for the Pakistani population, but for every ethnic group it is more common for men than women to be engaged in this type of work. Another occupation type which commonly separates men from women in terms of employment is personal service occupations. For every ethnic group, the rates of women in this type of occupation are higher than those of men; this is especially so for the African and White Gypsy/Irish Traveller ethnic groups. Administrative and secretarial occupations are most common for women in every ethnic group, and offer the biggest difference in male–female occupational rates for the White British and Caribbean ethnic groups. For the Caribbean group, the large difference in the proportions between men and women employed in this occupational type is equal to their differences in skilled trades occupations, for which there is a considerable male bias.

It is notable that for every ethnic group men are more likely to be in the most skilled occupations (managers and senior officials) than women, although the reverse is true for professional occupations (for which there is a nearly negligible difference in favour of men in the Indian and Chinese ethnic groups). This might suggest a barrier to progression to the very top occupations for women, across all ethnic groups, including White British. On the other hand, elementary occupations are more dominated by men than women in all ethnic groups except White Gypsy/Irish Traveller, Chinese and Other White. There are smaller differences between genders for sales and customer service occupations, with slightly higher rates for women than men; this is the case for all ethnic groups except Other Asian, with a marginally higher proportion of men in this form of employment. Associate professional and technical occupations offer a more mixed picture in terms of gender balance across ethnic groups. In short, gender bias towards some occupations seems to be common across all ethnic groups, albeit to differing extents.

It is notable that for every ethnic group men are more likely to be in the most skilled occupations (managers and senior officials) than women.

Occupational segregation by ethnic group in England and Wales, 2011

This section uses data for nine major occupational types, ranging from elementary to professional occupations, to consider: is each ethnic group found in each occupational type in equal proportions? Or is there a clustering ('occupational segregation') into some occupations for some groups? The analysis examines the *spread* of each ethnic minority group across occupations in England and Wales in 2011, compared with the White British, which acts as the reference group. For this purpose, we use the index of dissimilarity (*D* scores), which can be interpreted in terms of occupational inequality – the higher the index value the more dissimilar to the White British distribution, out of a possible range of 0 (complete evenness across occupational types) to 100 (complete unevenness).

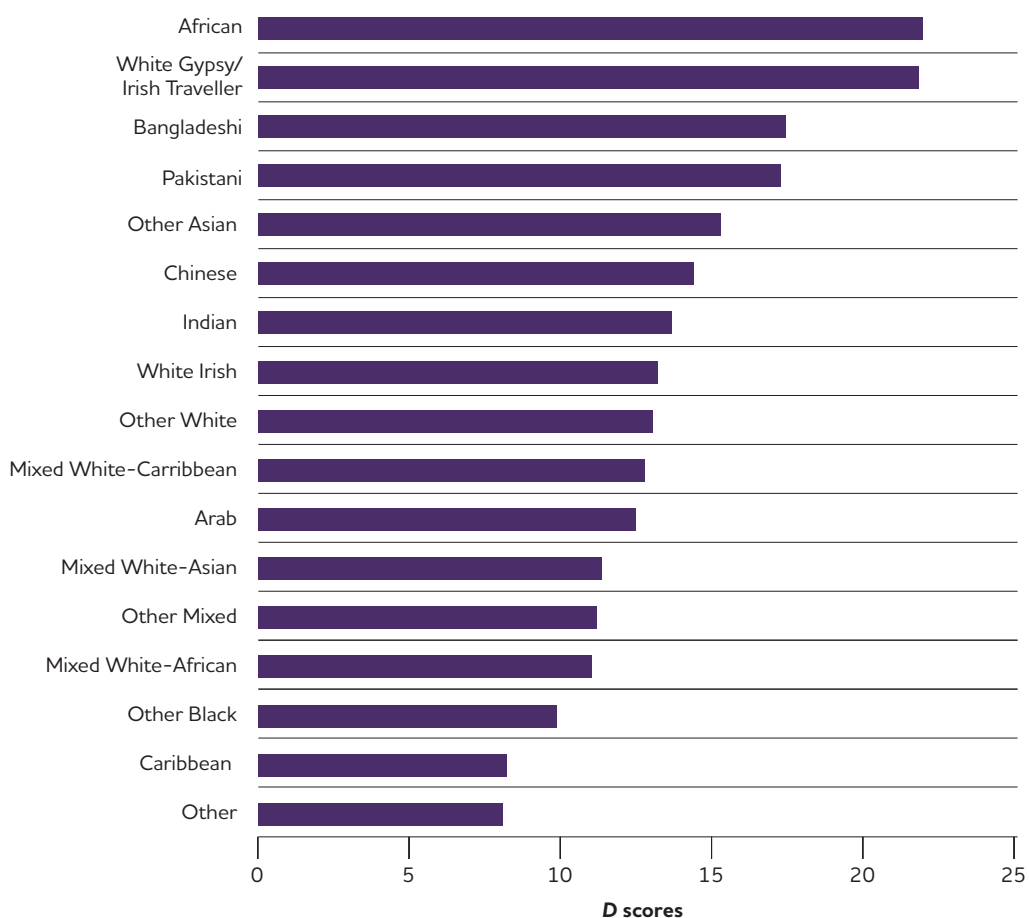
Employment disparities can result from occupational choice, limited access to job and social networks, and the persistence of workplace discrimination (Blackaby, *et al.*, 2002; Bourn, 2008). Prejudice or ignorance about ethnic background (Becker, 1971) and employers making generalisations on unknown productivity levels at the recruitment stage (Phelps, 1972) lead not only to lower pay for those in 'non-White' ethnic

groups, but also to job market segregation (Elliot and Lindley, 2008). Within this context, occupational segregation occurs when workers are excluded from certain jobs, and over-represented in others, because of their ethnicity or gender. Occupational segregation should be of concern to policy-makers because while some occupational patterns may be due to an individual's preferences (e.g. gender 'norms' influencing men's and women's preferences and behaviour), much occupational segregation tends to reflect barriers to entry to occupation, ranging from lack of information about alternative job options to discouragement and discrimination.

Figure 14 shows the index values of occupational segregation by ethnic group, in England and Wales in 2011. The results illustrate how the distributions of ethnic minority groups across the major occupations are clearly unequal compared with the relatively 'even' distribution of the White British group (see Figure 12), with significant differences *between* and *within* ethnic minority groups. For instance, in 2011, 22 per cent of the African group and the White Gypsy/Irish Traveller group would have to be in a different occupation for there to be complete ethnic equality in occupational distributions, a situation which differs only slightly from the Pakistani and Bangladeshi groups. As already noted in the previous sections, these groups are also among those with the highest rates of unemployment, thus highlighting the existence of ethnic inequalities in entry into the labour market and within work.

The distributions of ethnic minority groups across the major occupations are clearly unequal compared with the relatively 'even' distribution of the White British group.

Figure 14: Occupational segregation (D scores) by ethnic group in England and Wales, 2011



While the African, White Gypsy/Irish Traveller, Bangladeshi and Pakistani groups exhibit the greatest unevenness across occupations compared with the White British group, other ethnic minority groups display less unequal distributions. For example, the Other Black, Caribbean and Other groups show index values below 10, meaning that if roughly 10 per cent of the people employed from these groups were occupied in a different job type, the distribution across occupations would be the same as for the White British group. The lower *D* scores can be interpreted as greater occupational mix or progress towards occupational balance between ethnic minority groups and the White British group. In other words, low indices for the latter groups imply that these ethnic minority groups tend to work in the same (major) occupations as the White British group, while the relatively high values for the former groups suggest that they have different occupational careers compared with the majority group.

The results also illustrate how the majority of ethnic minority groups have segregation levels between 10 and 15, including long-established groups such as the White Irish (13), Indian (14) and Chinese (14) groups, and most of the Mixed groups. The picture for the Mixed groups with mid-range segregation values is somewhat surprising given that a significant number of people with Mixed ethnicity backgrounds are 'second generation' UK-born individuals and therefore might have been expected to be less occupationally segregated. Contrary to our expectations, the index values for the Mixed White-African (11), Other Mixed (11), Mixed White-Asian (11) and Mixed White-Caribbean (13) suggest that they are in a similar level of occupational segregation as the Arab (12) and Other White (13) ethnic groups. It might be that the Mixed groups' youthful age structures (Simpson, 2013) mean that progress along the career ladder is less advanced for these groups.

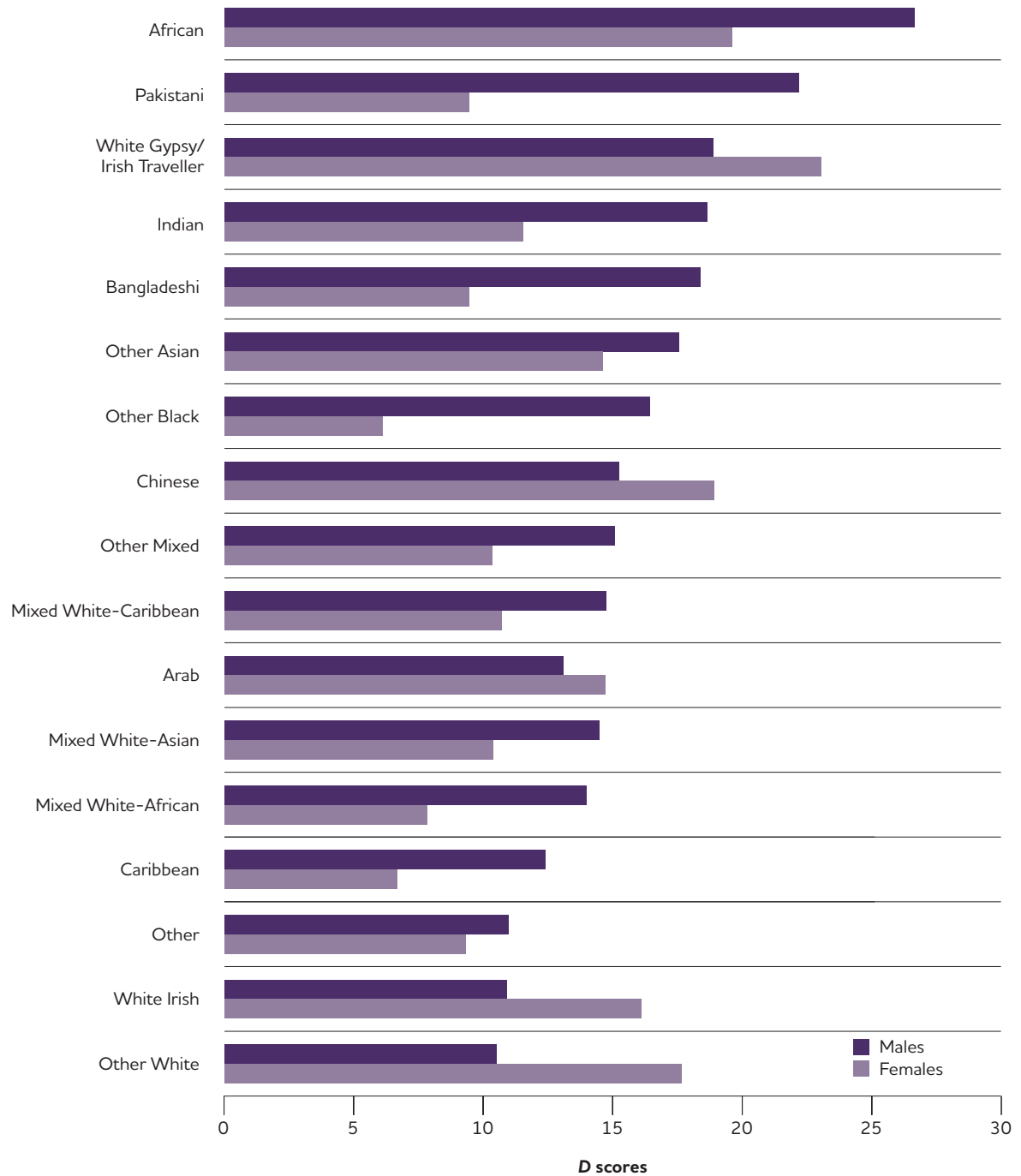
Are there gender differences in occupational segregation?

This section examines occupational segregation by ethnic group and gender in England and Wales in 2011, using the Index of Dissimilarity (*D* scores) separately for men and women for the nine occupational categories detailed earlier.

Figure 15 shows the index values of occupational segregation by ethnic group and gender in England and Wales in 2011. These index values indicate the degree of unevenness of men and women separately from each ethnic group across occupational categories, relative to their White British counterparts. The data in Figure 15 highlights that, in 2011, men's occupational segregation was highest among the African and Pakistani groups (with *D* scores of 27 and 22 respectively) and lowest among the White Irish (11) and Other White (10) groups. Meanwhile, women's occupational segregation was highest among the White Gypsy/Irish Traveller (23) and African (20) groups, and lowest among the Caribbean (7) and Other Black (6) groups. Although the ranking of groups' experiences in terms of occupational segregation remains largely unchanged, it suggests that the gender dimension is important to properly consider the labour market experiences for each ethnic group. While men from ethnic minority groups tend to be more occupationally segregated than women, in some ethnic minority groups the reverse is the case. For example, White Gypsy/Irish Traveller, Chinese, White Irish and Other White women experience greater levels of occupational segregation than men, with index values ranging from 16 for White Irish women to 23 for White Gypsy/Irish Traveller women.

The latter group is particularly disadvantaged within and outside the labour market, with very low rates of economic activity and very high rates of unemployment (see Chapter 3).

Figure 15: Occupational segregation (*D* scores) by ethnic group and gender in England and Wales, 2011



The results also show large differences in occupational segregation between men and women for some ethnic minority groups. For instance, while African men and women have high index values of dissimilarity in relation to their White British counterparts, the level of occupational segregation is clearly much higher among men (27) than women (20). Put simply, African men are slightly more likely to work in the same type of occupation than women.

There are also notable differences in terms of occupational segregation between men and women from South Asian groups (Pakistani, Bangladeshi and Indian), with men in these groups generally being more occupationally segregated than women. The contributions to these differing levels of occupational segregation will be different for different groups, a focus of the following chapter. As examples, it is noted in Chapter 3 that Pakistani men are over-represented in self-employment compared with White British men; some of the forms of this self-employment (e.g. in catering, retail and transport) are likely to contribute to their higher levels of occupational segregation. Indian men have been shown earlier in this chapter to have high levels in professional occupations; in this case, high levels of occupational segregation might represent an advantage over other groups, rather than segmentation into lower-skilled occupations. Due to data limitations, this analysis also obscures the picture of ethnic differences that may exist *within* occupational types, such as, for example, earnings.

If deindustrialisation can be considered the main driver of changes in occupational sex and ethnic segregation for these groups, with men and women replacing manual and manufacturing for service occupations, a new phase of job polarisation in high- and low-status jobs can be considered as one of the main factors explaining recent trends and differences in the occupational structure of both men and women. Job polarisation is largely the result of technological progress which results in the decline of 'routine middling jobs', with an increasing number of people being employed at the extremes, and far fewer in the middle of the occupational skills spectrum. Of course, gender differences in skills, qualifications and choice, as well as labour market imperfections such as discrimination, all contribute to different degrees to the levels of occupational segregation shown in Figure 15. It is important to note that although 'female-dominated' or 'male-dominated' occupations are sometimes seen as protective from gender competition, they can potentially limit labour market choices. Thus, high occupational segregation can also be particularly detrimental for those groups that are systematically concentrated in certain occupations, such as women in lower-paid jobs (e.g. caring, catering, cleaning, clerical, cashiering). Within this context, the persistence of high occupational segregation is likely to reinforce stereotypes and, at the same time, become a source of labour market rigidity and economic inefficiency (Anker, 1998).

Gender differences in skills, qualifications and choice, as well as labour market imperfections such as discrimination, all contribute to different degrees to the levels of occupational segregation.

5 GEOGRAPHICAL DISPARITIES IN OCCUPATIONAL SECTORS: ARE SOME PLACES LESS EQUAL THAN OTHERS?

This chapter explores occupational segregation by ethnic group and gender using subnational areas in 2011, for all people in employment aged 16 and over. It provides two sets of evidence; first, it examines geographical differences in occupational segregation across Local Enterprise Partnerships (LEPs) in England for each ethnic minority group compared with the White British group; second, it analyses over- and under-representations of ethnic minority groups within high-, mid- and low-skilled occupations in each LEP, relative to their national average in England. In doing so, the chapter highlights how spatial characteristics are among the main factors explaining economic and social outcomes, particularly in ethnic inequality across occupations.

The main findings from this chapter include:

- Occupational segregation is generally greater at the subnational (LEP) level than nationally for each ethnic minority group. For instance, while the level of segregation for the Pakistani group is 24 at the national level, this group experiences greater segregation in 16 LEPs (between 24.5 in the Marches and 40 in Cornwall). Similarly, occupational segregation for the African group is 28 nationally, although this group has higher levels of segregation in 17 LEPs (between 28.5 in Derby-Nottingham and 38 in the Black Country).
- There are more LEPs with higher occupational segregation for men than women. For example, out of a total 39 LEPs in England, segregation is higher among men than women in 37 LEPs for the Pakistani group, in 34 LEPs for the Indian group, and in 24 LEPs for the African group. There are, however, some exceptions: segregation is higher among women than men in 33 LEPs for the White Irish group, in 28 LEPs for the White Gypsy/Irish Traveller or Other White groups, and in 27 LEPs for the Chinese group.
- The analysis of occupational segregation at subnational level illustrates, however, that LEPs with the most unequal occupational distributions for men are also LEPs where women experience high occupational segregation. This spatial overlap between men and women is clearly visible among the African ethnic group, with index values between 20 and 30 for 21 LEPs, or with *D* scores equal or greater than 30 for 18 (men) and 17 (women) LEPs in total.
- Areas with the largest populations of each selected ethnic minority group (with the exception of the African group) tend to experience lower levels of occupational segregation than the areas with the smallest concentrations. For instance, the level of segregation for the Indian group is 10 in London (where 39 per cent of the group lives) and 14 in Leicester and Leicestershire (7.5 per cent of the group); for the Pakistani group it is 18 in London (22.5 per cent) and 20 in the Leeds City Region (15 per cent); and for the Chinese group is 10 in London (36 per cent) and 18 in Greater Manchester (6 per cent).
- In large cosmopolitan areas, such as London's LEP, with their diverse range of job types, two different forms of relative concentration within occupational types are observed:
 - over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. White Irish, White Gypsy/Irish Traveller, Other White, Mixed groups, Indian, Pakistani, Bangladeshi, Chinese, Other Asian, Other Black); and
 - under-representation within high-skilled and low-skilled occupations (e.g. African, Caribbean and Arab).
- In those LEPs where the population size of each ethnic minority group is small (typically in areas other than London), three different patterns of relative concentration within occupational types are usually found:
 - over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. Indian, Pakistani, African, Other Black);
 - over-representation within low-skilled occupations and under-representation within high-skilled occupations (e.g. White Irish, Other White, Mixed groups, Chinese, Other Asian); and
 - over-representation within high-skilled and low-skilled occupations (e.g. White Gypsy/Irish Traveller, Bangladeshi, Caribbean and Arab).

- An over-representation within high-skilled occupations might be interpreted in terms of career success and entry into high-paying occupations. However, particularly in areas where ethnic minority groups make up a small part of the population, this may reflect the existence of obstacles in the labour market, such as discrimination, which forces some groups to enter specific occupations such as self-employment in higher-skilled (yet possibly insecure) employment.
- This over-representation within high-skilled occupations (e.g. for the Indian and Pakistani groups) which, in principle, implies access to the professional end of the occupational spectrum, is therefore not necessarily associated with career success (e.g. broadly, the Indian group is doing better in terms of high value-added activities, whereas the Pakistani group is faring much worse).
- In all areas, intermediate or mid-skilled occupations are commonly under-represented among ethnic minority groups. Although education operates as a force to reduce social class differences, the prevailing social and institutional disadvantages seem to make entry into mid-skilled occupations even more difficult than to high-skilled or professional ones, for people in ethnic minority groups.

Occupational segregation by ethnic group and gender across LEPs in England, 2011

This section examines occupational segregation by ethnic group and gender in each LEP in England using the dissimilarity index for individuals in employment aged 16 and over. While there has been much evidence produced at the national level on ethnic inequalities, analysis at the regional and local level has been limited (Finney, *et al.*, 2008; 2014). This analysis provides a broad overview of levels of occupational segregation of each ethnic group in the labour market in 2011, at LEP level. This is the first time that analyses of ethnic inequalities of occupational segregation are given using the geography of LEPs in England. This allows economic areas with particularly acute inequality to be identified, so that appropriate interventions can be implemented. Although this is not currently a particular priority for LEPs, they are likely to maximise their value if they respond to local economic priorities while tackling inequality. The latter is also expected to be relevant in the context of key European funding for economic development, as LEPs will receive and administer EU Structural and Investment Funds (EUSIF) during the period 2014–2020.

Given data limitations, the analyses cannot take account of the socio-economic or demographic characteristics of people, which might affect levels of concentration across occupational types.

Figure 16 shows the index values of occupational segregation for selected ethnic groups (Indian, Pakistani, Chinese and African) and gender, across LEPs in England in 2011. The equivalent information for other ethnic groups in 2011 is provided in Appendix 6. As would be expected, occupational segregation is generally greater at subnational (LEP) level than nationally, for each ethnic minority group. For instance, while the level of segregation for the Pakistani group is 24 at the national level, the same group experiences greater segregation in 16 LEPs (between 24.5 in the Marches and 40 in Cornwall). Similarly, occupational segregation for the African group is 28 nationally, although the same group experiences higher levels of segregation in 17 LEPs (between 28.5 in Derby-Nottingham and 38 in the Black Country). In other words, higher values at subnational

Occupational segregation is generally greater at subnational (LEP) level than nationally, for each ethnic minority group.

level reflect greater group segregation. These results clearly suggest that geography is a significant factor in explaining occupational patterns when considering ethnic inequalities within work.

In-line with the national-level results, evidence from the LEP analysis shows that there are generally more places with higher occupational segregation for men than women. For instance, segregation is higher among men than women in 37 LEPs for the Pakistani group, in 34 LEPs for the Indian group, or in 24 LEPs for the African group, out of a total 39 LEPs in England. There are, however, some exceptions: segregation is higher among women than men in 33 LEPs for the White Irish group, in 28 LEPs for the White Gypsy/Irish Traveller or Other White groups, and in 27 LEPs for the Chinese group. Moreover, the analysis of occupational segregation at LEP level illustrates that places with the most unequal occupational distributions for men are also places where women experience high occupational segregation. This spatial overlap between men and women is clearly visible among the African ethnic group, with index values between 20 and 30 for 21 LEPs, or with *D* scores equal or greater than 30 for 18 (men) and 17 (women) LEPs in total. However, there are also extreme geographical disparities between men and women. For instance, while Pakistani men display the highest levels of segregation in 13 LEPs, Pakistani women have the highest values of dissimilarity only in 3 LEPs in total.

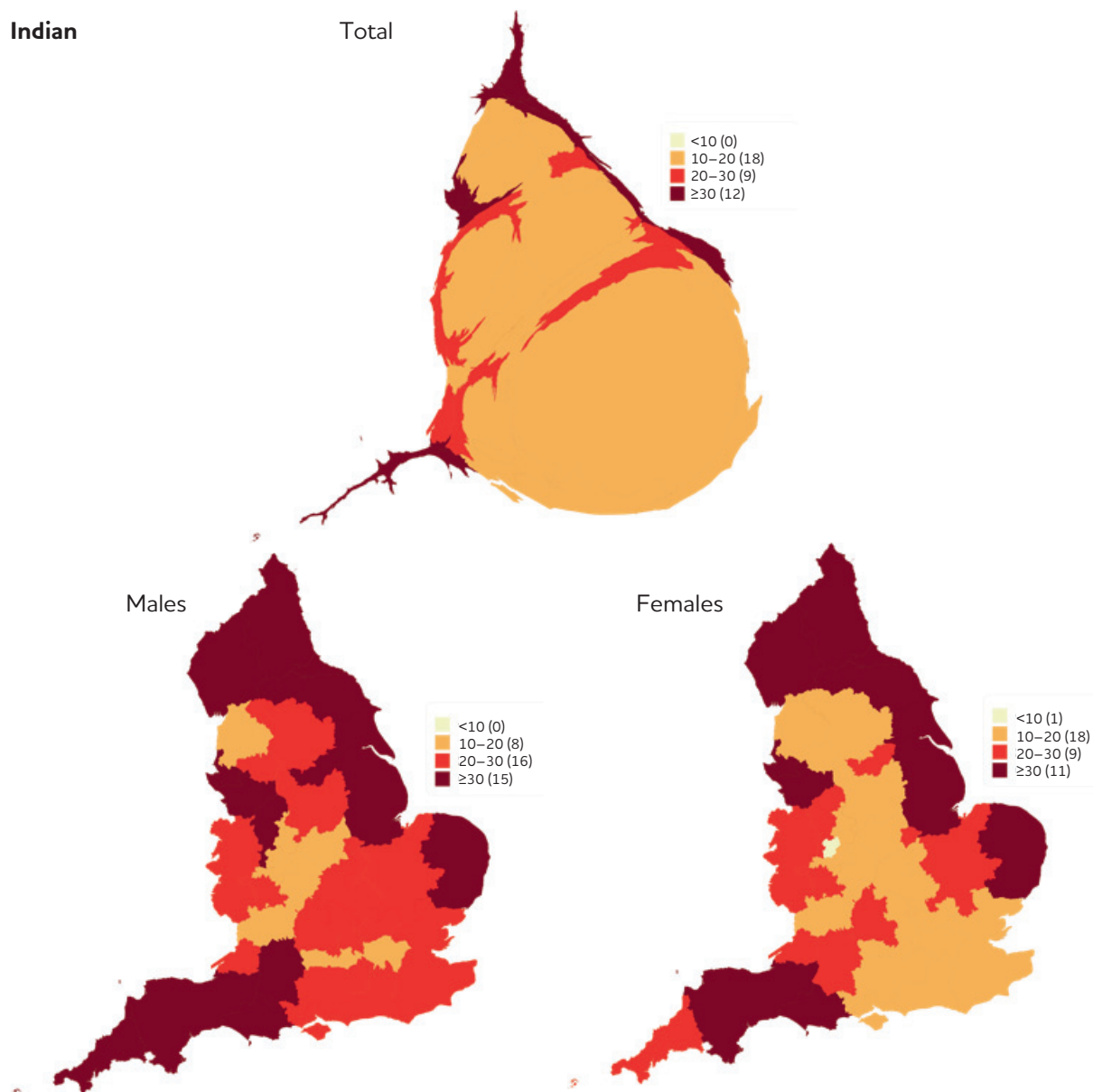
The use of cartograms (see Chapter 1) allows us to visualise levels of occupational segregation in LEPs according to each ethnic group's population size. The results suggest that the areas with the largest concentrations of each selected ethnic minority group tend to experience lower levels of occupational segregation than the areas with the smallest concentrations. For instance, the level of segregation for the Indian group is 10 in London (where 39 per cent of the group lives) and 14 in Leicester and Leicestershire (7.5 per cent of the group); for the Pakistani group it is 18 in London (22.5 per cent) and 20 in Leeds City Region (15 per cent); and for the Chinese group it is 10 in London (36 per cent) and 18 in Greater Manchester (6 per cent). The exception is the African group, which has high levels of occupational segregation in all LEPs, including in London (54 per cent) and the South East (4.8 per cent). LEPs with the greatest occupational inequality for the selected South Asian groups (Indian and Pakistani) are also spread across the country; the LEPs with highest segregation are concentrated in the Humber, Cumbria, York and North Yorkshire, New Anglia, and Cheshire and Warrington for the Indian group (all with index values greater than 35), and in Cornwall, the Isles of Scilly, Cumbria, Worcestershire, Heart of the South West and Buckingham Thames Valley for the Pakistani group (all with index values greater than 30). The 5 LEPs with the largest values of occupational segregation for the Chinese groups also include some of the above-mentioned LEPs such as Cumbria, Humber, Cornwall or Isles of Scilly, but also Tees Valley and Greater Lincolnshire (all with index values greater than 20).

Therefore, LEPs which have sizeable South Asian (Indian and Pakistani) and Chinese populations rank among those with greatest occupational equality for that group. This could suggest that concentrations of ethnic minority groups may have a protective effect for the group, potentially developing self-sustaining economic environments which lead to group economic success via that route. Therefore, people in these groups may gain opportunities with ethnic minority employers that they lack with White employers. This appears to be visible not only in the case of London but also elsewhere – for example, high Pakistani concentrations in the midlands and the north, which seem to have influenced employment outcomes too.

Of course, the relatively high levels of occupational segregation in some areas of large concentrations of certain ethnic groups suggest that ethnic

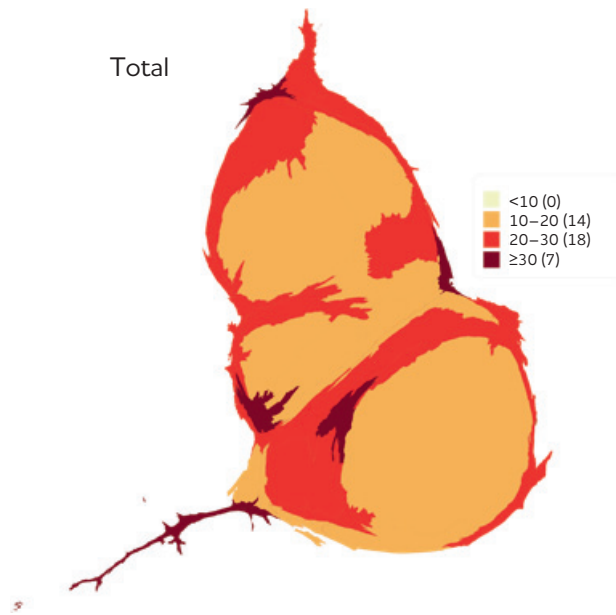
inequalities in the labour market also exist in these areas, albeit to a lesser degree. This may be common in settlement areas where members of that group are born outside the UK and are fairly new arrivals. There are two interpretations of the relatively high levels of occupational segregation in areas with large populations of own-group ('co-ethnic') concentrations. On the one hand, they might be the result of labour market obstacles, including discrimination, which forces some ethnic minority groups more than others to enter specific occupations (*push* factors). On the other hand, they might also be a consequence of self-sustaining environments that the same ethnic minority group concentrations provide. The latter is known to provide a critical mass of demand and specific services that people are able to utilise, and thus facilitate positive labour market experiences through existing social networks and within specific occupations (*pull* factors). It is widely acknowledged that the resources available locally through networks of kith and kin and from community-led organisations can help counter the social and economic exclusion that ethnic minority groups face.

Figure 16: Occupational segregation (*D* scores) for selected ethnic groups and gender across LEPs in England, 2011

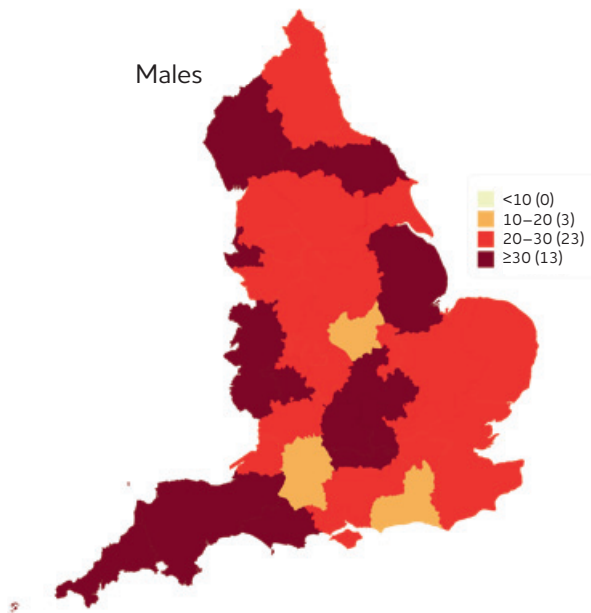


Pakistani

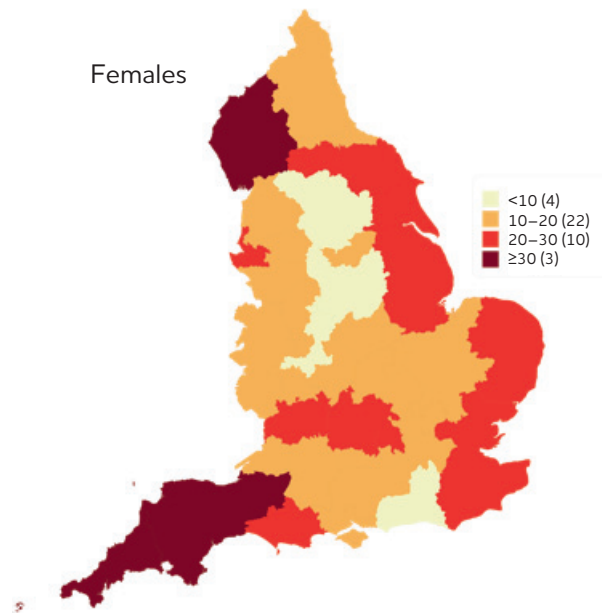
Total



Males

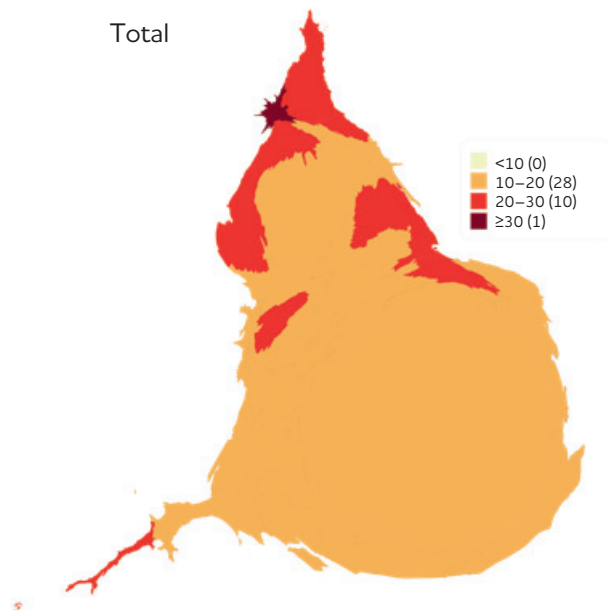


Females

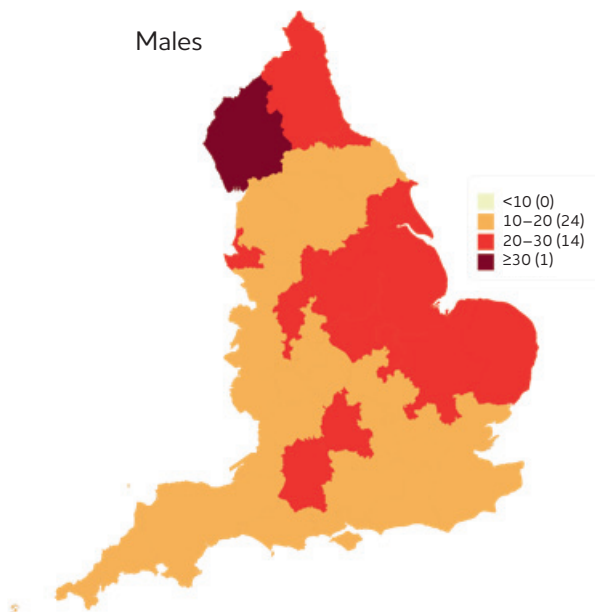


Chinese

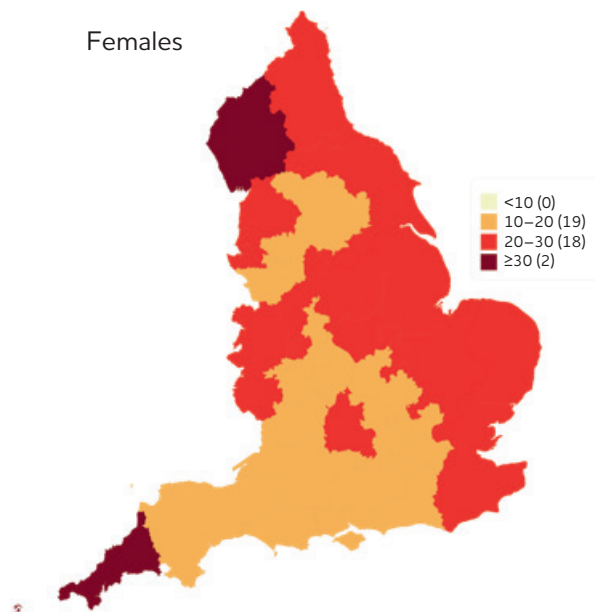
Total



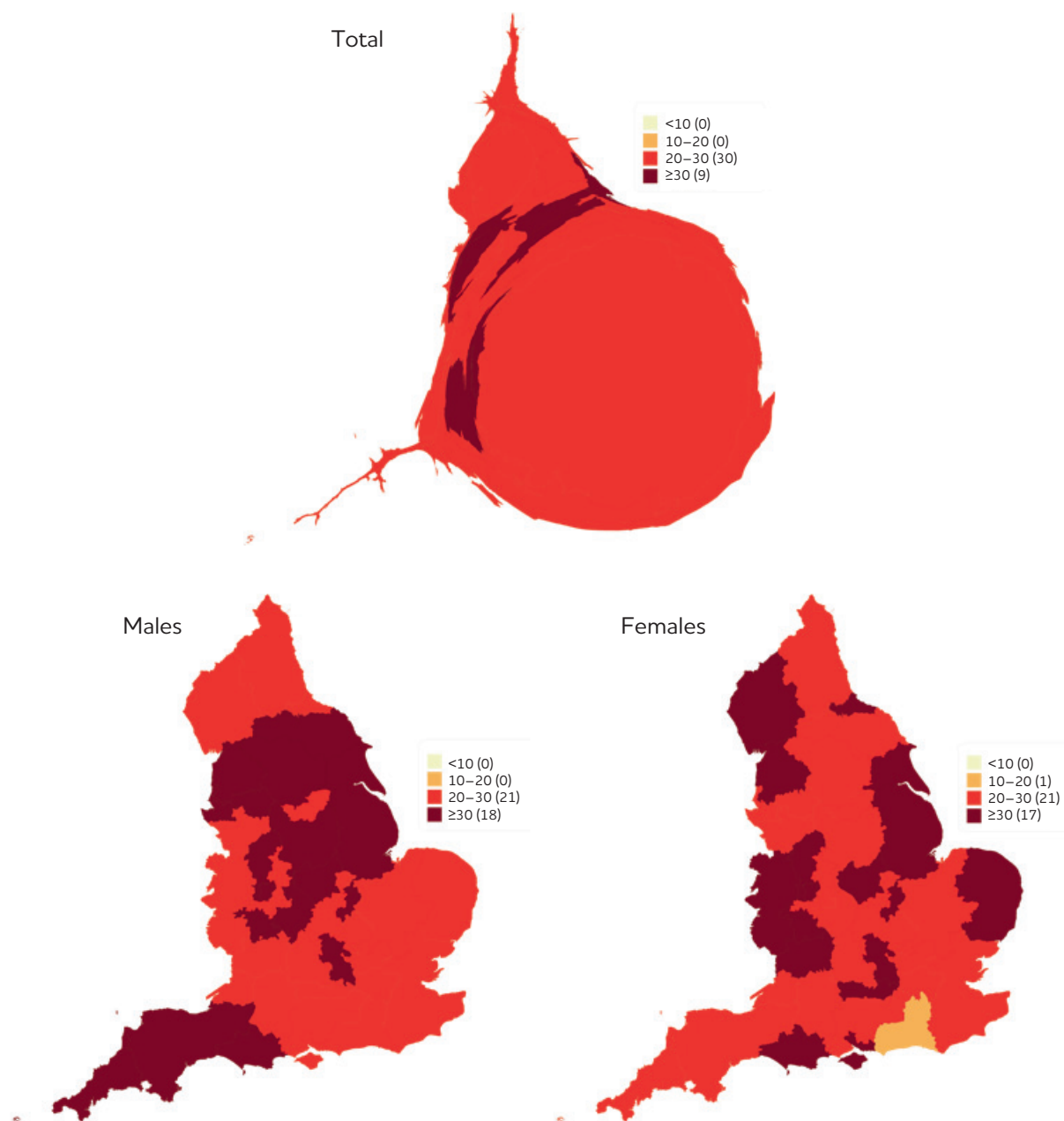
Males



Females



African



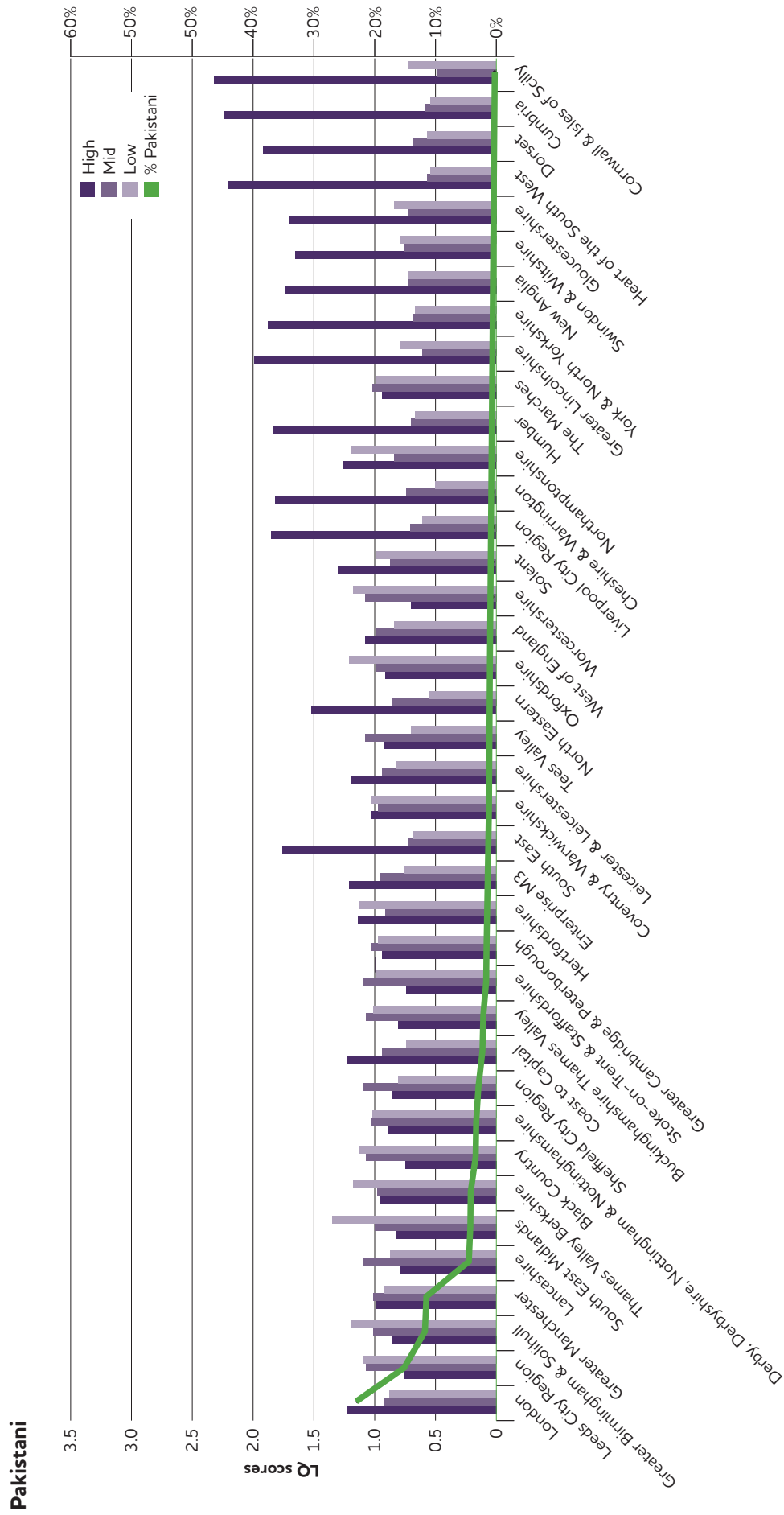
The relative concentrations within occupational categories by ethnic group in LEPs in England, 2011

For the following analyses, the two professional occupations are merged to provide a picture of ‘highly-skilled’ occupations, while elementary occupations are classed as ‘low-skilled’, and the rest as ‘intermediate’ (see Chapter 1). Every group has a higher proportion in intermediate occupations given that this category is so much larger, but the purpose of this analysis is to concentrate on the two ‘extremes’ of skills levels. Who is doing best in terms of the ‘top’ professions? Who is faring worst and has a larger share in low-skilled occupations? This section explores the relative concentrations within these aggregated occupational categories (high-, intermediate- and low-skilled) by ethnic group in each LEP, relative to the national average in England in 2011. For this purpose, location quotients (LQs) are used with

data for individuals in employment aged 16 and over. The use of LQs is a way of quantifying how occupationally concentrated a particular ethnic minority group is in an LEP as compared with the whole of England. In terms of interpretation, if the LQ is 1, this means that the concentration of the ethnic minority group within a given occupation in the LEP is exactly the same as is found in England as a whole. A LQ of greater than 1 indicates an over-representation, and a LQ of less than 1 indicates an under-representation.

Figure 17 shows the LQs for the aggregate occupational categories, selected ethnic groups and their population size in LEPs in 2011. The LQ results indicate that, on the one hand, in large cosmopolitan cities, such as London, with their range of diverse jobs, over- or under-representations within the aggregate occupations, particularly intermediate- and low-skilled, tend to be lower. Since ethnic minority groups are disproportionately concentrated in London, it may also mean that the relative size of ethnic groups is an important factor. On the other hand, in LEPs where minority groups still represent a small population, ethnic employment growth seems to occur with an expansion at the top of the occupational ladder. This over-representation within high-skilled occupations (e.g. Indian and Pakistani groups) which, in principle, implies access to the professional end of the occupational spectrum, is not necessarily associated with career success (e.g. broadly, the Indian group is doing better in terms of high-value-added activities, whereas the Pakistani group is faring much worse). Instead, obstacles in the labour market such as discrimination may force some groups to enter specific occupations. For example, the Pakistani group appears to be more likely than the Indian group to be self-employed (see Chapter 3), possibly due to exclusion from other forms of employment. While some of these jobs may be high-skilled roles (e.g. managerial), they may be relatively low-paid or insecure positions. As might be expected, these ethnic occupational differences appear to translate into a polarisation of jobs in the UK (Goos and Manning, 2003). The latter could be suggested in Figure 17 by the under-representations of employed people in intermediate- and low-skilled occupations, in conjunction with over-representations in high-skilled occupations, particularly with respect to Pakistani and Indian groups.

A different picture in Figure 17 is shown by the under-representations of employed people in high-skilled occupations and the over-representations in intermediate- and low-skilled occupations (e.g. in the case of the Chinese group). The latter is also visible in the other selected minority groups, primarily in LEPs that have experienced greater difficulties in developing a sufficient number of high-quality service sector jobs in order to compensate for the decline of manufacturing jobs. This includes regions such as South East Midlands, Coventry and Warwickshire, Greater Manchester, Leeds City Region, and Greater Birmingham and Solihull. This result is likely to reflect the fact that members of some ethnic minority groups cannot find sufficient employment in those areas where they are most concentrated (e.g. in inner cities). Within this context, Berthoud (2000) highlights how recent economic changes in predominantly urban areas are likely to have impacted negatively on ethnic minority groups and resulted in skill demands which these groups are less able to fill. As a result, one can speculate that individuals in some ethnic minority groups might end up being trapped in less attractive jobs, with few chances of future upward promotions to skilled jobs, particularly if the labour market is clearly segmented.



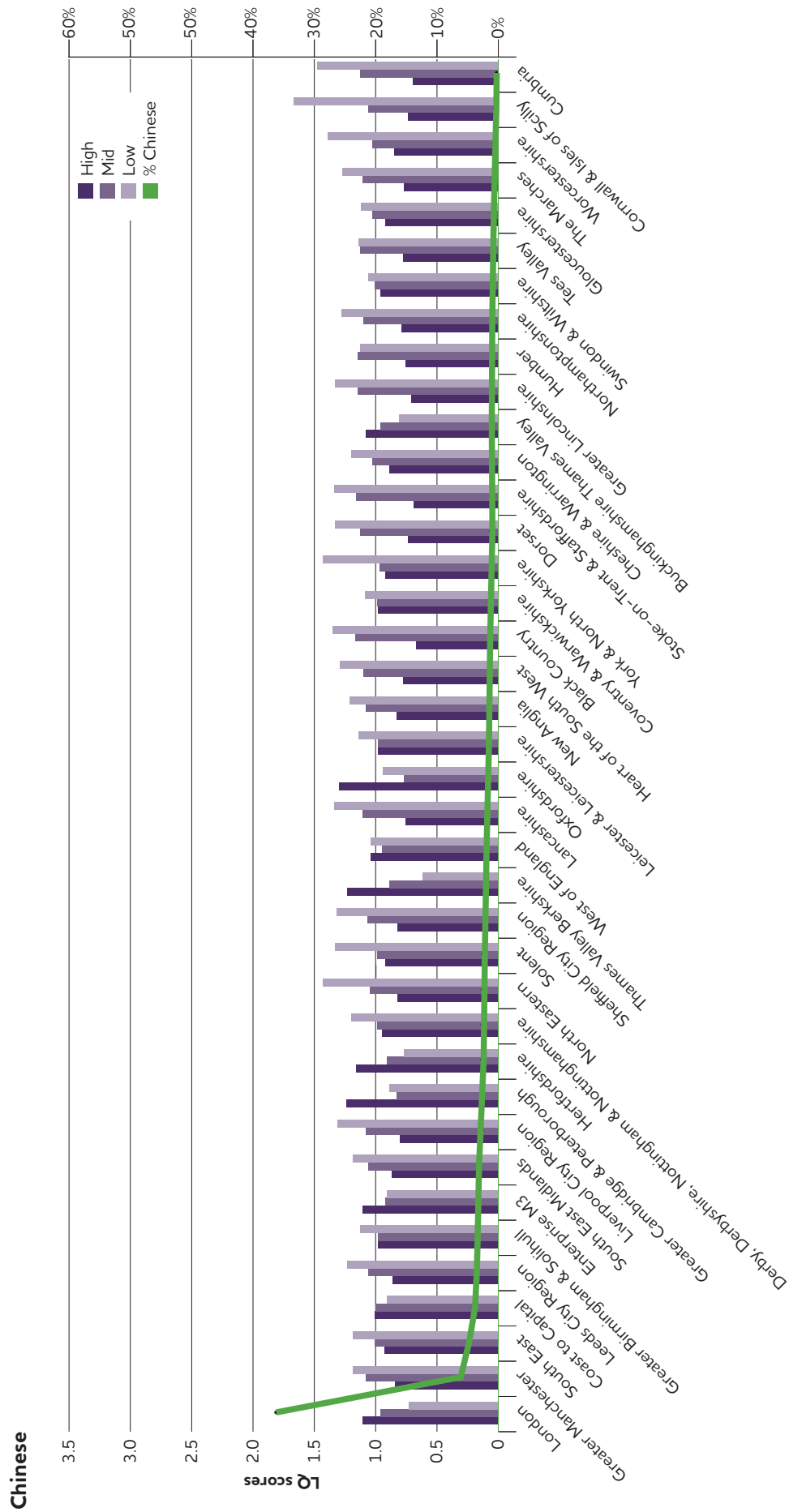


Figure 18 shows the relationship between occupational segregation and the relative concentration within occupational categories (high-, mid- and low-skilled) for selected ethnic groups in LEPs in 2011 (see Appendix 6 for all groups and summary tables). Both the dissimilarity index and location quotients are used together for all individuals in employment aged 16 and over. The results from Figure 18 clearly illustrate that, on the one hand, in large cosmopolitan areas, such as London's LEP, with their diverse range of job types, two different forms of relative concentration within occupational types can be observed: over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. White Irish, White Gypsy/Irish Traveller, Other White, Mixed groups, Indian, Pakistani, Bangladeshi, Chinese, Other Asian, Other Black); and under-representation within high-skilled and low-skilled occupations (e.g. African, Caribbean and Arab). On the other hand, in those LEPs where the population size of each ethnic minority group is small (typically in areas other than London), three different patterns of relative concentration within occupational types can be found: over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. Indian, Pakistani, African, Other Black); over-representation within low-skilled occupations and under-representation within high-skilled occupations (e.g. White Irish, Other White, Mixed groups, Chinese, Other Asian); and over-representation within high-skilled and low-skilled occupations (e.g. White Gypsy/Irish Traveller, Bangladeshi, Caribbean and Arab). These patterns contribute to the different occupational segregation levels, ranging from moderate (e.g. Chinese) to high (e.g. African).

One of the most distinctive patterns which is found both in cosmopolitan areas and elsewhere – over-representation within high-skilled occupations and under-representation within low-skilled occupations – can be largely associated with self-employment, an important form of economic activity for ethnic minority men in the UK (Chapters 2 and 3, and Clark and Drinkwater, 2007). The results suggest, however, that there are significant differences between South Asian groups depending on the context. For instance, while some groups (mostly Pakistani) work in predominantly White areas such as Humber or Cumbria, most likely in employment in catering or in low-order retailing, others work in more dense urban environments such as London (mostly Indian) or Coast to Capital (mostly Pakistani), providing high-order services to a wider area (Barret, *et al.*, 2010). Therefore, although an over-representation within high-skilled occupations can be interpreted in terms of career success and entry into high-paying occupations, in areas where ethnic minority groups make up a small part of the population, this may reflect the existence of obstacles in the labour market, such as discrimination, which forces some groups to enter specific occupations such as self-employment in higher-skilled (yet possibly insecure) employment.

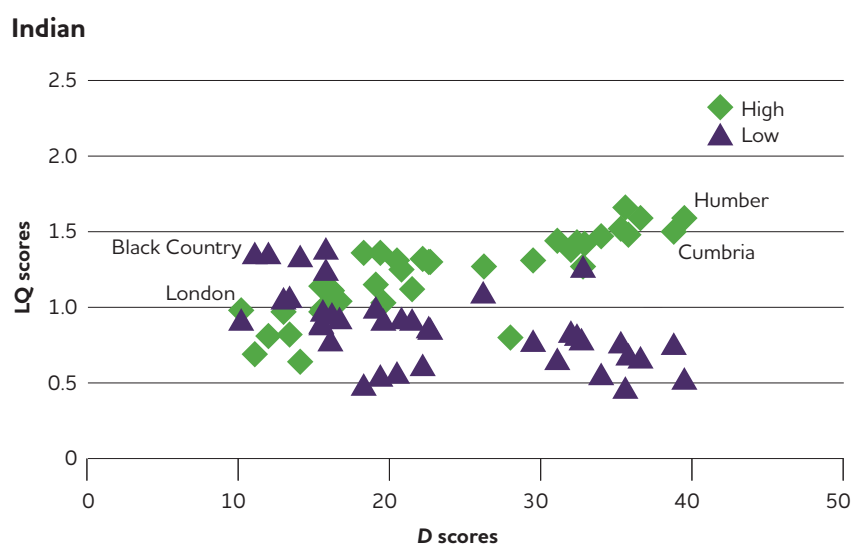
Figure 18 also illustrates how intermediate- or mid-skilled occupations are generally under-represented for each of the selected ethnic minority groups, with the exception of the Chinese. These results suggest a less straightforward relationship with 'middle class' jobs of most ethnic minority groups. Although educational achievements have helped younger generations of ethnic minority groups break through the class barrier to obtain managerial and professional jobs at a faster rate than their White counterparts (Platt, 2005), it seems that middle class professions in Britain are still predominantly 'White' (Archer, 2012), which might suggest that progress is more difficult for some groups than others (Platt, 2005).

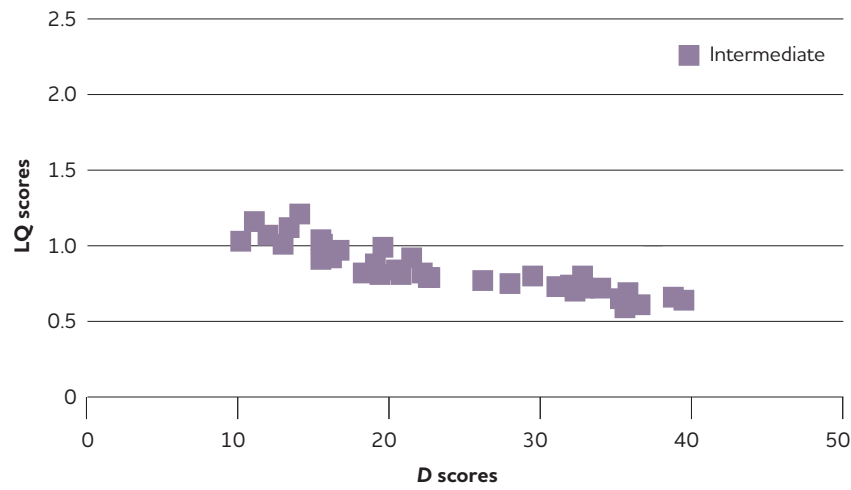
While the role of educational achievement is clearly important for social mobility across ethnic minority groups, it is also worth noting that an ethnic

Although an over-representation within high-skilled occupations can be interpreted in terms of career success and entry into high-paying occupations, in areas where ethnic minority groups make up a small part of the population, this may reflect the existence of obstacles in the labour market.

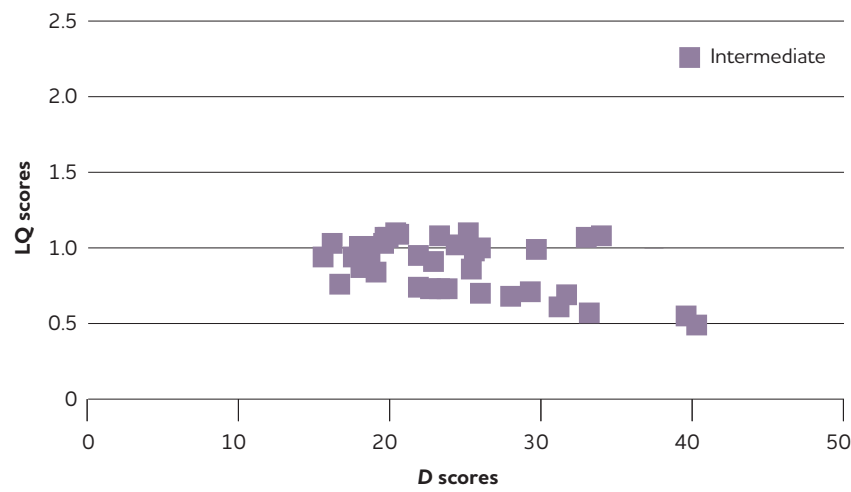
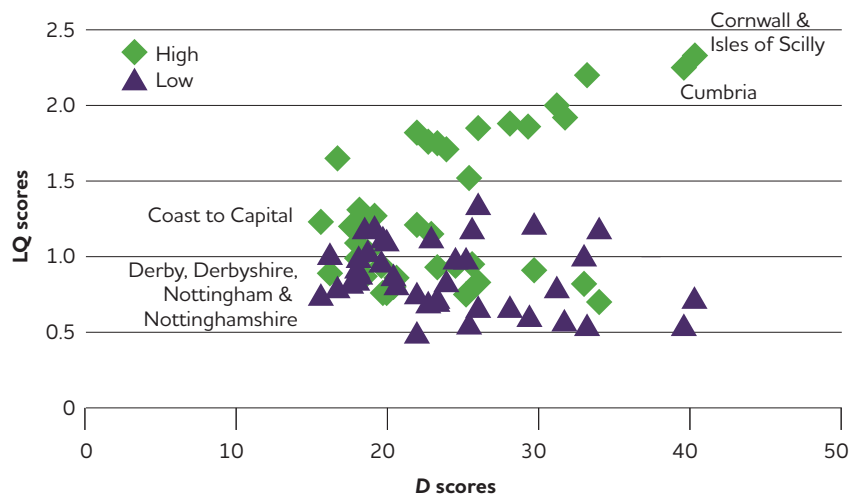
group effect (or 'penalty') remains for some groups, even when the level of formal education is controlled for (Heath and McMahon, 2005). Within this context, Carmichael and Woods (2000) suggest that without discrimination there would be fewer people from ethnic minority groups in elementary occupations and more in intermediate non-manual occupations, particularly ethnic minority men. Although it is clear that education operates as a force to reduce social class differences, the prevailing social and institutional disadvantages seem to make ethnic minority entry into mid-skilled occupations even more difficult than in high-skilled or professional ones. The latter is also explained by the expansion in professional and managerial occupations over the past 30 years, which has created more 'room at the top' than in 'the middle'. Within this context, the public sector can be pivotal in reversing this situation as it has traditionally been a powerhouse in the creation of middle class jobs. That said, the evidence seems to suggest that there is still an under-representation of ethnic minority groups in the public sector despite ethnic penalties tending to be markedly lower than in the private sector (Carmichael and Woods, 2000). The policy challenge is to understand how the public sector can still facilitate and act as a springboard for ethnic minorities entering 'middle class' jobs at a time of major public sector restructuring. One important issue may be the physical location of public sector jobs; where these are not accessible to members of ethnic minority groups this might also contribute to under-representation in the sector, especially where poor and/or costly transport might act as barriers (see the discussion of 'spatial mismatch' in Chapter 1).

Figure 18: Relationship between occupational segregation (D scores) and the relative concentration (LQ scores) within aggregate job categories (high-, mid- and low-skilled occupations) for selected ethnic groups in LEPs, 2011

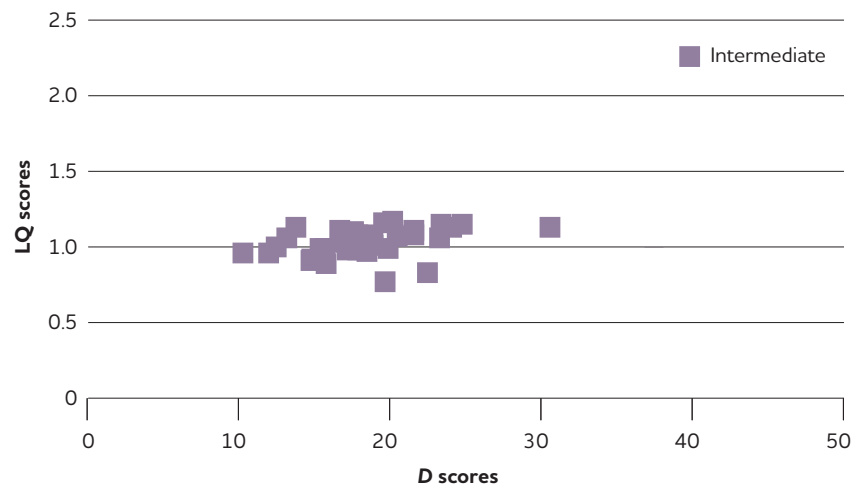
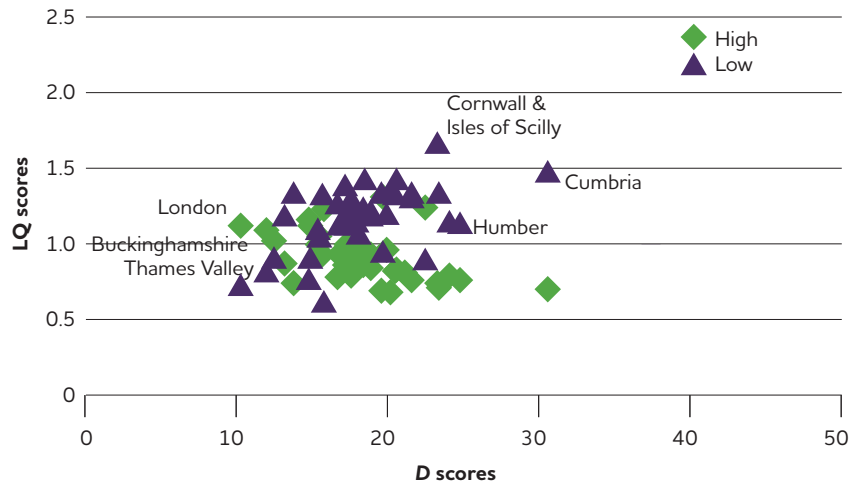




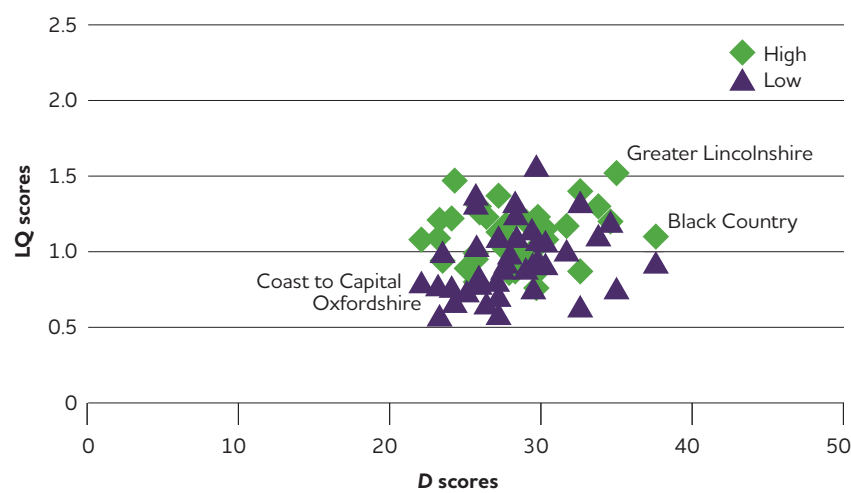
Pakistani

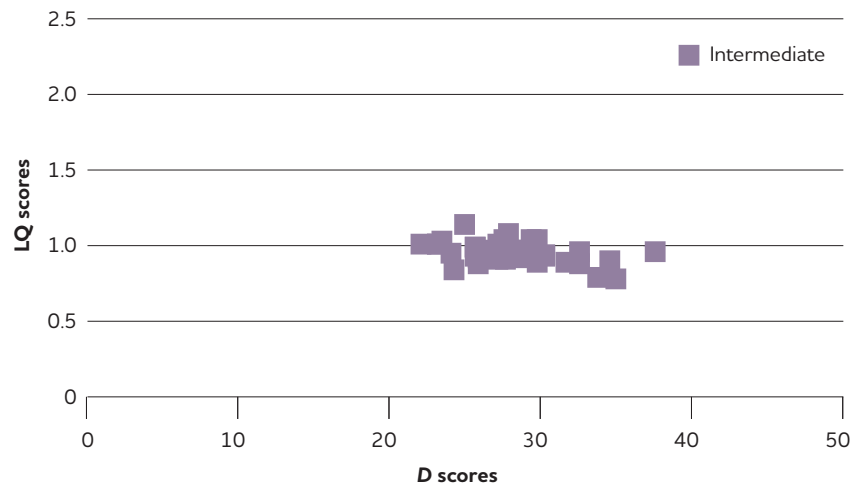


Chinese



African





6 CONCLUSIONS AND RECOMMENDATIONS

There is now considerable evidence that ethnic inequalities in the UK labour market exist for those *in* work (e.g. occupational status, hours worked), in addition to being excluded *from* work (unemployment). This report has demonstrated that labour market experiences are variable not only *between* ethnic groups and *within* ethnic groups (e.g. by gender), but also between *places*, and that these geographical inequalities affect ethnic groups in different ways.

Building on existing work on ethnic minorities in the labour market, this report sought to update the existing evidence on ethnic inequalities, drawing on 2011 Census data for England and Wales. The study explored differences between ethnic groups in labour market participation (unemployment, employment and hours worked), and employment status (low-, mid- and high-skilled occupation levels) for those in work. The study considered if there is clustering ('occupational segregation') into particular occupations for some ethnic groups. Labour market experiences are not equal between places, and this report showed how geography matters for unemployment and job status, and how this varies between ethnic groups.

Labour market experiences between ethnic groups: a brief summary

As with allied research to date on labour market outcomes (Modood, *et al.*, 1997; Clark and Drinkwater, 1998; 2000; 2007; Blackaby, *et al.*, 2002; Simpson, *et al.*, 2006; Platt, 2011a and b; Nazroo and Kapadia, 2013a and b; Owen, 2013), this report has suggested a mixed picture for ethnic minority groups. Change in employment patterns over time could be described as a story of success for the Indian ethnic group, and to some degree the

Chinese group. There is also continued occupational success for the White Irish group, as measured by rates of unemployment and their professional status. However, the overwhelming picture is one of continuing ethnic minority disadvantage compared with the White British majority group. In terms of unemployment, there is a clear ethnic minority penalty in the labour market, which is persistent over time. In 2011, the most notable differential in unemployment between the White British and any ethnic minority group was for White Gypsy/Irish Traveller. This group also had by far the lowest proportion of its workforce in professional occupations and the largest share in elementary occupations. Unemployment rates increased the most between 2001 and 2011 for the Caribbean and Mixed White-Caribbean groups. Pakistani and Bangladeshi ethnic groups continued to have the lowest rates of working for an employer between 2001 and 2011; employee rates were low for Pakistani and Bangladeshi females in both 2001 and 2011, and self-employment increased for the Pakistani group between 2001 and 2011, while employee rates for this group declined. Self-employment in 2011 was respectively most- and second-most common for the Pakistani (20 per cent) and Other White (16 per cent) ethnic groups and grew in the ten-year period. As discussed later in the chapter, increased self-employment could be an indicator of entrepreneurial success, or an outcome of discrimination by potential employers (Clark and Drinkwater, 1998; 2000). Inequalities in unemployment for women in 2011 were marked for the White Gypsy/Irish Traveller, Bangladeshi, Arab and Pakistani groups. Other Black and Mixed White-Caribbean men have the largest differences in unemployment from the White British population. Unemployment rates for the Chinese and Indian groups have been consistently low, and considerably lower than any other 'non-White' minority group (6 and 7 per cent respectively), although a greater share of employment is in self-employment for the Chinese than the Indian group. The lowest proportion in managerial occupations is for the African group.

Full-time employment has become less common over time, with part-time employment on the rise. This is a pattern observable for every ethnic group, including White British. The ratio of full- to part-time employment is most similar for the Bangladeshi ethnic group, and least similar for White Irish. There are clear gender differences in the propensity to work part-time, consistent across all ethnic groups; like men, women are more likely to work full-time, but there is a narrower differential between the two.

Some ethnic minority groups are over-represented ('segregated') into certain occupation types. Where these are low-skilled, this could represent discrimination from other forms of employment or stereotyping into particular jobs. Moreover, over-representation in professional forms of employment might be interpreted as a story of success in the labour market, or concentration into managerial roles which are self-employed, in the face of exclusion from other opportunities for employment. The distributions of ethnic minority groups in occupational types are clearly unequal compared to the relatively 'even' distribution of the White British group, with significant differences *between* and *within* ethnic minority groups. The highest levels of occupational segregation are found among the African, White Gypsy/Irish Traveller, Pakistani and Bangladeshi groups. The lowest levels are found among the Other Black, Caribbean and Other groups.

These results clearly illustrate how the distributions of ethnic minority groups across the major occupations are unequal compared to the relatively 'even' distribution of the White British group (see Figure 12). Thus, while the highest levels of occupational segregation can be interpreted as an indication of concentration of ethnic minority groups in a very limited number of jobs,

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the lowest levels of occupational segregation can be seen as an indication of greater occupational mix. The analysis of occupational segregation by gender indicates that men's occupational segregation was highest among the African and Pakistani groups and lowest among the White Irish and Other White groups. Meanwhile, women's occupational segregation was highest among the White Gypsy/Irish Traveller and African groups, and lowest among the Caribbean and Other Black groups. The analysis by gender also reveals that men from ethnic minority groups tend to be more occupationally segregated than women, although in some ethnic minority groups the reverse is the case. For example, White Gypsy/Irish Traveller, Chinese, White Irish and Other White women experience greater levels of occupational segregation than men. There are large differences in occupational segregation between men and women for some ethnic minority groups. For instance, while African men and women are both much more concentrated in particular occupations than their White British counterparts, the level of occupational segregation is clearly much higher among men than women. This situation also applies to South Asian groups (Pakistani, Bangladeshi and Indian), with men always being more occupationally segregated than women.

The role of geography

Geographical variation in the labour market experiences of ethnic groups was explored for local authorities in England and Wales (comprising districts and unitary authorities), and Local Enterprise Partnerships in England. Unemployment rates are hugely variable across local authorities in England and Wales, with some places offering more positive experiences for ethnic minority groups than others. While there is some commonality between groups (particularly at the regional level), the *local* geography of ethnic unemployment is distinct; there is no clear consistency in which places do better or worse in employment between ethnic groups. The relationship between ethnic group population size and labour market outcomes are complex and variable between ethnic groups. For purposes of robustness, areas with very small proportions of an ethnic group are excluded in the analysis.

Some local authorities are performing less well than others, in terms of unemployment. For example, Birmingham features among the top five local authorities for unemployment for several ethnic groups (e.g. Indian, Pakistani, Chinese and African). Several local authorities in the London LEP are among the top five districts for unemployment, for a number of ethnic groups. While inner London districts feature in the top unemployment rankings, outer London districts are commonly listed among those with lowest unemployment (e.g. for the Caribbean group). Concentrated pockets of unemployment are particularly notable for the African group in London and parts of the north of England, and in the north west for the Pakistani group. For the African group in particular, there are large percentages not in employment in most major urban areas, including in London and the north west. This raises key questions about what needs to be done to tackle unemployment in these places. Compared to the African and Pakistani groups, unemployment is fairly evenly spread for the Indian and Chinese ethnic groups, with lower rates throughout England and Wales. The Caribbean group has notably higher unemployment in parts of London, Birmingham and the north east, than in other places. London, Birmingham and parts of northern England have particularly high rates of unemployment for the Bangladeshi ethnic group. All White ethnic groups tend to have lower

Some local authorities are performing less well than others, in terms of unemployment.

rates of unemployment and this is evenly spread; an exception is the White Gypsy/Irish Traveller group, with high unemployment throughout much of England and Wales.

For England and Wales taken as a whole, the highest levels of occupational segregation are found among the African, White Gypsy/Irish Traveller, Pakistani and Bangladeshi groups. The lowest levels are found among the Other Black, Caribbean and Other groups.

Occupational segregation is generally greater at the subnational level (LEP) than nationally (England and Wales), thus highlighting the importance of analysing the spread of ethnic minority groups across occupations beyond the national level. Nonetheless, there are patterns of occupational segregation which are found regardless of the geography of study. For instance, in-line with the national-level results, evidence from the LEP analysis highlights that, for all ethnic minority groups, there are more places with high occupational segregation for men than women, with the exception of the White Irish, Gypsy/Irish Traveller, Other White and Chinese groups.

The results also suggest that the areas with the largest concentrations from each ethnic minority group tend to experience lower levels of occupational segregation of that ethnic group, than the areas where own-ethnic group concentration is low, at the LEP level. In large cosmopolitan areas, such as London's LEP, with their diverse range of job types, two different forms of relative concentration within occupational types are observed: an over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. White Irish, White Gypsy/Irish Traveller, Other White, Mixed groups, Indian, Pakistani, Bangladeshi, Chinese, Other Asian, Other Black); and an under-representation within high-skilled and low-skilled occupations (e.g. African, Caribbean and Arab). In those LEPs where the population size of each ethnic minority group is small (typically in areas other than London), three different patterns are usually found: an over-representation within high-skilled occupations and under-representation within low-skilled occupations (e.g. Indian, Pakistani, African, Other Black); an over-representation within low-skilled occupations and under-representation within high-skilled occupations (e.g. White Irish, Other White, Mixed groups, Chinese, Other Asian); and an over-representation within high-skilled and low-skilled occupations (e.g. White Gypsy/Irish Traveller, Bangladeshi, Caribbean and Arab).

Where ethnic minority groups represent a small population, ethnic employment growth seems to occur with an expansion at the top of the occupational ladder. This over-representation within high-skilled occupations might be associated with career success, but could also reflect the existence of obstacles in the labour market such as discrimination, which forces some groups to enter specific occupations through self-employment. In those areas with the largest proportions of each ethnic minority group, the relative concentration within high-skilled or professional occupations is generally lower than in areas with the smallest population of that ethnic group.

Finally, in all areas, intermediate- or mid-skilled occupations are systematically under-represented among all the selected ethnic minority groups. These results can be interpreted in the context of the 'hollowing out' of the labour market, which makes it difficult for people to progress from low-skill, low-paid work to higher-skilled, better-paid work. This situation also suggests that breaking out of in-work poverty may be harder for ethnic minority groups. As such, governments, local authorities and LEPs developing policies on career progression need to consider how different ethnic groups access intermediate- or mid-skilled occupations.

What's going on?

It is not possible with the data used in this report to directly test *why* there are ethnic inequalities in the labour market; however, it is worth drawing on existing studies to try to shed light on the findings presented. A rather pessimistic picture of persistent ethnic inequalities in the labour market has been reported. Ethnic differences in labour market participation and success might be interpreted in three main ways. One explanation is that ethnic groups that are disproportionately represented in low-skilled jobs enter the labour market with fewer qualifications, and this excludes them from work in certain sectors. The data presented in this report does not distinguish between people in ethnic minority groups who are UK-born or born overseas, but it may be that in some cases qualifications gained outside the UK do not translate well when attempting to gain access to the labour market once in the UK. However, there is evidence that ethnic penalties in the labour market are persistent after taking into account these differences in educational levels (e.g. Longhi, *et al.*, 2012; 2013). While racial discrimination is not a problem confined to particular cities in Great Britain (Wood, *et al.*, 2009), it seems likely that discrimination plays an important part in ethnic labour market inequalities, which minimises entry into the labour market and access to higher-skilled occupations for certain ethnic groups (Blackaby, *et al.*, 2002; Bourn, 2008).

Another explanation is the role of social networks, which may also explain the gap in labour market outcomes and differences between ethnic minority groups (e.g. fewer established contacts with potential employers for some people in ethnic minority groups). Such employer contracts are widely recognised to be more well-established in locales where some groups have a long history of settlement. The role employers' attitudes and behaviour plays is equally important in explaining high levels of in-work poverty among ethnic minority groups, particularly as a result of workplace discrimination, unfair workplace cultures and differential access to training and progression (Hudson and Radu, 2011). Within this context, it is notable that despite the fact that most of the Mixed group are UK-born (second or third generation), Mixed groups are not on the whole doing consistently well in the labour market. One explanation for this is likely to be persistent racial discrimination – employer favouritism based on preferences for certain 'types' of employee.

In the UK, there is a tradition of over-representation by ethnic minority groups in self-employment (Clark and Drinkwater, 2000), and this report has shown evidence of a continuation of this trend. Self-employment has been shown to be a particularly common form of employment for White Gypsy/Irish Traveller and Pakistani men. These higher rates might be interpreted in positive terms, as an indicator of entrepreneurial success. Higher self-employment rates for minority groups might also be an expression of preferences for particular working patterns and types of job. There may also be greater opportunities for self-employment for some ethnic groups in certain locales, where self-employment in particular sectors is commonplace. Here, certain support mechanisms (financial, linguistic, etc.) might be encouraging of business ventures for individuals who might otherwise face unemployment. However, in addition to these *pull* factors into self-employment, a more negative interpretation of high rates of self-employment for some groups is that they represent exclusion from some parts of the labour market – a *push* into self-employment (Clark and Drinkwater, 1998; 2000). This might be through active discrimination by potential employers, which means that members of some ethnic groups

are less likely to be taken on by an employer. This is also reflected in the occupational segregation results, with some ethnic minority groups (e.g. Pakistani) showing both very unequal occupational distributions compared with the White British and clear over-representations within high-skilled occupations which are likely to be related to low-value-added professional jobs.

Clearly, labour market exclusion through employer discrimination is not a positive story for the UK labour market, but if self-employment provides access to work, why else might this type of employment be viewed negatively? Self-employment tends to be associated with working for longer hours but for less pay than for equivalent jobs under an employer (Aldridge, *et al.*, 2012). There are generally few benefits such as a pension scheme or sick leave. Self-employed positions may also be more susceptible to economic shocks, providing less stable employment. The Office for National Statistics (2013) demonstrated the considerable growth in self-employment since the most recent recession, and how people who are self-employed tend to work longer hours than their employee equivalents.

Occupational segregation should be of concern to policy-makers because while some occupational patterns may be due to an individual's preferences (e.g. gender 'norms' influencing men's and women's preferences and behaviour), much occupational segregation tends to reflect barriers to entry to occupation, ranging from lack of information about alternative job options to discouragement and discrimination. For some, self-employment may be the only viable alternative to unemployment or under-employment.

Part-time employment may be preferred where familial and other caring responsibilities necessitate more flexible working patterns than full-time employment can accommodate. In this case, part-time employment might be a preferable option, particularly for women, who continue to be more likely than men to adopt these roles. However, it has been shown that cultural preferences or tradition do not seem to explain higher rates of part-time work for ethnic minority groups (Modood, *et al.*, 1997; Blackaby, *et al.*, 2002). Part-time work might also be a response to the inability to work full-time, for example for health reasons. However, part-time work is, for some, taken up by those who are available and able to work full-time hours, and in this case is a form of under-employment (McInnes, *et al.*, 2013), whereby people are driven into part-time work due to lack of availability of or exclusion from full-time work. Part-time employment is unlikely to offer the financial rewards required from someone seeking full-time work, and may be associated with more tentative contracts (Whittaker and Hurrell, 2013). In this regard, improving the quality as well as the quantity of work for people across all ethnicities is pivotal, particularly given that in-work poverty seems to account for more than half of all poverty, and is particularly associated with precarious, poorly paid and part-time jobs (Barnard, 2013).

The role of cultural preferences should not be ruled out; the gender differences in occupational types, for example, are persistent across ethnicities. Likewise, it may be that tradition in certain sectors, or preferences for certain working patterns, mean that members of some ethnic groups may gravitate towards certain sectors more than others. The intersectionality between ethnicity and religion may be important in this regard.

Research in the UK has emphasised the importance of analysing poverty rates across generations, particularly the patterns of inter-generational transmission of class position (Platt, 2005). One example of the importance of social class might be reflected in the picture for the Mixed groups, whose levels of ethnic inequalities in the labour market are somewhat surprising

given that a significant number of people with Mixed ethnicity backgrounds are 'second generation' UK-born. Within this context, the social and cultural implications of belonging to, or declaring, a Mixed ethnicity are likely to be important too (Mansaray, 2003), as may be the continued salience of 'race' and the transmission of poverty through social class (Clark and Drinkwater, 2007). Another important factor in explaining differences between ethnic minority groups is the recency of immigration, for those born outside the UK. Recent arrivals to the UK are generally more disadvantaged, for a host of factors including having lower or unrecognised educational qualifications, lacking networks and references, and language difficulties (Berthoud, 2000). Generally, first generation immigrants are less successful in the labour market than their children.

The systematic economic marginalisation of ethnic minority groups into specific labour markets or niches (labour market segmentation) is an important aspect which adds a further dimension to ethnic inequalities. The literature (e.g. Bauder, 2001) on labour market segmentation has long established that ethnic minorities tend to be trapped in lower labour market segments, and that gender and class effects often overlap. In this regard, geography is pivotal, reflecting spatial divisions in the labour market, particularly with regard to accessibility to labour market opportunities. Although education operates as a force to reduce social class differences, the prevailing social and institutional disadvantages seem to make entry into mid-skilled occupations even more difficult than to high-skilled or professional ones, for people in ethnic minority groups.

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What's missing?

There are several potentially important themes which have not been possible to explore in this report. The analysis has concentrated on England and Wales rather than the whole of the UK due to data restrictions at time of writing, but expansion of the research to explore the situation in Scotland and Northern Ireland is likely to be illuminating. Likewise, a more geographically detailed study of smaller areas would shed light on the very local labour market differences which may affect ethnic groups differently. Gender has been a focus of analysis but, while age differences have been explored to some extent, future work would consider these more systematically. As Barnard and Turner's (2011) review outlines, analyses of single ethnic groups miss the great deal of variation between ethnic groups, in terms of a host of other socio-economic, demographic and cultural factors which may be important in explaining ethnic differences in poverty outcomes. Religion, for example, may intersect with ethnicity and partly explain differences in preferences for certain levels of labour market engagement. Migrant status (time of arrival for immigrants, place of birth, and associated characteristics such as English language fluency) may explain labour market outcomes and may also relate to the roles which neighbourhood and networks may play in shaping these outcomes. This analysis concentrates on ethnic differences *between* occupations, but obscures the picture of differences which might be observable *within* occupations, such as in pay (Brynin and Longhi, 2015).

All of the above explanations beg differing policy responses, but are united in their need for intervention to ensure equality for all people, regardless of ethnic group. The differences between ethnic groups in terms of their labour market participation and experiences when in-work lead to questions about equality of opportunity. If poverty is to be alleviated then there needs to be equality in the labour market.

Policy recommendations

Key recommendations arising from this research:

- More interventionist policies are needed to ensure that labour market discrimination is eradicated. This may mean having more effective anti-discrimination legislation to combat prejudice, stereotypes and popular beliefs which emerge from a lack of understanding of cultures other than the majority one.
- Creating employment targets for those ethnic minority groups which systematically appear most disadvantaged (e.g. Pakistani, White Gypsy/Irish Traveller) should be a policy priority.
- There is a localised geography of labour market disadvantage. The differential labour market experiences between places for members of different ethnic groups suggest the need for a targeted approach to policy-making at the national level, as well as to include area-based policies to tackle labour market inequalities locally.
- Labour market inequalities in employment are experienced by ethnic minority groups in areas where they are populous, but also in areas where they are few; local authorities need to be aware of the challenges facing both well-established populations and newly emerging ethnic minority communities in some locales.
- LEPs need to monitor ethnic inequalities in the labour market. The Local Growth White Paper set out guidance on what policy areas LEPs may choose to engage with while creating economic growth.
- Gender must be taken into account as an integral part of the strategy on ethnic inequalities. This means not only adopting a gender-neutral approach to occupations and avoiding gendered stereotypes, but also incorporating views in the public and private sector that better reflect different cultural preferences, traditions and 'norms'; for instance, being sensitive to cultural differences in tendencies to care for family dependents, and thus requirements for opportunities for flexible working.
- Although the promotion of self-employment can be seen as positive, it is important to consider both the quality and the quantity of self-employment among ethnic minority groups. An appropriate policy response to expand employment opportunities for ethnic minority groups should therefore consider whether or not self-employment is truly connected to an entrepreneurial dynamic, rather than the result of limited opportunities in employment.
- Outreach support for employability and job access should be a priority targeted specifically at inactive, unemployed or under-employed adults and young people from ethnic minority groups.
- The public sector should be at the forefront of recruiting people from ethnic minority groups, particularly those who face systematic disadvantage in the labour market, including the African, Pakistani, Bangladeshi and White Gypsy/Irish Traveller groups. At the same time, businesses need to be given support to create more diverse workforces.

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APPENDIX 1

Census tables for:

Year 2001 – England and Wales, and Local Enterprise Partnerships in England

Table S108 Sex and age and economic activity by ethnic group [<https://www.nomisweb.co.uk/home/census2001.asp>]

Table S109 Sex and occupation by ethnic group [<https://www.nomisweb.co.uk/home/census2001.asp>]

Commissioned table C0333 Ethnic group, sex and age by economic activity and highest qualification by country of birth UK or outside UK

Year 2011 – England and Wales, and Local Enterprise Partnerships in England

Table DC6201EW Economic activity by ethnic group by sex by age [<https://www.nomisweb.co.uk/census/2011/dc6201ew>]

Table DC6213EW Occupation by ethnic group by sex by age [<https://www.nomisweb.co.uk/census/2011/dc6213ew>]

APPENDIX 2

Formulae used for the computation of:

Dissimilarity index (D) – Nationally and for each LEP

$$D(e,f) = 0.5 \times \sum_i |c_{i,e} - c_{i,f}|$$

where $c_{i,e}$ = proportion of group e population from all occupations that work in occupation i; f is the comparison group (White British)

Maximum D = 100 = total dissimilarity in the relative occupational distribution

Minimum D = 0 = no dissimilarity in the relative occupational distribution

Location quotients (LQ) – LEPs relative to national average

$$LQ(i,e) = [(P(i,e)/P(i,+))/(P(+,e)/P(+,+)]$$

where i = index for Local Enterprise Partnership (LEP), e = index for ethnic group, + = summation (national total)

Values: above 1 = over-representation, below 1 = under-representation

APPENDIX 3

Ethnic group size and proportion aged 16 and over, England and Wales, 2011

| Ethnic group | Population aged 16+ | Proportion aged 16+ |
|-----------------------------|----------------------------|----------------------------|
| White British | 37,216,588 | 81.80 |
| White Irish | 500,809 | 1.10 |
| White Gypsy/Irish Traveller | 39,298 | 0.09 |
| Other White | 2,104,771 | 4.63 |
| Mixed White-Caribbean | 238,608 | 0.52 |
| Mixed White-African | 84,447 | 0.19 |
| Mixed White-Asian | 180,306 | 0.40 |
| Other Mixed | 170,305 | 0.37 |
| Indian | 1,141,517 | 2.51 |
| Pakistani | 754,218 | 1.66 |
| Bangladeshi | 291,705 | 0.64 |
| Chinese | 342,626 | 0.75 |
| Other Asian | 646,140 | 1.42 |
| African | 691,393 | 1.52 |
| Caribbean | 491,154 | 1.08 |
| Other Black | 173,550 | 0.38 |
| Arab | 164,799 | 0.36 |
| Other | 264,546 | 0.58 |
| Total | 45,496,780 | 100 |

APPENDIX 4

Top and bottom unemployment rates, by ethnic groups not shown in Chapter 3 (aged 16+). England and Wales, 2011

| Ethnic group | Top 5 unemployment rate for ethnic group | | | | | Bottom 5 unemployment rate for ethnic group | | | |
|--|--|------------------------------|---|------------------------------|-------|---|---|-----------------|------------------------------|
| | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) | | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) |
| White British 16+ EW total = 81.80 per cent | 1 | Kingston upon Hull, City of | Humber | 90.17 | 12.63 | West Oxfordshire | Oxfordshire | 92.85 | 2.97 |
| | 2 | Middlesbrough | Tees Valley | 87.76 | 12.60 | South Cambridgeshire | Greater Cambridgeshire and Greater Peterborough | 88.07 | 2.96 |
| | 3 | Hartlepool | Tees Valley | 96.99 | 12.48 | South Lakeland | Cumbria | 95.72 | 2.92 |
| | 4 | Blaenau Gwent | Wales | 97.46 | 11.53 | Ribble Valley | Lancashire | 96.08 | 2.91 |
| | 5 | Liverpool | Liverpool City Region | 85.54 | 11.19 | Isles of Scilly | Cornwall and the Isles of Scilly | 94.72 | 1.18 |
| White Irish 16+ EW total = 1.10 per cent | 1 | Barking and Dagenham | London | 1.20 | 11.08 | Three Rivers | Hertfordshire | 2.25 | 2.86 |
| | 2 | Rochdale | Greater Manchester | 1.23 | 8.87 | Reigate and Banstead | Coast to Capital | 1.31 | 2.78 |
| | 3 | Birmingham | Greater Birmingham and Solihull | 2.52 | 8.45 | Welwyn Hatfield | Hertfordshire | 1.76 | 2.52 |
| | 4 | Greenwich | London | 2.01 | 7.50 | East Hertfordshire | Hertfordshire | 1.28 | 2.04 |
| | 5 | Derby | Derby, Derbyshire, Nottingham and Notts | 1.12 | 7.50 | City of London | London | 2.58 | 0.76 |
| White Gypsy/ Irish Traveller 16+ EW total = 0.09 per cent | 1 | Kingston upon Hull, City of | Humber | 0.10 | 50.62 | Uttlesford | South East | 0.12 | 5.56 |
| | 2 | Purbeck | Dorset | 0.17 | 50.00 | Stratford-on-Avon | Coventry and Warwickshire | 0.11 | 4.55 |
| | 3 | Merthyr Tydfil | Wales | 0.09 | 41.67 | Basildon | South East | 0.38 | 2.71 |
| | 4 | Kettering | Northamptonshire | 0.13 | 39.53 | Mid Devon | Heart of the South West | 0.11 | 2.70 |
| | 5 | West Lindsey | Greater Lincolnshire | 0.16 | 35.71 | Ceredigion | Wales | 0.10 | 0.00 |

(continued overleaf)

(continued from page 86)

| Ethnic group | Top 5 unemployment rate for ethnic group | | | | Bottom 5 unemployment rate for ethnic group | | | |
|---|--|---|-----------------|------------------------------|---|--|-----------------|------------------------------|
| | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) |
| Other White 16+ EW total = 4.63 per cent | 1 Nottingham | Derby, Derbyshire, Nottingham and Notts | 5.32 | 8.09 | Bracknell Forest | Thames Valley Berkshire | 5.01 | 3.10 |
| | 2 Enfield | London | 18.59 | 7.79 | Waverley | Enterprise M3 | 4.70 | 2.99 |
| | 3 Barking and Dagenham | London | 8.11 | 7.77 | Three Rivers | Hertfordshire | 4.64 | 2.89 |
| | 4 Hackney | London | 17.23 | 7.38 | Forest Heath | New Anglia | 12.92 | 2.55 |
| | 5 Haringey | London | 24.31 | 7.08 | South Holland | Greater Lincolnshire | 7.24 | 2.52 |
| Mixed White-Caribbean 16+ EW total = 0.52 per cent | 1 Wolverhampton | Black Country | 2.45 | 32.32 | Hillingdon | London | 0.66 | 11.46 |
| | 2 Nottingham | Derby, Derbyshire, Nottingham and Notts | 2.80 | 27.08 | Brighton and Hove | Coast to Capital | 0.54 | 11.09 |
| | 3 Walsall | Black Country | 1.15 | 26.43 | North Hertfordshire | Greater Cambridge and Greater Peterborough | 0.68 | 10.85 |
| | 4 Birmingham | Greater Birmingham and Solihull | 1.58 | 25.22 | Watford | Hertfordshire | 0.72 | 8.82 |
| | 5 Liverpool | Liverpool City Region | 0.64 | 23.37 | Welwyn Hatfield | Hertfordshire | 0.53 | 7.14 |
| Mixed White-African 16+ EW total = 0.19 per cent | 1 Middlesbrough | Tees Valley | 0.19 | 23.15 | Bexley | London | 0.25 | 7.33 |
| | 2 Leicester | Leicester and Leicestershire | 0.22 | 22.82 | Cambridge | Greater Cambridge and Greater Peterborough | 0.25 | 6.67 |
| | 3 Liverpool | Liverpool City Region | 0.54 | 22.59 | City of London | London | 0.36 | 6.67 |
| | 4 Newcastle upon Tyne | North Eastern | 0.21 | 22.27 | Sutton | London | 0.27 | 4.85 |
| | 5 Salford | Greater Manchester | 0.30 | 22.12 | Rushmoor | Enterprise M3 | 0.21 | 3.64 |
| Mixed White-Asian 16+ EW total = 0.40 per cent | 1 Wolverhampton | Black Country | 0.54 | 22.59 | Runnymede | Enterprise M3 | 0.56 | 4.32 |
| | 2 Bradford | Leeds City Region | 0.66 | 21.03 | Rushmoor | Enterprise M3 | 0.49 | 4.19 |
| | 3 Rochdale | Greater Manchester | 0.40 | 20.83 | Forest Heath | Greater Cambridge and Greater Peterborough | 0.41 | 3.65 |
| | 4 Birmingham | Greater Birmingham and Solihull | 0.67 | 20.12 | Bracknell Forest | Thames Valley Berkshire | 0.45 | 3.09 |
| | 5 Leicester | Leicester and Leicestershire | 0.71 | 17.62 | Tunbridge Wells | South East | 0.43 | 1.97 |

(continued from page 87)

| Ethnic group | Top 5 unemployment rate for ethnic group | | | | Bottom 5 unemployment rate for ethnic group | | | | |
|---|--|------------------------------|---|------------------------------|---|------------------------------|--|------------------------------|-------|
| | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) | |
| Other Mixed 16+ EW total = 0.37 per cent | 1 | Wolverhampton | Black Country | 0.41 | 31.13 | St Albans | Hertfordshire | 0.45 | 4.91 |
| | 2 | Birmingham | Greater Birmingham and Solihull | 0.49 | 18.48 | Portsmouth | Solent | 0.43 | 4.58 |
| | 3 | Liverpool | Liverpool City Region | 0.49 | 17.63 | Rushmoor | Enterprise M3 | 0.40 | 4.57 |
| | 4 | Nottingham | Derby, Derbyshire, Nottingham and Notts | 0.66 | 16.88 | Forest Heath | Greater Cambridge and Greater Peterborough | 0.90 | 4.24 |
| | 5 | Ipswich | New Anglia | 0.51 | 16.75 | Runnymede | Enterprise M3 | 0.48 | 3.43 |
| Bangladeshi 16+ EW total = 0.64 per cent | 1 | City of London | London | 2.46 | 26.51 | St Albans | Hertfordshire | 1.49 | 10.50 |
| | 2 | Tower Hamlets | London | 25.80 | 22.63 | Hounslow | London | 0.77 | 9.55 |
| | 3 | Sandwell | Black Country | 1.65 | 21.84 | Portsmouth | Solent | 1.38 | 8.42 |
| | 4 | Hackney | London | 2.04 | 20.46 | Cambridge | Greater Cambridge and Greater Peterborough | 1.14 | 7.83 |
| | 5 | Walsall | Black Country | 1.33 | 20.15 | Merton | London | 0.99 | 7.82 |
| Other Asian 16+ EW total = 1.42 per cent | 1 | Bradford | Leeds City Region | 1.45 | 15.65 | Surrey Heath | Enterprise M3 | 2.37 | 3.93 |
| | 2 | Birmingham | Greater Birmingham and Solihull | 2.65 | 14.82 | City of London | London | 2.96 | 3.68 |
| | 3 | Manchester | Greater Manchester | 2.19 | 14.44 | Spelthorne | Enterprise M3 | 1.69 | 3.62 |
| | 4 | Wolverhampton | Black Country | 2.45 | 13.09 | Welwyn Hatfield | Hertfordshire | 1.87 | 3.30 |
| | 5 | Newcastle upon Tyne | North Eastern | 1.67 | 12.61 | South Bucks | Buckinghamshire Thames Valley | 1.68 | 3.18 |
| Caribbean 16+ EW total = 1.08 per cent | 1 | Hackney | London | 7.93 | 20.96 | Sutton | London | 1.44 | 9.65 |
| | 2 | Kensington and Chelsea | London | 2.06 | 18.79 | Havering | London | 1.19 | 9.29 |
| | 3 | Lambeth | London | 9.20 | 18.56 | Hillingdon | London | 1.73 | 9.14 |
| | 4 | Hammersmith and Fulham | London | 3.91 | 17.84 | North Hertfordshire | Greater Cambridge and Greater Peterborough | 1.17 | 8.77 |
| | 5 | Islington | London | 3.77 | 17.77 | Broxbourne | Hertfordshire | 1.47 | 8.71 |
| Other Black 16+ EW total = 0.38 per cent | 1 | Wolverhampton | Black Country | 1.37 | 28.94 | City of London | London | 0.43 | 11.11 |
| | 2 | Bristol, City of | West of England | 1.16 | 26.89 | Wycombe | Buckingham Thames Valley | 0.41 | 10.00 |
| | 3 | Hackney | London | 3.36 | 25.83 | Bexley | London | 0.39 | 9.25 |
| | 4 | Leicester | Leicester and Leicestershire | 0.67 | 25.24 | Sutton | London | 0.39 | 7.11 |
| | 5 | Tower Hamlets | London | 1.13 | 24.63 | Forest Heath | New Anglia | 1.19 | 2.46 |

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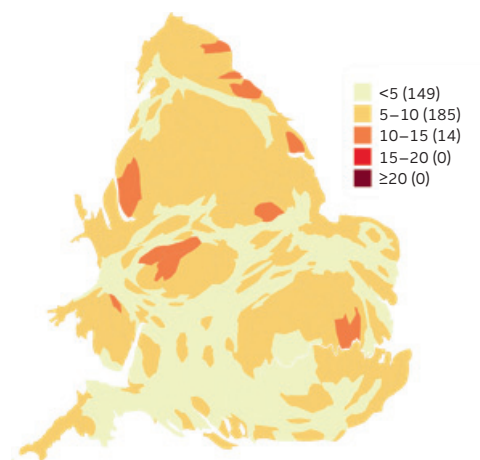
(continued from page 88)

| Ethnic group | Top 5 unemployment rate for ethnic group | | | | Bottom 5 unemployment rate for ethnic group | | | |
|-------------------------------------|--|---|-----------------|------------------------------|---|-------------------------------|-----------------|------------------------------|
| | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) | Local Authority | Local Enterprise Partnership | Pop. (per cent) | Unemployment rate (per cent) |
| Arab | 1 Kingston upon Hull, City of | Humber | 0.38 | 28.36 | Croydon | Coast to Capital | 0.44 | 8.74 |
| 16+ EW total = 0.36 per cent | 2 Middlesbrough | Tees Valley | 0.57 | 25.54 | Welwyn Hatfield | Hertfordshire | 0.51 | 8.59 |
| | 3 Liverpool | Liverpool City Region | 1.00 | 25.12 | Sutton | London | 0.50 | 8.12 |
| | 4 Leicester | Leicester and Leicestershire | 0.88 | 24.53 | Gwynedd | Wales | 0.43 | 7.35 |
| | 5 Norwich | New Anglia | 0.39 | 24.48 | Elmbridge | Enterprise M3 | 0.44 | 6.56 |
| Any Other | 1 Sheffield | Sheffield City Region | 0.67 | 23.16 | Sutton | London | 0.81 | 5.76 |
| 16+ EW total = 0.58 per cent | 2 Nottingham | Derby, Derbyshire, Nottingham and Notts | 0.71 | 21.83 | Guildford | Enterprise M3 | 0.58 | 4.79 |
| | 3 Ipswich | New Anglia | 0.73 | 20.27 | Hertsmere | Hertfordshire | 0.81 | 4.78 |
| | 4 Bradford | Leeds City Region | 0.79 | 19.55 | Forest Heath | New Anglia | 0.89 | 3.56 |
| | 5 Birmingham | Birmingham and Solihull | 0.98 | 17.89 | South Bucks | Buckinghamshire Thames Valley | 0.70 | 2.62 |

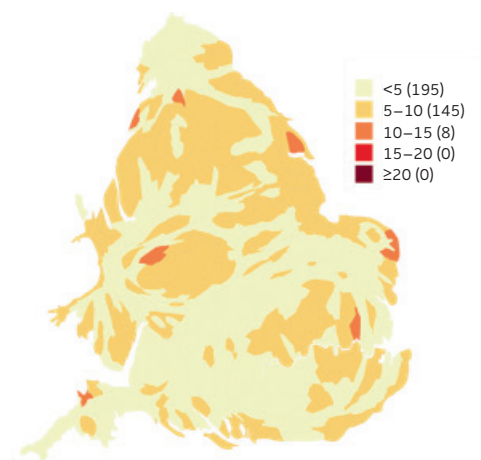
APPENDIX 5

Unemployed aged 16 and over, by ethnic groups not shown in Chapter 3. Local Authorities in England and Wales, 2011

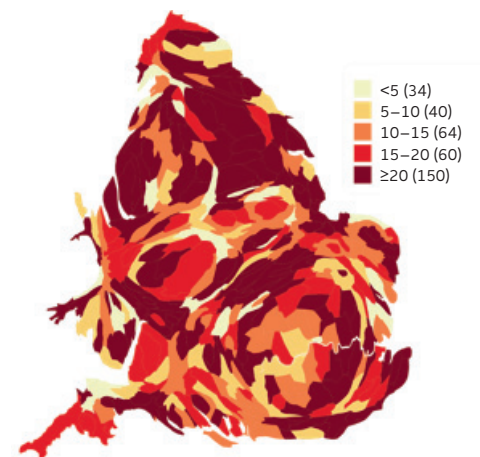
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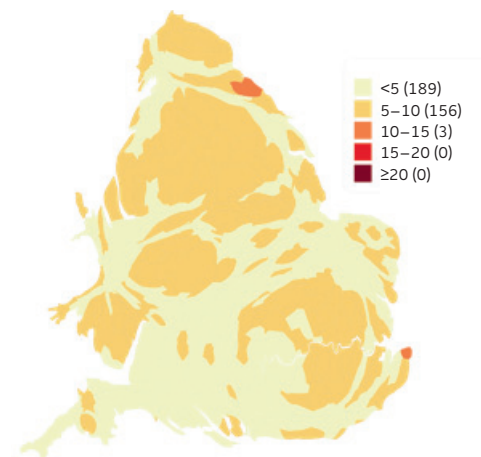
White Irish



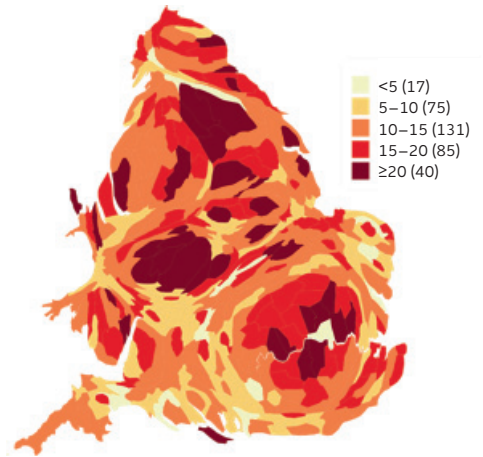
White Gypsy/Irish Traveller



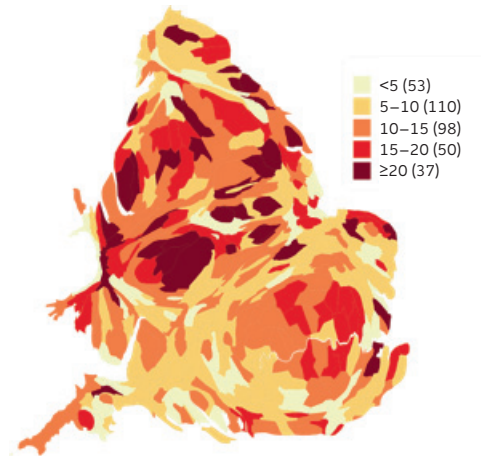
Other White



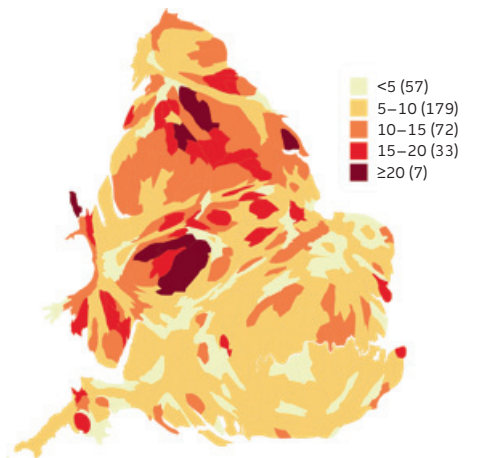
Mixed White-Caribbean



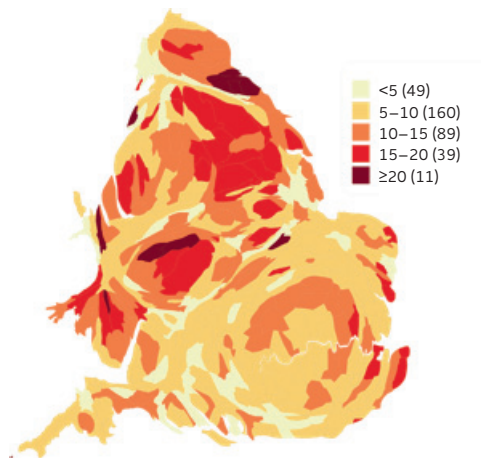
Mixed White-African



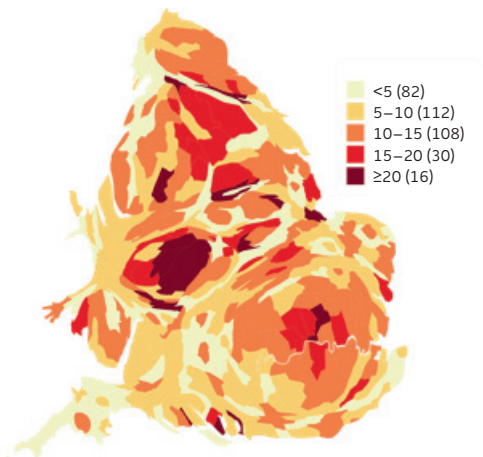
Mixed White-Asian



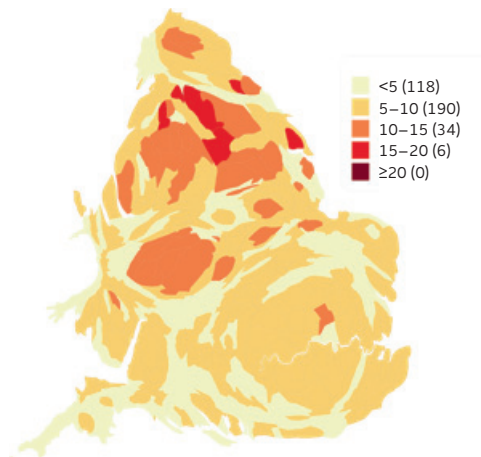
Other Mixed



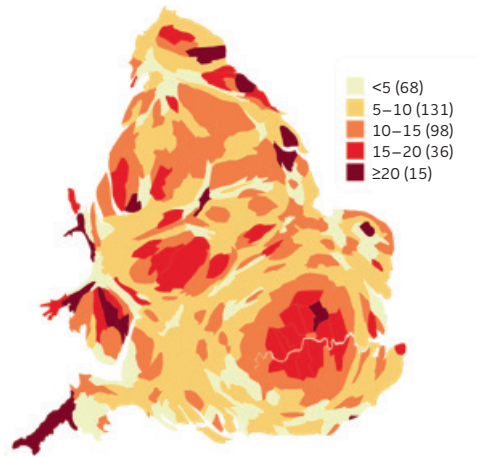
Bangladeshi



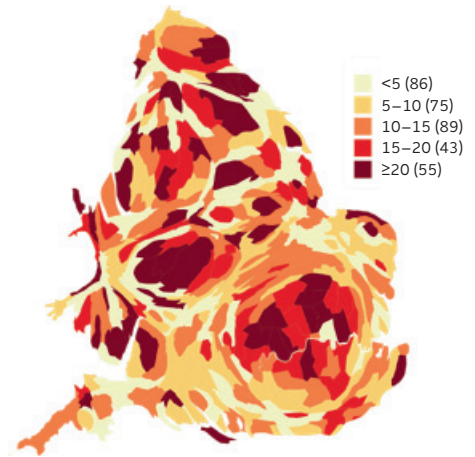
Other Asian



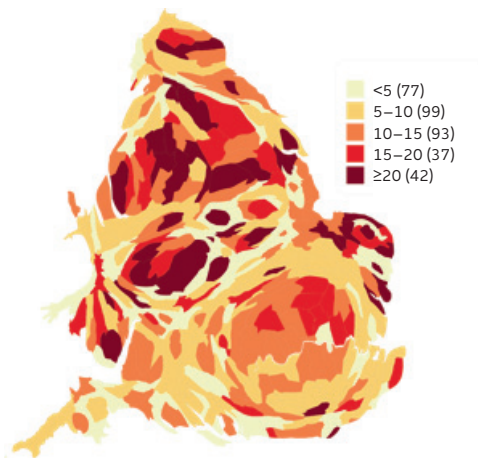
Caribbean



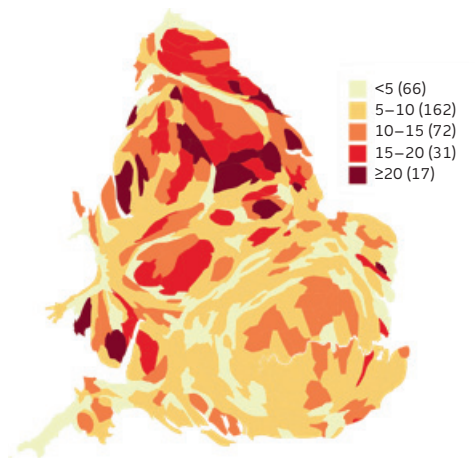
Other Black



Arab



Other ethnic group



APPENDIX 6

Given the space limitations of this report, an online document has been produced with all graphs and tables for all ethnic groups, which is available to download from the following address:
<http://ggsrv-cold.st-andrews.ac.uk/CHR/publications.aspx>

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