



# **DYNAMICS OF DIVERSITY: EVIDENCE FROM THE 2011 CENSUS** ESRC Centre on Dynamics of Ethnicity (CoDE)

# Ethnic inequalities in labour market participation?



#### **Summary**

This briefing uses recently published 2011 Census data to report on ethnic differences in labour market participation for 25 to 49 year old men and women in England and Wales. We find that:

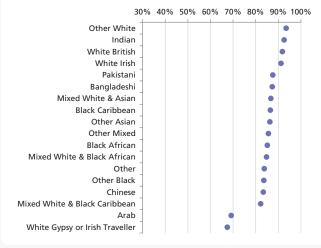
- The White ethnic groups (with the marked exception of the Gypsy or Irish Traveller group) were in a more advantaged position in the labour market compared with other ethnic groups.
- This advantage is apparent from rates of economic activity and unemployment. For economic activity, only Indian men and Black Caribbean women had a similar rate to the White ethnic groups. For unemployment, Pakistani men had rates that were one and a half times the rate for White British men, and Black Caribbean men had rates almost three times as high. Pakistani women's unemployment rate was more than three times White British women's, and for Black Caribbean women, unemployment was more than twice White British women's.
- Women had lower rates of economic activity than men in all ethnic groups. However, this difference was greatest for Bangladeshi (87% for men vs. 40% for women), Pakistani (88% vs. 43%), Arab (69% vs. 40%) and White Gypsy or Irish Traveller (67% vs. 41%) groups.

- The White Gypsy or Irish Traveller group was particularly disadvantaged. Both men and women had very low rates of economic activity (67% for men and 41% for women) and very high rates of unemployment (16% for men and 19% for women).
- Men and women in each of the Black and Mixed Black ethnic groups, except for Black Caribbean women, had high rates of unemployment.
- One third of Bangladeshi economically active men were in part-time work, a surprisingly high rate that was equivalent to that for Bangladeshi women.

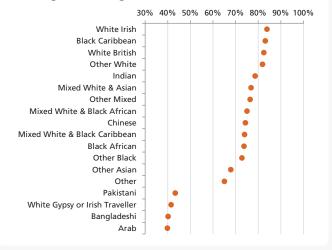
#### Introduction

Ethnic minority groups in England and Wales have a history of lower rates of employment and higher rates of unemployment than the White majority population.<sup>1</sup> The Department of Work and Pensions has put in place policies to address these inequalities, with initiatives such as Ethnic Minority Outreach, Specialist Employment Advisers and Partners Outreach for Ethnic Minorities, and most recently with the establishment of the Ethnic Minority Employment Stakeholder Group.<sup>2</sup> The success of these various policies and initiatives to increase ethnic minority employment has been limited.<sup>3</sup> Evidence from

**Figure 1.** Percent of men aged 25 to 49 years working or looking for work, 2011



**Figure 2.** Percent of women aged 25 to 49 years working or looking for work, 2011



Note: Scale starts at 30%. Click here for data in Excel

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the 2011 Census confirms these impressions of limited success. However, employment figures only tell part of the story; it is also illuminating to examine the rates of economic activity (those who are employed or looking for work) and the type of employment that people are in to understand the nature of employment inequalities across ethnic minority groups. We focus on economic activity in the 25 to 49 year old age group as this is where economic activity is highest (over 85% compared to the national average of 63%) and there are few students or retired people.

### Labour market participation by ethnic group in 2011

In 2011, over 90% of 25 to 49 year old men were economically active (working or actively looking for work) in the Indian and the White British, White Irish and Other White ethnic groups (see Figure 1). Rates of economic activity were lower for men in the other ethnic groups ranging from 84% in the Other Black and Other ethnic groups to as low as 69% for the Arab group and 67% for the White Gypsy or Irish Traveller group. For the Arab group, the low rate partly reflects high rates of participation in full-time education for this age group (at 18%, almost 13 times higher than the national average). However, this is not the case for White Gypsy or Irish

#### **Definitions**

**Economic Activity:** People are classed as economically active if they are aged over 16 years and in employment or actively looking for work. This category consists of people who are employed, self-employed or unemployed. The terms economic activity and labour market participation are used interchangeably throughout this briefing. People who are retired, full-time students (without jobs), looking after the home, or long-term sick or disabled are classed as economically *inactive*. Among the economically active, we distinguish four categories:

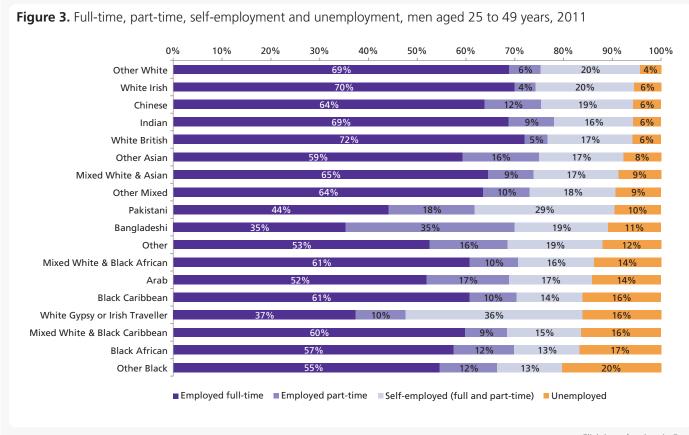
**Unemployed:** People who are not in employment and are either actively looking for work, or waiting to start jobs that they have already obtained.

**Self-employed:** People who operate their own businesses or enterprises or work freelance, with or without employees.

Full-time employment: Working 31 or more hours per week in a main job, including paid and unpaid overtime, but not self-employed.

Part-time employment: Working 30 or less hours per week in a main job, including paid and unpaid overtime, but not self-employed.

Employment discrimination is likely to be a significant issue in the labour market and these data reflect levels of economic activity, unemployment, hours of employment and self-employment. They do not allow us to examine whether some ethnic groups are more concentrated in employment associated with poorer working conditions (e.g. less secure jobs, or jobs with poorer promotion prospects), or whether the wage level may be on average less for some ethnic groups, including being paid less for equivalent work.



Click here for data in Excel

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Traveller men, of whom only 1.5% were in full-time education, but 14.5% in this age group were not working due to sickness or disability – more than three times the national average.

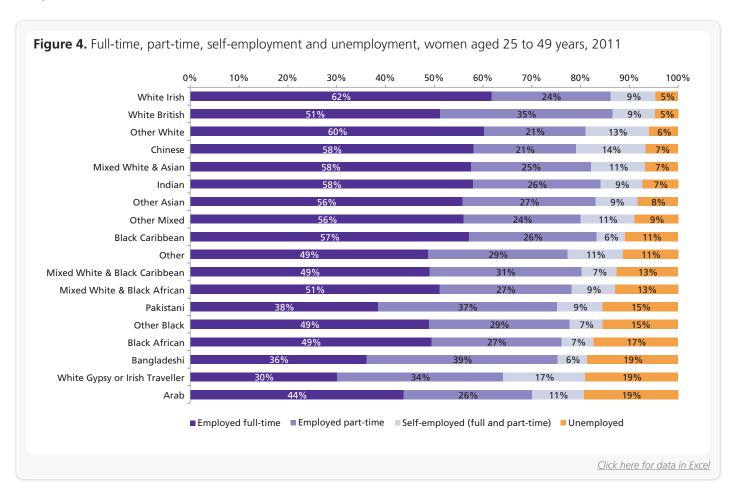
Among women in this age group, rates of economic activity varied more than they did for men across ethnic groups (see Figure 2). Only women in the White British, White Irish, Other White and Black Caribbean groups had rates that were above 80%, although the Indian group was close at 79%. The rates of economic activity were lowest (at around 40%) for women in the White Gypsy or Irish Traveller, Pakistani, Bangladeshi and Arab groups. As for men, the low levels of participation for women in the Arab group in part relate to high rates of participation in full-time education (at 14%, 8 times the national average) and, as for men, in the White Gypsy or Irish Traveller group they reflect high rates of sickness and disability (at 13.6%, also over three times the national average). For women in the Pakistani and Bangladeshi groups there have been some suggestions that high levels of caring responsibility, related to high fertility rates, lead to low rates of labour market participation, but the evidence on this is not strong and low rates of labour market participation might also reflect negative outcomes for those who do participate, such as not being able to find jobs.

### **Unemployment by ethnic group in 2011**

There were large differences across ethnic groups in rates of unemployment among economically active 25 to 49 year olds. For men, rates of unemployment were below the national average of 6.5% in three of the White groups and in the Chinese and Indian groups and were relatively low for the Other Asian group (at 7.7%, see Figure 3). In contrast, economically active men aged 25 to 49 in the Black and Mixed Black groups and in the Arab and White Gypsy or Irish Traveller groups had very high levels of unemployment, ranging from 13% in the Mixed White and Black African group to 20% in the Other Black group.

The pattern of unemployment for economically active women in this age group was very similar to that of men (see Figure 4). Rates of unemployment were again low in three of the White groups (4% to 6%) and for the Chinese group (6%). They were also relatively low for the Mixed White and Asian, Indian, Other Asian and Other Mixed groups (between 7% and 9%).

Comparable with their low rates of economic activity, rates of unemployment were high for 25 to 49 year old women in the Pakistani (15%), Bangladeshi (18%), Arab (19%) and White Gypsy or Irish Traveller (19%) groups. Women in the Mixed White and Black Caribbean, Mixed White and Black



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African, Other Black and Black African groups had high levels of unemployment, ranging from 13% to 17%, but, unlike for men, rates were only moderately high for Black Caribbean women (at 11% for women compared with 16% for Black Caribbean men).

### Full-time employment by ethnic group in 2011

Alongside the large differences in unemployment rates for 25 to 49 year old men and women, there were similarly large differences in full-time employment rates. For men, the highest rates of full-time employment, at around 70% of 25 to 49 year olds who were economically active, were for the White British, White Irish, Other White and Indian groups. The Chinese, Mixed White and Asian and Other Mixed groups had the next highest rates, at 65%, while men in the Pakistani (at 44%), White Gypsy or Irish Traveller (37%) and Bangladeshi (at 35%) groups had particularly low rates of full-time employment.

Full-time employment among economically active 25 to 49 year old women was particularly low in the White Gypsy or Irish Traveller (30%), Bangladeshi (36%) and Pakistani (38%) groups. The highest rates were found in the White Irish (62%) and Other White (60%) groups, while similar rates were present in the Chinese, Mixed White and Asian, Indian (58% each) and Other Asian, Other Mixed and Black Caribbean (between 56 and 57%) groups.

### Self-employment and part-time work by ethnic group in 2011

Alternatives to full-time employment are part-time employment and self-employment. Both of these might reflect constraints in accessing work as a full-time employee,

either because such jobs are not accessible or because they allow more flexibility to meet other commitments, such as caring responsibilities. Those in part-time jobs and self-employment also have, on average, lower incomes and greater job insecurity.<sup>4</sup>

Among economically active men aged 25 to 49, rates of self-employment were high for the White Gypsy or Irish Traveller and Pakistani groups (36% and 28% respectively), were low for the Black African, Black Caribbean and Other Black groups (13% each) and were between 15% and 20% for all other ethnic groups. Overall, rates of self-employment were lower for women than men and lowest for Black Caribbean, Black African and Bangladeshi women (at 6% of economically active 25 to 49 year old women). They were particularly high for women in the White Gypsy or Irish Traveller group (at 17%), with the other groups ranging between 7% and 14%.

Not surprisingly, rates of part-time working for 25 to 49 year olds were, with the exception of Bangladeshi men, much higher for women than for men. Among women, the part-time working rates were highest in the Bangladeshi (39%), Pakistani (36%), White British (35%) and White Gypsy or Irish Traveller (34%) groups. The lowest rates of part-time working were in the Other White and Chinese groups (21% of the economically active), with the other ethnic groups having rates between 24% and 31%.

The rate of part-time employment of Bangladeshi men was high at 35% and, unusually, very close to the rate for Bangladeshi women. It is not clear why this might be so, though it might reflect working less hours because of high levels of poor health, or being unable to find jobs with more hours. Pakistani (17%), Arab (16%), Other (16%) and Other Asian (15%) men, also had fairly high levels of part-time employment.

Sources: the 2011 Census (Crown Copyright).

This briefing is one in a series, *The Dynamics of Diversity: evidence from the 2011 Census*.

Authors: James Nazroo and Dharmi Kapadia

#### Centre on Dynamics of Ethnicity (CoDE)

The University of Manchester Oxford Road, Manchester M13 9PL, UK

email: censusbriefings@ethnicity.ac.uk

www.ethnicity.ac.uk









<sup>&</sup>lt;sup>1</sup> Bell, L. & Casebourne, J. (2008). Increasing Employment for Ethnic Minorities: a summary of research findings. London: Centre for Economic and Social Inclusion http://www.cesi.org.uk/publications/increasing-employment-ethnic-minorities

<sup>&</sup>lt;sup>2</sup> http://www.dwp.gov.uk/emesg/

<sup>&</sup>lt;sup>3</sup> Bourn, J. (2008). Increasing Employment Rates for Ethnic Minorities: A report by the Controller and Auditor General. London: The Stationery Office http://www.nao.org.uk/report/increasing-employment-rates-for-ethnic-minorities/

<sup>&</sup>lt;sup>4</sup> http://www.poverty.org.uk/56/index.shtml

<sup>&</sup>lt;sup>5</sup> Platt, L. (2011). Understanding Inequalities: Stratification and Difference. Cambridge: Polity Press.