

Have ethnic inequalities in employment persisted between 1991 and 2011?

Summary

This briefing uses Census data from 1991 to 2011 to report on how employment patterns of ethnic groups for 25 to 49 year old men and women in England and Wales have changed. We include seven broad ethnic groupings, those that can be derived in a reasonably consistent way across the 1991, 2001 and 2011 Censuses.¹ Major ethnic inequalities remain in employment indicators despite some convergence during this period.

- White men had a consistent advantage over the period 1991 to 2011 compared with men in other ethnic groups, with the exception of Indian and Chinese men whose higher unemployment and self-employment rates converged with those of the White group during the past 20 years.
- Pakistani and Bangladeshi men have seen large falls in unemployment over the period 1991 to 2011 (respectively from 25% to 10% and from 26% to 11%), but unemployment rates for both these groups remain much higher than for White men.
- For Pakistani men, part-time work partly accounts for lower unemployment. For Bangladeshi men, a fall in unemployment was entirely balanced by a rise in part-time work. The eleven-fold increase in part time work between 1991 and 2011 for Bangladeshi men was much larger than for any other ethnic group. In 2011, over one third of Bangladeshi working men worked part-time.
- White women also had a consistent advantage during the last 20 years compared with women in other ethnic groups, although Black Caribbean women had similar labour market participation rates to White women throughout this period.
- Pakistani and Bangladeshi women were the least likely to be in the labour market, but also experienced the highest rises in rates of economic activity between 1991 and 2011 (from 24% to 43% for Pakistani women and from 17% to 40% for Bangladeshi women). Both of these groups also had the largest increases among women in part-time work: 2011 rates were twice as high as in 1991.

Figure 1. Percent of men working or looking for work, 1991-2001-2011

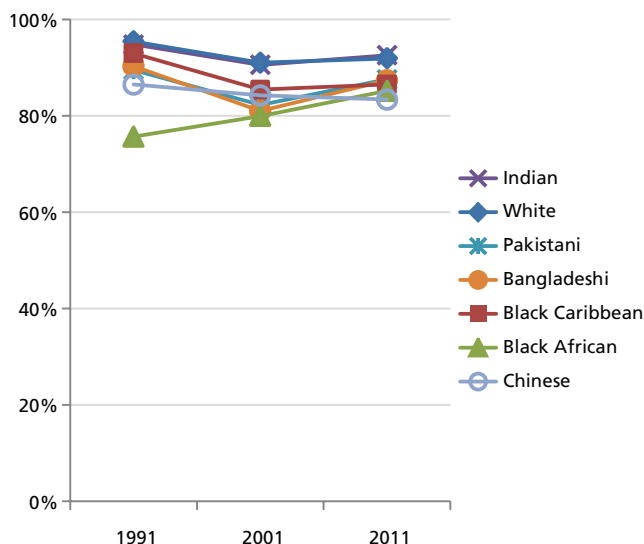
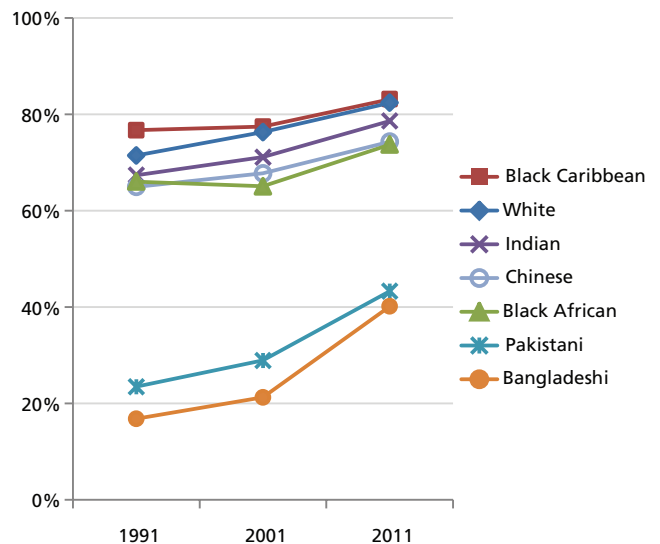


Figure 2. Percent of women working or looking for work, 1991-2001-2011



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- The advantage of White women in relation to unemployment reduced over the period, but was still present in 2011. Unemployment was particularly high for Pakistani (15%), Bangladeshi (19%) and Black African (17%) women.
- Black Caribbean and Black African men had consistently high rates of unemployment, more than double those of White men over the period 1991 to 2011. This consistent disadvantage was echoed for Black Caribbean women and Black African 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.² 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.³ The success of these policies and initiatives to increase ethnic minority employment has been said to be limited.⁴ Using Census data from 1991, 2001 and 2011 we can document changes over time to understand the degree to which employment inequalities have persisted over the last 20 years. We focus on ages 25 to 49 where there are few students or retired people, so that labour market processes specific to age do not obscure the differences between ethnic groups.

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, students, 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.

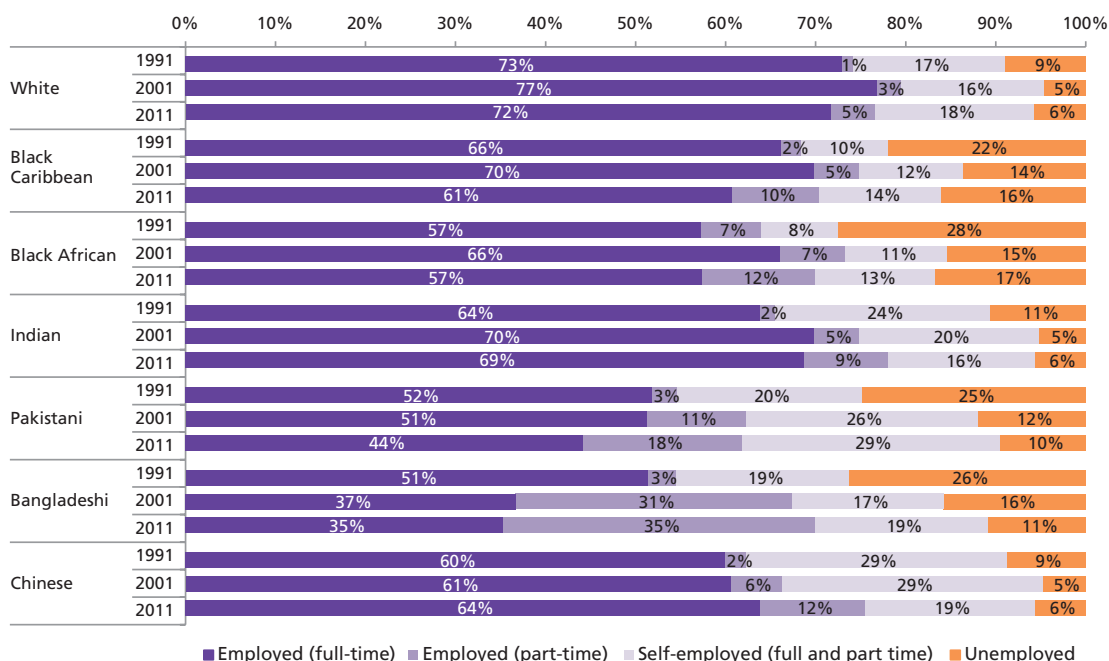
Self-employed: People who operate their own businesses or enterprises or work freelance, with or without employees.

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.

Figure 3. Full-time, part-time, self-employment and unemployment, men aged 25 to 49 years, 1991-2001-2011



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Labour market participation, 1991 to 2011

White men aged 25 to 49 had a consistently higher rate of labour market participation compared with men in other ethnic groups, with the exception of Indian men, over the period 1991 to 2011 (see Figure 1). Men in most ethnic groups have seen a small decline in labour market participation over the twenty years, but the Black African group's participation rates increased from a very low 76% in 1991 to 85% in 2011, still well below White men's rate of 92% in 2011 (down from 95% in 1991).

In contrast to men, economic activity rates for 25 to 49 year old women increased for all ethnic groups between 1991 and 2011 (see Figure 2). The rate of increase was smallest for the Black Caribbean group (approximately a 6 percentage point increase), who had the highest rate of labour market participation in 1991 (76%), followed by White women (71%), but by 2011 the rate of economic activity for these two ethnic groups was about the same. Increases in economic activity were greatest for women in the Pakistani and Bangladeshi groups, who had, respectively, a 20 and 23 percentage point increase between 1991 and 2011. This increased participation in the labour market has been associated with smaller families and increased levels of education⁵, however Pakistani and Bangladeshi women continued to have the lowest rates throughout this period.

Unemployment, 1991 to 2011

Unemployment rates for those aged 25 to 49 decreased between 1991 and 2001, with little change between 2001 and 2011, for all ethnic groups and both men and women.

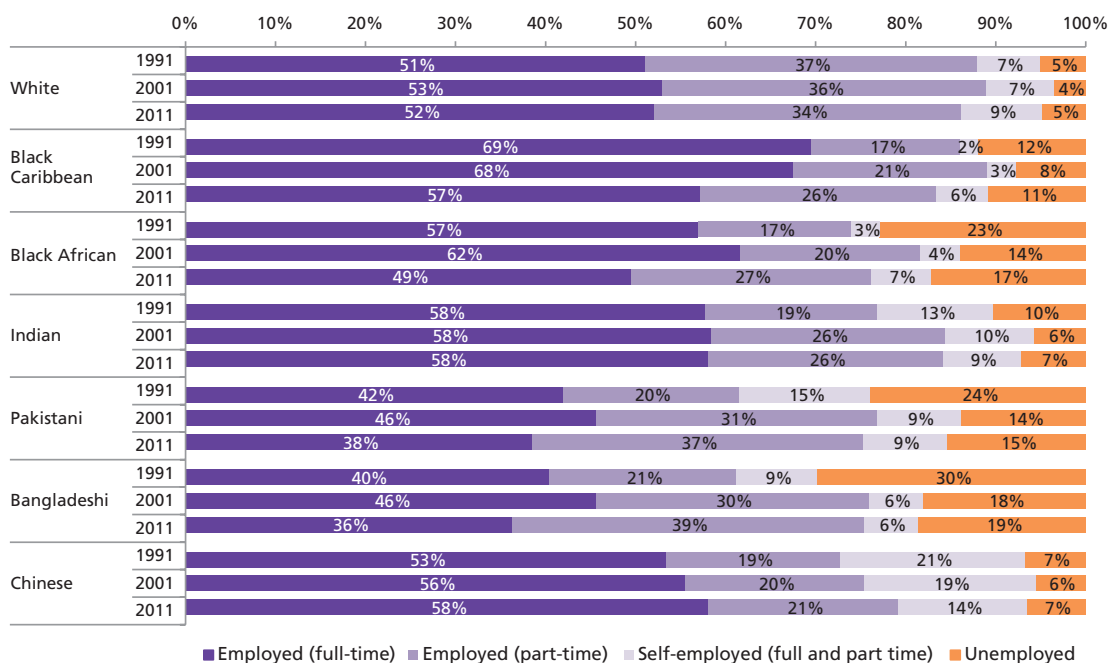
For men there were large falls in the rate of unemployment for each ethnic group (see Figure 3), with the greatest falls for Pakistani and Bangladeshi men: their unemployment rate in 2011 was close to one third of the rate in 1991. Black African men consistently had the highest rates of unemployment, although in 2011 the rate for Black Caribbean men was close (at 16% compared with 17%).

This shift in unemployment rates reduced the disadvantage of Pakistani and Bangladeshi men relative to White men. For Pakistani men the unemployment rate fell from 2.8 times higher in 1991 to 1.6 times higher in 2011, while for Bangladeshi men the fall was from 2.9 times higher to 1.8 times higher. However, for both ethnic groups this was largely a consequence of increases in part-time employment (see below). Much smaller changes in rates of unemployment relative to White men were present for the remaining ethnic groups.

Among women aged 25 to 49, unemployment rates decreased from 1991 to 2011 by one quarter for the Black African group, around one third for the Indian and the Pakistani groups, and almost two fifths for the Bangladeshi group (see Figure 4).

These large falls in unemployment, compared with a very small fall for White women, led to a shift in the patterning of ethnic differences. For Black African and Pakistani women rates fell from 4.5 times higher the rate for White women to just over 3 times higher, while for Black Caribbean women they remained more than twice as high.

Figure 4. Full-time, part-time, self-employment and unemployment, women aged 25 to 49 years, 1991-2001-2011



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Full-time employment, 1991 to 2011

Rates of full-time employment were reasonably stable for economically active 25 to 49 year old men in the White and Black African groups and there was a substantial rise in rates for Indian and Chinese men. The lower rates of full-time employment for 25 to 49 year old Black Caribbean, Pakistani and Bangladeshi compared with the White group in 1991 persisted to 2011.

For 25 to 49 year old women in the labour market, full-time employment was stable for the White and Indian ethnic groups, but decreased in the Black Caribbean group, from 69% in 1991 to 57% in 2011 and Black African group (57% decreasing to 49%). The full-time employment rates for Pakistani and Bangladeshi women decreased slightly (by 4 percentage points between 1991 and 2011) and remained at the lowest level out of all ethnic groups. Black Caribbean women's rate of full-time employment dropped by 11 percentage points in the 2000s, and in 2011 was for the first time not the highest among ethnic groups – at 57%, less than Indian and Chinese women (58%) though more than White women (52%).

Part-time work and self-employment, 1991 to 2011

High levels of part-time work for men indicate barriers to secure work and those in part time work are more likely to receive lower wages than those in full-time work.⁶ Part-time employment rates increased during 1991 to 2011 for men in each ethnic group. The largest rise was for Bangladeshi men – an increase from just over 3% to 35% (most of this rise occurred between 1991 and 2001), while the smallest rise was for Black African men, from 7% to 12%. Economically active men in other ethnic groups had a steady increase in part-time employment over the period, with

rates in 2011 around four times higher than those in 1991. Overall this meant that, with two exceptions, the rate of part-time employment for men in the ethnic minority groups did not change much relative to White men. The two exceptions were a fall in the relative rate for Black African men (from 6 times higher to 2.6 times higher) and a rise in the relative rate for Bangladeshi men (from 2.9 times higher to 7.1 times higher).

The pattern of change in self-employment over 1991 to 2011 for 25 to 49 year old men was more mixed than for part-time employment. For White men, self-employment rates remained stable over this period (between 16% and 18%). The higher rates of self-employment among Indian, Bangladeshi and Chinese men in 1991 had disappeared by 2011. However, the rate of self-employment for Pakistani men remained higher than that for White men throughout this period.

In 1991, White women had the highest rate of part-time employment, almost double that of women in ethnic minority groups. Between 1991 and 2011, all ethnic minority women saw an increase in part-time employment in contrast to White women whose rate reduced by 8%. By 2011, Bangladeshi and Pakistani women had the highest rates of part-time employment (39% and 37% respectively).

Women in the Indian, Pakistani, Bangladeshi and Chinese groups experienced falls of between 3 and 6 percentage points from their high levels of self-employment in 1991 to reach levels in 2011 that were not much different from White women, or, in the case of Bangladeshi women, were lower. For Chinese women rates of self-employment remained high, but fell from a rate almost three times higher than that of White women to 1.6 times higher.

¹ A full description of the comparability of ethnic groups across Censuses can be found here http://www.ethnicity.ac.uk/census/eth_categories.html

² 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>

³ <http://www.dwp.gov.uk/emesg/>

⁴ 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/>

⁵ Dale, A., Shaheen, N., Kalra, V., Fieldhouse, E. A. (2002). Routes into education and employment for young Pakistani and Bangladeshi women in the UK. *Ethnic & Racial Studies*, 25(6), pp. 942-968

⁶ Whittaker, M. & Hurrell, A. (2013). Low Pay Britain 2013. Resolution Foundation <http://www.scribd.com/doc/165161949/Low-Pay-Britain-2013>.

Sources: the 1991, 2001 and 2011 Censuses (Crown Copyright).

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

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