Key issues and conclusions

- Greater labour market monitoring is required to understand why ethnic minority men and women are more likely to experience underemployment and time-related underemployment both prior to and following the economic crisis.

- Potential explanations include segregation, higher unemployment turnover, underemployment growth among the self-employed, and discrimination in the labour market leading to greater difficulties in (re-)entering paid work and finding a job with a required number of working hours.

- Ethnic differences in time-related underemployment and unemployment during the economic crisis

Further materials, links and references

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References


Further materials, links and references

Ethnic differences in time-related underemployment and unemployment during the economic crisis

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Keywords

Ethnicity, underemployment, unemployment, economic crisis, recession, gender.

Summary

This briefing reports on findings from research undertaken at FairWRC showing that following the 2008/9 economic crisis, ethnic minority men and women not only suffered a greater increase in unemployment compared to the White UK-born population, but also higher increases in time-related underemployment. A consideration of broader underemployment highlights how the disproportionate impact of the crisis on the employment of ethnic minority men and women is greater than assumed when assessed in terms of unemployment alone.
Time-related underemployment is defined where a person is wanting at their same level of pay to increase the number of hours within their current employment, find an additional job, or fill an additional job with greater hours is unable to do so (ILO, 1998). Following the 2008 recession in the UK, more than 2.2 million people, the number of people time-related underemployed in 2005 (1.9 million full-time and 0.3 million part-time) increased to 2.4 million people, the number of people time-related underemployed in 2010 (2.3 million full-time and 0.2 million part-time). This could occur for example if a person is wanting for higher pay and is unable to negotiate a change in their employment, or is wanting additional job with greater hours in the same employment. There is also no working time for underemployed, although they may be working the same hours but are unable to work more as a substitute for redundancies. This can be because of such factors as more likely to be part-time employment and non-standard employment practices such as zero-hour contracts which contributed to growth.

Many of the factors that contribute to a higher risk of underemployment, such as ethnic or racial discrimination, qualifications, or for migrants in particular a lack of migration among employers of workers qualifications (Rafferty, 2014) or English language fluency (Drinkwater and D’Arcy, 2014) could be contributing factors in underemployment. This could occur for example if a person is wanting for higher pay and is unable to negotiate a change in their employment, or is wanting additional job with greater hours in the same employment. There is also no working time for underemployed, although they may be working the same hours but are unable to work more as a substitute for redundancies. This can be because of such factors as more likely to be part-time employment and non-standard employment practices such as zero-hour contracts which contributed to growth.

Introduction and background

The research conducted by El-WRRC, Rafferty (2016), summarises this is a brief overview of trends in unemployment and time-related employment among ethnic minority men and women in Great Britain. The analysis data are from the UK Labour Force Survey Micro-data. The analysis is based on the termination of survey questions across, years from 2010 Census definitions and results are presented four quarter moving averages to adjust for seasonal fluctuations. The mean findings indicate that:

- Ethnic minority men and women overall had higher levels of both unemployment (Figure 1) and time-related underemployment prior to the economic crisis (Figure 2). This was particularly the case for Black and Pakistani/Bangladeshi men and women, whereas Indian men and women tended to fare better in the labour market than their minority ethnic groups.

- Following the 2008 recession, ethnic minority men and women experienced a greater increase in unemployment compared to White UK born men and women. Black Caribbean and Pakistani/Bangladeshi men and women in particular experienced considerable growth in their unemployment. The highest increase was found in women amid Black men (21.7% in 2011-12).

- Men from all of the compared ethnic minority groups also experienced greater growth in time-related unemployed than White UK born men (Figure 2). The time-related underemployment of Pakistani/Bangladeshi men nearly doubled following the economic crisis. By 2012-13 compared to 2010-11, Pakistani/Bangladeshi men and women were time-related underemployed compared to less than 1 in 10 Pakistani/Bangladeshi men.

- Black women and Pakistani/Bangladeshi women also experienced higher time-related underemployment than White UK born men following the recession.

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