

# BULLETIN

## Minority ethnic groups and access to jobs

### Population growth

The minority ethnic group population of Great Britain has grown continuously since the late 1940s. It reached more than one million in the late 1960s, 3 million by 1991 and has continued to grow rapidly to over 3.6 million by 1997. This growth is largely a consequence of the relatively high birth rate of a youthful population in most minority ethnic groups, and the continued immigration of people from particular ethnic groups.

### The working age population

Estimates from the Labour Force Survey indicate that in 1998/9 there were 2.3 million men and women of working age from ethnic minorities. The largest groups were:

- 630 thousand of Indian origin
- 350 thousand Pakistanis
- 310 thousand of Black Caribbean origin
- 240 thousand Black Africans
- 140 thousand Bangladeshis
- 110 thousand Chinese.

Minority ethnic groups are projected to account for more than half of the increase in the population of working age over the next ten years.

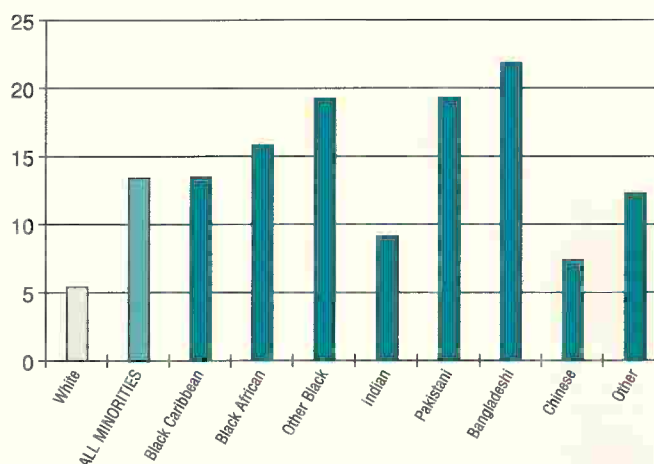
### The labour market disadvantage of minority ethnic groups

The labour market disadvantage of minority ethnic groups in Great Britain is evident across a range of labour market indicators (Office for National Statistics, 1996).

Figure 1 shows *unemployment rates* (using the ILO definition of unemployment) by ethnic group. In 1998/9 the unemployment rate for minority ethnic groups in aggregate was more than double that

for White people (13 per cent, as opposed to 6 per cent). However, differences in experience of unemployment by minority ethnic group are also apparent, with the Chinese and Indian groups displaying the lowest rates and Bangladeshis the highest rates.

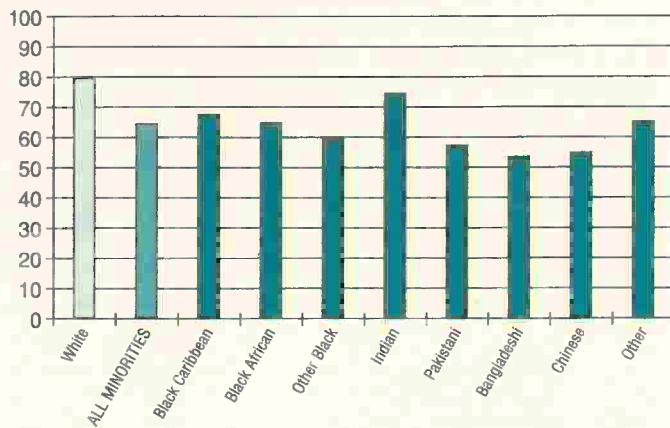
Figure 1: Unemployment rates (%) by ethnic group, 1998/9



Source: Labour Force Survey, summer 1998 to Spring 1999

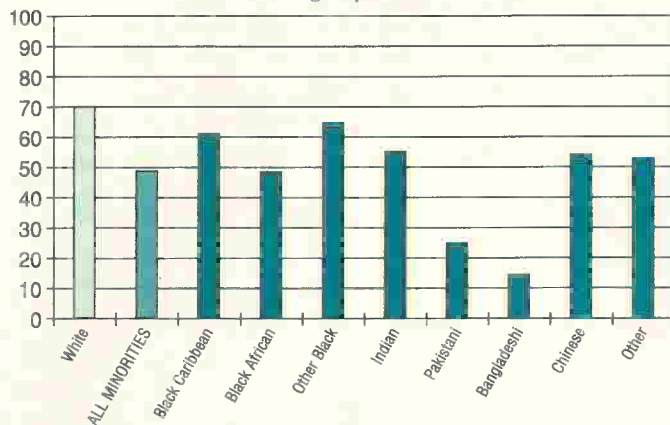
Figures 2 and 3 show *employment rates* for men and women of working age by ethnic group. Again White men and women display the highest employment rates (i.e. the percentage of the population of working age in employment). For ethnic minority men the Indian, Black-Caribbean and Other groups display the highest employment rates. For women the variation in employment rates by ethnic group is more marked, with Other Black and Black Caribbean women displaying the highest employment rates amongst minority ethnic groups, and Bangladeshi and Pakistani women displaying the lowest employment rates (14 per cent and 25 per cent, respectively). These low employment rates are a consequence of low economic activity rates amongst these groups.

Figure 2: Employment rates (%) for males of working age by ethnic group, 1998/9



Source: Labour Force Survey, summer 1998 to Spring 1999

Figure 3: Employment rates (%) for females of working age by ethnic group, 1998/9



Source: Labour Force Survey, summer 1998 to Spring 1999

An analysis of trends in unemployment and employment rates over time (Sly *et al.*, 1999) shows that following a decrease in employment rates in the early 1990s, the subsequent upturn in employment rates has been less for men and women from minority ethnic groups than for their White counterparts. In the case of unemployment rates, analyses show similar trends between White people and those from minority ethnic groups, but also reveal that unemployment rates for minority ethnic groups have tended to be more sensitive to changes in the overall economy. The ratio of the unemployment rates for minority ethnic groups to that of White people has been higher in the 1990s than it was in the mid/late 1980s

In summary:

- On both unemployment rate and employment rate indicators minority ethnic groups emerge as 'disadvantaged' relative to White people.
- There are wide variations in experience in labour market disadvantage *between* minority ethnic groups: the picture is one of *inequality* and *diversity*.

In an attempt to capture some of the variation in economic circumstances between minority ethnic groups, Modood *et al.* (1997) have made a three-fold distinction between minority ethnic groups:

- 1) Chinese and Other-Asians – displaying broad parity with the White population
- 2) Indians and Black-Caribbeans – experiencing disadvantage
- 3) Pakistanis and Bangladeshis – facing serious disadvantage.

#### Explaining the labour market disadvantage of minority ethnic groups

There are two main possible groups of reasons that may explain the labour market disadvantage of minority ethnic groups:

- 1) Differences in *human capital* (i.e. *skills mismatch*): it is possible that differences in *skills levels* may 'explain' the labour market disadvantage of minority ethnic groups.
- 2) Differences in *geographical location* (i.e. *spatial mismatch*): it is possible that minority ethnic groups may be geographically concentrated in areas characterised by demand-deficiency and this may adversely affect their opportunities for employment.

#### Skills mismatch

As regards 'skills mismatch', there is evidence that differences in educational participation levels between minority ethnic groups and their White counterparts have tended to diminish in recent years (Meager, 1999). Young people from minority ethnic groups are more likely to remain in full-time education at the end of compulsory schooling than White youngsters, and overall minority ethnic groups are comparatively well represented in higher education. Nevertheless, analyses of monitoring information from the New Deal and work-related training programmes suggest that people from minority ethnic groups tend to be less successful than White people in moving from education and training into employment. In summary, the evidence suggests that labour market disadvantage experienced by ethnic minorities cannot be attributed solely to differences in human capital.

#### Spatial mismatch

To date, most research on spatial mismatch has been undertaken in the United States. The advent of welfare-to-work policies has fuelled an ongoing thirty-year debate on the role of 'spatial mismatch' in understanding barriers to employment experienced by ethnic minorities. In essence, spatial mismatch is about a geographic gap between people and jobs that leads to a lack of opportunity in poor neighbourhoods. As initially posited by Kain (1968):

- ⇒ the process of residential racial segregation has disproportionately concentrated black people in cities, and more particularly in inner city ghettos
- ⇒ urban decline has exacerbated and concentrated poverty in these neighbourhoods
- ⇒ deindustrialisation and job suburbanisation have contributed to the further separation of low-income minorities from the metropolitan job market.

Key trends in the geography of employment and poverty in the United States would appear to set a clear context for the existence of spatial mismatch. Yet despite numerous analyses of spatial mismatch in the United States, considerable disagreement and uncertainty remains about the validity of this explanation for the labour market disadvantage of minority ethnic groups. However, there is a general consensus that geographical factors can and do play an important role in affecting labour market experiences, although often in complex ways.

## The place of geographical factors in understanding the labour market disadvantage of minority ethnic groups in Britain

### The spatial distribution of minority ethnic groups

In Britain the degree of population segregation is much less extreme than in the United States (Peach, 1996). In the immediate post World War II period immigrants from the New Commonwealth settled in the major cities of Britain and in the areas of greatest industrial concentration. The 1991 Census of Population identified Greater London and the West Midlands conurbation as containing the largest concentrations of minority ethnic groups in Britain.

### The geography of employment change

Since 1960 there has been a radical transformation of the British space-economy. Inner urban areas and large cities have seen substantial job loss (see Table 1) as the focus of population and employment growth has shifted down the urban hierarchy (Breheny, 1999).

Table 1: Employment change, 1981-91

Urban category	Thousands	Per cent
Inner London	-6.2	-3.3
Outer London	9.6	6.7
Inner conurbations	25.3	15.0
Outer conurbations	43.3	18.7
Freestanding cities	31.1	22.6
Smaller cities towns & rural areas	344.5	33.7

Source: 1981 and 1991 Censuses of Population Special Workplace Statistics, Set B

At a time when economic vitality has increasingly shifted from the traditional centres of economic activity towards areas such as the 'golden crescent' on the edge of the 'Greater South East', the relative concentration of minority ethnic groups in the larger urban areas has increased (Owen, 1999). This raises the question: *Does the changing geography of population and employment mean that minority ethnic groups are disadvantaged in their access to jobs?*

### Commuting behaviour by ethnic group

In order to gain insights into differential access to jobs it is necessary to examine commuting behaviour. To date relatively little work has been undertaken on commuting behaviour of minority ethnic groups in Britain. However, an analysis of information from the 1991 Census of Population 2 per cent individual Sample of Anonymised Records and the Labour Force Survey reveals that:

- *Means of transport* – People from minority ethnic groups are more than twice as likely as White people to depend on public transport for commuting to work. In 1991 33 per cent of men groups and 48 per cent of women from minority ethnic groups used public transport to get to work, compared with 14 per cent of White men and 22 per cent of White women. (To some extent this greater reliance on public transport reflects the greater concentration of minority ethnic groups in urban areas.)

- *Commuting distances* – On average White employees commute approximately 1 kilometre further than those from minority ethnic groups. However, averages disguise differences in distances travelled between ethnic groups. There are differences in commuting distance profiles between men and women – with men tending to travel further to their place of employment than women, and by age – with those in the prime age groups tending to travel the longest distances to work. White women commute shorter distances to work than women from all minority ethnic groups in aggregate (this probably reflects the greater proportion of White women working on a part-time basis), but Pakistani and Bangladeshi women in employment travel very short distances.
- *Commuting times* – The Labour Force Survey provides information on commuting times. Mean commuting times are longer for men than for women. For both men and women commuting times are slightly longer for workers from minority ethnic groups than for their White counterparts.

At face value, a dependence on public transport and shorter average commuting distances for minority ethnic groups are likely to be indicative of disadvantage in accessing employment opportunities. In particular, they are likely to be at a disadvantage relative to White people in their ability to reach jobs located on the suburban fringes of cities and in newer areas of economic growth located outside the major centres of urban development.

### Estimating commuting flows by ethnic group

No 'official' information source currently provides information on patterns of commuting flows by ethnic group. In order to link the changing geography of employment opportunities with the changing geography of employment opportunities it is necessary to estimate the 'missing' journey-to-work flows.

A set of hypothetical estimates of ward-to-ward commuting patterns by ethnic group has been created for employed persons by combining data from the 1991 Census of Population Local Base Statistics and Special Workplace Statistics as follows:

- 1) estimating the age and sex breakdown of people in employment resident in each ward, and then
- 2) multiplying the proportion of employees in each age and sex and who are from each ethnic group against the total number of people commuting out of the ward to each other ward in the same age and sex band, so as to
- 3) produce an estimate of the number of people from each ethnic group, age and sex band who are commuting to that ward.

This estimation methodology measures the effect of the spatial distribution of minority ethnic groups in relation to overall commuting flows.

Table 2 shows the estimated share of employed residents and workers by ethnic group for selected ward groups from a socioeconomic categorisation of wards. Employed residents from minority ethnic groups are concentrated to a much greater extent than White residents in Deprived City Areas, Inner City Areas and Deprived Industrial Areas. All of these ward categories are areas of in-commuting (i.e. they are characterised by a greater share of jobs than of employed residents). Yet the minority ethnic group share of all workers in these ward groups is much smaller than the minority ethnic group share of all residents, indicating that most jobs in these areas were filled by in-commuters – the great majority of whom were from the White group.

Table 2: Percentage shares of employed residents and workers by ethnic group for selected ward groups, 1991

Ward group	Residents		Workers	
	White	MEG	White	MEG
Suburbia	95.4	4.6	95.5	4.5
Rural fringe	99.3	0.7	98.6	1.4
Industrial areas	97.2	2.8	96.9	3.1
Middling Britain	97.4	2.6	97.0	3.0
Prosperous areas	98.8	1.2	97.9	8.8
Inner city estates	80.1	19.9	91.2	8.8
Deprived city areas	77.6	22.4	86.7	13.3
Lower status owner-occs.	92.9	7.1	96.8	3.2
Deprived industrial areas	90.7	9.3	94.0	6.0
All areas	95.6	4.4	95.6	4.4

Key: MEG – Minority ethnic groups

Source: Estimates based on 1991 Censuses of Population Local Base Statistics and Special Workplace Statistics

Further analyses have investigated the skills dimensions underlying these commuting trends (Owen and Green, 1999), focusing on the growth in managerial and professional occupations and the decline in low skilled occupations.

## Conclusions

From these analyses it is concluded that:

- People from minority ethnic groups face considerable competition for the jobs located in the areas in which they live from White in-commuters.
- People from minority ethnic groups are at a further disadvantage in obtaining local employment because their skills do not match those of the jobs located in such areas. In aggregate, resident employees from minority ethnic groups are more likely than average to be semi-skilled or unskilled workers, but the jobs located in the areas in which they live are less likely than average to be for low skilled workers.
- There is some evidence for the failure of people from minority ethnic groups to access new employment opportunities located outside the major urban centres, given the greater likelihood of

White people commuting into these areas, and the concentration of minority ethnic groups into the older urban areas.

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