

## ETHNIC MINORITIES IN THE BRITISH LABOUR MARKET

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The ethnic minorities of the United Kingdom derive mainly from over a century of immigration and settlement by people from other European countries, especially Ireland, and from the countries of the former British Empire, particularly those in South Asia and the Caribbean. In recent decades Chinese, African and Eastern European migrants increased in numbers. The flow of immigrants has often been shadowed by legislative attempts to control it. Most recently, during 2008 and 2009, a five-tier points-based system of immigration control, based on the Australian model, has been introduced for migrants from outside the European Economic Area. (The details are accessible via <http://www.bia.homeoffice.gov.uk/sitecontent/documents/managingourborders/pbsdocs/state-mentofintent/highlyskilledunderpbs.pdf>).

### DEFINING ETHNIC GROUPS

Government statistics have not always clearly identified ethnic groups. Until the 1971 census only birthplace and previous residence were recorded. Continuing this practice would have rendered the growing number of children, born in Britain of immigrant parentage, statistically invisible. In 1971 a census question was asked about parental birthplace. The 1981 census dealt with the matter by inference: ethnic minorities were identified on the basis of the birthplace of the head of the household in which a person resided (Coleman and Salt 1992, 483-486). Only in 1991 were census respondents asked directly about ethnicity. This was repeated in 2001, although the results were classified slightly differently from ten years earlier.

Additional complications arise from differences between the categories enumerated and reported in Scotland and those used in England and Wales. Northern Ireland even has a separate census, resulting in further variations in ethnic classification. For example in England and Wales the White Irish and Other Whites are distinguished as ethnic groups; in Scotland the White British are further differentiated into the White Scottish and Other White British; but in Northern Ireland White is an undivided category, presumably because identification as Irish or British is so politically contentious (Dobbs *et al.* 2006, 6).

It should be recognised that in practice an ethnic group is a somewhat fuzzy concept. The census form and other government surveys are completed not by individuals but by one person on behalf a household. The latter's subjective opinion determines the way questions are answered. Ethnicity may not be perceived in the same way by the form filler and those who are reported on. This is an issue particularly relevant for people whose ancestry crosses ethnic categories, but is not confined to them since ethnicity can be an evolving concept. Is a child born in Scotland of Irish parents to be reported as White Scottish, Other White British or White Irish? Platt *et al.* (2005) examine ethnic group identification for the same individuals from a large anonymous sample drawn from the 1991 and 2001 censuses. They find over 90 per cent consistency for Whites, South Asians and Chinese, but almost 25 per cent inconsistency for Black Africans and Black Caribbeans.

### SIZE OF ETHNIC GROUPS

At the most recent census in 2001 the United Kingdom had a population of 58.8 million. By mid-2008 it was estimated by the Office for National Statistics that this had grown to 61.4 million. In 2001 about 92 per cent of the total was White, and only 4.8 million, or about 8 per

cent, from non-white minorities. These minorities were not however evenly dispersed; 96 per cent lived in England, compared with 82 per cent of the White population. Only 2 per cent of minorities lived in Scotland, 1 per cent in Wales, and less than 0.5 per cent in Northern Ireland (Connolly and White 2006). In subsequent sections information is sometimes given for Great Britain (England, Scotland and Wales), for England and Wales, or for England alone. This is done for reasons of data availability, but as the percentages above imply it will usually differ little from the overall position for the whole United Kingdom. The obvious exception to this generalisation is the case of the position of the White Irish whose UK characteristics might differ significantly from the Great Britain figures if their unknown numbers in Northern Ireland had been counted.

In 2001 the largest non-White minority was Indian, 1.1 million, or 1.8 per cent of the United Kingdom total. Then comes the Pakistani group, 747,000 or 1.3 per cent; the Black Caribbean group, 566,000 or 1.0 per cent; Black Africans, 485,000, 0.8 per cent; Bangladeshis, 283,000 or 0.5 per cent; and the Chinese, 247,000 0.4 per cent. The census also includes a number of aggregate categories, incorporating those not incorporated in the groups just listed: persons of Mixed descent, 677,000 or 1.2 per cent; Other Asians, 248,000 or 0.4 per cent; Other Blacks, an identity covering many British-born persons of African or Caribbean ancestry, 98,000 or 0.2 per cent; and the portmanteau classification, Other Ethnic Group, with 231,000 members, 0.4 per cent of the UK population.

In addition there were two white ethnic minorities identified in Great Britain, but not in Northern Ireland: 1.4 million Other Whites, 2.5 per cent of the population; and 691,000 White Irish, 1.2 per cent.. About two-thirds of these Other Whites were born in Europe, including those born in the UK itself, and most of the rest born in countries with large populations of European descent, such as Australia, Canada and the United States.

### GEOGRAPHICAL DISTRIBUTION

We have already seen that ethnic minorities are unevenly distributed across the countries of the United Kingdom. This inequality is repeated on more local geographical scales. Within English regions London has by far the highest ethnic minority percentage; in 2001 40.2 per cent of the population was not White British, constituting 45.1 per cent of all ethnic minorities in England.. Next comes the West Midlands which was 13.8 per cent ethnic minority, then the East Midlands, east of England, South East and Yorkshire and the Humber, all between 91 and 92 per cent. Within regions the minority proportion differs strongly between local government units, and still more so between localities within them. For example the London Borough of Brent was only 29.2 per cent White British in 2001, and in several very local areas in London and the West Midlands ethnic minorities constituted over 90 per cent of the population. Conversely several local government units in North East England have less than 2 per cent ethnic minorities, and more locally the figure is sometimes below 1 per cent.

Individual ethnic minorities have geographical distributions quite dissimilar from each other. In 2001 79.8 per cent of England's Black Africans were in London, as were 61 per cent of Black Caribbeans, 56 per cent of Bangladeshis, and 43 per cent of Indians. But only 36 per cent of Chinese in England lived in London, and 20 per cent of Pakistanis. Both the West Midlands and Yorkshire and the Humber had marginally higher shares of the Pakistani population than did London. As with the aggregate minority figures, more local distributions of individual minorities exhibit greater unevenness. All these geographical distributions are important for the economic roles of ethnic minorities because economic activities are also unevenly distributed. The economic profile of a particular minority may be the cause of their geographical distribution, or be a consequence of it. A particular example of the former is the widespread distribution of the Chinese as a consequence of their involvement in the restaurant trade. On the other hand the strong Pakistani presence in the West Midlands, North West and Yorkshire and the Humber reflects the historic distribution of the engineering

and textile industries, which provided employment to this group in its initial phase of immigration.

### ECONOMIC ACTIVITY RATES

An important measure of economic involvement of any group is its activity rate, the proportion of the over-16 population either in work or seeking work. The economically active include employees, the self-employed, those on government training schemes, and unpaid workers in family businesses, as well as the unemployed. Economic activity rates are strongly influenced by gender with the 2001 activity rate for men in England and Wales at 82 per cent, but only 70 per cent for women. The difference is mainly accounted for by the family and domestic responsibilities frequently placed upon women. Ethnic variations in economic activity for men are lower than variations for women. For men the White British had a 2001 figure of 83 per cent, Indians were on 78 per cent, White Irish 77 per cent, Black Caribbeans 77 per cent, Black Africans 71 per cent, Pakistanis 69 per cent, Bangladeshis 68 per cent, and the Chinese on 65 per cent. The remaining ethnic categories, covering persons of mixed descent and collections of smaller groups, fell within the overall range. A good deal of the variation can be accounted for by the younger age structures of most minority groups; many younger people are students, and this is particularly so among some ethnic minorities. In the extreme case of the Chinese only 30 per cent of men aged 16-24 are economically active, but over the age of 40 their activity rate exceeds that of the White British (Dobbs *et al.* 2006, 125).

Among women the highest activity rates are found in the Black Caribbean group at 73 per cent, which is just above the 72 per cent of the White British and the 70 per cent of the White Irish. Indians are on 63 per cent, Black Africans on 60 per cent, and the Chinese on 57 per cent, but the Pakistani figure is only 30 per cent and that for Bangladeshis 27 per cent. Mixed and collective groups fall within the general range, all above 50 per cent. As with men age structures and student status help to explain the variations, but for Bangladeshis and Pakistanis another factor is involved. In both ethnic groups the proportion of Muslims is over 90 per cent, and the traditional values of this religion keep the female activity rate particularly low (Dobbs *et al.* 2006, 126).

### EMPLOYMENT AND UNEMPLOYMENT

Employment and unemployment are the two parts of the economically active. When comparing ethnic groups on these factors it is therefore important to remember that they are an additional layer of variation in addition to the activity level. For example in 2001 the unemployment rate for Bangladeshi women in England and Wales was 22 per cent, compared with a figure of 5 per cent for all women. This has to be in the context of the group's 27 per cent activity rate. Combining these two figures shows that only 21 per cent of Bangladeshi women were actually in employment at the time. The equivalent figures for Pakistani women of 18 per cent unemployment and a 30 per cent activity rate indicate that only 25 per cent were in employment. These two ethnic groups are unusual because their unemployment rates for women are higher than those for men. In all other groups female unemployment is either lower than that for men, or in the case of Indians, Chinese, Other Whites and Other Asians the same as for men.

Among men the lowest unemployment rate is 6 per cent for the White British, followed by the White Irish and Indians on 7 per cent, the Chinese on 8 per cent, Black Caribbeans on 17 per cent, Black Africans on 18 per cent, and Bangladeshis on 19 per cent. The worst figure of all is 21 per cent for members of the Other Black group. All other mixed and collective groups fall within the overall range. The weaker position of ethnic minorities compared with the White British is partly a reflection of their overall role in the labour market, as performers of roles that the White British find unattractive. Whether for reasons of racial prejudice, or

because of cultural or economic fit, the White British, on average, get the first choice of jobs, and others, again on average, get the jobs which are left, if there are any. Age structures are also implicated however. Ethnic minorities, except the White Irish, have a younger age profile than the White British, and younger age groups under 25 have much higher unemployment levels than older people. So, if other factors are equal, younger ethnic groups have higher unemployment levels (Dobbs *et al.* 2006, 136).

Among women the White British and White Irish enjoy the lowest unemployment level on 4 per cent, followed by Indians on 7 per cent, Chinese on 8 per cent, Black Caribbeans on 10 per cent, and Black Africans on 16 per cent. We have already seen the higher figures for Pakistani and Bangladeshi women. Mixed and collective ethnic groups fall within the overall range (Dobbs *et al.* 2006, 136). As with men unemployment levels for women are partly explained by the ethnic pecking order, and partly by age structures.

The lower unemployment rates for women in most ethnic groups may relate to a complex interaction of household politics and social security legislation. To qualify for jobseekers allowance, a government benefit for the unemployed, applicants have to have a satisfactory record of National Insurance contributions. For most people these contributions are a by-product of being in paid employment. Because of their lower activity rates women may have poorer contributions records and therefore find unemployed status provides no financial benefits compared with staying out of the labour market. Moreover we have referred above to the family and household responsibilities of women. This may mean that part-time employment, typically poorly paid, is a domestically acceptable alternative to both total economic inactivity and full-time employment.

### GENERATIONAL DIFFERENCES

We have seen that age makes a difference to activity rates and unemployment. For ethnic minorities there is the additional complication of generation: are individuals themselves immigrants, or are they of the British-born generations? Broadly speaking the experience of education and acculturation allows the British-born to access a better labour market experience than the immigrant generation. Possession of British qualifications, fluency in English, and familiarity with British custom and practice provide better job prospects than not having them.

### INDUSTRY

As a consequence of their varied histories, geographies and other characteristics ethnic minorities are sometimes quite differently distributed across economic sectors from the White British. Generally speaking ethnic minorities are concentrated in a smaller range of activities than the White British (Barrett and McEvoy 2005). This applies particularly to men. In 2001 about 16 per cent of White British males were in the distributive trades (retailing, wholesaling and repair), but for Indians, Pakistanis and Other Asians the figure was almost 24 per cent. Only 3 per cent of White British males worked in hotels and restaurants, but for the Chinese the figure was 38 per cent, and for Bangladeshis 45 per cent. Transport, storage and communication employed 9 per cent of White British males but 18 per cent of Pakistani men. The real estate sector employed 13.5 per cent of White British males, but 23 per cent of Black African men. Health and Social Work account for only 3.5 per cent of White British men, but over ten per cent of Other Asian males, 12.5 per cent of Black African men, and 13 per cent of men from the Other ethnic group category.

In most cases the concentration is greater than these broad sectoral labels reveal. For example in retailing the Indian, Pakistani and other Asian concentration is in convenience stores selling newspapers, cigarettes, sweets (candy to those who speak American English), and top-up food supplies; in hotels and restaurants the specialisation is in ethnic Chinese

and 'Indian' cuisine and in take-away fast foods such as pizzas; and in transport the Pakistani concentration is in taxi driving. These sectors all involve long and/or inconvenient hours of work, and pay levels are typically low. Moreover the experience of dealing with customers is not always smooth; pilfering, refusal to pay and violence are not infrequent, perhaps more so than for the White British in the same sectors.

Among women the differences between ethnic minority employment patterns and those for the White British are probably not as marked as for men. In the hotel and restaurant sector Chinese women, like Chinese men, spectacularly exceed the level of concentration of the White British (29 per cent, compared with 6 per cent), but Bangladeshi women (7 per cent) do not compare with their male co-ethnics. In the distributive trades the proportion of Pakistani women employed is marginally higher (25 per cent) than the proportion of Pakistani men, but White British women are also more concentrated in this activity (18 per cent). Indians, Bangladeshis, and Other Asians also have over 20 per cent of their female labour force in this sector. The proportion employed in Health and Social Work is much higher for White British women (almost 19 per cent) than for White British men (3.5 per cent), but there are even higher figures for several groups of minority women: 23.5 per cent for Other Asians; 29 per cent for Black Caribbeans; 32 per cent for Black Africans; 26 per cent for Other Blacks; and 28 per cent for Other Ethnic Groups.

### OCCUPATION

Industry is only one dimension of employment. Another important factor is occupational level. The White Irish, once a group concentrated in the unwanted niches of the British economy, are now in a relatively advantaged occupational position with 35 per cent in managerial or professional occupations. In contrast only 11 per cent of Bangladeshis were in managerial or professional positions, and only 14 per cent of Pakistanis. Black Caribbeans (28 per cent), Indians (28 per cent), Black Africans (26 per cent), and Chinese (24 per cent) were intermediate in this matter. The picture is more complicated when other occupational categories are considered (Connolly and White 2006).

### SELF-EMPLOYMENT

One of the solutions to unemployment or the low rewards available in employment is to become self-employed. Several ethnic groups have adopted this strategy in the United Kingdom. Becoming your own boss eliminates any suspicion that your employer underestimates your performance or potential. In England and Wales in 2001 the overall proportion of the economically active who were self-employed was 12.5 per cent and for the White British it was 12.4 per cent; but for the Chinese it was 21.6 per cent, for Pakistanis 17.2 per cent, for Indians 14.8 per cent, and for Other Asians 13.9 per cent. Measuring self-employment as a proportion of those in work also puts Bangladeshis above average.

Self-employed members of ethnic minorities parallel the pattern of sectoral concentration described above for all those in employment. In 2001 59 per cent of the self-employed Chinese in England and Wales were in hotels and restaurants, as were 47 per cent of Bangladeshis; 30 per cent of Pakistanis were in transport, storage and communications; and 43 per cent of self-employed Indians were in the distributive trades, as were 29 per cent of Other Asians (McEvoy and Hafeez 2009). There are gender and age variations within these averages. Figures for men are higher than the averages, and those for women lower. The youngest age groups have lower self-employment older groups.

Some other ethnic groups have self-employment levels below the White British, notably Black Africans and Black Caribbeans. Such differences between minority groups have allowed some to argue that cultural endowments provide a pre-disposition to self-employment and business involvement for some groups, and that other groups lack these

advantages. Others argue that structural factors explain the differences. For a succinct account of this debate see Anthias and Cederberg (2009). Whatever the explanation it should be noted that ethnic differences appear to be converging over time, and that this is because British-born members of ethnic groups perform more like the White British than do members of the immigrant generation (Clark and Drinkwater, forthcoming).

### RECENT CHANGES

The preceding sections have largely been illustrated by reference to 2001 census figures. Only occasional references have been made to processes of change. More recent information is based on sample surveys and is not therefore as reliable as the almost complete coverage of the census. Nevertheless the years elapsing since 2001 make it desirable to assess some of the changes which have occurred.

The Labour Force Survey (LFS), an official government investigation, reports every three months. Unfortunately for our purposes a recent report (Clancy 2008) based on this source examines the data by country of birth, rather than ethnic group, although the latter would have been possible. The country of birth data do however provide useful information.

In the April to June quarter of 2001, the time of the census, LFS reports 27,643,000 persons in employment, of whom 25,350,000, or 92.4 per cent were UK-born. By January to March 2008 the total was 29,438,000, of whom 25,755,000, 87.5 per cent, were UK-born. In other words the UK labour force had grown by 6.5 per cent in just less than seven years, but the UK-born contribution to the total had grown by 1.6 per cent, while the foreign-born element had grown by 61.1 per cent. It seems probable that without the UK-born members of ethnic minorities the size of the UK-born labour force would be in decline.

Individual areas of foreign origin vary around the mean growth rate of 61.1 per cent. Places which can be associated with specific minorities discussed in the rest of this document include Bangladesh with 10 per cent growth, India with 63 per cent, Pakistan 68 per cent, and Africa excluding South Africa 47 per cent. Workers from the other 14 countries which were European Union members before 2004 increased by 11.5 per cent, those from the Americas by 22 per cent, and those from Australia and New Zealand by 30 per cent. All these growth figures are however dwarfed by the 1,114 per cent growth in workers from the 8 Eastern European countries joining the EU in 2004. The numerical increase was from 42,000 in 2001 to 510,000 in 2008. A large proportion of these workers are known to be from Poland. It is too early to say whether his migration will lead to the development of a much larger permanent resident community of Poles in the United Kingdom. (A small community based on post-1945 refugees survives.) Many of the new workers return regularly to Poland between jobs or on holiday, and may have an intention of returning permanently to Poland in the future. But that was of course the original plan of many Indians and Pakistanis.

The inflow of East Europeans is frequently referred to in the mass media; the "Polish plumber" and his confrères are alternately praised as a fine example of hard-working enterprise, filling important gaps in the labour market, and condemned as undermining the job security and wage levels of the British worker. It is worth adding therefore that the 468,000 extra workers from Eastern Europe are only 33.5 per cent of the 1,396,000 extra foreign-born in the labour force over the seven-year period.

Direct information on the size of ethnic minorities in 2006 is available from experimental estimates for England produced by the Office for National Statistics in 2008. The population of working age had increased by 4.1 per cent overall, with the White British contribution being a tiny 0.3 per cent, and White Irish numbers decreasing by 14.1 per cent. The largest increase for any group in this period was estimated at 84 per cent for the Chinese; Other

Ethnic Groups grew by 73 per cent, and Black Africans by 56 per cent. Other Whites grew by 34 per cent, Other Asians by 41 per cent and Other Black numbers by 27 per cent; the four ethnic categories covering people of ethnically mixed descent grew by percentages in the 40s. Total Indians of working age grew by 30 per cent, Pakistanis by 29 per cent, Bangladeshis by 33 per cent, and Black Caribbeans by 7 per cent. Many of these figures are very substantial increases over a five-year interval, so it must be recognised that a substantial part of these increases represent the maturing age profiles of ethnic minorities, not necessarily increased levels of immigration. Communities with many young adults produce more children than those with many older adults. Hence the lower Black Caribbean growth rate is a reflection of an age profile closer to that of the White British than that of many other minorities.

### CONCLUSION

The United Kingdom has a long record of immigration and settlement, leading to the formation of substantial ethnic minorities. In the phase of immigration many minorities have a labour market profile quite different from that of the majority White British population. Particular industries are characteristic, unemployment levels are frequently higher, and economic activity rates are often lower. As the British-born generations become more significant parts of ethnic minorities there is however a pattern of convergence on the White British labour market profile. As yet only the White Irish can possibly be said to have arrived at parity with the majority population.

There is a strong commitment by government and the leading political parties to equality of opportunity for ethnic minorities in the United Kingdom. This backed up by a strong legal framework, and a dedicated institutional framework for enforcement. It may therefore be paradoxical that for much of the last century government has apparently been in the process of trying to restrict further immigration, except from Ireland, and latterly from the European Union. As the figures nevertheless show, these efforts have largely failed, and the economy continues to attract large numbers of new workers from overseas. With the passage of time new ethnic minorities expand, even as the growth of older groups stabilises. This is not to say that immigration restrictions have no effect. Individuals and particular communities may be effectively excluded, but in aggregate restrictions are unsuccessful.

### TECHNICAL NOTES

Unless a specific source is quoted the data used in this report have been drawn from the 2001 census reports. Census output is Crown copyright and is reproduced by permission of the Controller of HMSO and the Queen's Printer for Scotland. The experimental mid-year estimates are also Crown copyright.

Readers of contemporary British literature will find that the favoured terminology for the groups referred to in this report as ethnic minorities is minority ethnic groups or Black and minority ethnic groups. Our usage follows more common international practice.

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