



Performance and Innovation Unit

# Ethnic Minorities' Economic Performance

Surveying literature to emphasise facts, analysis, and likely patterns for the future



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## BACKGROUND

1. Minority ethnic group population of UK has grown continuously since the late 1940s. It reached more than 1 million in the late 1960s, and 3 million by 1991 and has continued to grow rapidly, to over 3.8 million in 1999. Minority ethnic groups are projected to account for more than half of the growth in the working age population over the next ten years. By 2009, however, the number of elder people from minority ethnic groups will also have increased substantially. This rapid growth is a consequence of the young structure of most minority ethnic subpopulations and the continued immigration of people from particular ethnic groups.
2. Ethnic minorities' economic performance is a very sensitive question. We therefore need to be very careful when addressing this issue (is it even one?).
3. There has been a huge controversy in France two years ago within the French organism that leads the research in these dimensions of equity issues within the population. There was disagreement within the INED (Institut national des études démographiques): one side said that is no problem in producing and publishing ethnic-based statistics and findings, another asked not to publish this kind of work, making the point that this is the very way to allow all sorts of overflowing talks, claiming to be based on scientific evidence.
4. However, the stakes here are huge. There are several major issues linked with this one: opportunity equality/equity for all, the dialectic of integration against assimilation, negative externalities of bad handling of "the other's" thematic (violence vs. insecurity feeling).
5. In comparison to their relative part in the population, ethnic minority groups are more likely than other to live in deprived areas, be poor, be unemployed compared with people of similar qualification, suffer illness and live in over-crowded housing. They also experience racial harassment and racist crime, and are over-represented in the criminal justice system.

## 1. Facts: The underachievement of ethnic minority groups is now well documented

6. Minority ethnic social inclusion varies according to their economic, social cultural and even religious background. We should however keep in mind that many people of ethnic minorities experience few of the dimensions of social exclusion, mentioned *supra*.

**Fact 1: Ethnic minorities are expected to contribute largely to future demographic dynamics**

**Table 1: Composition of British population**

Percentage	Census 1991		Fourth National Survey on Ethnic Minorities 1994		
	Absolute	% born in UK	Children 0-15	Working age 16-59	Elder 60-more
White	51,873,844	96%	20%	60%	19%
Caribbean	499,964	53%	32%	58%	10%
Indian	840,225	42%	28%	62%	10%
Pakistani	476,555	50%	42%	54%	4%
Bangladeshi	162,835	37%	48%	48%	4%
Chinese	156,938	28%	28%	67%	3%
Other	878,483	46%	33%	61%	6%
Total	54,888,844	93%	21%	61%	18%

Source: NATIONAL STATISTICS. (1991) and MODOOD, T., BERTHOUD, R. (1997), *Ethnic Minorities in Britain*

7. Many of the minority ethnic populations are currently younger, even much younger, than the White population. The consequences of this are rather quite easy to assess: a great part for future demographic growth, particularly in working age-band, will come from ethnic minority groups. The Black-African and Bangladeshi ethnic groups are the two most rapidly growing.

8. Waiting for the next census to be conducted in late April 2001, the projections are rather uncertain<sup>1</sup>. The imprecision of the concept of ethnicity, when translated into statistics, plays a big role here: changing perceptions of ethnic identities, refining categories, variable answers from mixed people (white and ethnic minority, different ethnic minorities). But the uncertainty also comes from basic demographic considerations like a greater sensitivity of projections to migration assumptions, depending on a huge number of factors (asylum, refugees, economic migrants and return migration, immigration policy and controls).

**Fact 2: Whereas education successes increase for each population group, gaps in participation rates and achieved performances widen between ethnic minorities.**

9. On entry to pre-school, children of white UK heritage have the highest mean score in cognitive skills (verbal and non-verbal), with the lowest scores being recorded for the Pakistani children<sup>2</sup>. The differences between ethnic groups are reduced when factors such as parents' educational and occupational classifications are taken into account. This statement needs however to be qualified as it appears<sup>3</sup> that statistics from Birmingham local authority show no difference of this sort amongst ethnic minorities, when studied more recently.

10. Bangladeshi, Black and Pakistani pupils perform **less well** than other pupils in the **key early stages**. Pupils from these ethnic groups also tend to achieve significantly less by the end of compulsory education.

<sup>1</sup> Haskey (2000)

<sup>2</sup> Pathak (2000)

<sup>3</sup> Tariq Modood's intervention during PIU's social mobility seminar, 20 March 2001.

**Table 2: Attainment of 5 or more GSCE grades A\*-C in year 11**

Percentage	1992	1994	1996	1998	2000
Male	33	37	40	42	44
Female	40	46	49	51	54
<i>Gender Gap: ? - ?</i>	<i>(7)</i>	<i>(9)</i>	<i>(9)</i>	<i>(9)</i>	<i>(10)</i>
White	37	43	45	47	50
Black	23	21	23	29	37
Indian	<b>38</b>	<b>45</b>	<b>48</b>	<b>54</b>	<b>62</b>
Pakistani	26	24	23	29	30
Bangladeshi	14	20	25	33	30
Chinese/Other Asian	<b>46</b>	<b>50</b>	<b>61</b>	<b>61</b>	<b>70</b>
Other	*	37	46	47	43
<i>Indian - Pakistani/Bangladeshi</i>	<i>(18)</i>	<i>(23)</i>	<i>(24)</i>	<i>(23)</i>	<i>(32)</i>
<i>Chinese/Other Asian - Indian</i>	<i>(8)</i>	<i>(5)</i>	<i>(13)</i>	<i>(7)</i>	<i>(8)</i>
Total	37	42	44	46	49

Source: Youth Cohort Study, taken from NATIONAL STATISTICS ANDD/EE. (2001)

11. All rates are increasing, that is to say that more and more pupils do well during compulsory schooling. This phenomenon is 'fractal': it can be seen for every sub-population: men and women, people of white and ethnic origin, whatever the factor of classification.

12. Besides this general increase, a continuous widening between sub-populations also marks the general pattern. Comparing 1992 and 2000 situations, it is found that existing gaps widened in eight years. Women not only succeed better than men, the Gender gap widened over this period. The same result holds to a large extent for ethnic minorities: Indian and, moreover, Chinese/Other Asian do better and better than Whites. Pakistani and Bangladeshi, while doing better today than in the past years, are losing ground to Whites. The only case for 'catch-up' in schooling performance is found for Blacks, as long as the recent observed pattern continues over the coming years.

**Table 3: Main activity at age 16**

Percentages	% whose main activity is FT education at 16					Gvt support. Training (2000)
	1992	1994	1996	1998	2000	
Male	61	69	68	65	68	13
Female	71	75	75	73	76	8
White	65	71	70	67	70	11
Black	72	86	84	82	84	4
Indian	87	95	91	91	92	3
Pakistani	82	79	80	81	81	8
Bangladeshi	73	81	79	79	80	8
Chinese/Other Asian	88	90	98	87	91	1
Other	81	75	85	84	82	10
All	66	72	71	69	72	10

Source: Youth Cohort Study, taken from NATIONAL STATISTICS ANDD/EE. (2001)

13. The same pattern is noticeable at age 16 for young people staying on full-time education. White are much more likely to enter government supported training or employment, **people of ethnic origin stay longer in education** at 16: 85% for ethnic minorities taken altogether, 70% for Whites.

14. Over the period 1992 to 2000, the gap between ethnic groups and Whites widened on this aspect. However, it seems here that the 'ethnicity' effect has lost a great part of its influence in the recent years. When extrapolating the past trend, we may here forecast a stabilisation of these staying-on education rates after age 16.

**Fact 3: Participation in higher education is particularly noticeable among non-whites (28% for non-white and 15% for white), but there is considerable variation between ethnic minority groups.**

**Table 4: Staying-on in education rates, Unemployment and gross early earnings**

	Males			Females		
	% students <sup>a</sup>	Unemploy. rate <sup>b</sup>	Hourly earnings <sup>c</sup>	% students <sup>a</sup>	Unemploy. rate <sup>b</sup>	Hourly earnings <sup>c</sup>
White	15.2%	11.0%	5.48	14.9%	6.6%	3.91
Black Caribbean	11.5%	25.1%	4.48	15.6%	13.0%	4.21
Other Black	20.5%	28.7%	4.66	21.8%	22.1%	4.09
Indian	38.1%	14.2%	5.15	33.2%	12.9%	3.74
Pakistani/Bangladeshi	36.4%	31.0%	3.94	28.5%	31.4%	3.42
Chinese/Other Asian	45.7%	13.2%	<b>6.10</b>	47.3%	10.2%	<b>4.55</b>
Other	25.3%	19.5%	<b>5.76</b>	27.5%	14.4%	<b>4.38</b>
Non-white	28.0%	21.2%	4.95	26.4%	15.3%	<b>4.04</b>
Total	15.8%	11.5%	5.47	15.4%	7.0%	3.92

<sup>a</sup> Base is **British-born** residents aged 18-24

<sup>b</sup> Refers to working age population (16-64 males, 15-59 females)

<sup>c</sup> Gross hourly earnings in Sept 1987 £, Labour Force Survey's data

Source: Quarterly Labour Force Survey, taken from LESLIE, D. and DRINKWATER, S. (1999)

15. Real differences are noticeable. For example, Black-Caribbean staying-on rates are somewhat lower than white staying-on rates, whereas Chinese are particularly high. There are also tremendous variations in staying-on rates for males and females. Whilst men and women have similar overall staying on rates, significant gender differences occur for each ethnic minority, in both ways (higher for females of Black or Chinese origin, lower for women from Indian sub-continent).

16. But when looking in details in this field, with an 'all else being equal' analysis about the specific influence of belonging to an ethnic minority, the picture appears slightly different. Excluding other socio-economic characteristics, it is found that every ethnic minority would have, *ceteris paribus*, a higher participation rate in education than the white majority, contrary to what the raw data suggest for Black Caribbean. This analysis confirms **variation between ethnic minority groups but the gender-effect diminishes**, as results for men and women are very similar. Whereas every ethnic minority tends to have a higher participation rate in education than the white majority, Chinese and Indian groups are most likely to stay on education than Blacks.

**Fact 4: Economic activity is somewhat lower for ethnic minorities (less than 80% compared with 85% for Whites), employment is much lower and unemployment is more than the double of corresponding White sub-populations.**

**Table 5: Economic activity, Employment and ILO unemployment**

Percentages	Males			Females		
	Economic activity <sup>a</sup>	Employment	ILO Unemploy.	Economic activity <sup>a</sup>	Employment	ILO Unemploy.
White	85	80	6.5	74	70	5.0
Non-white	76	65	14	56	49	12
Black-Caribbean	81	69	15	72	63	12
Black-African	77	65	16	59	49	17
Black-other	80	60	*	77	66	*
Indian	80	73	9	62	56	9
Pakistani	71	57	<b>20</b>	<b>30</b>	<b>25</b>	<b>19</b>
Bangladeshi	68	54	<b>21</b>	<b>19</b>	<b>13</b>	*
Chinese	62	57	*	62	56	*
Other	75	64	14	60	52	13
Total	84.7	78.8	6.9	72.5	68.5	5.4

<sup>a</sup> 16-59/64 years old, either in work, or ILO unemployed (out of work, but looking for one and available to start work)

Source: Quarterly Labour Force Survey, taken from POLICY ACTION TEAM. (1999)

17. Looking at **economic activity**, whether as employed or as job seeker, main finding is that **Whites are much more likely to participate in the labour market than people of ethnic background**. There is only one exception to this, concerning Black women with no Caribbean or African origin, who are more economically active than their White counterparts.

18. When looking only at ethnic minority groups, we find very dissimilar patterns for men and women. Putting aside the specific situation of the Chinese minority, with a low economic activity rate for men, differences amongst minorities are much more noticeable for women than for men. There is dramatic variation in female economic activity rates: from less than a fifth (Bangladeshi women and, to some extent, Pakistani women) to almost four-fifths of the working-age population ('Black-other' women).

19. Overall perspective leads to a situation of higher activity for White, slightly lower for Black and Indian minorities, and consistently lower for other ethnic groups, in particular for Pakistani and Bangladeshi. For the latter, this situation can only be seen as a deliberate refusal to participate in an unattractive labour market (activity traps, lack of career perspective), explained through both personal choice and the current state of the labour market.

20. Looking at the employment rate, the patterns being assessed for economic activity holds, but differences are wider than previously seen. Employment rate are higher for White, the gap with Indian and Black people widened. For Pakistani and Bangladeshi, notably for women, the relative situation significantly worsened, with employment rate of 25% and 13%.

21. These findings are consistent with those of the fourth National Survey on Ethnic Minorities, and can be qualified through the status of job occupancy for women. It is a fact that differences in employment for women are much wider than for men.

**Table 6: Economic activity of women**

	Percentage of 16-59 women, not in FT education	White	Caribbean	Indian	African-Asian	Pakistani	Banglad'i	Chinese
Working full-time		37	50	38	45	15	6	47
Working part-time		27	16	15	19	5	1	24
Looking for work		6	16	8	6	8	8	2
Home or Family		27	13	36	26	70	81	2
Disabled/Retired		4	5	4	3	4	4	2

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

22. The classical relationship that partners' employment rates are highly correlated is found here, mostly for Pakistanis and Bangladeshis. Less than a fifth of Pakistani/Bangladeshi men in work living in partnership has a spouse in work, compared with six out of ten Indian/African Asian and three-quarters of whites and Caribbeans. Similarly, hardly any of the Pakistani/Bangladeshi unemployed men had a partner in work.

**Table 7: Employment status of self and partner**

	Percentage of economically active cohabitants or married	White	Caribbean	Ind./Afr-Asian	Paki'i/Bangla'i
Unemployed women with partner not in work		56	61	65	96
Employed men with partner in work		76	76	59	17

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

## Unemployment

23. The Fourth National Survey on Ethnic Minorities uses a broader definition of unemployment than is applied generally (ILO and National Statistics notably), as it includes as unemployed people who wanted a job, even if they were not actively looking for one. For Whites, Pakistanis and Bangladeshis, this broader definition explains the fact that unemployment rates for these groups are a third greater than those reported in the Labour Force Survey.

24. **Unemployment rates do vary between ethnic groups**. For men, the proportion of Chinese, African Asians and Indians are about the same range as Whites' unemployment: 9, 14 and 19% compared to 15%, whereas Caribbean men, Pakistanis and Bangladeshis face a much higher unemployment rate. While female unemployment rates are generally lower than men's, a similar ethnic pattern occurs. What is noticeable here, is that **ethnic differences in unemployment rates for women are smaller than for men**.

25. Even if it is very often the case, **younger people do not necessarily experience higher rates of unemployment than their older peers do** (South-Asians for example). For Caribbeans however, the age pattern appears much clearer. The acquirement of British qualifications decreases the likelihood of unemployment, and might explain, along with the fact that ethnic groups face significantly higher unemployment rates than Whites, why young adults of ethnic minorities tend to stay longer on education. Nevertheless, this must not put a shade on another interesting fact: 61% of economically active Caribbean males with no or low British qualification are unemployed. While having an O-level qualification halves this unemployment rate, it doesn't change much for Pakistanis and Bangladeshis, for whom the 'significant' qualification is A-level or equivalent in order to reduce the probability of unemployment.

**Table 8: Rate of unemployment, by highest British qualification**

Percentage	Men				Women			
	White	Caribb.	Indian/ Afr-As	Pak'i/ Bang'i	White	Caribb.	Indian/ Afr-As	Pak'i/ Bang'i
<b>All age</b>								
None or below O-level	19	42	20	46	13	19	13	54
O-level or equivalent	11	31	20	36	10	16	10	42
A-level or equivalent	12	23	12	17	7	16	12	18
<b>Under 35</b>								
None or below O-level	19	61	18	45	36	36	21	65
O-level or equivalent	13	28	20	43	14	16	13	45
A-level or equivalent	15	34	18	15	8	22	14	20

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

26. Members of all the main ethnic minority groups experience longer periods of unemployment than their white peers do. The Gender effect here is opposite to the pattern for unemployment rates: the **ethnic differences between duration of unemployment are greater for women than they are for men**, while men's length of unemployment are longer than women's.

**Table 9: Duration of unemployment**

Percentage of unemployed	Men				Women	
	White	Caribb.	Indian/ Afr-As	Pak'i/ Bang'i	White	Ethnic minorities
12 months & less	55	25	38	21	58	38
12 to 23 months	25	19	21	22	17	19
24 to 35 months	9	17	21	18	13	10
36 months and over	10	37	20	38	13	33
Median length (months)	9	24	18	24	6	18

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

**Table 10: Breakdown of employment by industry** (employees and self-employed)

Percentage											All Absolute (thousands)
	A-B Agricult. Fishing	C,E Energy, Water	D Manuf.	F Constr.	G-H Distrib. Hot-Rest	I Transp. Commun.	J-K Banking Finance	L-N Public adm, educ,health	O-Q Other services	G-Q Total services	
<b>Men</b>	2	2	24	11	17	9	15	14	5	60	14,452
White	2	2	25	12	17	9	15	14	5	59	13,710
Black-Caribbean	-	-	21	10	15	12	16	15	9	67	104
Black-African	-	-	12	-	22	11	25	20	-	85	75
Black-Other	-	-	-	-	-	-	-	-	-	77	34
Indian	-	-	24	4	26	11	17	15	3	72	240
Pakistani	-	-	23	-	31	19	13	10	-	74	103
Bangladeshi	-	-	-	-	70	-	-	-	-	91	37
Chinese	-	-	-	-	58	-	-	-	-	88	36
Other Asian	-	-	16	-	33	-	16	17	-	82	46
Other	-	-	17	-	28	-	19	20	-	80	65
<b>Women</b>	1	0	11	1	23	4	15	38	7	86	11,712
White	1	0	11	1	23	4	15	38	7	86	11,168
Black-Caribbean	-	-	7	-	15	-	13	55	-	91	117
Black-African	-	-	-	-	19	-	16	47	-	96	51
Black-Other	-	-	-	-	-	-	-	48	-	93	37
Indian	-	-	18	-	25	5	18	27	-	79	164
Pakistani	-	-	17	-	26	-	-	35	-	82	40
Bangladeshi	-	-	-	-	-	-	-	-	-	88	7
Chinese	-	-	-	-	-	-	-	42	-	91	33
Other Asian	-	-	-	-	-	-	-	25	-	92	39
Other	-	-	-	-	26	-	-	36	-	87	53

Source: Quarterly Labour Force Survey, taken from POLICY ACTION TEAM (2000)

Note: Percentages are suppressed (-) where the weighted number of workers is less than 4,800.

### Focus on self-employment

27. It is a fact that the proportion of ethnic minorities that are self-employed in England and Wales is high relative to their proportion of the population. Specifically, **Britain's non-white minorities had a self-employment rate of 14.6 in 1991 compared to a rate of 12.3 among whites.**

28. Two competing theories of this difference in rates can be invoked in this respect. On the one hand, ethnic minorities may face obstacles in achieving wage and salary employment, perhaps due to employer discrimination, which has "pushed" these individuals into self-employment in response to the absence of alternatives. On the other hand, ethnic minorities may be facing stronger "pull" factors such as the presence of communities with highly concentrated ethnic populations which provide self-sustaining business environments or informal sources of labour through family ties.

29. The empirical analysis<sup>4</sup> indicates that discrimination among wage and salary employers is a contributing factor in the over-representation of ethnic minorities in self-employment. It is found that the difference between an individual's predicted earnings in paid and self-employment exerts a powerful influence, suggesting that the existence of discriminatory wages in the paid-employment sector may push minorities into entrepreneurship. However, push factors fail to explain all of the differences in self-employment propensities between Whites and non-Whites, suggesting that pull factors also play a role.

30. Of the pull factors surveyed, it is found that **ethnic minority individuals who live in areas which have a high percentage of their own group (the enclave effect) are less likely to be self-employed**, which is contrary to what the protected market hypothesis would predict. Furthermore, those with poor English language skills have lower self-employment probabilities. However, religious denomination and date of immigration influence the propensity to be in self-employment in a manner consistent with theory.

### Asian self employment in Britain

31. One in four British South Asians are in self-employment, nearly twice the proportion of their white counterparts, but there are significant differences in the performances of the ethnic groups that make up this sector. There are also indications that the remarkable growth of this sector is likely to lose its momentum as the next generation of British South Asians move into professional careers.

32. A study<sup>5</sup> found that nearly half (47%) of the 129 South Asian businesses interviewed had increased their turnover since they set up and only 22% had experienced a decrease. However these figures mask a less impressive performance from Pakistani businesses. Only 39% of Pakistani businesses said their turnover had increased since they were established compared to 58% of African Asians and 48% of Indians. In addition, 33% of Pakistanis said their turnover had dropped against only 7% of Indians and 25% of African Indians. Pakistani businesses also recorded lower increases in employment than their Indian and African Asian counterparts.

33. This study also revealed a number of possible reasons for these differences. One factor may have been that many of the Pakistanis were 'pushed' into self-employment. 63% of Pakistanis, for instance, said that they set up their own businesses because of the lack of local job opportunities, compared to 30% of Indians and 47% of African Asians. Half of the Pakistanis also said that they turned to self-employment because of racism in the labour market. African Asians also claimed to have suffered from this problem, although to a lesser extent (33%).

34. In addition, Pakistanis tended to emphasise non-business reasons for moving into self-employment. 53%, for example, said it would help them to increase their status amongst their family members, compared to 25% of Indians citing this factor as a reason for establishing a business.

35. Once in business, Pakistanis tended to rely on their personal savings for finance, while Indians had fewer problems raising capital, often using institutional loans, and had the advantage of having more relevant skills and qualifications.

<sup>4</sup> Clark and Drinkwater (1998)

<sup>5</sup> Modood, Virdee and Metcalf (1996)

36. Despite these differences in performance and circumstances, there was a fairly strong feeling amongst all South Asians that they did not want their children to carry on their business. Half were against them doing this and only one-fifth in favour, suggesting that the boom in South Asian self-employment may be about to experience a downturn.

37. Many Pakistanis entered business as an escape (from poor employment prospects and racism in the labour market) rather than as a positive choice. The resources they brought in terms of finance and skills (in so far as qualifications proxied skills) were poor. The decision to enter self-employment in these circumstances may have been reinforced by a religious approach, which created a faith-derived optimism about the results of economic activity. Additionally, the Pakistanis placed value on self-employment as a means of improving standing with the family. Against this background, it is not surprising that Pakistani businesses tended to be less successful. Self-employment brought both satisfaction and problems, although the same religious outlook seemed to reduce the stress this brought.

38. Indians appeared to have a greater business-orientation: self-employment was more often entered for positive reasons and entry and development seemed to take greater account of business opportunities. Both educationally and financially Indians seemed able to call on resources (savings, commercial loans and family loans). Although perceptions of status were less likely to encourage entry into self-employment, family cohesion was a support, with Indians more often entering businesses with family partners. Indians' greater risk aversion may have affected both who set up in business and then how the business developed. Against a sounder initial background, this was likely to result in the greater stability (including lower decline) of Indian businesses.

39. African-Asians were a more heterogeneous group in terms of qualifications and seemed to exhibit a mix of the circumstances and attitudes of both Pakistanis and Indians. A large minority escaped into self-employment but cultural values on self-employment and family standing also pushed some into self-employment. They shared the business-orientation of Indians, but were more likely to develop business around their skills rather than buy existing businesses. African-Asians did not appear to have good access to capital. This background meant that African-Asian businesses were amongst the most likely to grow, but also amongst those likely to decline.

40. When looking at self-employment, very often seen as a form of panacea to overcome barriers on the labour market that ethnic minority groups experience most of the time, it must be kept in mind that what is called **self-employment can refer in practice to a huge number of various situations**. It ranges from the owner of a huge company to a 'disguised employee', working for one person only, from whom he gets all his instructions.

***Fact 5: Both ethnic and gender effects are found for earnings, even if patterns appear very different and non necessarily cumulative***

41. Looking only at families below pensionable age with at least one worker, it is found that. Chinese and Indian working families averaged slightly higher earnings than white people. Overall, Caribbean and African earnings were significantly lower than whites', though this was not true for black women. Pakistani and Bangladeshi families' earnings were much lower than those of any other ethnic group – partly because of low wages, but also because relatively few married women in these groups had a job.

42. The combination of low earnings and large family sizes in Pakistani and Bangladeshi households meant that, even among these working families, an exceptional number claimed means-tested benefits – especially Family Credit. As many as 40% of Pakistani and Bangladeshi working couples with children received some means-tested support, compared with only 8% of white couples with children. This still left many Pakistani and Bangladeshi working families with only a little more income than they would have received if they had been out of work, claiming basic Income Support. Caribbean and African working families were rather better off on this yardstick, with whites, Indians and Chinese much better off.

**Table 11: Gross weekly earnings**

FT employees only Mean earnings, in 1994 £	White	Carib.	Indian	African-Asian	Pakistani	Banglad'i	Chinese	Ethnic minorities
Men – Employees	336	306	287	335	227	191	336	296
Men – Self-employed	308	(347)	361	321	232	(238)	(466)	327
Women – Employees	244	267	252	254	(181)		287	259
Women – Self-employed	242	(349)	(370)	(219)	(251)		(249)	290

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

**Fact 6: Pensions: Widened gaps at the end of the life-cycle**

43. Because most of the migration has occurred over the past 40 or 50 years, relatively few members of ethnic minority groups have reached pensionable age, so retired families are most common in the white population. Pensioners' incomes are based on various combinations of occupational/private pensions, the basic state pension; and means-tested benefits such as Income Support for those with limited resources.

44. White pensioners, many of whom had spent a full career in Britain building up various entitlements, had relatively high levels of non-state income and very low dependence on means-tests. Pakistani and Bangladeshi pensioners were at the opposite extreme, with few non-state sources and high receipts from means-tested benefits. Indians and Caribbeans were in-between. (There were too few African and Chinese pensioners to analyse.)

45. Means-tests meant that the overall incomes of poorer pensioners were rather similar, whatever their ethnic group. The greater availability of non-state income to white pensioners meant, on the other hand, that there were far more well-off pensioners in the white group than in other communities -especially Pakistanis and Bangladeshis.

**Fact 7: Incomes, poverty: A household of Pakistani or Bangladeshi background is four times more likely to be poor than a White household (60% to 16%)**

46. Raw data claim that Pakistani and Bangladeshi are easily the poorest groups in the country (60% of households being poor, against 15% of white households). Cumulative effects do seem to play a role here: higher unemployment, lower women activity and large size of families for the most important ones. Furthermore, poverty is more common in Pakistani and Bangladeshi *working* households (50%) than in White *non-working-non-pensionable* households (43%).

47. Indian and Chinese families are doing much better: their incomes are on a par with those of Whites, even higher when looking only at working families, but overall, their poverty rates are higher than for White households.

**Table 12: Proportion of poor families in each ethnic group**

Percentage	Incomes below half the national average
White	16
Caribbean	20
Indian	22
Chinese	28
African	31
Pakistani/Bangladeshi	60

**Table 13: Proportion of people living in poor households**

Percentage	
White	28
Caribbean	42
Indian	44
Chinese	34
African	38
Pakistani/Bangladeshi	87

Source: DSS' Family Resources Survey, taken from Berthoud (1998) for the JOSEPH ROWNTREE FOUNDATION

48. Looking at the proportion of people living in poor households, the picture is even sharpened as the family size accentuates existing gaps. Nearly six people out of seven with Pakistani or Bangladeshi background live in poor households, having less income than half the national average. The national average for weekly income (after tax) is about £ 460 per week, according to DSS' Family resources survey of 1998-1999.

## 2. Analysis of past experience:

### 2.1. *Changing economic structure and mismatch*

49. There is a general agreement that the most important fact explaining this diversity in economic performance for ethnic minorities lies in economic restructuring. The changes in job-levels for the minorities, no less than for the white majority, are above all the consequence of the continuing loss of jobs in manufacturing, especially on those that require low levels of skills, in favour of the service sector (higher-level, polyvalence and part-time).

50. Main findings listed above can therefore be seen as cumulative effects resulting in cumulative differences between whites and non-whites and among ethnic minorities. This chain of cumulative explanations ends up with a typical conclusion, well known in the mathematical field: that a slight variation in initial conditions can have tremendous consequences over the long run (*butterfly effect*).

51. It is also found that, contrary to assumptions that members of the ethnic groups suffered most from de-industrialisation, they actually did rather well, and in some cases better than the majority population, all else being equal<sup>6</sup>. The problem is that due to initial conditions, and over-representation of ethnic minorities in the industrial sector, ethnic minorities still suffered more of the past economic structural changes than the white majority.

52. Transforming education skills into labour market competitive advantage: why do ethnic minority groups not achieve this transition as well as the White majority?

- Segmentation / specialisation (labour division, like international trade theories)
- Ethnic minority students do not attend the 'recognised' schools

### 2.2. *Microeconomic analysis: the individual and its environment*

53. The key variables in the standard microeconomic model of employment are (Nickell, 1980) :

- an individual's stock of human capital,
- his family characteristics, and
- his geographical location within a country.

#### The human capital

54. Variations in educational achievement by pupils from different ethnic groups are likely to be influenced by a combination of factors such as<sup>7</sup> :

- pupils' cultural background,
- parents' social class, and
- peer and teacher influence (presence or lack of 'role models').

55. In the light of human capital theory (Becker, 1964), it is expected that an individual is less likely to be unemployed the larger their stock of skills which are appropriate to the prevailing labour market conditions. Since those with the least desirable skills would not only be the least employable but also earn the lowest wages, their 'opportunity cost' of being unemployed is also smaller.

56. Thus human capital accumulation, by means of formal schooling or post-education investments in labour market activity would be associated with lower probabilities of unemployment. If the post-education investments take the form of on-the-job firm-specific training (often employer-funded) we would expect measures of labour market experience to be associated with lower quit, discharge and layoff rates, and thus lower unemployment rates. Given these theoretical considerations we would expect this negative association to be strongest in the early years of labour market activity.

57. **English fluency.** More than three-quarters of each Asian group were assessed by the fourth national survey on ethnic minorities' interviewers to speak English fluently or fairly well. Few gender difference between ethnic minorities to be notice here, except for Pakistani and Bangladeshi ethnic minorities: women of both these groups are much less likely to speak English well. The two determinants for English fluency are, in decreasing order of influence, age and length of residence in Britain.

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<sup>6</sup> Iganski and Payne (1999)

<sup>7</sup> Pathak (2000)

**Table 14: English fluency**

Percentage	Men					Women				
	Indian	Afr-Asi.	Pakist.	Bangla.	Chinese	Indian	Afr-Asi.	Pakist.	Bangla.	Chinese
English spoken well or fairly well	81	91	78	75	76	70	86	54	40	76

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

58. Two decisive factors have been found to influence male earnings: schooling and labour market experience. For the latter, it is most important to distinguish between native and foreign-born males. Labour market experience does play a significant role for the native and has a smaller explanatory power for foreign-born<sup>8</sup>. Interestingly enough, economic performance varies considerably amongst white immigrants.

59. **Work experience.** For immigrants, it has been outlined<sup>9</sup> that the likelihood of being unemployed was rather insensitivity (positively or negatively) to foreign labour market experience. Only work experience in the UK does play a significant 'integrating' role into the labour market and employment. Cumulative effects seem to affect non-White immigrants without such a transferable work experience, as they are also likely to see that their skills and qualifications are not recognised in the UK, and find it more and more difficult to enter employment, as years pass.

## The family characteristics

**Table 15: Household structure**

Percentages	1 or 2 adults either 60+	1 adult, less than 60	2 adults, less than 60	1 adult, with children 1 or 2 childr.	2 adults, 3-+ children	2 adults, 3-+ children	3 or + adults
White	<b>30</b>	11	<b>18</b>	5	15	4	17
Caribbean	14	<b>14</b>	14	<b>17</b>	19	5	18
Indian / African-Asian	7	4	9	3	<b>26</b>	9	42
Pakistani / Bangladeshi	3	3	6	3	14	<b>21</b>	<b>49</b>
Chinese	7	13	10	3	20	8	40

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

**Table 16: Contacts with parents who live abroad** (within the 4 weeks preceding the survey)

Percentages	In person	Phone	Letter
Caribbean	3	37	36
Indian / African-Asian	5	43	<b>63</b>
Pakistani / Bangladeshi	5	28	<b>58</b>
Chinese	<b>15</b>	<b>59</b>	38

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

60. For Pakistanis and Bangladeshis, family structures are more different from white patterns than any other ethnic minority. Large size of family, presence of adult people (mostly parents or adult children), often overcrowded accommodation along with high unemployment, low incomes characterise this particular group. However it is mostly difficult to see this in a one-way-only causative relationship between social and economic features. The backward effect might be greater.

61. The intensity of broad-family relationships varies considerably between ethnic minorities. Besides parents living under the same roof (Pakistanis and Bangladeshis to a large extent), Chinese and African-Asians have a great 'synchronic' relationship with their families (parents abroad, uncles and aunts in Britain). The Caribbean minority seems to have a much less intense family network. It is remarkable that relationships with (direct) parents living in Britain and not in the same household, for those who have some, are not discriminating between ethnic minorities.

62. **Religion.** Efforts to explain an ethnic penalty simply in terms of racial discrimination are challenged by the observation that its size varies considerably between non-white groups. Some of the widest differences occur within broad racial groupings, particularly in the South-Asian population. Such findings raise the prospect that culturally determined group attributes other than colour may influence the relative disadvantage of minority groups.

<sup>8</sup> Shields (1998)

<sup>9</sup> Wheatley Price (1998)

**Table 17: Religion of South-Asians** (aged 16 years and over)

Percentages	Hindu	Sikh	Muslim	Other	None	All
Indian	43	39	8	6	4	63
Pakistani	0	-	97	1	2	28
Bangladeshi	2	-	95	2	1	9
All	27	25	40	4	3	100

Source: Fourth National Survey on Ethnic Minorities, taken from BROWN. (2000)

**Table 18: Economic activity among the South-Asian population** (working-age population)

Percentages	Economically inactive		Reason for inactivity							
			FT education		Looking after home		Sick/Disabled/Retired		Other	
	Men	Fem	M	F	M	F	M	F	M	F
Muslims	28	77	18	12	-	61	9	3	0	1
Pakistani	28	77	18	13	-	61	9	3	1	-
Bangladeshi	32	87	20	11	-	71	12	3	-	-
Indian	18	57	12	6	-	45	6	2	-	3
Hindus	21	38	13	8	-	26	7	3	1	1
Sikhs	24	47	15	16	-	27	9	3	1	-
Other	22	41	13	17	-	22	6	2	2	-
No religion	23	43	14	13	-	29	8	2	0	-
All	25	56	16	12	-	40	8	3	1	0

Source: Fourth National Survey on Ethnic Minorities, taken from BROWN. (2000)

63. Taken together, Brown's analysis shows substantial differences in South-Asian economic performance by religion. These are only partially captured by the conventional ethnic group categories. There are clear differences between Sikhs and Hindus, the former being more likely to be inactive, unemployed, less well represented in top status jobs, and less well paid. Meanwhile, Indian Muslims are strikingly different from other South Asian Muslims. But, the highlighting of a specifically religious effect is made harder by the fact that differences between areas of origin include their religious profile. The picture is hence complex, but ethnic and religious factors do seem to play different roles, with no overlap.

### The geographical location

64. Minority ethnic groups remain highly geographically concentrated in the larger urban areas and the original destinations of post-war migrants. Greater London contains half of all people from minority ethnic groups living in Great Britain, and two-thirds of all people from Black ethnic groups.

65. In general, there is evidence<sup>10</sup> of greater variation in ethnic minority unemployment between areas than there is for Whites. However, there is the same underlying geography of unemployment for the black and white populations, but a slightly different pattern for Asian ethnic groups.

### 2.3. The case for discrimination

66. To put it all in a nutshell, it can be very broadly pointed out that the position of ethnic minorities in employment relative to Whites can be summarised into a typology of three clusters:

- Disadvantage confined to top jobs in large establishments: the Chinese and African-Asians<sup>11</sup>
- Relative disadvantage: the Indians and the Caribbeans
- Severe disadvantage: the Pakistanis and the Bangladeshis.

67. A recent report<sup>12</sup> shows that racism continues to be a major barrier at work for Black and Asian employees, 'unfairly limiting career progression and development once in employment', and that the ethnic gap widened over 1992-1999. The Labour Force Survey's statistics analysed in this report also

<sup>10</sup> Fieldhouse and Gould (1998)

<sup>11</sup> The dimension of representation in the most elite jobs is the only one where ethnic minorities (as a whole) are disadvantaged to the White majority. According to the rest, the Chinese seem more advantaged than Whites, and the African-Asians share broadly the same economic characteristics than the Whites. Caribbeans can have better position than Indians (women in particular), but they suffer more than Indians in respect to unemployment and earnings. While Bangladeshi constitute the most disadvantaged group, Pakistani do not show a considerably different pattern.

<sup>12</sup> Trade Union Congress (2000)

show that, proportionally, many more Blacks are trapped in part-time jobs against their will and that this further limits opportunities for career advancement.

68. This is corroborated by another CRE<sup>13</sup> study, which shows that White applicants are three (five) times more likely to get interviews than people from Asian (Black) background with equivalent qualifications.

**Table 19: Management status of employees** (summer quarters 1992 and 1999, unadjusted)

Percentages	Supervisors		Managers	
	1992	1999	1992	1999
Whites	12.5%	11.8%	17.5%	18.7%
Blacks	12.0%	9.8%	13.4%	14.9%

Source: Quarterly Labour Force Survey, taken from TUC. (2000)

**Table 20: Involuntary part-timers** (summer quarter 1999, unadjusted)

Percentages	All	Women	Men	Men 25-65
Whites	10%	7%	22%	31%
Blacks	20%	14%	31%	51%

Source: Quarterly Labour Force Survey, taken from TUC. (2000)

## 2.4. Need to be more specific

### International perspective

69. A comparative study<sup>14</sup> shows that during the last 30 years, differences between white and non-white unemployment widened considerably, whereas US differentials have decreased (and stand much lower). When comparing non-white unemployment patterns, this study finds evidence of **partial hypercyclicity** for Britain but none for the US. Not only are non-white unemployment rates consistently higher than white rates, but also non-whites *suffer* disproportionately as unemployment worsens for whites, and do not *benefit* disproportionately when the economic situation improves. Consequently, after each cycle, they start the next one in a worse state than they experienced at the start of the previous cycle (*ratchet* effect), mainly because of the greater rigidity of the British labour market.

70. But, the greater flexibility in the US labour market has been accompanied by a widening of earnings differentials. Real earnings for those in the lowest decile have fallen in real terms. Although earnings inequality has widened in the British labour market, this has not been seen as severe as in the US, since **real earnings have shown some growth at the lower end of the distribution in the UK**<sup>15</sup>. It therefore seems to be a choice of 'low pay and employment' or 'better pay and unemployment'.

71. Using data from the US National Longitudinal Survey of Youth, another American analysis<sup>16</sup> shows that the **disadvantage to racial and ethnic minorities has expanded over time or becomes more important at advanced ages**. While gender and family poverty have greater impacts on overall economic attainments, being an ethnic minority is significantly associated with higher unemployment and lower wages when employed.

72. More specifically, in a comparative study between the US and the UK<sup>17</sup>, four reasons are found for expecting immigrants in Britain to suffer more discrimination than their US counterparts. These include, for the UK, a culture less tolerant of diversity, a legal system with weaker anti-discrimination laws, an economy that offers greater worker protections, and a labour force comprised of fewer non-whites. Any one or more of these reasons might hold, but they can apply only to those minorities who are dependent on the actions of discriminatory employers. Immune to discrimination in employment are the self-employed, their co-ethnic employees and the beneficiaries of affirmative action policy.

<sup>13</sup> Commission for Racial Equality (1996)

<sup>14</sup> Leslie, Lindley, Thomas (1999)

<sup>15</sup> Blackbaby et al. (1997)

<sup>16</sup> Tsang and Dietz (2001)

<sup>17</sup> Model (2000)

73. **Drawing international comparison reinforces the need to be very cautious about concepts, data and analysis.** When comparing the situation of Chinese ethnic minorities in the US and in the UK, the relative advantage of Chinese in America is only valid for people born in Hong-Kong (13% of foreign-born American Chinese, compared to 48% in the UK). Since these ex-colonials fare less well in Britain than Chinese born elsewhere, in a US-UK comparison that ignores birthplace, the British Chinese emerge the less advantaged.

74. However, this cannot be a means to avoid international comparison in this domain, as British studies in this field have suffered for too long from being only inside-looking<sup>18</sup>.

75. **Dutch analysis**<sup>19</sup> revealed that socio-economic differences among ethnic minority groups *with a strong socio-economic orientation towards Dutch society* could largely be attributed to labour market characteristics rather than ethno-cultural factors. The empirical testing has also revealed that ethnic minorities with a strong socio-cultural orientation towards their *own community* are in less favourable socio-economic position than might be expected on the basis of their market capacities. Finally, the study shows that **the socio-economic differences among the ethnic groups only extend to a limited degree over successive generations.**

### The data

76. Many data sources are available in the research field of ethnicity. Among them, the following are the core information, used by most researcher in this domain:

- Sample of Anonymised Records from the 1991 Census (SAR)
- Labour Force Survey
  - On a quarterly basis, this survey is the only nationally representative source for quite detailed information (such as country of birth, year of immigration, etc.). However, some lacks, like reasons for immigration, English fluency that would definitely have been useful for analysis.
- Department of Social Security's Family Resources Survey (FRS)
  - It covers a sample of 2,520 minority *households* and around 50,000 white households. It provides specifically very useful information on incomes.
- General Household Survey
- National Survey on Ethnic Minorities (NSEM)
  - It covers a specially selected sample of 3,315 minority *households* and a comparison group of 2,867 white households. It provides specifically very useful information on individual identification and other sociological issues.

77. Changing the statistical sources for the data does not have a significant impact on main findings<sup>20</sup>. Nevertheless, there are some differences between the NSEM results and the SARs results<sup>21</sup>, corresponding to the two most widely used data sources in the literature. In particular, compared to SARs respondents, a higher proportion of NSEM respondents report a university degree and a higher proportion of NSEM respondents describe themselves as unemployed. The most plausible interpretation for these disparities is that well educated people and unemployed people are especially likely to respond to surveys. The first generalisation reflects the greater sympathy and understanding for "science" that accompanies a good education; the second reflects the greater accessibility of the unemployed. Also interesting is that these discrepancies are smaller for native whites than for ethnic minorities. Indeed, in the case of native born white men, *fewer* NSEM than SARs respondents report a university degree (12.0% vs. 13.2%). Conversely, according to the SARs 7.98% of foreign-born Indian women have a university degree compared to 26.9% of NSEM respondents.

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<sup>18</sup> Favell (2001)

<sup>19</sup> Roelandt (1996)

<sup>20</sup> Heath, McMahon, Roberts (1999)

<sup>21</sup> Model (2000)

### 3. Likely patterns for the UK over the next 20 years:

#### 3.1. Widening overall between ethnic groups and the white majority and amongst ethnic minorities

78. No 'catching-up'. Heath and McMahon focused on British-born members of the various ethnic groups. Main finding was that 'the second-generation experienced the same pattern and magnitude of ethnic penalties in the British labour market as the first generation did'. Even the 'over-achieving' groups are being 'under-rewarded'.

79. Robinson suggests three lines of enquiry when addressing this ethnic penalty issue:

- Differential incorporation or marginalisation of the groups and its impact on the desire for social mobility. According to another study<sup>22</sup>, there is evidence of class-exclusion for Black-Caribbeans (high unemployment and low earnings) and evidence of class-segmentation for Pakistani and Bangladeshi groups (confined to an inferior subset, wherever the analysis is taking place). While 5% of all workers who had a job in 1971 did not have one in 1981, 8% of Caribbeans were in this case and 19% of Pakistanis. Following this analysis, Pakistani and Bangladeshi are expected to have their patterns converging with those of the Indian minority group. Modood clearly opposes this view. For him, this view 'grossly understates' the current scale of disadvantage of these two groups and takes no account of their structural characteristics: religion, culture, etc.
- The groups' histories prior to immigration and the traditions and resources they can therefore mobilise to gain mobility. This explanation is in line with the sociological tradition that arose in studies on European migration in the US (Chicago's school). It seems that **reproduction**<sup>23</sup> takes place rather significantly to this respect.

**Table 21: Highest qualification of migrants** (persons who came to GB at 16 or older, except self-employed)

Percentages	Caribbean	Indian	African-Asian	Pakistani	Bangladeshi	Chinese
None or below O-level	71	52	45	63	75	48
O-level or equivalent	8	12	21	20	11	9
A-level or equivalent	21	36	34	17	14	42
<i>% of higher qualification</i>						
Men	17	11	23	7	8	29
Women	29	2	12	1	1	34

**Table 22: Job level dynamics** (gray is 1982, 1994 otherwise)

Percentages	Men											Women											
	White	Caribb	Indian	Afr-As.	Pakis'i	Bangl'i	Ch	White	Caribb	Indian	Afr-As.	Pa	Ch										
Prof/Manag./Employers	19	30	5	11	11	19	22	26	10	14	10	7	41	7	21	1	4	5	3	7	14	7	38
Other non-manual	23	21	10	20	13	28	21	31	8	18	7	22	26	55	58	52	76	35	61	52	66	60	55
Skilled manual	42	31	48	37	34	23	31	22	39	36	13	2	5	5	3	4	2	8	2	3	3	3	-
Semi-skilled manual	13	14	26	26	36	22	22	17	35	28	57	65	20	21	17	36	18	50	32	36	17	29	7
Unskilled manual	3	4	9	6	5	7	3	3	8	4	12	4	8	11	1	7	1	1	3	3	0	0	-

Source: Fourth National Survey on Ethnic Minorities, taken from MODOOD, BERTHOUD. (1997)

Comparing the situation between 1982 and 1994, we find a tremendous upward mobility shift, though in differing degrees between various ethnic groups: while Chinese and Indian employees' situation improved quite sensibly, it did not change much for Pakistani, or even worsened for Bangladeshi.

- Different groups are stereotyped differently (representation of the former English colonial role). In the last decade or so, it has increasingly been argued that contemporary racism cannot be understood in terms of undifferential colour racism, but that additionally groups are racialised on cultural basis<sup>24</sup>.

80. Extrapolating past trends and patterns, the most likely pattern for the future appears to be a **widening for most ethnic minority groups and most dimensions of inequality**.

<sup>22</sup> Cross (1994)

<sup>23</sup> Bourdieu's concept: how similar characteristics, both individual and collective, can replicate themselves over generations.

<sup>24</sup> from Barker (1981) to Modood (1997)

### ***3.1. bis. Widening across gender, convergence amongst ethnicity***

81. It is found that despite the disadvantaged start for the Black and Asian minority groups, and despite the persistence of discrimination, they actually have made considerable progress over 1966-1991 relative to Whites<sup>25</sup>. This **decline in differentials** has occurred in a context of upward collective social mobility. **Gender** differentials are also found to be sometimes more substantial than ethnic ones. It is a fact that Indian males outrank Black-Caribbean males and that Black-Caribbean females outrank Indian females<sup>26</sup>. This pattern of greater gender differentiation in a context of ethnic convergence appears however most uncertain in the foreseeable future.

### ***3.2. Convergence regarding some particular dimensions***

82. Another pattern that is likely to characterise economic performance of ethnic minority groups in the future is **convergence**, but only as subsidiary to the general pattern of a widening for inequalities, and therefore to a limited degree:

- **For some ethnic groups only.** Indian and Chinese ethnic minorities catching-up with the White majority (regarding employment type and earnings), to a smaller extent for men of Pakistani and Bangladeshi background (regarding the insertion in the labour market for example).
- **For some dimensions only:** looking at income rather than at wages or employment, because of correction to the income distribution that social benefits ensure. In the social field, convergence might also be more noticeable in the family size or the age structure (following the progressive alignment on the British way of life), than in the cultural openness to Britishness, for example.

### ***3.3. Stratification and segmentation***

83. It is often seen that non-whites may have a greater tolerance towards joblessness and poorer attitudes towards working. Estimates from a hazard model of unemployment durations<sup>27</sup> indicates that these behavioural explanations fail to explain longer unemployment for ethnic groups.

84. The new way of working of the education system encourages competition and separation through urban location and social class position<sup>28</sup>. White parents, now being **openly able to choose schools**, try to select schools with few students from ethnic minority groups. Black and Asian *middle-class* parents tend to make similar choices.

85. Other potential drivers for stratification and segmentation:

- **Negative neighbourhood effects.** If 'second-generation immigrants grow up in concentrated poverty areas, segregated by race and income, , they may experience negative neighbourhood effects<sup>29</sup>.
- **Unfavourable labour market niches:** The first generation may establish labour market specialisation in declining industries, industries that are not conducive to self-employment, or that cannot be passed on to their children<sup>30</sup>.
- **Biased treatment by public institutions.** Schools, the criminal justice system, and other public bodies might differentially channel ethnic minorities towards worse income than natives<sup>31</sup>.
- **Group identity.** Ethnic minority young people may join their structured or pseudo-structures 'bands' in forming an 'oppositional' identity that will impede their mobility<sup>32</sup>.

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<sup>25</sup> Iganski and Payne (1996)

<sup>26</sup> Model (1999)

<sup>27</sup> Thomas (1998)

<sup>28</sup> Tomlison (1997)

<sup>29</sup> Wilson (1987)

<sup>30</sup> Saunders and Nee (1987)

<sup>31</sup> Min (1999)

<sup>32</sup> Ogbu (1991) in Roetland (1996)

### ***3.4. New patterns for new immigrations***

86. Globalisation, regional integration, shortening of distances and widespread of information are major drivers for change in the patterns of migration. There is little doubt that this will lead to new migration schemes (purpose, origin, structure and dynamics), that will modify the terms of the issue.

- Asylum seekers, illegal entrants and overstayers
- EU: all countries within the EU have positive net migration, particularly from the Balkans
- Greater diversity (origin, skills, motivation, culture, etc.): New patterns for each group, new pattern amongst these groups and toward today's UK residents. Does it lead to 'gap-filling' in the socio-economic ladder or is it likely to create new accumulation steps on this ladder?

## 4. Final recommendations

### *4.1. A broader list a themes for research, findings and policy*

87. It might be useful to look at different fields to get a clearer picture of the various dimensions and domains where ethnic minority groups experience relative difficulties. This could enlighten analysis and policy design and make them more accurate to address the question of ethnic minorities' economic performance.

#### 88. Term definitions and concept clarifications

89. When focusing on middle-class ethnic minorities only<sup>33</sup>, members of this group share both a minority culture and a middle-class status. That leads to both problems of interracial encounters in public settings and inter-class relations within the community. There is therefore a case for **decoupling economic achievement and acculturation**, even if this might be a way to achieve better inclusion of ethnic minorities in the whole community.

90. Racial and ethnic groups' **statistics** produced by public bodies **have no objective status**. The meaning of race and ethnicity is contextual, situational and subjective<sup>34</sup> (see mixed people's answers to questionnaires for instance). Thus, how respondents and observers define these concepts has significant consequences for the quality of statistics, research and policy design.

#### 91. Migration processes and patterns

- Immigration trends, new countries (namely, CEEC in an enlarged EU)
- Migration types
- Forced migration and asylum seekers
- Return migration and development

#### 92. Issues of settlement

- Areas of settlement
- Urban concentration
- Indicators of segregation
- Language acquisition

#### 93. Economic integration

- Macroeconomic impact of immigration (presumably positive, even if very little anyway)
- Undocumented economy
- Fiscal impacts of immigration

#### 94. Political and legal integration

- Patterns of immigration controls
- Models of acquisition of citizenship
- Anti-discrimination legislation
- Voting behaviour
- Political mobilisation, solidarity organisations, involvement in local associations, charities

Regarding the question 'what can be done to promote the development of both the individual *and* the community?', a Belgian study<sup>35</sup> suggests that "recent publications have shown the dangers in bringing political responses to this debate".

In **France**, where the tradition of centralised political power is being challenged, there is some cooperation between immigrant communities and the local authorities, but cases are few and far between. As a rule, local policies are 'imposed' on the immigrant community and the grass roots are not involved in the policy-making process. Even where urban development schemes are based on a rejection of 'technocratic social planning', **very little consideration is given to the particular needs of the immigrant** section of the group targeted.

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<sup>33</sup> Neckerman, Carter and Lee (1999)

<sup>34</sup> Robbin (1999)

<sup>35</sup> Manço (1996)

Strangely enough, in **Germany**, a federal country with a strong regional tradition, the situation would appear to bear certain resemblances to conditions in France, although at first sight, there seems to be **more experiments** in cooperation between local authorities and immigrant associations and such schemes attract more funds.

The **Netherlands** has a very long tradition of cultural pluralism, but the acceptance of religious and ethnic minorities does not rule out political confrontation, as immigrants have a right to vote and stand in local elections.

In **Belgium**, the issue of immigrant franchise has long been entrusted to original but unobtrusive bodies with little autonomy. The first *Conseils consultatifs communaux des Immigrés* (Local Immigrant Advisory Councils) were set up in the Liège region, but their limits soon became apparent: they were empowered only to give advice, and that was rarely followed.

#### 95. **Social integration**

- Identification – Integration – Assimilation
- Measures of social integration (i.e. not economic)
- Housing
- Education aspirations, achievements
- Social mobility among migrants: within their group, within the society
- Health issues
- Crime, violence

#### 96. **Majority response**

- Prejudice and attitudes to immigration/immigrants
- Patterns of discrimination
- Racism, xenophobia

### ***4.2. Some fields where further empirical findings and analysis are needed***

97. It might be very useful to look in closer detail at how effects change over time (longitudinal analysis) for the same individual. Are there some patterns for ethnic minorities, over time (short term against long term)?

98. It may also be fruitful to look at the other side of the ethnicity, studying attitudes of the British majority towards ethnic minority groups, and in particular in businesses, in order to find out both evidence and analysis of potential discrimination, so that this issue can be addressed the most efficient way.

99. Although logistic regression-based analysis, controlling for some crucial variables, can sharpen the point being made, we have to keep in mind that, in effect such an 'all else being equal' situation doesn't exist in everyday life, where often inequalities and disadvantages are correlated and cumulative rather than independent.

100. However, it might be useful to pursue in the research trying to isolate social class effects from ethnicity's impact on economic performance of ethnic minority groups. Some work<sup>36</sup> in this area has already been done, but it needs to be much deepened and enlarged to different ethnic minorities.

101. Finally, a closer look at researches that are conducted in this field may be appropriate in order to:

- ensure that the study is not missing any crucial dimension or field
- prevent any form of redundancy of work and look for economies of scale
- provide information and access to empirical findings

To that respect, a first mapping is presented as an annex to this report, trying to describe existing networks in this field of research.

Quoting Pr Samuelson, pointing out that '*there is three kinds of lies: lies, damn lies and statistics*', it might be most valuable to validate empirical findings and developing analysis by confronting them to monographs and 'on the ground' interviews so that to refine them better.

<sup>36</sup> Heath and McMahon (1999a)

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# Annex: Mapping of existing research



