



LONDON

RACE EQUALITY IN EMPLOYMENT BRIEFING

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EDITORIAL

Welcome to the July issue of the Race Equality in Employment Briefing for London.

The continuing economic uncertainty and job losses in the public sector mean that unemployment and claimant rates are rising, and they are rising faster for Black and Minority Ethnic (BME) people. The most recent figures (for May 2011) show a rise of 9.4 per cent in the number of BME Job Seekers Allowance claimants in London since the previous period (January 2011), compared with a 5.2 per cent rise in the total number of JSA claimants.

Also in this issue, we take a closer look at the figures for Apprenticeships in London. While we welcome news from the Mayor's office about the success of the campaign to create 20,000 new Apprenticeship places in London, we highlight how London is far behind other regions in terms of Apprenticeship places. So while London is doing well in achieving a reasonable level of BME participation in Apprenticeships, the relatively low number of Apprenticeships in London means that the actual number and national proportion of BME Apprentices remain unacceptably low.

We also look at the mounting evidence on racial discrimination in job applications. There is no doubt that racial discrimination continues to destroy the employment prospects of thousands of BME job seekers, and that this is more prevalent in the private than in the public sector. At a time when Government policy is to push people out of public sector and into private sector employment, the greater difficulties facing BME people in securing private sector jobs need to be highlighted and actions taken to stamp out this apparently widespread practice.

We welcome your comments on any of the data or issues presented in this Briefing. We are keen to include examples of good practice in promoting race equality in employment, so would particularly like to hear of any from you. For all enquiries about the Race Equality in Employment Briefing, please contact Jeremy Crook OBE, Director of BTEG, Tel: 020 7843 6110, Jeremy@bteg.co.uk.

DATA SOURCES

The data tables for all statistics presented in this Briefing are available on request from BTEG.

The Ethnic Minority Advisory Group, which advises the Government on actions to address ethnic inequalities in employment, has created the Ethnic Minority Employment Data Portal, providing easy access to a wide range of data sets on ethnic minority people in the UK labour market. The Ethnic Minority Data Portal can be accessed at <http://www.dwp.gov.uk/emag/data-portal/>

HEADLINE LABOUR MARKET INDICATORS

Employment rates

(January 2010 to December 2010)

The employment rate for all people aged 16 to 64 in London was 68.1 per cent (an increase of 0.1% from the period October 2009 to September 2010). This is lower than the employment rate for Great Britain, which was 70.3 per cent in this period.

The employment rate for all ethnic minority people aged 16 to 64 in London was 59.6 per cent (a decrease of 0.7% from the period October 2009 to September 2010). The ethnic minority employment rate in London is higher than the ethnic minority employment rate for Great Britain, which was 59.0 per cent in this period.

Unemployment rates

(January 2010 to December 2010)

The unemployment rate for all people aged 16+ in London was 8.7 per cent. This is higher than the unemployment rate for Great Britain which was 7.7 per cent.

The unemployment rate for all ethnic minority people aged 16+ in London was 13.4 per cent. This is higher than the unemployment rate for ethnic minority people in Great Britain, which was 12.8 per cent in this period.

Job Seekers Allowance claimants

(May 2011)

The total number of JSA claimants in London was 224,930. This is up from 213,770 in the previous period (January 2011), an increase of 5.2 per cent.

The number of BME JSA claimants in London was 110,150. This is up from 100,705 in the previous period (January 2011), an increase of 9.4 per cent.

The proportion of JSA claimants in London who are BME has increased from 47.1 per cent in January 2011 to 49.0 per cent in May 2011. In five London boroughs, over 60 per cent of all JSA claimants are BME; Newham (67.5%), Brent (67.0%), Tower Hamlets (63.5%), Ealing (60.5%) and Harrow (60.1%).

SOURCES

Employment and unemployment rates for London and Great Britain are from the Annual Population Survey, available from NOMIS <https://www.nomisweb.co.uk/Default.asp>

Job Seekers Allowance claimants are from NOMIS <https://www.nomisweb.co.uk/Default.asp>

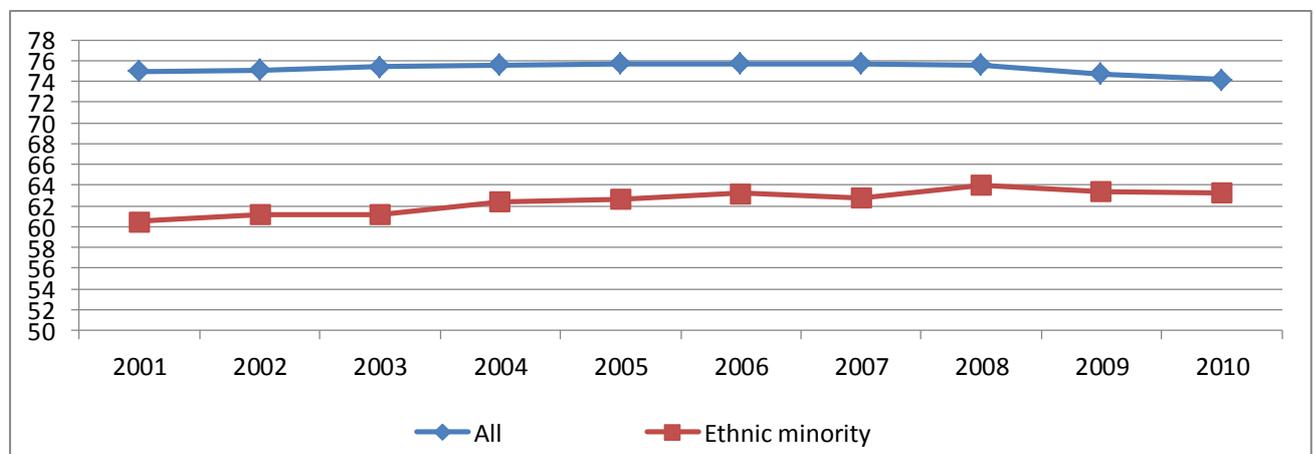
CHANGES TO THE LABOUR FORCE SURVEY DATA

The Labour Force Survey is a national survey, managed by the Office for National Statistics, to provide information on the UK labour market. The Labour Force Survey provides the most up to date national statistics on employment and unemployment. Several changes which affect the Labour Force Survey figures have taken place in recent months. These are:

- Change in the 'working age' definition. This was previously 16 to 64 for men and 16 to 59 for women. It is now 16 to 64 for both men and women;
- Change in the ethnicity questions used in the Labour force Survey, to reflect the new questions used in the 2011 Census;
- Reweighting of the Labour Force Survey data to reflect the Office for National Statistic's new population estimates.

The Department for Work and Pensions Ethnic Minority Employment Team has taken these changes into account and recalculated the 'ethnic minority employment gap' (that is, the gap between the ethnic minority employment rate and the employment rate for all people) from 2001. The recalculated data show that the ethnic minority employment gap has been narrowing, due to increases in the ethnic minority employment rate and decreases in the overall rate. By 2010 the ethnic minority employment gap was 10.9 percentage points, compared with 14.6 percentage points in 2001. Although this is heading in the right direction, a narrowing by 3.7 percentage points over a decade is very slow progress indeed. Far more needs to be done to close this gap by ensuring that BME people have the same employment opportunities as everyone else.

Employment rates for all people and for ethnic minority people, 2001 to 2010 (%)



Source: DWP Ethnic Minority Employment Team

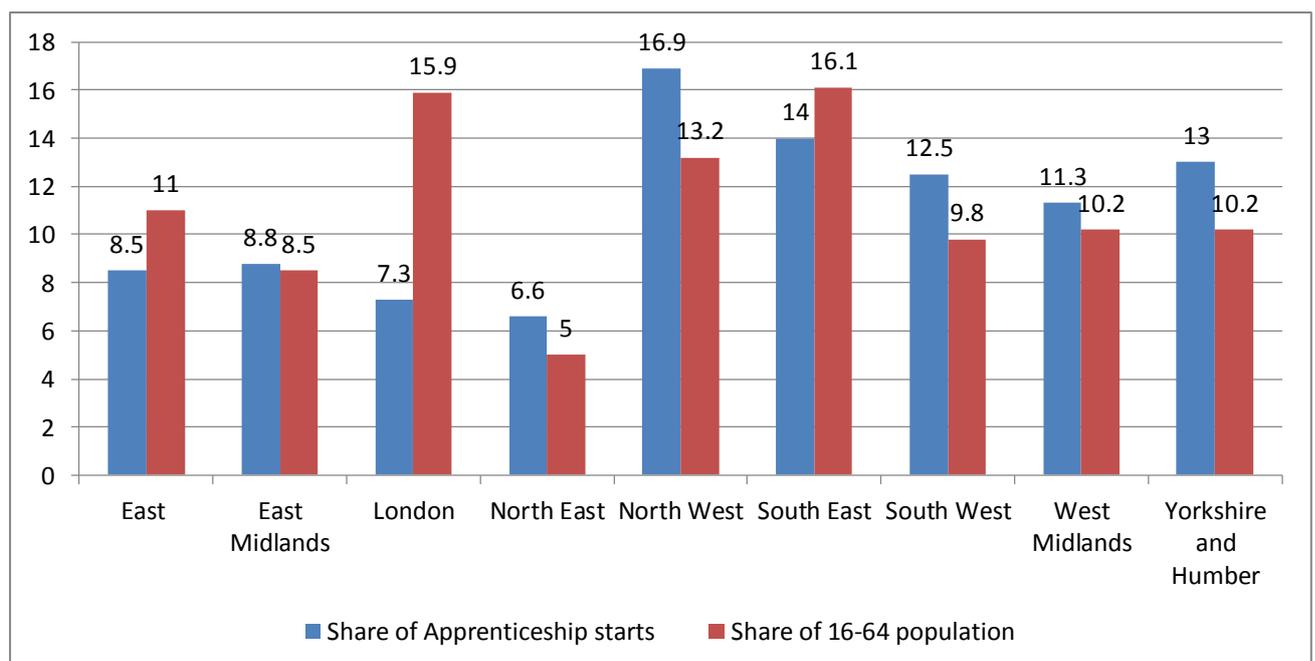
APPRENTICESHIPS

London compared with other regions

The Mayor is claiming success in the current campaign to increase the number of Apprenticeship places in London by 20,000. A press release from the Mayor's office says that there were 28,120 new Apprenticeship starts in London by April 2011. However, it is not clear what period these starts are from, nor is there any comparison with the same period from previous years, so it is unclear how many of the 28,120 Apprenticeship starts are additional to the starts achieved in previous years.

Figures from The Data Service show that the total number of Apprenticeship starts in London for the academic year 2009/10 was 20,300. For the current academic year so far (August 2010 to January 2011) there were 16,800 Apprenticeship starts in London. While the number of Apprenticeship starts in London is growing, London still lags far behind most regions in the number of Apprenticeships it provides. In 2009/10, London accounted for just 7.3 per cent of all Apprenticeship starts in England, despite being home to almost 16 per cent of England's population. There is clearly a long way to go to ensure that young people in London have the same Apprenticeship opportunities as those living in other parts of the country.

Apprenticeship starts in 2009/10: share of apprenticeship starts by region (%) and share of 16-64 population by region (%)



BME Apprentices

Although London is lagging behind most regions in the number of Apprenticeship places, it is far ahead in terms of BME participation. In 2009/10, 34 per cent of all Apprenticeship starts in London were by BME people. For the year 2010/11 up to January, 37.5 per cent of Apprenticeship starts in London were by BME people. The BME average for Apprenticeship starts in England in 2009/10 was 8.8 per cent, and for England excluding London it was 5.7 per cent. So while 34 per cent of people starting an Apprenticeship in London in 2009/10 were BME, only 5.7 per cent of those starting an Apprenticeship elsewhere in England were BME. But because the number of Apprenticeship places in London is relatively low, the actual numbers of BME people starting Apprenticeships are also low; 6,900 BME people started an Apprenticeship in London in 2009/10, while 15,000 BME people started Apprenticeships across the rest of England.

Programme-led Apprenticeships

Apprenticeship figures include both programme-led and non-programme-led Apprenticeships. Programme-led Apprenticeships are those based in college or with other Apprenticeship providers, rather than with an employer. They are being phased out in 2010/11 with the expectation that all future Apprenticeships will be employer-based. But for 2009/10, 9.9 per cent of all Apprenticeship starts were programme-led Apprenticeships. The percentage in London was slightly higher than average, at 12.8 per cent.

BME people have been over-represented on programme led Apprenticeships. In 2009/10, 15.5 per cent of people starting a programme-led Apprenticeship in England were BME (compared with 8.8% of BME people on all Apprenticeships). In London, 54 per cent of people starting a programme-led apprenticeship were BME (compared with 34% of BME people on all Apprenticeships). If the programme-led Apprenticeships are taken out of the 2009/10 figures, the proportion of BME people starting an employer-based Apprenticeship in London was 31 per cent.

SOURCES

News from the Mayor's office about success of the London Apprenticeship Campaign
http://www.london.gov.uk/creating-apprenticeship-opportunities-londoners?utm_campaign=Apprenticeships+announcement&utm_medium=email&utm_source=GLA

Data on Apprenticeship starts from The Data Service in response to BTEG data request.

Population estimates are for 2010 from the Office for National Statistics available on NOMIS
<https://www.nomisweb.co.uk/Default.asp>

RACIAL DISCRIMINATION IN JOB APPLICATIONS

Various explanations are offered for the 'ethnic minority employment gap' (the gap between the employment rate for ethnic minorities and the national average employment rate), including:

- BME people have lower qualifications and so are less well equipped for the labour market;
- Higher proportions of BME people are in further and higher education, so the proportion in employment is lower;
- Women from some BME groups are discouraged from working outside the home.

In future Briefings, we will look more closely at these claims and review what the statistical evidence shows us. For this month, we focus on one of the explanations which rarely appears in official labour market briefings: racial discrimination from employers.

Research evidence

Figures from the Citizenship Survey 2009-10 show that nine per cent of BME people say they have been refused a job on the basis of their race or colour, compared with just one per cent of white people. The highest figure is for Black (Caribbean and African) people, of whom 14 per cent had been discriminated against when applying for jobs because of their race or colour. From the same survey, seven per cent of BME people say they have been refused promotion at work because of their race or colour, compared with just one per cent of white people. Again, the figures are highest for Black people, with 12 per cent refused a promotion because of their race or colour.

Research carried out in 2009 on behalf of the Department for Work and Pensions (DWP) tested for racial discrimination in job applications by submitting applications for advertised job vacancies under names which are widely associated with particular ethnic groups. In all, the researchers submitted 2,961 applications to 987 advertised vacancies in nine occupational categories, from employers based in seven British cities. Responses from employers were monitored and being invited for an interview was recorded as a positive outcome.

The study found that for applications submitted under a 'white name', 10.7 per cent received a positive response, while for applications submitted under an 'ethnic minority name', 6.2 per cent had a positive outcome. Expressed another way, ethnic

minority candidates had to send 16 job applications to achieve one successful outcome, while white candidates had to send nine.

The report concludes that 'there are no plausible explanations for the difference in treatment found between white and ethnic minority names other than racial discrimination' (Wood and others, 2009, p5)

Greater discrimination in the private sector

Importantly, the DWP research study found significant differences in the levels of racial discrimination between public and private sector employers, with racial discrimination far more prevalent in the private sector. This may be one reason why public sector employment rates are much higher for some BME groups; 41.6 per cent of Black people in employment work in the public sector, compared with 30 per cent of the general population. The racial discrimination identified by the research study is unlawful, but difficult to prove on an individual basis. As under the previous anti-discrimination legislation, the new Equality Act gives public sector bodies a legal obligation to eliminate discrimination and promote equality in all aspects of their work, including in their employee recruitment processes. But these duties do not apply to private sector employers.

The current Government spending cuts are expected to reduce the number of public sector jobs by around 500,000. Because more Black people are employed in the public sector, these job losses will hit Black communities particularly hard. The Government claims that these job losses will be offset by growth in the private sector which will create 2.5 million new jobs by 2015. Even if this claim is achieved, the evidence of racial discrimination in job applications to private sector employers suggests that BME people will find it harder to secure these new jobs. With public sector job opportunities severely contracting, and private sector recruitment processes demonstrably more likely to racially discriminate, BME unemployment rates, already higher than average, look likely to increase steeply over the next few years.

SOURCES

Citizenship Survey 2009-10, Communities and Local Government

<http://www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq4200910>

Wood, Martin and others (2009) *A test for racial discrimination in recruitment practice in British cities*. Department for Work and Pensions. Research Report No 607

<http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep607.pdf>

Public sector employment rates are from the Annual Population Survey, October 2009-September 2010 available from NOMIS <https://www.nomisweb.co.uk/Default.asp>