



# LONDON

## RACE EQUALITY IN EMPLOYMENT BRIEFING

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## EDITORIAL

This is the first of BTEG's monthly briefing papers on how London's black and minority ethnic (BME) communities are faring in the labour market. The Race Equality in Employment Briefing is for all those whose work focuses on employing people, supporting people into employment, or creating jobs. Each month the Briefing will bring you the latest figures on employment, unemployment and claimant rates, keeping you up to date with labour market issues for London's BME population, and helping you identify where action might be needed in your local area. Alongside the headline statistics, the monthly Briefings will highlight key issues for BME communities in the labour market. In future Briefings we will also present examples of good practice from agencies which are successfully tackling the inequalities experienced by BME groups.

In this month's Briefing we take a closer look at the proportions of Job Seekers Allowance claimants which are BME in each London borough. Comparing the proportion of BME JSA claimants with the borough's BME population shows that in some boroughs the BME claimant rate is highly disproportionate to the BME population rate. The boroughs where this disproportionality is highest - Wandsworth, Lambeth and Hammersmith & Fulham top this list - should look more closely at the reasons for this and take action to tackle this problem.

We welcome your comments and feedback on these Briefings. We are particularly interested in examples of good practice to feature in future issues. So please let us know if your organisation, or an agency you know of, is making a measureable difference in reducing the unequal outcomes in employment which still face some BME groups.

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### DATA SOURCES

The data tables and charts 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

*(October 2009-September 2010)*

The employment rate for all people in London was 68.0 per cent (a decrease of 0.1% from the period July 2009 to June 2010). This is lower than the employment rate for Great Britain, which was 72.6 per cent for the period October to December 2010 (unchanged from the same quarter in 2009).

The employment rate for all ethnic minority people in London was 58.7 per cent (a decrease of 0.2% from the period July 2009 to June 2010). This is lower than the ethnic minority employment rate for Great Britain, which was 61.0 per cent for the period October to December 2010 (an increase of 0.1% from the same quarter in 2009).

### Unemployment rates

*(October 2009-September 2010)*

The unemployment rate for all people in London was 8.9 per cent (unchanged from the period July 2009 to June 2010). The unemployment rate for Great Britain in October to December 2010 was 7.7 per cent (an increase of 0.1% from the same quarter in 2009).

The unemployment rate for all ethnic minority people in London was 14.0 per cent (an increase of 0.2% from the period July 2009 to June 2010).

The highest unemployment rates in London were for Pakistani and Bangladeshi people (17.7%) and for Black/Black British people (17.7%).

The unemployment rate for ethnic minority UK nationals in London was 13.6 per cent (12.7% in Great Britain). The unemployment rate for white UK nationals in London was 6.6 per cent (7.1% in Great Britain).

The unemployment rate for ethnic minority non-UK nationals in London was 14.8 per cent (13.7% in Great Britain). The unemployment rate for white non-UK national in London was 5.6 per cent (5.6% in Great Britain).

## **Job Seekers Allowance claimants**

*(January 2011)*

In January 2011 there were 213,770 JSA claimants in London, of which 100,705 (47.1%) were BME. The total number of JSA claimants in London was up by 25,235 from 188,535 in December 2010. The number of BME claimants was up by 2,010 from 98,695 in December 2010.

## **Self-employment rates**

*(October 2009-September 2010)*

Of people in London who are in employment, 16.8 per cent are self-employed (82.8% are employees). Broken down by ethnic group, the self-employment rates for those people in employment are: White = 18.6 per cent; Asian = 13.3 per cent; Mixed = 13.0 per cent; Chinese = 13.4 per cent; Black African = 9.8 per cent; Black Caribbean = 8.2 per cent.

Of all people in London, including those who are not in work or still in education, 7.4 per cent report that they are self-employed. Broken down by ethnic group the self-employment rates are: White = 9.0 per cent; Asian = 5.2 per cent; Mixed = 3.3 per cent; Chinese = 6.4 per cent; Black African = 3.2 per cent; Black Caribbean = 3.1 per cent.

The Self Employed Credit (SEC) was introduced in April 2009 and is available to people who have been on Job Seekers Allowance for 13 weeks or longer (originally 26 weeks or longer) who are moving into self-employment. A total of 27,420 people in Britain took up SEC from April 2009 to July 2010, of which 2,140 (7.8%) were in London. Of all those who took up SEC over this period, 87.0 per cent were White and 6.5 per cent were BME (of which, 2.4% Asian and 2.3% Black). No regional ethnicity breakdown is available for SEC take up.

## **Apprenticeships**

*(Academic year 2009/10)*

In 2009/10 there were 20,350 Apprenticeship starts in London representing 7.3 per cent of all Apprenticeship starts in England. Despite substantial increases in the number of Apprenticeship places in London, up from 11,010 starts in 2005/06, Apprenticeship opportunities in London remain very limited in comparison with other regions; in 2009/10 there were 47,280 Apprenticeship starts in the North West (17% of all starts in England) and 39,120 starts in the South East (14% of all starts in England).

In London, 32.2 per cent of those starting Apprenticeships in 2009/10 were BME; Asian = 10.8%, Black = 12.8%, Mixed = 5.7%, Chinese of other = 2.9%. London is achieving a far greater proportion of BME starts than England as a whole. In 2009/10, 8 per cent of people starting Apprenticeships in England were BME; Asian = 3.3%, Black = 2.3%, Mixed = 1.8%, Chinese or other = 0.6%. This is a slight decrease on the previous year, 2008/09, when 8.2 per cent of starts were BME.

## **SOURCES**

London employment and unemployment rates are from the Annual Population Survey, JSA claimant numbers are from JobCentre Plus. All available from NOMIS

<https://www.nomisweb.co.uk/Default.asp>

London self-employment rates are from the Annual Population Survey, available from the Economic and Social Data Service

<http://www.esds.ac.uk/findingData/snDescription.asp?sn=6754>

National employment and unemployment rates are from the Labour Force Survey Historical Quarterly Supplement available from

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14365>

London Apprenticeship data provided by The Data Service in response to our data request

<http://www.thedataservice.org.uk/>

National Apprenticeship data from the Statistical First Release, 31 March 2011.

[http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr\\_current/](http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/)

Population data from Office for National Statistics, Population estimates by ethnic group mid-2007 – experimental

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=14238&Pos=1&ColRank=1&Rank=160>

## **JOB SEEKERS ALLOWANCE CLAIMANTS**

Job Seekers Allowance (JSA) is the benefit paid to unemployed people who are actively looking for work. The number of JSA claimants provides one indicator of unemployment levels in each local area, but it does not provide the full picture as not everyone who is out of work is eligible for or wishes to claim JSA.

The proportion of JSA claimants which is BME varies between London boroughs; from 12 per cent in Havering to 66 per cent in Newham. The figures for all London boroughs are shown in the table.

Job Seekers Allowance claimants in each London borough, January 2011

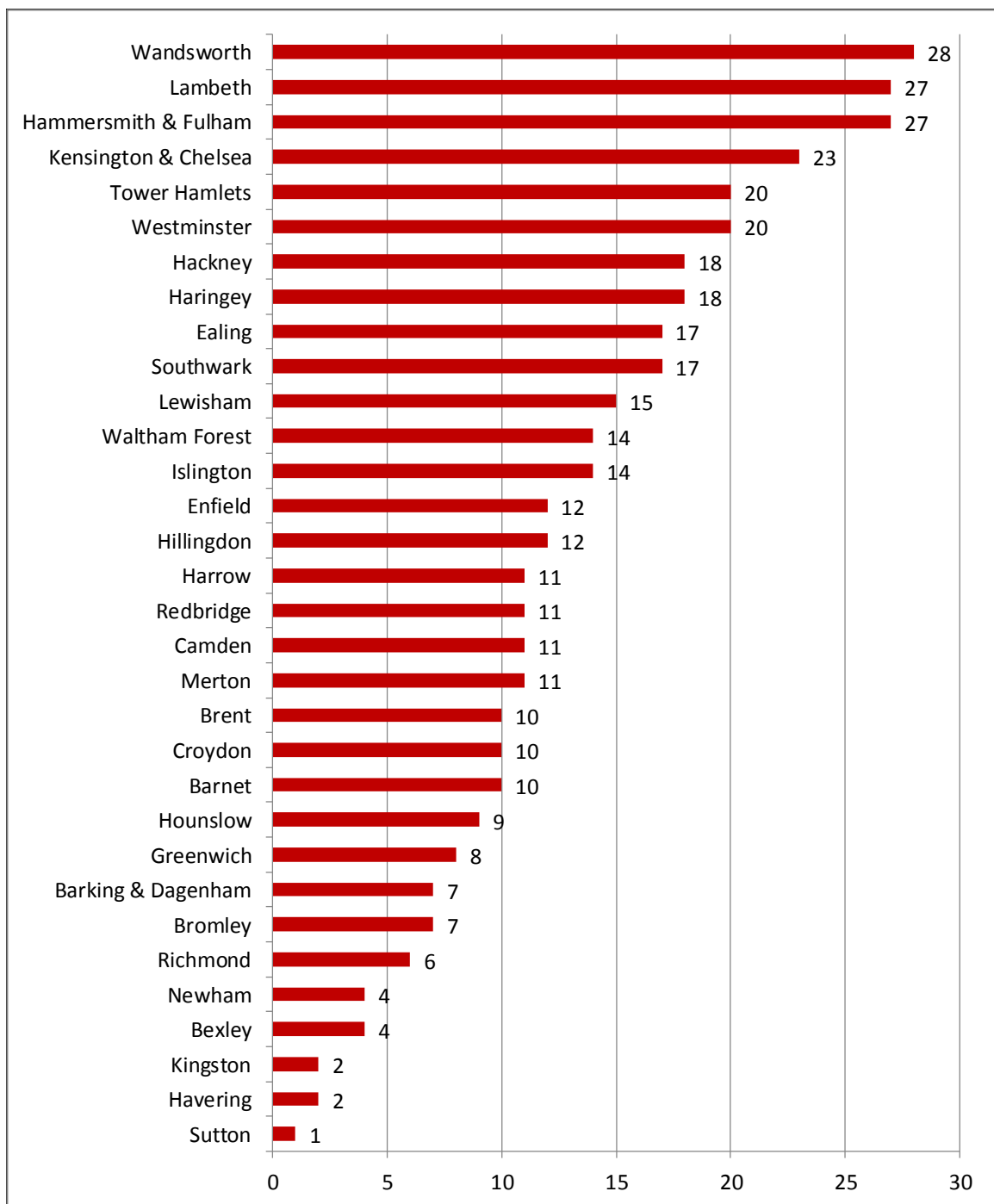
	(a)	(b)	(c)	(d)	(e)	(f)
London borough	Total number of JSA claimants	Claimant rate (% of resident population aged 16-64)	Number of Ethnic minority claimants	Ethnic minority claimants as % of all JSA claimants	Ethnic minority population as % of total population	Percentage point difference between (d) and (e)
Barking and Dagenham	6,150	5.6	2,045	33.3	26.2	7.1
Barnet	6,440	3.0	2,670	41.5	31.9	9.6
Bexley	4,340	3.1	770	17.7	14.3	3.4
Brent	9,070	5.5	5,880	64.8	54.5	10.3
Bromley	5,280	2.7	1,035	19.6	13.4	6.2
Camden	5,385	3.1	2,175	40.4	28.9	11.5
City of London	85	0.8	30	35.3	18.0	17.3
Croydon	9,545	4.3	4,450	46.6	36.6	10.0
Ealing	8,255	3.9	4,865	58.9	41.8	17.1
Enfield	9,190	5.1	3,965	43.1	30.5	12.6
Greenwich	7,355	4.9	2,640	35.9	28.1	7.8
Hackney	10,105	6.9	5,540	54.8	36.8	18.0
Hammersmith and Fulham	5,060	4.2	2,430	48.0	21.0	27.0
Haringey	9,890	6.3	4,995	50.5	33.1	17.4
Harrow	3,890	2.7	2,285	58.7	48.3	10.4
Havering	4,980	3.4	585	11.7	10.3	1.4
Hillingdon	4,920	2.9	1,980	40.2	28.3	11.9
Hounslow	4,950	3.1	2,415	48.8	40.0	8.8
Islington	7,060	4.9	2,665	37.7	23.7	14.0
Kensington and Chelsea	3,450	2.9	1,640	47.5	24.5	23.0
Kingston upon Thames	1,950	1.7	465	23.8	22.0	1.8
Lambeth	11,185	5.4	6,365	56.9	30.3	26.6
Lewisham	9,410	5.2	4,745	50.4	34.5	15.9
Merton	3,435	2.4	1,330	38.7	28.2	10.5
Newham	10,385	6.6	6,800	65.5	61.7	3.8
Redbridge	6,865	4.0	3,770	54.9	44.3	10.6
Richmond upon Thames	1,965	1.6	380	19.3	12.8	6.5
Southwark	10,080	4.9	5,235	51.9	34.5	17.4
Sutton	3,275	2.7	545	16.6	16.3	0.3
Tower Hamlets	10,115	6.0	6,240	61.7	41.9	19.8
Waltham Forest	8,485	5.8	4,335	51.1	37.4	13.7
Wandsworth	6,160	3.0	2,880	46.8	19.4	27.4
Westminster	5,065	2.7	2,545	50.2	30.0	20.2
<b>Total</b>	<b>213,770</b>	<b>4.1</b>	<b>100,705</b>	<b>47.1</b>	<b>30.4</b>	<b>12.7</b>

Source: columns (a) – (d) from NOMIS; column (e) from ONS

Some of the variance between boroughs in the ethnic minority claimant rate is because the proportion of BME people within the population differs from borough to borough; 10 per cent of Havering's working age population is BME compared with 62 per cent in Newham. But the proportion of BME claimants is not fully explained by

differences in population size. In every London borough, the proportion of BME claimants is higher than the proportion of BME people in the working age population. In some boroughs, it is considerably higher. In Wandsworth, for example, the proportion of BME claimants (47%) is 28 percentage points higher than the proportion of BME people in the local population (19%). The gaps between the BME claimant proportion and the BME population proportion in each borough are illustrated in the chart.

Gap between the proportion of BME claimants and the proportion of BME people in the working age population (percentage points)



## POSITIVE ACTION IN EMPLOYMENT

Section 159 of the Equality Act came into force in April 2011. This provision enables employers to use positive action in their recruitment processes as a tie breaker between candidates of equal merit. If two candidates are equally well qualified for a job, and one is from a group which is under-represented or disadvantaged in the company's work force, the new Equality Act provision allows an employer to use positive action to select this person. Positive action is only lawful if the following conditions are met:

- The candidate must be appointed on merit – the candidate must be as qualified as any other candidate to be appointed;
- The employer does not have a general policy of always favouring people with certain protected characteristics;
- Any action taken by the employer is a proportionate means of achieving the aim of addressing disadvantage or under-representation in the workforce.

It will be difficult to know how many employers use the new positive action measure. It is possible that some public sector employers may report on this as part of their duty to publish information on what they are doing to tackle discrimination and promote equality, but there is no specific requirement for this. Private sector employers are not required to publish any information on their equality measures. We are unlikely to know for some time whether the positive action measures make any difference to BME recruitment and promotion.

### **MORE INFORMATION**

Government guidance on the Equality Act is available from

[http://www.equalities.gov.uk/equality\\_bill.aspx](http://www.equalities.gov.uk/equality_bill.aspx)

The Government has produced guidance for employers on how to use the new positive action measure when making appointments:

<http://www.equalities.gov.uk/pdf/Positive%20Action%20step%20by%20step%20guide%20-%20FINAL.pdf>