
BTEG

BLACK TRAINING & ENTERPRISE GROUP

LONDON

RACE EQUALITY IN EMPLOYMENT BRIEFING

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EDITORIAL

Welcome to the Black Training and Enterprise Group's third Race Equality in Employment Briefing for London. This monthly Briefing provides a regular update on how London's Black, Asian and minority ethnic (BAME) communities are faring in the labour market.

This month, with public sector job cuts continuing across London and little sign of jobs growth in the private sector, it is unsurprising that the number of Job Seekers Allowance (JSA) claimants in London is continuing to grow. As we have reported in previous briefings, the rate of increase is steeper for ethnic minority people; the number of JSA claimants in London increased by 2.4 per cent from June to July 2011, while the number of ethnic minority JSA claimants in London increased by 3.1 per cent over the same period. While less than one third of London's working age population are from ethnic minority groups, half of all JSA claimants in London are ethnic minority.

Also in this Briefing, we highlight the disparities in the youth unemployment figures. Nationally, 20 per cent of all economically active young people are unemployed, while a shocking 40 per cent of young Black people are now unemployed. And we take a closer look at entrepreneurship, comparing figures for self-employment rates for ethnic minorities across the London boroughs, and highlighting the 'enterprise aspiration gap' for Black people who report the highest levels of interest in becoming self-employed but are least likely to achieve this.

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

Official figures for employment rates are released quarterly. The figures for September 2011 are unchanged from those reported in the July edition of this Briefing.

The employment rate for all people aged 16 to 64 in London is currently 68.1 per cent. The employment rate for all ethnic minority people aged 16 to 64 in London is 59.6 per cent.

The gap between the employment rate for ethnic minority people and the average is 8.5 percentage points in London. The same gap at national level is 11.3 percentage points (the employment rate for Great Britain is 70.3 per cent and the employment rate for ethnic minorities in Great Britain is 59.0 per cent).

Employment rates vary between boroughs. The employment rates for all London boroughs are shown below, alongside the ethnic minority employment rates. Camden has the lowest ethnic minority employment rate, at 45 per cent. Westminster and Kensington & Chelsea also have ethnic minority employment rates that are below 50 per cent. At the other end of the scale, the employment rates for ethnic minorities are over 70 per cent in Bromley, Harrow and Sutton.

London borough employment rates aged 16 – 64, Jan-Dec 2010

	All (%)	Ethnic minority (%)		All (%)	Ethnic minority (%)
Camden	67	45	Redbridge	65	61
Westminster	62	48	Ealing	68	61
Kensington & Chelsea	64	49	Greenwich	67	61
Islington	67	50	Lambeth	74	62
Newham	55	51	Barnet	71	63
Hammersmith & Fulham	67	51	Brent	65	64
Haringey	63	52	Merton	73	64
Tower Hamlets	61	52	Barking & Dagenham	63	64
Wandsworth	74	57	Southwark	70	65
Hillingdon	68	57	Bexley	71	65
Enfield	64	57	Havering	69	66
Waltham Forest	65	57	Hounslow	72	67
Hackney	69	59	Croydon	72	70
Kingston upon Thames	71	60	Bromley	73	72
Richmond upon Thames	75	60	Harrow	73	73
Lewisham	65	61	Sutton	76	74

[nb The confidence intervals for the ethnic minority employment rates are very wide and these figures should be treated with caution]

Unemployment rates

Official figures for unemployment rates are released quarterly. The figures for September 2011 are unchanged from those reported in the July edition of this Briefing.

The unemployment rate for all people aged 16+ in London is currently 8.7 per cent. The unemployment rate for all ethnic minority people aged 16+ in London is currently 13.4 per cent. The unemployment rate for ethnic minority people in London is therefore 1.54 times greater than the average unemployment rate for Londoners.

Nationally, youth unemployment (aged 16-24) is currently 20 per cent for all young people who are economically active (people who are in work or unemployed but available for work). Amongst ethnic minority young people, 32 per cent of those who are economically active are unemployed. The youth unemployment rate is highest for Black (Caribbean and African) young people; 40 per cent of economically active young Black people are currently unemployed.

Job Seekers Allowance claimants

The total number of JSA claimants in London in August 2011 was 235,536, up from 229,793 in July. This is an increase of 2.5 per cent in the number of JSA claimants in London.

The total number of ethnic minority JSA claimants in London in July 2011 was 113,780, up from 110,380 in June (the claimant figures with ethnic breakdowns are released one month later than the total claimant counts). This is an increase of 3.1 per cent in the number of ethnic minority JSA claimants in London.

In July 2011, almost 50 per cent (49.7%) of JSA claimants in London were ethnic minority. Of the 90 per cent of JSA claimants whose ethnicity was recorded, 55 per cent of claimants were ethnic minority. In comparison, slightly over 30 per cent of the working age population in London is ethnic minority.

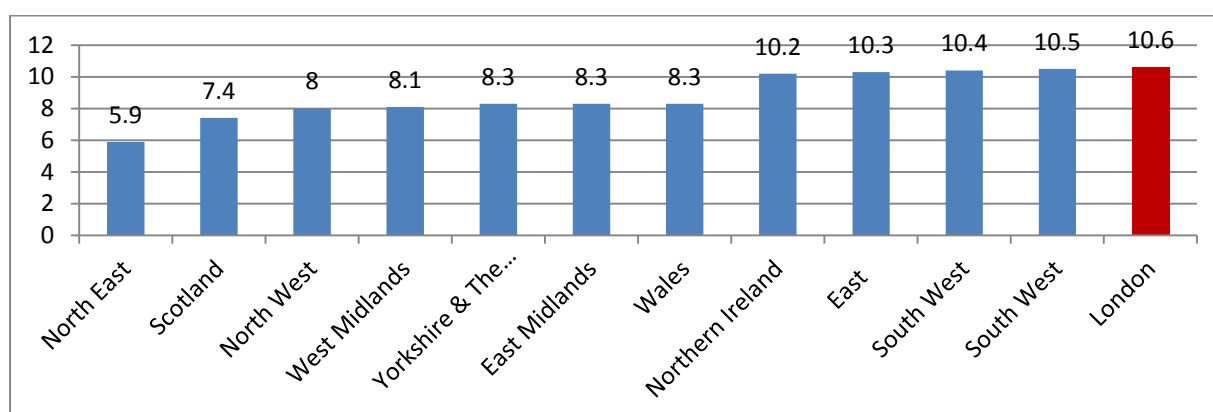
In July 2011, in six London boroughs, over 60 per cent of JSA claimants of known ethnicity were ethnic minority; Lambeth (62%), Ealing (63%), Harrow (63%), Tower Hamlets (65%), Brent (70%) and Newham (71%). In three London boroughs, the proportion of JSA claimants of known ethnicity that is ethnic minority is double the proportion of ethnic minority people in the local population. These boroughs are Wandsworth (where 23% of the working age population is ethnic minority and 50% of JSA claimants of known ethnicity are ethnic minority); Lambeth (31% of working age population is ethnic minority and 62 per cent of JSA claimants); and Hammersmith and Fulham (24% of working age population is ethnic minority and 52% of JSA claimants).

SELF-EMPLOYMENT & ENTREPRENEURSHIP

London self-employment rate

London has the highest self-employment rate of all regions in the UK. Almost 11 per cent of all working age people in London are self-employed. Of people in London who are working, 16 per cent are self-employed.

Self employment rates for UK regions (% of population aged 16 to 64)



[Source: Annual Population Survey Jan – Dec 2010]

BAME self employment rates

Nationally, self-employment rates are lower than average for most ethnic minority groups, with the exception of Pakistani people, who have very high rates of self-employment; in 2010, the self-employment rate for Pakistani people was 10.9 per cent, for Pakistani men it was 19.3 per cent.

BAME self-employment rates in Great Britain, 2010

	All (%)	Male (%)	Female (%)
All	8.0	11.5	4.6
White	8.0	11.6	4.7
Ethnic minority	7.3	11.1	3.6
Mixed ethnicity	6.5	8.9	-
Asian	7.9	12.6	2.9
Black	5.5	8.1	3.4
Chinese	7.7	10	-
Other	8.2	11.6	4.9

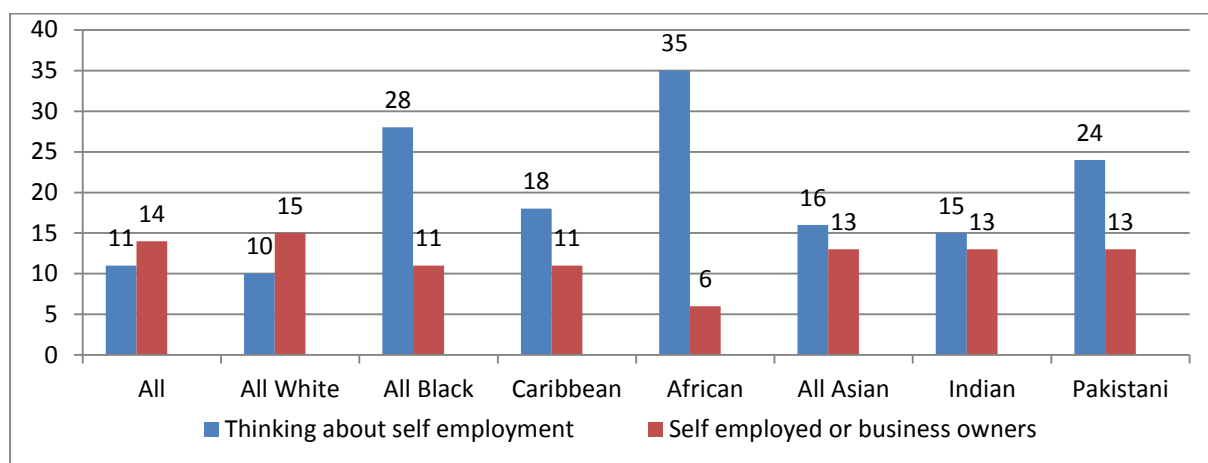
[Source: Labour Force Survey, Jan – Dec 2010]

There are strong gender differences in self-employment rates for all ethnic groups, with men almost three times more likely than women to be self-employed.

The enterprise aspiration gap for BAME people

There is a huge gap between the aspirations of BAME people to set up their own businesses and the actual numbers who achieve this. A survey carried out for the government in 2007 found that BAME people were more likely than white people to have 'recently thought about starting a business, buying into an existing business, or becoming self-employed', but were far less likely than white people to be self-employed or own their own business. The gap is greatest for Black people, particularly those of Black African origin.

Self-employment and business start-up: % who have recently thought about it and % who have done it



[Source: IFF Research, 2007]

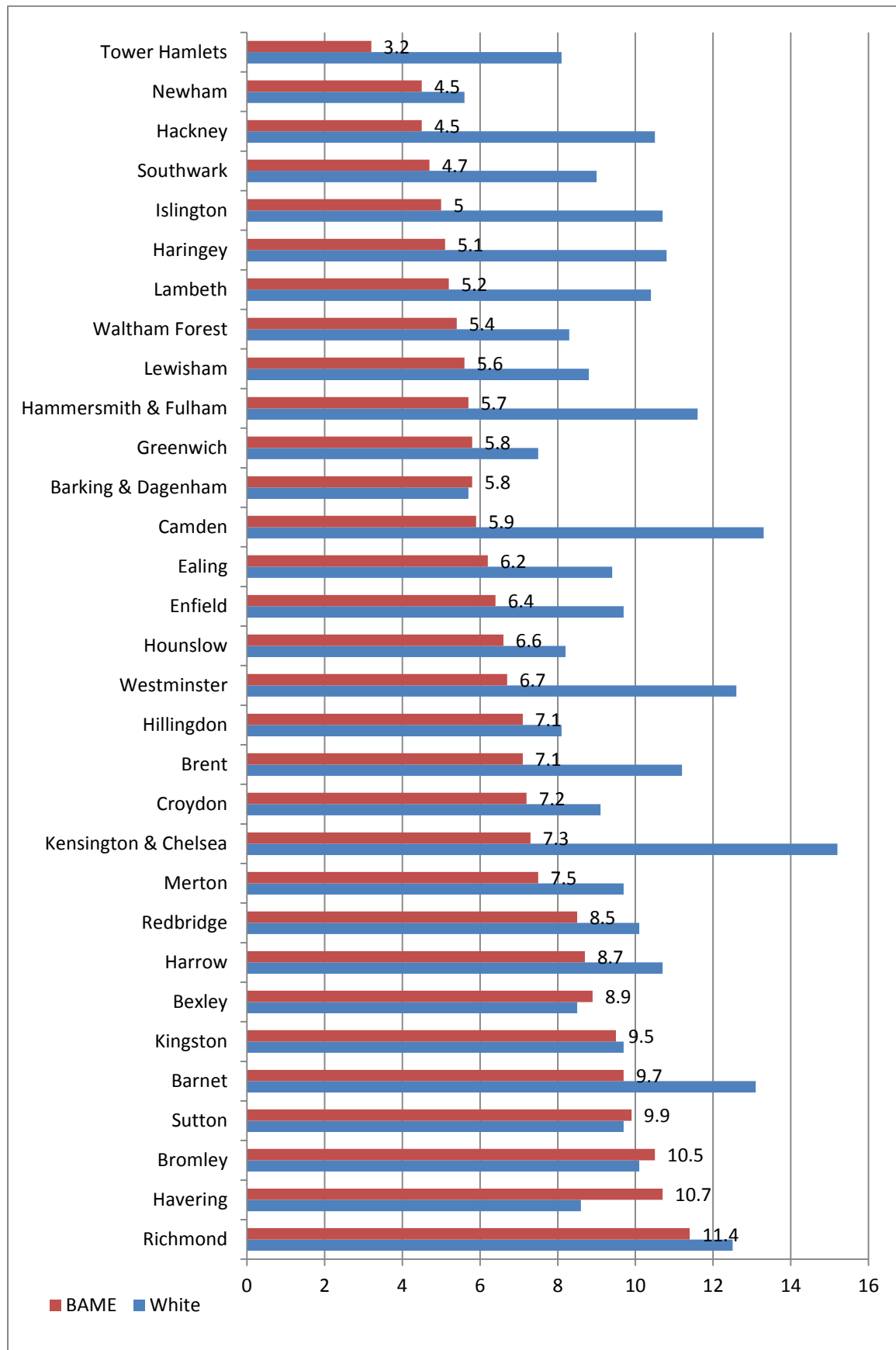
The research does not explain what prevents so many Black people from moving from the 'thinking about it' stage to actually starting their own business, but does suggest that lack of aspiration is not the reason.

Self-employment rates at borough level

The most robust source of data on self-employment rates for ethnic minority groups at borough level is the 2001 census. This information is now quite old but it gives a good indication of the differences in self-employment rates for ethnic minority groups between boroughs.

Ethnic minority self-employment rates are highest in the outer London boroughs and lowest in the poorest, inner London boroughs. Tower Hamlets, Hackney, Newham, Southwark and Islington all have ethnic minority self-employment rates of 5 per cent or lower, well below the 7 per cent average ethnic minority self-employment rate across London.

London boroughs - % of population who report being self-employed, 2001



There is no clear relationship between the white self-employment rate and the ethnic minority self-employment rate in each borough. These rates are closest in the wealthiest boroughs; Richmond, Sutton, Kingston and Bromley. In the poorest boroughs, where ethnic minority self-employment rates are very low, the self-employment rate for white people is varied. In Hackney and Islington, for example, the white self-employment rate is higher than the 10 per cent average white self-employment rate across London.

Specialists in self-employment and new business start up

Head for Business

Established in 2002 in the London borough of Lewisham, Head for Business (HfB) is a business support organisation which is helping to meet the needs of groups that are under-represented in business start-up; women, disabled, BAME, lone parents, and those living in disadvantaged areas. Traditionally, these groups have been under-served by business support agencies. HfB helps people to turn their ideas into successful business ventures through flexible programmes that provide practical support. HfB supports around 300 adults each year to develop positive pathways into employment, training or self-employment, of which over 60 per cent are BAME. Of these, around 50 clients each year start their own business.

For more information about Head for Business go to <http://www.head4biz.com/>

ABI

ABI Associates Limited is a business support and training consultancy company dedicated to empowering the entrepreneurial success of London's small businesses and communities. ABI works to identify gaps and opportunities in current business support provision and develop programmes that enhance business competitiveness. These have included a range of programmes to help individuals to start up their own businesses, some of them in targeted sectors such as food businesses. ABI's business start-up and support services include mentoring, micro-financing, training, networking opportunities, test trading, toolkits, resources, information and advice.

For more information about ABI go to <http://www.abi.co.uk/>

DATA 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>

Youth unemployment figures were provided to BTEG by the DWP Ethnic Minority Employment Team.

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

Ethnic minority population data are from the ONS *Population estimates by ethnic group mid-2009 (experimental)* <http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Population+Estimates+by+Ethnic+Group>

IFF Research Ltd (2007) *BERR Household Survey of Entrepreneurship*. Department for Business, Enterprise & Regulatory Reform. <http://www.berr.gov.uk/Policies/enterprise-and-business-support/analytical-unit/research-and-evaluation/cross-cutting-research>

Self-employment rates for London boroughs are from the 2001 census, available from NOMIS <https://www.nomisweb.co.uk/Default.asp>