

# The role of place in the level of employment of ethnic minorities

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*Using a database commissioned by the  
Department of Work and Pensions*

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## Males 25-74 % employed (excluding retired)

<b>Diverse neighbourhoods</b> (less than 50% White Briton)	<b>Mixed neighbourhoods</b> (50-87% White Briton)	<b>Unmixed neighbourhoods</b> (87%+ White Briton)
73.3	81.0	83.0

Qualitative approaches

Locality studies mixed methods

Advantages

Limitations, which national quantitative studies aim to overcome

## Questions which quantitative approaches can answer

- How do neighbourhood labour market outcomes vary?
- Is place determining: ethnic minority outcomes are relatively poor because they live in places with poor opportunities (postcode discrimination; too many people chasing jobs; ...)
- Do ethnic minorities fare worse wherever they are (racial discrimination; poor qualifications)
- Which is the more important impact: place, race, qualifications, age, sex...

### Males 25-74 % employed

	Diverse	Mixed	Unmixed	England and Wales
<b>White Briton</b>	78.3	83.4	83.5	83.5
<b>All</b>	<b>73.3</b>	<b>81.0</b>	<b>83.0</b>	<b>82.5</b>
<b>Indian</b>	79.2	80.9	83.1	82.1
<b>Chinese</b>	74.4	76.0	81.2	79.4
<b>Irish</b>	68.8	74.4	76.3	74.9
<b>Caribbean</b>	66.5	70.7	72.1	70.7
<b>African</b>	67.2	68.4	69.0	68.5
<b>Pakistani</b>	64.1	66.7	68.5	67.8
<b>Bangladeshi</b>	55.5	62.4	66.1	63.2

## Employment rates (persons) England and Wales and extreme neighbourhoods

Ethnic group	England & Wales	Sparkbrook		Middlesbrough East		Reading North East	
	%	%	N	%	N	%	N
White Briton	75.0	54.9	7,629	49.4	28,866	84.0	29,998
Irish	70.1	47.5	1,036	33.3	222	83.4	481
Caribbean	66.5	55.0	2,050	51.9	52	77.8	374
Indian	66.0	47.5	2,001	56.4	257	78.5	834
Chinese	58.3	48.8	123	38.0	92	65.5	200
African	56.9	39.1	358	46.8	154	66.7	192
Pakistani	42.7	32.3	16,547	37.8	1,903	57.7	567
Bangladeshi	39.5	33.2	3,380	48.0	25	71.4	21
<b>All groups</b>	<b>73.1</b>	<b>40.3</b>	<b>36,442</b>	<b>48.1</b>	<b>32,685</b>	<b>82.2</b>	<b>34,726</b>

Source, 2001 Census. N: population aged 16-74, excluding retired.

Why are Bangladeshi's more employed in Middlesbrough?

What is special about Middlesbrough? Qualifications? Age-sex-birthplace composition? Is such a small population important?

## Calculation of jobs deficit from employment rates and population denominators

Ethnic group	England & Wales %	Middlesbrough East		Jobs deficit	
		%	N	Ref: national	Ref: national eth
Pakistani	42.7	37.8	1,903	672	93
Bangladeshi	39.5	48.0	25	6	0
<b>All groups</b>	<b>73.1</b>	<b>48.1</b>	<b>32,685</b>		

How many more jobs are required to bring the employment rate up to a reference value

Pakistani jobs deficit in Middlesbrough with reference the national rate

$$= (73.1 - 37.8) * 1,903 = 672$$

Sum over all neighbourhoods in England and Wales

Express as a proportion of the population of working age

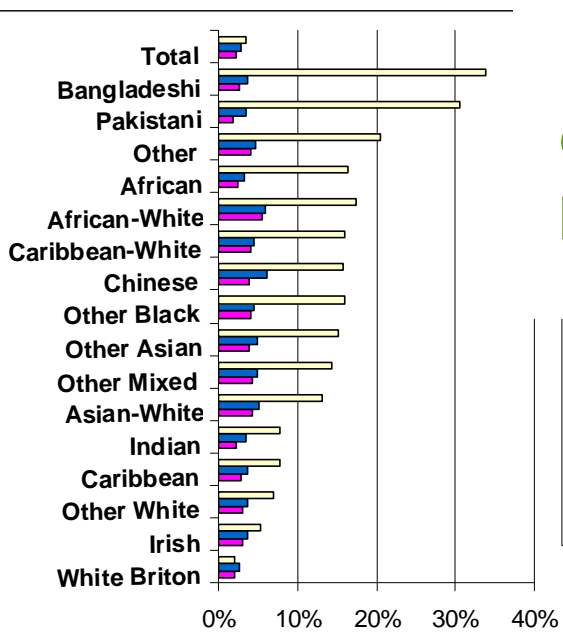
## Jobs deficit

- How many more jobs required to bring employment rate up to a reference value
- Reference employment rate :
  - National
  - National for that ethnic group
  - Expectation for same age, sex, birthplace, and qualifications composition as locally
- See DWP report for calculation of expectations

## Census data that help to answer

- Local labour markets and ethnic minorities
  - England, Wales and Scotland
  - 1991, 2001
  - 1138 tracts of 30,00-50,000 population
  - Standard census tables ST108, ST153 for neighbourhoods
    - Observed employment
    - Neighbourhood composition
  - Commissioned table C0333 for England and Wales
    - Economic position for each combination of age x sex x birthplace x ethnic group x qualifications

Total local jobs deficit, England and Wales		Reference: England and Wales rate, 73.1%		Reference: England and Wales ethnic group rate		Reference: Local rate expected from ethnic group and composition	
Ethnic group	Working age (1)	Jobs deficit	% of (1)	Jobs deficit	% of (1)	Jobs deficit	% of (1)
White Briton	28,130,382	567,558	2.0%	760,966	2.7%	579,190	2.1%
Irish	436,137	23,075	5.3%	16,341	3.7%	13,131	3.0%
Caribbean	384,617	29,816	7.8%	14,005	3.6%	11,183	2.9%
Indian	723,855	56,371	7.8%	25,982	3.6%	16,647	2.3%
Chinese	170,085	26,892	15.8%	10,539	6.2%	6,646	3.9%
African	323,006	53,259	16.5%	10,747	3.3%	7,786	2.4%
Pakistani	436,459	133,302	30.5%	14,775	3.4%	8,322	1.9%
Bangladeshi	163,402	55,318	33.9%	6,195	3.8%	4,246	2.6%
<b>Total</b>	<b>32,486,751</b>	<b>1,132,918</b>	<b>3.5%</b>	<b>932,205</b>	<b>2.9%</b>	<b>707,928</b>	<b>2.2%</b>



Jobs deficit, per cent of each group's population of working age

■ Reference: national  
■ Reference: National eth  
■ Reference: local expectation

<http://asp.ccsr.ac.uk/dwp>

Employment Rate 2001 (England and Wales)

2001 and nationally expected values

Males aged 25+	Local 2001	Better/Worse than E&W value	Better/Worse than local expected all-groups value	Better/Worse than local expected value for this group	E&W 2001	Expected Locally	Denominator 2001
All	92	●	●	●	82	85	14831
White Briton	93	●	●	●	83	86	13010
African	71	●	●	●	68	71	92
Caribbean	86	●		●	71	72	140
Indian	91	●	●	●	82	85	341
Pakistani	78	●	●	●	68	71	216
Bangladeshi	sup				63	54	12
Chinese	86	●		●	79	79	64
Irish	92	●	●	●	75	79	234
Other White	91	●	●	●	80	81	487
Caribbean-White	sup				70	77	29
African-White	sup				68	64	15
Asian-White	sup				76	79	37
Other Mixed	sup				72	74	22
Other Asian	83	●		●	73	76	72
Other Black	sup				67	67	9
Other	82	●	●	●	68	70	51

Key:

All numbers are rounded percentages, except denominator 2001, which shows the population upon which the local 2001 percentages are based.

Select one of the other Employment Rate tables:

- 2001 and change since 1991 - Males

Neighbourhoods  
Reading North E

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- [Economic activity](#)
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## Conclusions

- Employment rates vary between ethnic groups, areas, demographic and degrees of human capital
- Ethnic group differences are systematic across areas
  - Explains most of the area-ethnic group variation
  - Age and sex composition, human capital and birthplace account for some area differences
  - We have not proved that social policy should focus on direct discrimination as well as human capital, but it looks that way
- Area effects are correlated between ethnic groups, but each group retains a unique geography of labour market outcomes
  - These uniquenesses are of interest beyond social policy