



poverty, exclusion and  
British people of Pakistani  
and Bangladeshi origin





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Section one

# introduction

This TUC report uses official data and independent research to look at the position of people from Pakistani and Bangladeshi ethnic groups. These are the most disadvantaged and socially excluded ethnic groups in Britain today, and this should be a matter of grave concern for everyone interested in social and employment policies.

British people of Pakistani and Bangladeshi origin account for about 2% of the overall UK population, just over one-fifth of the non-white population.

*Focus on Ethnicity and Identity*, ONS, 2005, table 6.3, using 2001 census data.

**Table 1: UK population, 2001**

Ethnic group	Population	Proportion of overall population	Proportion of non-white population
All ethnic groups	57,103,927	100.00%	N/A
All non-white groups	4,622,727	8.10%	100%
Pakistani ethnic group	746,619	1.31%	16.15%
Bangladeshi ethnic group	282,811	0.50%	6.12%

Over half of all British people of Bangladeshi origin live in London. For people of Pakistani origin, the West Midlands, Yorkshire and the North East are also important centres:

Calculated from *Focus on Ethnicity and Identity*, ONS, 2005, table 3.3

**Table 2: Distribution of people of Bangladeshi origin, April 2001**

Region	Share of Bangladeshi population
United Kingdom	100%
Northern Ireland	0.09%
Scotland	0.70%
Wales	1.92%
England	97.29%
South West	1.70%
North West	9.19%
East Midlands	2.45%
Yorkshire and the Humber	4.36%
South East	5.43%
East	6.54%
North East	2.18%
West Midlands	11.09%
London	54.37%

## introduction

Calculated from *Focus on Ethnicity and Identity*, ONS, 2005, table 3.3

**Table 3: Distribution of people of Pakistani origin, April 2001**

Region	Share of Pakistani population
United Kingdom	100%
Northern Ireland	0.09%
Wales	1.11%
Scotland	4.25%
England	94.55%
South West	0.90%
North West	15.65%
East Midlands	3.72%
East	5.19%
South East	7.83%
North East	1.88%
London	19.10%
Yorkshire and the Humber	19.58%
West Midlands	20.68%

There are towns and boroughs where people of Pakistani or Bangladeshi origin make up five percent of the population or more:

**Table 4: Cities, towns, districts and boroughs where at least 5% of the population are people of Pakistani or Bangladeshi origin**

Tower Hamlets	36.5%
Bradford	17.5%
Newham	17.2%
Birmingham	14.3%
Slough UA	14.0%
Pendle	13.8%
Luton UA	13.8%
Oldham	11.2%
Rochdale	10.4%
Blackburn with Darwen UA	9.6%
Redbridge	9.6%
Hyndburn	8.8%
Kirklees	7.4%
Manchester	6.6%
Waltham Forest	6.5%
Calderdale	6.2%
Derby UA	5.7%
Hounslow	5.3%
Westminster	5.0%

"Labour Market Data for Local Areas by Ethnicity", Keith Brook, *Labour Market Trends*, vol 112 (2004), pp 405-416.

The main religion of people of Pakistani and Bangladeshi origin is overwhelmingly Islam:

## introduction

Calculated from *Focus on Ethnicity and Identity*, ONS, 2005, table 6.3. \* = under 0.05%. Terms used to describe religions are as in the source.

**Table 5: Religions, GB, April 2001**

Religion	Pakistani	Bangladeshi
Muslim	91.9%	92.4%
Not stated	6.2%	5.8%
Christian	1.1%	0.5%
No religion	0.6%	0.4%
Hindu	0.1%	0.6%
Sikh	0.1%	*
Jewish	*	*
Any other religion	*	*
Buddhist	*	*
Total	100%	100%

But it would be a mistake to take ‘Pakistani/Bangladeshi’ figures as substitutes for ‘Muslim’. Although a majority of British Muslims are people of Pakistani and Bangladeshi origin, there is a substantial minority from other ethnic backgrounds:

Calculated from *Focus on Ethnicity and Identity*, ONS, 2005, table 6.3.

**Table 6: The ethnicity of British Muslims, GB, April 2001**

Ethnic group	Number of Muslims	Proportion of Muslims from this ethnic group
White	182,510	11.5%
White British	63,891	4.0%
White Irish	906	0.1%
Other white	117,713	7.4%
Mixed	65,592	4.1%
Asian or Asian British	1,172,886	73.8%
Indian	132,566	8.3%
Pakistani	686,179	43.2%
Bangladeshi	261,380	16.5%
Other Asian	92,761	5.8%
Black or Black British	107,431	6.8%
Black Caribbean	4,489	0.3%
Black African	97,109	6.1%
Other Black	5,833	0.4%
Chinese	796	0.1%
Other Ethnic Group	59,675	3.8%



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All ethnic groups	1,588,890	100%
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## introduction

The Office for National Statistics is reasonably well-experienced at collecting data about the social and economic circumstances of different ethnic groups, but information about the situation of different religious groups is much harder to come by. As a result, many studies use data about people of Bangladeshi and Pakistani origin to draw conclusions about the position of British Muslims. The table above suggests that there are risks to this approach, and it can be hard to distinguish differences that are linked to religion from those linked to race or culture.

*Ethnic Minorities and the Labour Market*,  
Cabinet Office, 2003, p 33.

A 2003 report by the Prime Minister's Strategy Unit that concentrated on labour market issues noted that "unemployment risk does vary significantly by religion. Even after controlling for a range of factors, Sikhs and Indian Muslims remain almost twice as likely to be unemployed as Hindus. Pakistani Muslims are more than three times as likely as Hindus to be unemployed." But, at the same time, "judging whether religion is a factor that affects the employment chances of a given individual is complex. It is clear that Indian Muslims are strikingly different from Pakistani and Bangladeshi Muslims in their labour market achievements, suggesting that far more is at play than just religious effects: problems might well be linked rather more to specific group circumstances, for which religion is a proxy, than to religion itself."

*Aspirations and Reality: British Muslims  
and the Labour Market*, Open Society  
Institute, 2004, p 32.

An excellent report for the Open Society Institute asked whether British Muslims in the labour market face a 'Muslim penalty', similar to the 'ethnic penalty' faced by non-white people. They concluded that "a possible 'Muslim penalty' may have different effects for different ethnic groups within the Muslim community. Due to the variance in outcomes between Pakistanis and Bangladeshis and Indian Muslim groups, it is difficult to conclude at this stage that there is a Muslim penalty and if there is that it has a blanket negative effect. The degree to which the variance in outcomes within Indian groups (Indian Hindus, Muslims and Sikhs) and between Indians, Pakistanis and Bangladeshis is a result of their varying human capital levels is uncertain."

This report will illustrate the social exclusion of the ethnic groups who account for three-fifths of British Muslims, but we do not claim that it is a report about the position of Muslims generally. People of Pakistani and Bangladeshi origin are, overall, the poorest and most excluded ethnic group in Britain, and this makes their situation worth consideration, regardless of any other concerns.

## Section two

# poverty and social exclusion

The position of people of Pakistani and Bangladeshi origin is vitally important for all anti-poverty campaigners, because they are far more likely to be poor than any other ethnic group:

*Households Below Average Income, DWP, 2005, table 3.5. Poverty = living in a household with net equivalised income below 60% of median. Figures are for individuals, but classified by ethnic group of household reference person. Calculated on an after housing costs basis, but the same pattern can be seen when the figures are calculated on a before housing costs basis.*

**Table 7: Risk of being poor by ethnic group 2003/4**

Ethnic group	Proportion who are poor
Pakistani/Bangladeshi	58%
Black Non-Caribbean	47%
Black Caribbean	34%
Chinese or Other Ethnic Group	42%
Mixed	34%
Indian	29%
All individuals	21%
White	19%

These are extraordinary figures, and readers should spend some time thinking about them before moving on. They mean that, if you take one hundred white people at random, nineteen of them will be poor. By Western European standards this is a high figure, but it is dwarfed by the figure for people of Pakistani and Bangladeshi origin, in the same lottery fifty-eight are poor.

One of the government's key targets is to end child poverty by 2020. Pakistani and Bangladeshi children have more to gain from this target than any other group:

**Table 8: Risk of child poverty by ethnic group 2003/4**

Ethnic group	Proportion of children who are poor
Pakistani/Bangladeshi	63%
Chinese or Other Ethnic Group	52%
Black or Black British	49%
Mixed	44%
Indian	42%
All individuals	28%
White	25%

We have seen that people of Pakistani and (especially) Bangladeshi origin tend to live in a few English regions. Within these regions they tend to live in the poorer districts, and are far more likely to live in the ten per cent most deprived wards in the country:

*Households Below Average Income, DWP, 2005, table 4.7 (AHC).*

## poverty

The most deprived wards have high populations, so fourteen percent of all people live in the ten percent most deprived wards. 'Ethnic Group' is defined as the ethnic group of the Household Reference Person. Source is ODPM Survey of English Housing, as in *Housing in England*, ONS and ODPM, 2004, p 64.

**Table 9: Population of the most deprived wards, England, 2002/3**

Ethnic group	Proportion of that group living in the most deprived wards
White	12%
Indian	23%
Other or Mixed	30%
Black Caribbean	36%
Pakistani	46%
Bangladeshi	60%

People of Pakistani and Bangladeshi origin are the ethnic group with by far the highest likelihood of living in overcrowded conditions:

*Race Equality Duty Impact Assessment Statistics: Housing*, CRE, table 2, sourced to *Survey of English Housing Provision results: 2002-2003* (November 2003)

**Table 10: Overcrowding, by ethnic group**

Ethnic group	Proportion of that group living in over-crowded conditions
Pakistani/Bangladeshi	23%
Black	9%
Other	9%
Indian	7%
White	2%

This pervasive poverty is reflected in educational results. Children of Pakistani and Bangladeshi origin are less likely than most groups to get five or more good GCSEs:

*Focus on Social Inequalities*, ONS, 2004, Figure 2.5 using Youth Cohort Study, DefES

**Table 11: Ethnic groups' GCSE results, England & Wales, 2002**

Ethnic group	Proportion gaining five or more GCSE grades A* to C
Other Asian	64%
Indian	60%
Other	53%
White	52%
Bangladeshi	41%
Pakistani	40%
Black	36%

And men and women of Pakistani and Bangladeshi origin are more likely than people from other groups to have no qualifications:

**Table 12: Working age women with no qualification, GB, 2002/03**

*Focus on Social Inequalities*, ONS, 2004, Figure 2.21, using Annual Local Area Labour Force Survey.

Ethnic group	Proportion of working age women with no qualifications
Bangladeshi	46.0%
Pakistani	35.8%
Black African	18.5%
Indian	17.8%
White Irish	17.6%
All ethnic groups	17.2%
White British	17.1%
Other	16.0%
Mixed	15.9%
Chinese	15.7%
Other Asian	14.4%
Black Caribbean	12.3%
White Other	11.3%
Other Black	6.2%

**Table 13: Working age men with no qualification, GB, 2002/03**

Ethnic group	Proportion of working age men with no qualifications
Bangladeshi	37.8%
Pakistani	28.8%
Other Black	19.3%
White Irish	18.6%
Black Caribbean	17.2%
Other	15.6%
Mixed	15.2%
Indian	14.7%
Chinese	14.5%
All ethnic groups	14.3%
White British	13.9%
White Other	13.7%
Other Asian	13.0%
Black African	10.2%

*ODPM Race Equality Scheme 2003 – 2005*, ODPM, 2003

“A chronic condition that limits a person’s activities or work they can do.” *Focus on Social Inequalities*, ONS, 2004, cap 6, p 9.

A final indicator of social exclusion is health. Pakistani and Bangladeshi people are five times more likely to be diagnosed with diabetes and 50% more likely to have coronary heart disease than white people. The 2001 census asked people whether they had a ‘limiting long-term illness’, and British men and women of Pakistani and Bangladeshi origin had the highest rates – about one and a half times those for white British men and women:

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Focus on Social Inequalities, ONS, 2004,  
table 6.14

**Table 14: Limiting long term illness, men, England & Wales, 2001**

Ethnic group	Proportion of men with a limiting long-term illness
Bangladeshi	23.57
Pakistani	22.06
Other Black	18.82
Mixed	18.27
Black Caribbean	17.93
White Irish	17.67
Other Asian	16.73
Indian	16.47
All ethnic groups	15.97
White British	15.93
Any other ethnic group	14.68
Black African	14.10
Other White	13.71
Chinese	11.37

**Table 15: Limiting long term illness, women**

Ethnic group	Proportion of women with a limiting long-term illness
Pakistani	25.42
Bangladeshi	24.92
Other Black	19.89
Indian	19.84
Black Caribbean	19.34
Other Asian	18.56
Mixed	17.82
Black African	16.72
White Irish	15.70
All ethnic groups	15.41
White British	15.26
Any other ethnic group	13.97
Other White	13.71
Chinese	12.07

The census also asked people to rate their health over the previous 12 months as 'good', 'fairly good' or 'not good'. Once again, Pakistani and Bangladeshi men and women were more likely to rate their health as 'not good' than people from any other ethnic group:

Focus on Social Inequalities, ONS,  
2004, table 6.12

**Table 16: 'Not good health', men 16 – 74, England & Wales, 2001**

Bangladeshi	13.88
Pakistani	13.47
White Irish	10.21
Other Black	10.10
Black Caribbean	10.00
Mixed	9.83
Other Asian	8.73
Indian	8.66
Any other ethnic group	8.21
All ethnic groups	7.93
White British	7.81
Other White	7.38
Black African	6.81
Chinese	5.59

**Table 17: 'Not good health', women**

Pakistani	17.06
Bangladeshi	15.48
Black Caribbean	12.17
Indian	11.97
Other Black	11.88
Other Asian	10.53
Mixed	10.42
White Irish	9.27
Black African	8.43
All ethnic groups	8.16
Any other ethnic group	8.04
White British	7.97
Other White	7.80
Chinese	6.23

## Section three

# the labour market

Poverty and social exclusion are closely related to what happens in the labour market. In the tables that follow we show that British people of Pakistani and Bangladeshi origin have very poor labour market outcomes – lower employment rates, higher unemployment rates, higher economic inactivity rates.

Local labour market data from the annual Labour Force Survey, accessed at [http://www.statistics.gov.uk/downloads/theme\\_labour/ethnicity/Wkage\\_Employ.xls](http://www.statistics.gov.uk/downloads/theme_labour/ethnicity/Wkage_Employ.xls) on 12/08/2005 14:49, table 3.1.

**Table 18: employment rates, UK, 2002/3**

Ethnic group	Employment rate
Pakistani/Bangladeshi	42.9%
Other	55.2%
All Non-white	57.3%
Mixed	59.8%
Black	60.2%
Indian	68.4%
All	74.0%
White	75.5%

It is sometimes suggested that these lower employment rates are caused by cultural factors, which mean that Pakistani and Bangladeshi women are less likely to be in paid work than other women. The following tables separate the results for men and women, and show that this does not explain the problem away. Yes, Pakistani and Bangladeshi women do have low employment rates (under a quarter of working age women in paid employment, compared with over seventy percent for white women of working age) but this cannot explain why Pakistani men have such a low employment rate.

**Table 19: male employment rates, UK, 2002/3**

Ethnic group	Employment rate
Other	61.0%
Pakistani/Bangladeshi	61.3%
Mixed	63.1%
Black	64.8%
All Non-white	65.4%
Indian	74.6%
All	78.7%
White	79.8%

Local labour market data from the annual Labour Force Survey.



Local labour market data from the annual Labour Force Survey.

**Table 20: female employment rates, UK, 2002/3**

Ethnic group	Employment rate
Pakistani/Bangladeshi	24.5%
Other	48.9%
All Non-white	49.4%
Black	56.2%
Mixed	57.2%
Indian	62.1%
All	69.1%
White	71.0%

*Aspirations and Reality: British Muslims and the Labour Market*, Open Society Institute, 2004, p 8.

Leaving aside the matter of fairness, this is an important issue for labour market policy; the Pakistani and Bangladeshi communities are young communities compared with the rest of the country. It has been estimated that, between 1999 and 2009 a quarter of the growth in the working age population will come from people of Pakistani and Bangladeshi origin – if we do not want an increasingly divided and unequal working population it is vital that the labour market exclusion of Pakistani and Bangladeshi young people should be addressed.

In the table below we provide overall employment rates on a regional basis. These results should be treated with caution; in some cases (marked \*) the confidence margin is plus/minus five percentage points or more. Nonetheless, these figures do show that the problems we describe is nationwide, not confined to a few regions or districts.

Local labour market data from the annual Labour Force Survey.

**Table 21: employment rates, 2002/3**

	All	White	All Non-white	Pakistani/Bangladeshi
England	74.5%	76.3%	57.4%	42.4%
North East	68.6%	69.0%	49.2% *	48.4% *
North West	71.4%	72.6%	51.7%	41.5%
Yorkshire & Humberside	73.3%	74.9%	51.3%	42.4%
East Midlands	75.8%	77.0%	58.0%	39.3% *
West Midlands	73.8%	76.3%	53.5%	39.6%
East	78.3%	79.0%	65.4%	43.3% *
London	69.6%	75.1%	57.1%	41.6%
Inner London	64.4%	72.3%	49.3%	34.5%
Outer London	73.1%	76.7%	63.6%	52.3% *
South East	79.5%	80.1%	67.2%	51.8% *
South West	78.5%	78.7%	69.7% *	55.8% *
Wales	69.8%	70.2%	53.0%	53.3% *
Scotland	73.5%	73.8%	56.8% *	53.5% *

People of Pakistani and Bangladeshi origin also face the most severe ‘ethnic penalty’ in pay of any group. All non-white groups have lower average pay

## labour market

than whites, and this affects both women and men, but it is particularly noticeable that, in 2004, Pakistani and Bangladeshi men were paid, on average, more than £3 per hour less than white men:

*National Minimum Wage, Low Pay  
Commission Report 2005, table 4.6*

**Table 22: Male median hourly pay, employees, 18 & over, 2004**

Group	£ per hour
Pakistani/Bangladeshi	£6.25
Black	£7.00
Non-white	£7.54
Mixed/other	£7.60
White	£9.31
Indian	£9.56

*National Minimum Wage, Low Pay  
Commission Report 2005, table 4.7*

**Table 23: Female median hourly pay, employees, 18 & over, 2004**

Group	£ per hour
Pakistani/Bangladeshi	£6.24
White	£7.06
Non-white	£7.50
Mixed/other	£7.58
Indian	£7.60
Black	£8.27

## Section four

# conclusion and next steps

The London bombs will encourage some policy-makers to take an interest in the social exclusion of British Muslims, notably those of Pakistani and Bangladeshi origin. But the facts revealed in this paper are sufficiently shocking to justify making the poverty and exclusion of British Pakistani and Bangladeshi people a priority regardless of any concerns about security.

*Ethnic Minorities and the Labour Market*,  
Cabinet Office, 2003, chapter 7, passim

The outlines of the action needed on employment are clear enough, and well-understood by the government: they were set out in the report by the Prime Minister's Strategy Unit on ethnic minority employment. British people of Pakistani and Bangladeshi origin will benefit in terms of work, income and inclusion from:

- Measures to improve educational and skills outcomes;
- Reforming employment programmes and services to 'reach out' to Pakistani and Bangladeshi people;
- Introducing the Building on New Deal (BOND) reforms, which will help Jobcentre Plus address needs which will go unmet by a 'one size fits all' approach. (Unfortunately, BOND currently only exists as a number of pilot programmes, and there are fears it may quietly be shelved as the Department for Work and Pensions struggles to make net cuts of 30,000 jobs);
- Support for good employers who want to achieve equal opportunities, and more effective use of public procurement to encourage others; and
- A political lead from senior Ministers.

Gross cuts are 40,000 jobs. 2004  
*Spending Review*, HMT, table 2.2. The  
2005 DWP *Departmental Report* gives  
the cut in full-time equivalents between  
2002/3 and 2007/8 as 26,756, (table 6).

*Enterprising People, Enterprising Places*,  
NEP, 2005

A recent report from the National Employment Panel proposed concrete measures that would make this strategy a reality:

- The DWP should concentrate resources on the cities where most black and minority ethnic people live (in the case of people of Pakistani and Bangladeshi origin, this would be London, Birmingham, Manchester and Bradford).
- Outreach support for people who are not in work or on benefit and have traditionally been excluded from the labour market.
- And, particularly important for the TUC, the incorporation of race equality into public procurement "within current legal and policy frameworks."

Some of this is already happening, of course, through the Ethnic Minority Employment Taskforce. And matters are improving – but very slowly. In particular, more needs to be done in the private sector to encourage action on

## **next steps**

race equality. The TUC's preferred method for achieving this would be the extension of the positive duties of the Race Relations Amendment Act to the private and voluntary sectors. However, in the absence of further legislation we want the Government to use public procurement as a lever to improve the employment of black workers by explicitly including the promotion of race equality in contract criteria and ensuring that promotion of race equality forms part of the value for money consideration for all government contracts.

Unions are already contributing to this effort in a number of companies, by appointing workplace equality representatives, who provide workers with independent and collective representation on issues around equality and discrimination. We would like to see this initiative being supported by giving equality representatives statutory rights to represent their members, and the promotion of collective bargaining as a way to develop meaningful action plans to tackle institutional racism and to establish targets, with clear time limits to achieve fair representation of black workers at all levels in the workplace.





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