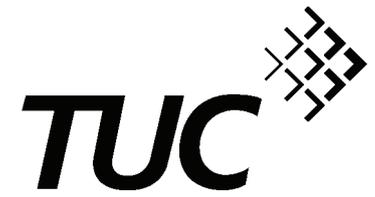


date: 14 April 2008



TEN YEARS AFTER

BLACK WORKERS IN EMPLOYMENT 1997 - 2007

1. Introduction

2008 is fifteen years since the tragic death of Stephen Lawrence, a death that resulted in the Government setting up an Inquiry that was chaired by Sir William Macpherson. In February 2009 it will be ten years since Sir William Macpherson published the Stephen Lawrence report, a report that officially recognised that institutional racism was a major barrier to black and Asian workers being able to fully participate in all areas of British society.

The Government responded by passing the Race Relations (Amendment) Act 2000 which placed a duty on public authorities to eliminate race discrimination, promote equality of opportunity, and promote good race relations between people of different racial groups. The Stephen Lawrence report also led the Government to setting up the Ethnic Minority Employment Taskforce (EMETF) and cross-ministerial group charged with removing the structural barriers that hindered the involvement of Black and Asian workers in the labour market. The National Employment Panel is a group of private sector employers who advise the Chancellor of the Exchequer and which also set up a Business Commission to recommend policies and practical measures to increase recruitment, retention and progression for black and Asian workers in the private sector. Their report “60/790 Race Equality in the Workplace” was published in October 2007.

Whilst comparative studies over time present particular problems because of the ways that the collection of data changes over time, the TUC believes that it is important to examine what impact ten years of Government policy on race equality and employment activity in other related policy areas has had in addressing the institutional barriers to fair employment faced by black and Asian workers. This report uses official data to look at how the employment position of people from black and minority ethnic groups has changed over the last ten years. During that period the Government has had two strategic priorities that will have been of particular importance to people from black and minority ethnic groups: the elimination of child poverty, and full employment. For one thing, children from black and minority ethnic families are much more likely to be poor than children from white families:

Proportion of children living in poverty by ethnic group, 2005/6¹

Ethnic group	Proportion of children in poverty
White	27%
Mixed	43%
Asian or Asian British	50%
<i>of which</i>	
Indian	27%
Pakistani/Bangladeshi	66%
Black or Black British	51%
<i>of which</i>	
Black Caribbean	46%
Black Non-Caribbean	54%
Chinese or other ethnic group	48%
All children	30%

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It is not only children who are more likely to be poor if they are non-white. People from black and minority ethnic groups are more likely to be poor whatever their age:

Poverty rates by age and ethnicityⁱⁱ

Group	White - British	Ethnic minority
Children	26%	46%
Working age	17%	32%
Pensioners	18%	28%

Over the last ten years the risk of living in poverty has been falling for people from all ethnic groups. People from black and minority ethnic groups have gained from this, and the gap between BME and white poverty rates came down in the first years of the Labour Government. But the ethnic poverty gap has remained pretty steady for some time and there is still a mountain to climb:

Ten years of the ethnic poverty gapⁱⁱⁱ

Year	White poverty rate	BME poverty rate	Gap (percentage points)
1996/97	24%	51%	27
1997/98	23%	47%	24
1998/99	23%	44%	21
1999/00	22%	45%	23
2000/01	23%	43%	20
2001/02	21%	41%	20
2002/03	21%	41%	20
2003/04	20%	41%	21
2004/05	19%	37%	18
2005/06	20%	40%	20

The Government's anti-poverty strategy focuses on moving people into paid jobs – as the latest Treasury child poverty strategy paper puts it, “*The Government firmly believes that work is the most sustainable route out of poverty. The challenge for the future is to ensure that all parents are supported and encouraged to cross the bridge back into work and, wherever possible, stay there.*”^{iv}

People from black and minority ethnic groups therefore have a vital interest in the other strategic objective: full employment, which the Government has now defined as an employment rate of 80 percent, about 5 percentage points above the current level.^v

This report looks at how the employment position of people from black and minority ethnic groups has developed over the past ten years. Overall, as we will see, there has been some improvement, but a great deal remains to be achieved.

Dealing with the data

There are several sources of data about employment, but only one that enables us to answer questions about how things changed between 1997 and 2007: the Labour Force Survey, produced by the Office for National Statistics.

Unfortunately, the LFS ethnicity classifications changed radically in 2001, making it more difficult to carry out this sort of comparative exercise.^{vi} Some headline labour market data for people from minority ethnic groups have been “backcast” to 1997, and we have used these wherever possible.^{vii}

Where this is not possible we have adopted two strategies: firstly, we confine ourselves to comparing figures for white people on the one hand and all BME people on the other, rather than different ethnic groups, as the changed definition affects white people less than other respondents to the survey.^{viii} Secondly, we provide data for 1997, 2001 and 2007, so that readers can take into account changes produced by the changes to the LFS.^{ix} This is still not ideal, and the figures where we have had to adopt this strategy should be used to discuss overall trends in the employment of people from black and minority ethnic groups, rather than relied on as precise measures of change.^x

2. Economic activity

The ‘backcast’ data relate to economic activity: the Labour Force Survey divides people into two groups: those who are ‘economically active’ and those who are ‘economically inactive’. People who are economically active are either in employment or unemployed, to be unemployed means more than just wanting a job – you have to be actively looking for a job and able to start at relatively short notice. In our report we give figures for four groups of employed people – unpaid family workers and people on Government employment and training programmes (both small groups) and employees and self-employed people. In this report we do not distinguish between different reasons for economic inactivity, but many people are in this category because they are looking after their family and/or home or because they are sick or disabled or because they are students or retired. Some people in all these categories say they want a job, but either are not looking for one at the moment or cannot start work immediately.

Economically Active	Employed	Employees
		Self-employed
		Government employment and training schemes
		Unpaid family workers
		Unemployed
Economically Inactive	Retired	Wants a paid job
		Does not want a paid job
	Looking after family/home	Wants a paid job
		Does not want a paid job
	Long-term sick/disabled	Wants a paid job
		Does not want a paid job
	Student	Wants a paid job
		Does not want a paid job
	Short-term sick	Wants a paid job
		Does not want a paid job
	Discouraged workers	Wants a paid job

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		Does not want a paid job
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Employment figures do not include children under 16 because, for the most part, they are not in the labour market. The TUC does not usually include people aged over state retirement age (65 for men, 60 for women) either, because most people have retired by this point. This picture has, however, changed recently, and there are more than one-and-a-quarter million people working after state pension age, many of whom are women who have to work beyond 60 to build up an adequate pension. There is therefore a strong argument for including everyone aged 16 and over, and some of the 'backcast' data about people from minority ethnic groups are only available on this basis. To prevent confusion we have therefore decided that this report will provide data for everyone aged 16 and over.

To begin with employment rates, in 1997 52.9 percent of people from black and minority ethnic groups were in employment; by 2007 this had risen to 55.5 percent. This is good news, but it does not tell us anything about their relative position, because employment rates for white people rose as well. This is a good thing too, but the elimination of the unfair gap between ethnic groups' employment rates means that we would hope to see the employment rate gap between whites and BME people shrink as well. If we compare 1997 and 2007 this happened: the gap was cut from 5.5 percent to 4.5 percent, and there were similar reductions for both men and women.

The 2001 figures show that this was not an even process, the gap had increased up to this point, but it has since fallen back:

Employment rates for different ethnic groups (%), aged 16 plus, 1997 - 2007^{xi}

Men and women			
	1997	2001	2007
White	58.4%	59.9%	60.0%
BME	52.9%	52.3%	55.5%
Gap	<i>5.5 points</i>	<i>7.6 points</i>	<i>4.5 points</i>
Men			
White	66.0%	67.1%	66.5%
BME	62.2%	60.2%	63.9%
Gap	<i>3.8 points</i>	<i>5.9 points</i>	<i>2.6 points</i>
Women			
White	51.4%	53.2%	54.0%
BME	44.1%	45.1%	47.5%
Gap	<i>7.3 points</i>	<i>8.1 points</i>	<i>6.5 points</i>

Including everyone aged over 16 leads to lower to employment rates than those we are used to seeing. For white people, the difference in employment rates between all adults and people of working age, is a much bigger than it is for black and minority ethnic people, and the employment rate gap is bigger, but the trend

is the same - the gap rose between 1997 and 2001, but then fell in 2007 to a lower level than in 1997:

Employment rates for different ethnic groups (%), working age, 1997 – 2007^{xii}

Men and women			
	1997	2001	2007
White	73.7%	75.7%	75.8%
BME	55.8%	56.5%	60.1%
Gap	<i>17.9 points</i>	<i>19.2 points</i>	<i>15.7 points</i>
Men			
White	78.4%	80.0%	79.6%
BME	63.7%	64.8%	68.4%
Gap	<i>14.7 points</i>	<i>15.2 points</i>	<i>11.2 points</i>
Women			
White	68.6%	71.2%	71.8%
BME	48.5%	48.9%	52.0%
Gap	<i>20.1 points</i>	<i>22.3 points</i>	<i>19.2 points</i>

If we look at unemployment rates the large picture remains the same: unemployment has come down for all groups. There has been a smaller fall in the ethnic unemployment rate gap, but the pattern is similar to that for employment:

Unemployment rates for different ethnic groups (%), aged 16 plus, 1997 – 2007^{xiii}

Men and women			
	1997	2001	2007
White	6.7%	4.4%	4.6%
BME	14.2%	11.9%	11.5%
Gap	<i>7.5 points</i>	<i>7.5 points</i>	<i>6.9 points</i>
Men			
White	7.6%	5.0%	4.9%
BME	14.7%	12.9%	11.4%
Gap	<i>7.1 points</i>	<i>7.9 points</i>	<i>6.5 points</i>
Women			
White	5.6%	3.9%	4.3%
BME	13.4%	10.6%	11.7%
Gap	<i>7.8 points</i>	<i>6.7 points</i>	<i>7.4 points</i>

If we look at the picture for people of working age, the gap is smaller for women than for men, but whilst there has been a substantial reduction in the gap for men, the gap for women is actually slightly worse than it was in 1997:

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Unemployment rates for different ethnic groups (%), working age, 1997 – 2007^{xiv}

Men and women			
	1997	2001	2007
White	5.4%	3.6%	3.8%
BME	9.8%	7.7%	7.9%
Gap	4.4 points	4.1 points	4.1 points
Men			
White	5.7%	4.2%	4.2%
BME	12.3%	9.7%	8.8%
Gap	6.6 points	5.5 points	4.6 points
Women			
White	4.2%	2.9%	3.4%
BME	7.7%	5.9%	7.0%
Gap	3.5 points	3.0 points	3.6 points

3. Employment and self-employment

The other data in the ‘backdated’ table released by the ONS relate to employment and self-employment. We have not calculated an ethnic gap because self-employment is not, in itself, necessarily advantageous or disadvantageous. Some self-employment is highly profitable, but many self-employed workers are responding to severe local labour market conditions or acting on a belief (often justified) that employers are resistant to recruiting them.

Proportion of workers in different ethnic groups who are self-employed (%), 1997 – 2007^{xv}

Men and women			
	1997	2001	2007
White	13.0	11.7	13.0
BME	12.9	13.0	13.0
Men			
White	17.6	15.9	17.6
BME	17.2	18.3	18.0
Women			
White	7.8	7.0	7.7
BME	7.0	6.7	6.7

Two things are immediately noticeable. One is the stability of self-employment over the last ten years, with comparatively little change. The other is that the clear dividing line in terms of levels of self-employment is gender, not race.

4. Pay

The next issue trade unionists will be most interested in is pay. The ‘backcast’ tables do not cover this issue, and so bear in mind the fact that the 1997 figure is not strictly comparable with the 2001 and 2007 figures. Here the results are much more worrying, all three years show a pay gap, which got worse between 2001 and 2007:

Gross hourly pay, for white and BME employees, 1997 - 2007^{xvi}

	1997	2001	2007
White	7.57	9.19	11.77
BME	7.06	9.15	11.27

If we calculate an ethnic pay gap in the same way that gender pay gaps are calculated (the gap between white and BME pay, as a percentage of white pay) the result for each year is as follows:

Ethnic pay gap, 1997 - 2007

1997	2001	2007
6.7%	0.4%	4.2%

These figures treat all black and minority ethnic workers as a single group. In important research for the Ethnic Minority Employment Task Force and the Joseph Rowntree Foundation, Lucinda Platt has pointed out that Bangladeshi men have outstandingly low pay.^{xvii} Putting together data for several years, she has been able to construct very reliable data for different ethnic groups, broken down by gender:

Hourly pay by ethnic group and sex, for those in full-time employment, 2001-05^{xviii}

Ethnic group	Men (£)	Women (£)
All ethnic groups	11.86	9.82
White British	11.88	9.76
Indian	12.57	10.21
Pakistani	9.50	8.38
Bangladeshi	7.17	8.85
Black African	10.48	9.50
Black Caribbean	10.50	10.40

One these figures, the ethnic pay gap for these groups was as follows:

Ethnic full-time pay gaps, 2001-5

Group	Men	Women
Indian	- 5.8%	- 4.6%
Pakistani	20.0%	14.1%
Bangladeshi	39.6%	9.3%
Black African	11.8%	2.7%

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Black Caribbean	11.6%	- 6.6%
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These are tremendously revealing figures; unfortunately, they are a ‘snapshot’ – they don’t tell us how things have changed over the last ten years. This story of BME workers’ pay is rather complicated, involving changing numbers of workers and average pay in the private and public sectors, in part-time and full-time work, and with different changes for men and women.

Let us start by looking at full-time workers in the private sector:

Hourly pay (£), full-time workers, private sector, 1997 - 2007

		1997	2001	2007
Men	<i>White</i>	8.74	10.63	13.25
	<i>BME</i>	7.48	9.27	11.79
Women	<i>White</i>	6.46	8.14	10.58
	<i>BME</i>	6.09	9.03	10.59

The male ethnic pay gap fell from 12.8 percent in 2001 to 11.0 percent in 2007. (Remember that the 1997 figures are not entirely comparable.) For women the shift was from a significant gap in favour of BME women (9.9 percent) to almost no difference. For part-time workers in the private sector there has been a substantial deterioration in the ethnic pay gap:

Hourly pay (£), part-time workers, private sector, 1997 - 2007

		1997	2001	2007
Men	<i>White</i>	5.08	5.89	8.03
	<i>BME</i>	3.82	5.42	5.92
Women	<i>White</i>	4.74	6.05	8.14
	<i>BME</i>	5.14	5.79	8.21

The male ethnic pay gap rose from 8.0 percent in 2001 to 26.3 percent in 2007. The shift for women was in the opposite direction – from 4.3 percent to 0.9 percent in favour of BME women. These figures are quite volatile normally, but even so, the change in the male private sector part-time workers’ ethnic pay gap is remarkable. In the public sector it is rather a different story:

Hourly pay (£), full-time workers, public sector, 1997 - 2007

		1997	2001	2007
Men	<i>White</i>	10.18	11.57	14.86
	<i>BME</i>	9.96	11.29	15.86
Women	<i>White</i>	8.39	9.91	12.70
	<i>BME</i>	7.62	10.25	12.79

Here we can see that, for full-time workers, between 2001 and 2007, the male ethnic pay gap changed from 2.4 percent in favour of white workers to 6.3 percent in favour of BME workers. There was a similar process for women, with

the change being from 3.3 percent in favour of white workers to 0.7 percent in favour of BME workers. For part-time workers in the public sector, the picture is complicated by the fact that, even in 1997, BME workers earned, on average, a higher hourly rate than white workers:

Hourly pay (£), part-time workers, public sector, 1997 - 2007

		1997	2001	2007
Men	<i>White</i>	8.26	9.31	12.01
	<i>BME</i>	-	-	-
Women	<i>White</i>	6.59	7.91	10.17
	<i>BME</i>	7.30	10.48	10.67

Since 2001 the female ethnic pay gap has shrunk, but still favours BME workers, unfortunately the sample size for male BME public sector part-time workers in all three years was too small to be statistically significant.

Overall, the ethnic pay gap has grown worse in male private sector part-time employment, but with the change being in the opposite direction for men and women in the public sector. This is very much in line with one of the main trade union arguments for expanding public sector employment: its role in promoting equality.

The final part of the story is the number of BME workers in each of these categories. BME employment has risen in all these categories except for male private sector full-time employment. This is good news, but the growth in BME employment has been particularly noticeable in private sector part-time employment (where the number of BME workers more than doubled between 2001 and 2007) where there was such a marked increase in the ethnic pay gap:

BME workers, private sector, 1997 - 2007

		1997	2001	2007
Full-time	<i>Men</i>	392,542	400,406	692,503
	<i>Women</i>	179,943	243,500	384,351
Part-time	<i>Men</i>	72,038	81,534	164,341
	<i>Women</i>	119,845	142,180	225,511

BME workers, public sector, 1997 - 2007

		1997	2001	2007
Full-time	<i>Men</i>	102,572	116,455	194,394
	<i>Women</i>	132,233	149,181	250,542
Part-time	<i>Men</i>	10,085	13,013	25,956
	<i>Women</i>	55,461	65,127	98,832

5. Full-time and part-time work

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If we look at the figures for the proportion of workers in part-time jobs the results are quite straightforward: very similar proportions of white and black and minority ethnic workers have part-time jobs, and the two groups have been growing more similar over time:

Proportion of white and BME employees working part-time, 1997 – 2007^{xix}

	1997	2001	2007
White	25.78%	25.90%	25.74%
BME	24.02%	24.55%	25.43%

If we break down the figures by gender however, they are a little more interesting; for both white and BME employees women are much more likely than men to work part-time, but black and minority ethnic men are significantly more likely to be working part-time than white men:

Proportion of white and BME male employees working part-time, 1997 - 2007

	1997	2001	2007
White	7.94%	8.29%	9.37%
BME	13.94%	15.61%	17.79%

At the same time, black and minority ethnic women are significantly less likely than white women to be working part-time:

Proportion of white and BME female employees working part-time, 1997 - 2007

	1997	2001	2007
White	44.72%	44.45%	42.52%
BME	35.92%	33.89%	34.00%

Whilst men have been increasingly likely to work part-time over recent years, the picture seems to be more mixed for women.

6. Permanent and temporary work

For both white and black and minority ethnic workers, the proportions whose jobs are permanent have risen since 2001, and the 2007 figure is higher than the 1997 figure (calculated, remember on a different basis.) The gap between white workers and black and minority ethnic workers has shrunk as well:

Proportion of white and BME employees in permanent jobs, 1997 – 2007

	1997	2001	2007
White	92.48%	93.39%	94.38%
BME	88.52%	88.08%	91.98%
Gap	3.96 points	5.31 points	2.40 points

7. The industries BME people work in

If we look at the 4 main industries, accounting for 85 percent of BME employment (public administration, education and health; distribution, hotels and restaurants; manufacturing; banking, finance and insurance) these are also the

four main industrial sectors employing white people. The trends for both have been similar: an increase in the proportion working in public administration, education and health and banking, finance and insurance; a reduction in the proportion working in distribution, hotels and restaurants and manufacturing. Black and **minority** ethnic people are less likely than whites to work in manufacturing, but more likely to work in the other large industrial sectors:

Proportion of white and BME workers in different industries, 1997

	White	BME
Public admin education & health	26.60	26.41
Distribution hotels & restaurants	20.05	24.52
Manufacturing	20.46	18.55
Banking finance & insurance etc	14.29	16.16
Transport & communication	6.40	6.92
Other services	5.12	4.89
Construction	4.78	1.90
Workplace outside UK	0.05	0.24
Agriculture & fishing	1.00	0.23
Energy & water	1.26	0.17
Total	100%	100%

Proportion of white and BME workers in different industries, 2001

	White	BME
Public admin education & health	27.88	29.60
Distribution hotels & restaurants	19.28	23.03
Banking finance & insurance etc	15.25	18.36
Manufacturing	17.79	13.07
Transport & communication	7.08	9.31
Other services	5.07	3.96
Construction	5.52	2.03
Energy & water	1.26	0.55
Agriculture & fishing	0.85	0.10
Workplace outside UK	0.03	-
Total	100.00	100.00

Proportion of white and BME workers in different industries, 2007

	White	BME
Public admin education & health	30.71	32.60
Distribution hotels & restaurants	19.07	22.49
Banking finance & insurance etc	15.59	19.14
Manufacturing	14.19	10.95
Transport & communication	6.79	7.07
Other services	5.49	3.82
Construction	5.99	2.66
Energy & water	1.35	1.10
Agriculture & fishing	0.80	0.15
Workplace outside UK	0.01	0.03
Total	100.00	100.00

8. Civil servants

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The last section indicated that the public sector is an important employer of black and minority ethnic people. The Government's Civil Service Statistics series indicates that the proportion of black and minority ethnic civil servants at all grades has increased significantly over the last ten years. Unfortunately, the 'ethnic gradient' – black and minority ethnic people are less likely to be employed the higher the status of the civil servants under consideration – has not changed:

Black and minority ethnic people as a proportion of civil servants at different grades, 1997 and 2006^{xx}

Responsibility level	BME share of total employment	
	1997	2006
AO/AA level	7.3%	21.2%
EO level	4.8%	9.6%
SEO/HEO level	2.7%	7.0%
Grades 6/7	2.2%	5.8%
Senior Civil Service	1.4%	3.9%

9. Occupations

We also use the LFS data to look at how the occupations in which black and minority ethnic people work have been changing.

Occupations in which BME people work, 1997 – 2007

	1997	2001	2007
1 Managers and administrators	10.45%	9.87%	9.91%
2 Professional occupations	11.08%	14.62%	16.13%
3 Associate professional & technical occupations	11.32%	13.04%	15.70%
4 Clerical secretarial occupations	16.21%	15.79%	11.44%
5 Craft and related occupations	8.09%	6.71%	5.68%
6 Personal protective occupations	13.89%	7.28%	8.46%
7 Sales occupations	9.97%	10.20%	10.84%
8 Plant and machine operatives	9.74%	8.13%	6.65%
9 Other occupations	9.26%	14.36%	15.19%
Total	100%	100%	100%

Occupations in which white people work, 1997 – 2007

	1997	2001	2007
1 Managers and administrators	14.88%	13.20%	15.32%
2 Professional occupations	9.94%	11.45%	12.69%
3 Associate professional & technical occupations	9.97%	13.28%	14.05%
4 Clerical secretarial occupations	16.87%	14.89%	13.31%
5 Craft and related occupations	10.18%	9.54%	8.56%
6 Personal protective occupations	11.46%	7.46%	8.31%
7 Sales occupations	8.58%	8.45%	8.24%
8 Plant and machine operatives	9.73%	8.56%	7.43%
9 Other occupations	8.39%	13.19%	12.09%
Total	100%	100%	100%

If we take the changes to white people's occupations as a starting point, we can see that the shift to professional occupations has been more pronounced for black

and minority ethnic people, but the growth in the numbers of managers and administrators has been less noticeable. The decline in clerical and secretarial occupations has been more significant, and the proportion working in 'other occupations' has risen – whilst it has shrunk for white people. Other changes have been similar for both groups.

10. Trends over the last ten years

Any examination of racial disadvantage must recognise that racial discrimination may take several forms. This disadvantage ranges from disproportionate levels of employment and pay (as compared to white workers), the access to full time employment and lack of promotion opportunities in the workplace.

Whilst the data in this report cannot be used to give any absolute picture of what was taking place in it is a good indicator of trends in the labour market and reveals a complex picture that shows that:

The employment gap between ethnic groups and white workers has reduced from 5.5 points in 1997 to 4.5 points in 2007 despite widening to 7.6 points in 2001

Whilst the unemployment rates for ethnic groups while still over double that of white workers has reduced from 7.5 in 1997 to 6.9 points in 2007.

The pay gap has reduced with the male ethnic pay gap falling from 12.8 percent in 2001 to 11 percent in 2007 and the pay gap between ethnic minority and white women showing almost not difference.

Black men are significantly more likely to be working in part time than white men and this has increased over the last ten years. Black and minority ethnic women are significantly less likely than white women to be working part time.

The gap between black and minority ethnic employees and white employees in permanent jobs has shrunk form 3.96 points in 1997 to 2.4 points in 2007 with levels of permanent employment increasing during that period.

Whilst the proportions of black and minority ethnic workers has increase slightly in all industries the majority of black workers are still employed in public services, distribution hotels and restaurants and banking, finance and insurance.

In the civil service a high area of employment for black and minority ethnic workers, that whilst numbers have increase, black workers are less likely to be employed in the higher the status civil ser of civil servants under consideration.

Conclusion

The TUC believes that the improvements that have been made in closing the gap over the last ten years are welcome and will have helped alleviate some of the poverty that exists in black communities as a result of the barriers that black and minority ethnic workers face in the labour market. This has been helped by the growth of jobs and activity in the economy over the last ten years

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The TUC also welcomes the initiatives that the Government has taken and believe that the level of action the Government has taken on improving employment rates and combating poverty is significant. Whilst there are serious questions about the effectiveness of the EMETF and Ministers commitment to it, this is the first time that a Government has clearly identified a need to develop an active strategy to deal with race discrimination in the labour market.

However the TUC has serious concerns about the lack of employer engagement and strategies directed towards race discrimination in the workplace. The report demonstrates that whilst employment levels have increased across industry there are still many areas of employment especially in the private sector where black and minority ethnic workers are poorly represented.

The report indicates that whilst many of the labour market indices have improved black and minority ethnic workers are disproportionately represented in low paid part-time work and are still not able to secure progression when they are in employment. This explains why even in the public sector there are few black and minority ethnic workers at senior levels in the civil service and other public authorities and why black and minority ethnic workers are virtually non-existent at the senior levels of private sector companies and corporations.

The TUC supports the Government's efforts to facilitate pathways into employment as a way of tackling poverty. However we believe that it is essential for that people to be employed in quality jobs with decent pay, access to training and opportunities for promotion and advancement as employment in low skilled poorly paid jobs only succeeds in replacing '*out of work poverty*' with '*in work poverty*'.

The National Employment Panel identified that 42% of private employers could not articulate reasons for their company to take steps to promote race equality and 83% did not believe that they would face investigation of their employment practices or that they could face tribunal proceedings. The private sector, which contains two thirds of the jobs in the labour market, needs to do far more to tackle the institutional racism that is resulting in the low levels of employment of black and minority ethnic workers from some industrial sectors.

The TUC believes that individual litigation when discrimination occurs in the workplace does not significantly by itself affect the systemic barriers faced by black and minority ethnic workers in the workplace and that trade unions need to be more proactive too in collective bargaining on race discrimination issues and that there is a need for a coherent strategy in order to improve employer engagement with the issues.

Recommendations

The TUC believes the institutional barriers highlighted by Sir William Macpherson in the Stephen Lawrence report need to be properly addressed in the private as well as the public sector, there is a need to recognise that in order to

improve race equality in the workplace that there is a need for greater measuring, reporting, incentives and enforcement.

The TUC believes that additional measures need to be taken to speed up the pace of change in all sectors of the economy, especially the private sector, and is therefore calling for the following:

- That the Government sets a target for narrowing the ethnic minority employment gap which includes the private sector.
- That the Government puts in place mechanisms to measure the private sector contribution to reducing the ethnic minority employment gap to see how institutional racism is being tackled in the private sector.
- That all employers should ethnically monitor their workforce and publish the results as part of their company's annual reports.
- That all employers should develop retention and progression measures to ensure that black and minority ethnic workers are not stuck in low level low paid jobs
- That the Government should introduce race equality requirements into public sector contracts for the supply of goods and services as a way of providing an incentive to companies to improve their race equality policies and practices. Those that do not meet the requirements should not get contracts.
- That the Equality and Human Rights Commission should undertake regular reviews of different sectors of industry as a way of establishing agreed action plans for improving performance in black and minority ethnic recruitment, retention and promotion and as a way of promoting good practice.
- That the Government should take reserve powers to enable it to place a requirement on the private sector to identify and takes steps to eliminate racial discrimination if substantial improvements are not made towards targets set by Government for narrowing the ethnic minority employment gap in the private sector.

Notes

ⁱ Households Below Average Income 1994/5 – 2005/6, DWP, 2007, table 4.5. Poverty is defined here as having an income below 60% of the equivalised median after housing costs are taken into account.

ⁱⁱ Taken from The Poverty Site, “Low Income and Ethnicity”, data for graph 3, <http://www.poverty.org.uk/03b/index.shtml?2004/04/2008> 17:01.

ⁱⁱⁱ Taken from The Poverty Site, “Low Income and Ethnicity”, calculated from data for graph 1, <http://www.poverty.org.uk/03b/index.shtml?2004/04/2008> 17:01.

^{iv} *Ending Child Poverty: everybody's business*, HMT, DWP & DCSF, 2008, p 3.

^v This was announced in the 2005 Budget, and the DWP's five year strategy made it a prominent feature: Opportunity and Security Throughout Life, DWP, 2005, p. 4.

^{vi} See “The new ethnicity classification in the Labour Force Survey”, Allan Smith, Labour Market Trends, December 2002, pp 657 – 666 for more detail.

^{vii} See the ONS website:

http://www.statistics.gov.uk/downloads/theme_labour/LFSHQ/STable10.xls

^{viii} This in turn means that our results are for Great Britain only, as the questions that allow these categories to be derived are not asked in Northern Ireland.

^{ix} It is not practicable to include figures for 2000, i.e. immediately before the new definition of ethnic groups was introduced. In another change, the ONS has switched from using seasonal quarterly figures (where, for instance, the winter quarter is defined as December to February) to calendar quarters (where, for instance, Q4 is defined as October to December). Data for 2007 is only available on a calendar quarter basis. Data for 2001 and 1997 has been ‘backcast’ and is available on calendar quarter basis, but this has not been done for 2000.

^x In the rest of this report all data, unless otherwise indicated, comes from the Labour Force Survey microdata service of the Office for National Statistics: www.statistics.gov.uk. Unless otherwise indicated, we use data from the Spring calendar quarter (Q2) of the year in question. All figures are for Great Britain, not United Kingdom. Where figures are italicised this indicates a small sample size, and they should be treated with more caution. Unless otherwise indicated, the tables use person weighting, are for people aged over 16 and exclude those respondents who did not answer the relevant questions or for whom the question was not appropriate. Unless otherwise indicated, tables are for employees only. Where tables refer to averages this is the mean unless otherwise indicated.

^{xi} LFS data, Spring quarters, GB figures.

^{xii} LFS data, Spring quarters, GB figures.

^{xiii} LFS data, Spring quarters, GB figures.

^{xiv} LFS data, Spring quarters, GB figures.

^{xv} LFS data, Spring quarters, GB figures.

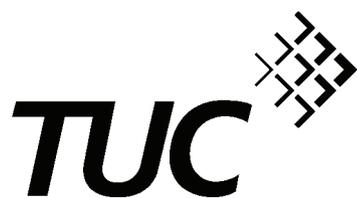
^{xvi} LFS data, Q2, GB only, employees, all aged 16 plus. Excludes respondents who gave their hourly pay as over £100 – in line with LFS suggestion. (LFS User Guide, vol 3, p 274.)

^{xvii} Ethnicity and Child Poverty, Lucinda Platt, Ethnic Minority Employment Task Force, 2006, p 5.

^{xviii} Poverty and Ethnicity in the UK, Lucinda Platt, JRF, 2007, p 45.

^{xix} LFS data, Q2, GB only, employees working part-time in main job, all aged 16 plus.

^{xx} Calculated from data in Civil Service Statistics 1997, Cabinet Office, 1998, fig 15, and Civil Service Statistics 2006, ONS, July 2007, table D.



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