

Class, ethnicity and unemployment in Britain (1972-2011)

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Aims of this project

- Class and ethnicity on unemployment: a neglected
- Some theoretical assumptions
- Data and methods
- Analysis
- A brief summary

Aims of this project

- Which social groups were particularly vulnerable and suffered the hardest times during the three recessions?
- What are the trends of class and of ethnicity effects on unemployment?
- What are the net effects on class and ethnic unemployment in Britain in the last few decades?

Expectations of class effects

- The working class have only the labour contract relations with employers and therefore they are least protected from the economic repercussions: they are more likely to be unemployed, esp during hard times
- Given the constant social fluidity in mobility, one may expect constant fluidity in unemployment

Explanations for ethnic vulnerability

- **Lack of human capital**
 - Younger, poorly qualified
 - Minority ethnics: Lack of English proficiency for first gen
 - Little knowledge of the local labour market
 - Lack of appropriate labour market experience
- **Lack of social capital**
 - Some limited bonding social (ethnic) capital which may be quickly depleted
 - Lack of weak and strong ties (bridging and linking social capital)
- **Lack of cultural capital**
 - Do not know how to 'look good and sound right' (people skills)
- **Possible employer and societal discrimination**
 - Statistical
 - Direct
 - Indirect (recruitment via the word of mouth or advertising in targeted areas), especially detrimental at hard times such as in the present economic crises

The **conflict** hypothesis

At the peak of recession times, minority ethnic groups who tend to live in deprived areas with depressed economic activity are especially hard hit as there are fewer jobs in the locality and as they may be treated as 'extraneous competitors' for the few jobs in the mainstream labour market

Scarcity -> competition -> unfair chances?

The hyper-cyclical unemployment linked with the conflict thesis

When general unemployment rates are low, those for the minority groups are somewhat higher but when the overall rates are high such as during the recessions, those for the minority ethnic groups are disproportionately higher.

The **lead and drag** effects

When overall unemployment rates rise, those of minority ethnic groups climb quicker, but when the overall situation improves, ethnic unemployment rates remain higher for a longer time than those of the mainstream: reason – last in first out

The **contact** hypothesis

As the immigrants stay longer in the receiving society, esp their children born and educated in the receiving country, the greater contact will lead to greater understanding among all groups, leading to reduced bias and discrimination, less unfavourable chances in the labour market and other socio-cultural domains

The class and ethnic combination

The class effects are ethnicity-blind?

Or the ethnic effects are class-blind?

Data

The General Household Survey (GHS 1972-2006)/
the Labour Force Survey (LFS 1983-2011) for
Britain

Key variables harmonised

N=2,628,131 for respondents aged 16-64 for men and
16-60 for women with valid ethnic identifications

Variables

DV=Unemployment (amongst the economically active)

IV=

Class

Salariat; Routine non-manual; small employer;
supervisor/skilled worker; semi- unskilled worker

Ethnicity

White, Black Caribbean, Black African, Indian, P/B, Chinese,
Other

Education

Degree+; Sub-degree; A level; O Level; Primary/none)

Region

Centre, inner ring, outer ring, periphery

Marital status; No. of dependent children in HH under 16; Age

Table 1 Overall unemployment rates (%) by class sex (1972-2011) (N=1,044,840 for men and 818,208 for women being economically active)

	Men	Women	Men and women
Class			
Salariat (I+II)	3.3	3.0	3.2
Routine non-manual (IIIa)	6.2	5.1	5.4
Own-account (IVabc)	5.2	2.6	4.6
Supervisor & skilled manual (V+VI)	7.2	5.9	6.9
Semi and unskilled manual (IIIb+VIIab)	12.6	7.4	10.1
All	6.5	4.9	5.8

Note:

1. Weighted analysis in all analysis.
2. Unemployment rate defined as unemployment amongst the economically active.

Table 2 Overall unemployment rates (%) by ethnicity and sex

	Men	Women	Men and women
Ethnicity			
White	8.3	6.6	7.6
Black Caribbean	19.1	13.6	16.4
Black African	17.3	15.8	16.6
Indian	10.3	10.6	10.4
Pakistani/Bangladeshi	19.9	20.0	20.0
Chinese	8.8	7.5	8.2
Other	12.2	11.8	12.0
All	8.7	7.0	7.9

Table 3 Ethnicity and class (% by row)

	I+II	IIIa	IV	V+VI	IIIb+VII
Men					
White	30	29	5	11	24
Black Caribbean	34	26	2	12	27
Black African	36	21	3	20	21
Indian	30	25	6	13	26
Pakistani/Bangladeshi	27	24	7	20	22
Chinese	37	20	13	12	18
Other	34	25	5	15	21
Women					
White	32	18	9	20	21
Black Caribbean	27	18	5	23	26
Black African	37	16	5	22	20
Indian	34	16	11	18	21
Pakistani/Bangladeshi	23	13	16	23	25
Chinese	38	13	18	13	18
Other	35	16	8	21	19

Figure Unemployment by class for men

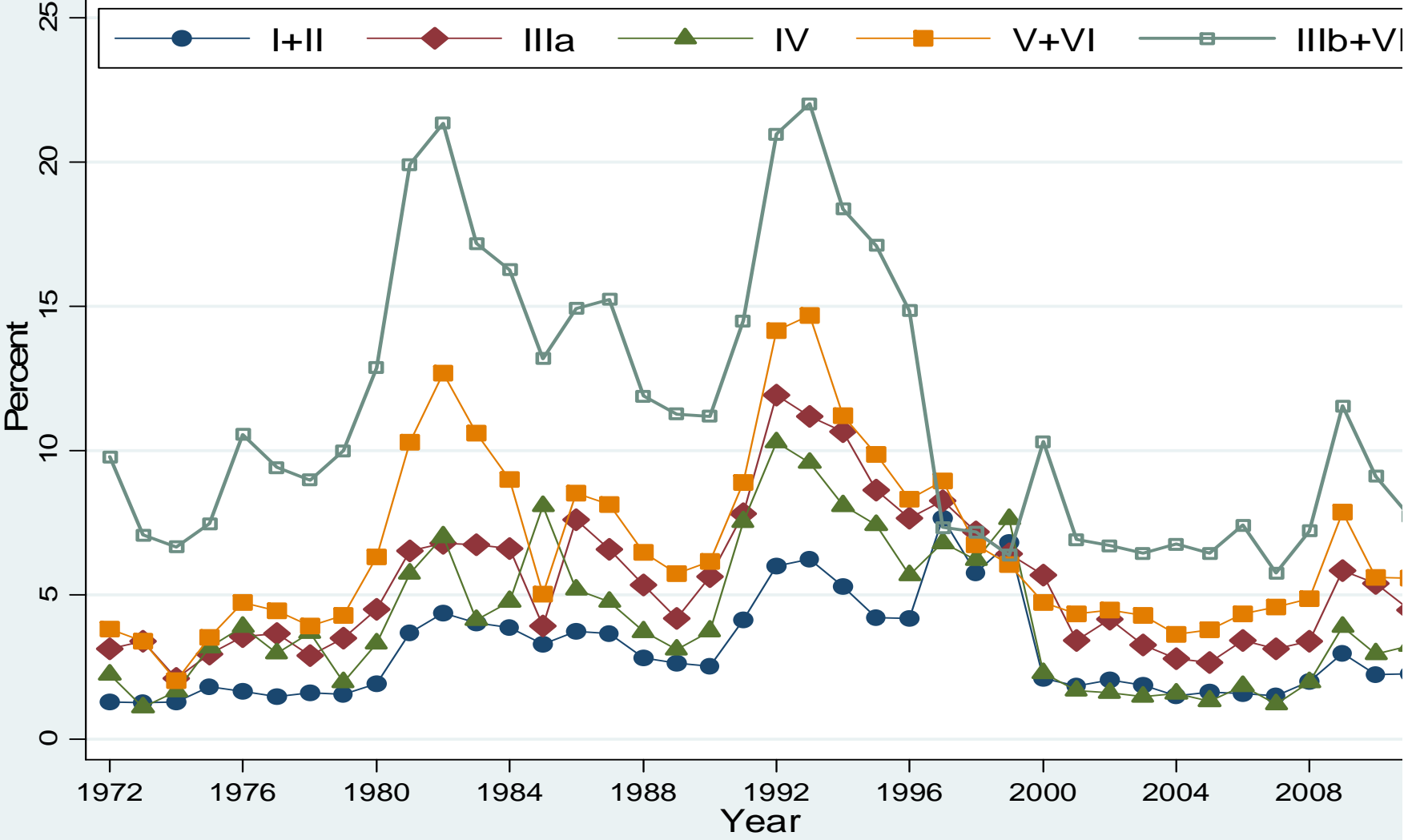


Figure Unemployment by class for women

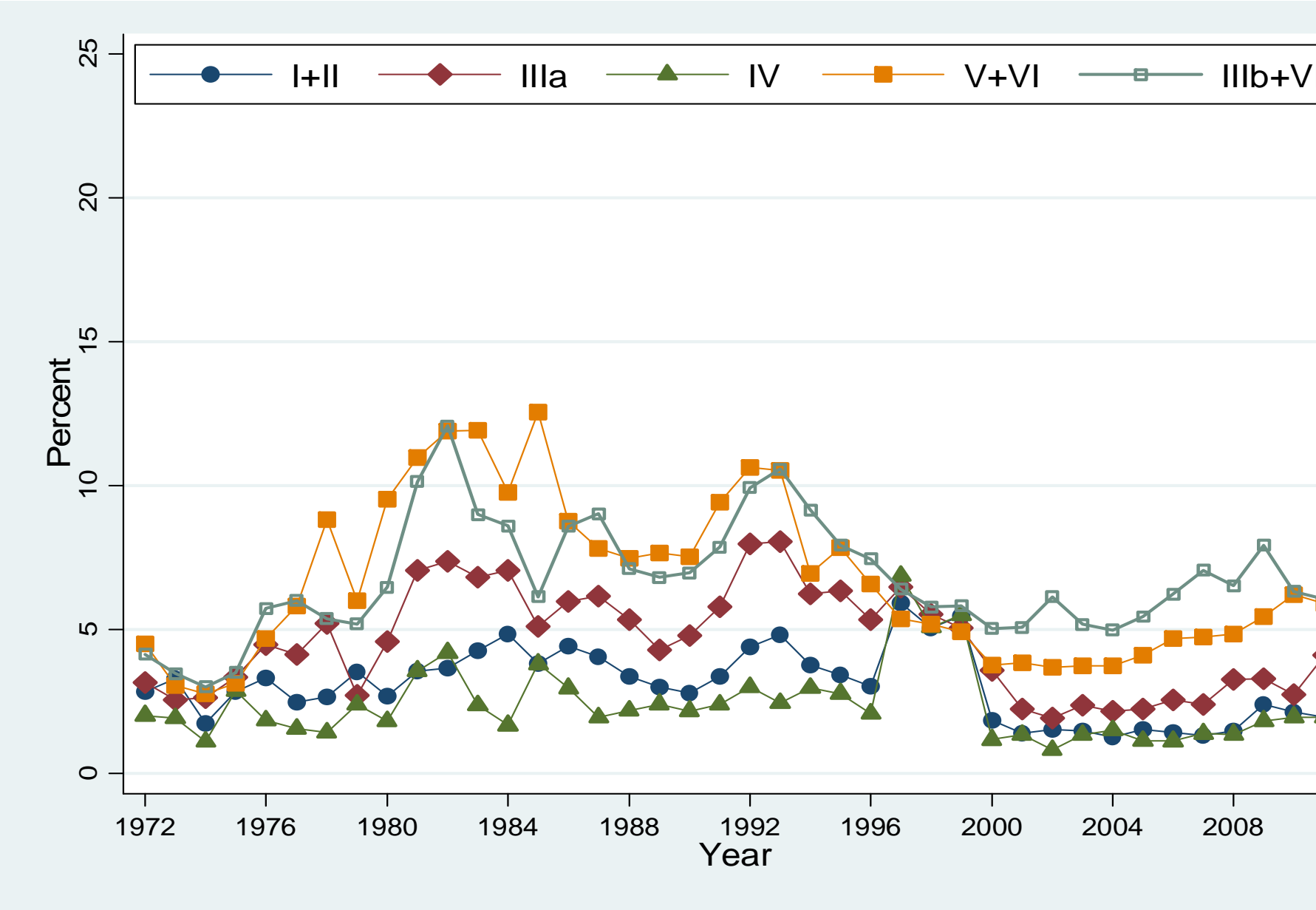


Figure Unemployment by ethnicity
Men

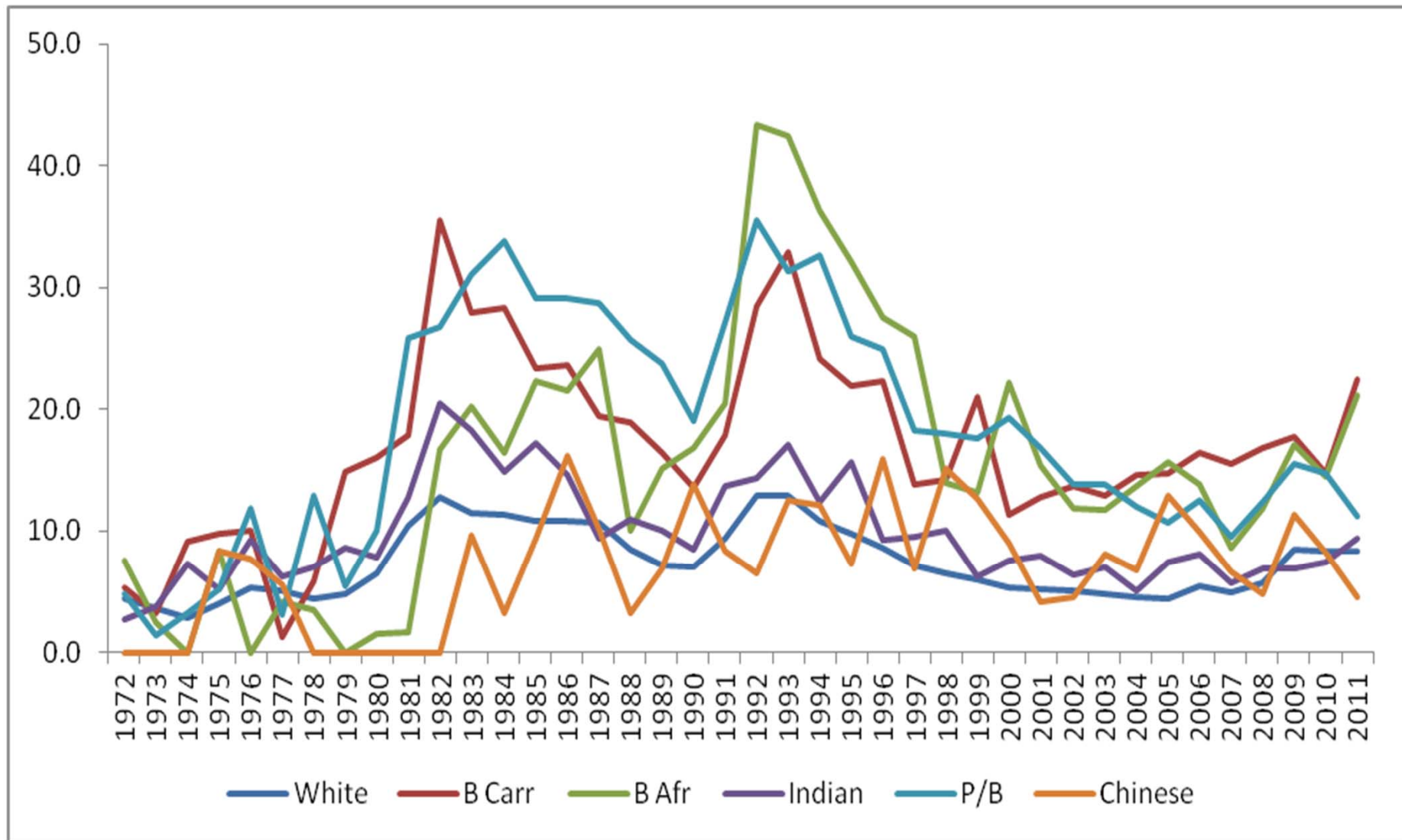


Figure Unemployment by ethnicity
Women

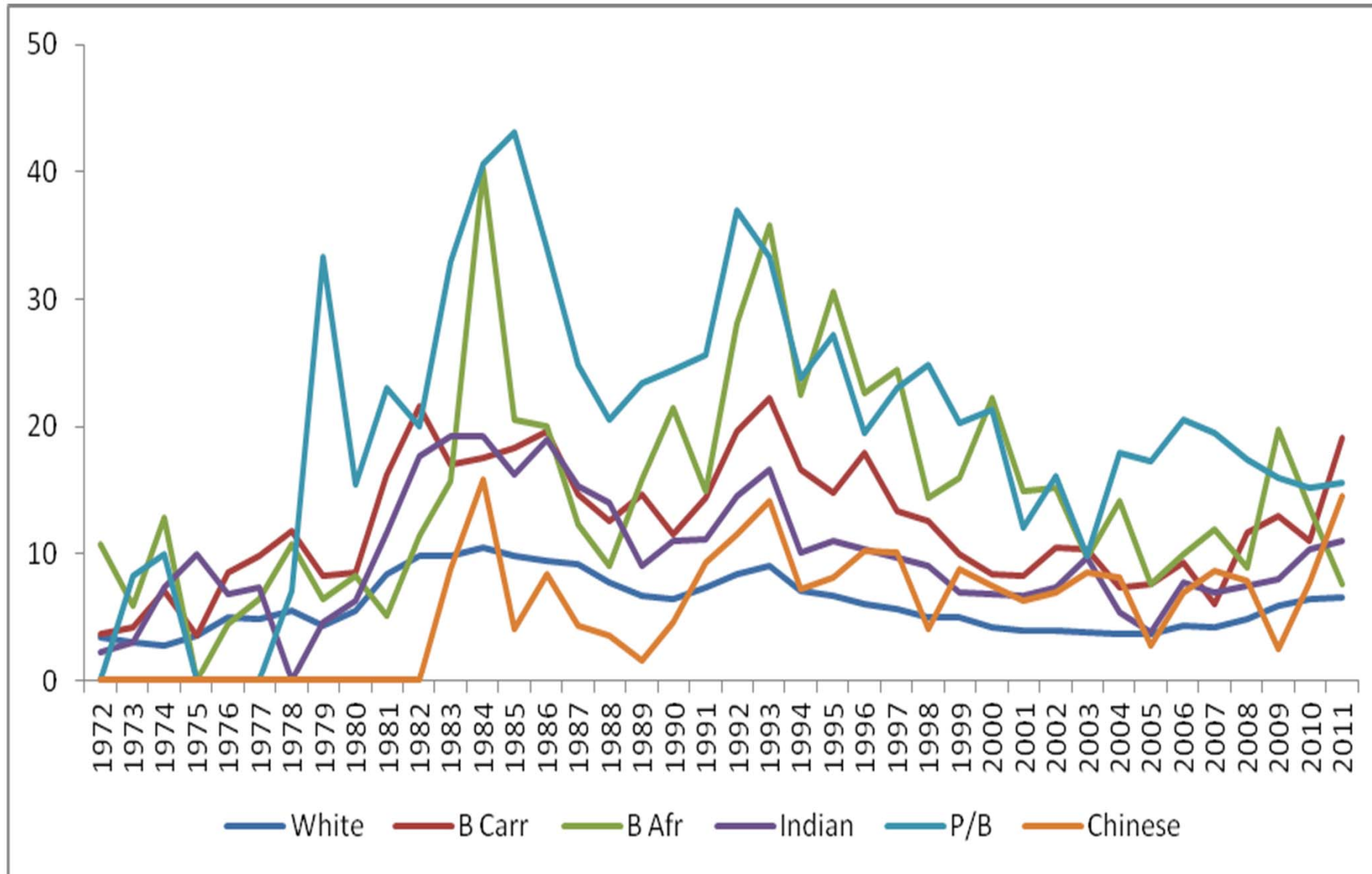


Table Logit regression coefficients on unemployment

	Men	Women
Class (Salariat = ref)		
Routine non-manual	0.299***	0.395***
Own-account	-0.006	-0.127
Supervisor & skilled manual	0.423***	0.531***
Semi and unskilled manual	0.651***	0.450***
Ethnicity (White = ref)		
Black Caribbean	0.353***	0.236**
Black African	0.581***	0.566***
Indian	-0.145**	0.171**
Pakistani/Bangladeshi	0.480***	0.592***
Chinese	-0.387**	0.086
Other	0.263***	0.410***

Education (degree = ref)		
Sub-degree	0.151	-0.434***
A-Levels or equivalent	0.307***	-0.111
O-Levels	0.390***	-0.040
Primary/none	0.570***	-0.020
Marital status (partnered = ref)		
Once partnered	0.924***	0.609***
Never partnered	0.654***	0.121*
No. dependent children under 16	0.119***	0.082***
Having limiting long-term illness	0.861***	0.787***
Age	-0.044***	-0.035*
Age squared	0.000***	-0.000
Region (Inner ring = ref)		
Greater London	0.414***	0.194***
Outer ring	0.474***	0.193***
Peripheral	0.395***	0.140
Generation status		
1 st generation	-0.223**	-0.608***
1.5 th generation	-0.053	-0.173*
Age to the UK	0.009**	0.033***
Year (1972 = ref;)		
Constant	-3.736***	-2.784***
N	64,041	51,204

* p<0.05; ** p<0.01; *** p<0.001; coefficients for years are omitted.

Figure UNIDIFF parameters for class and ethnicity with unemployment
Men

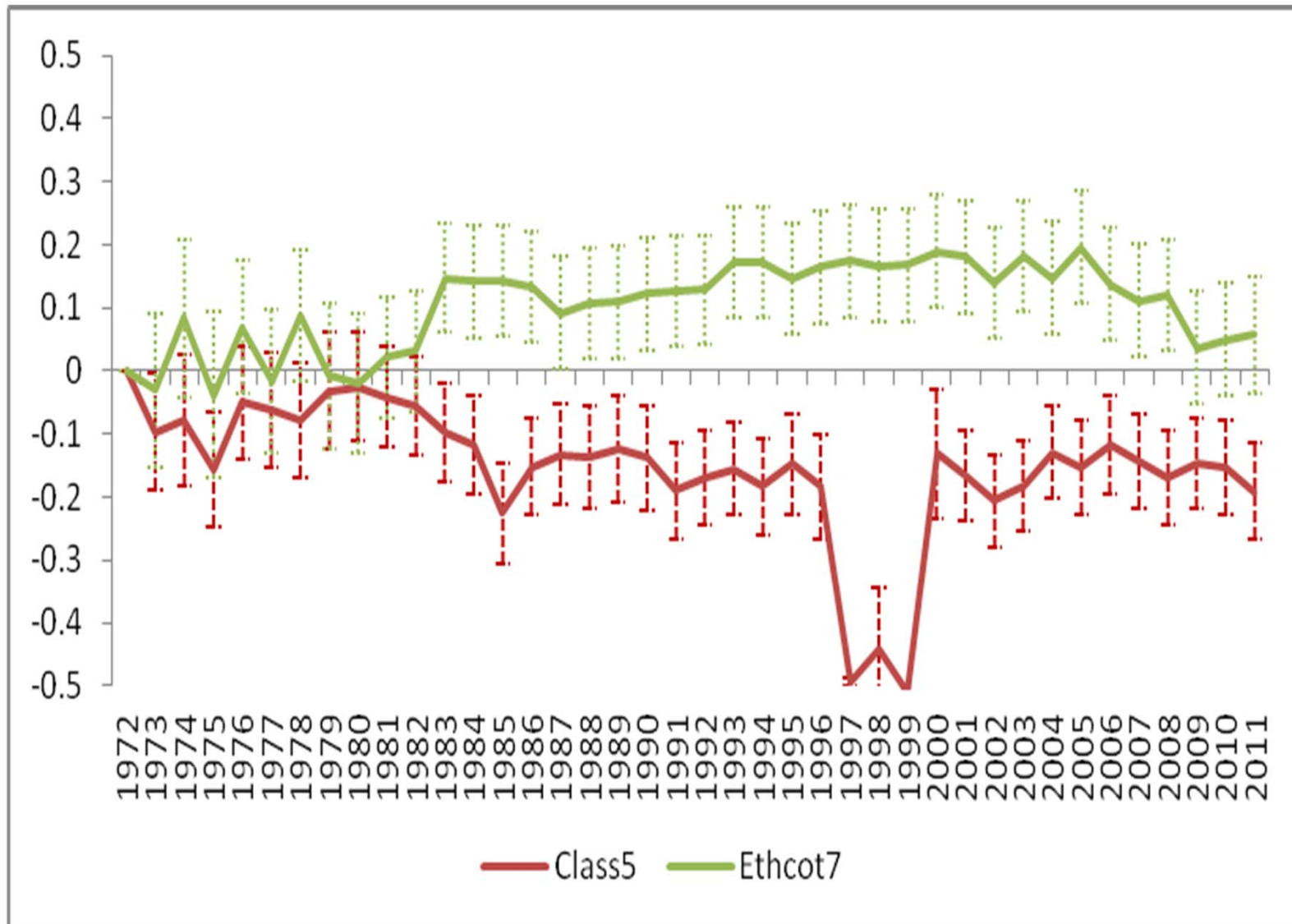
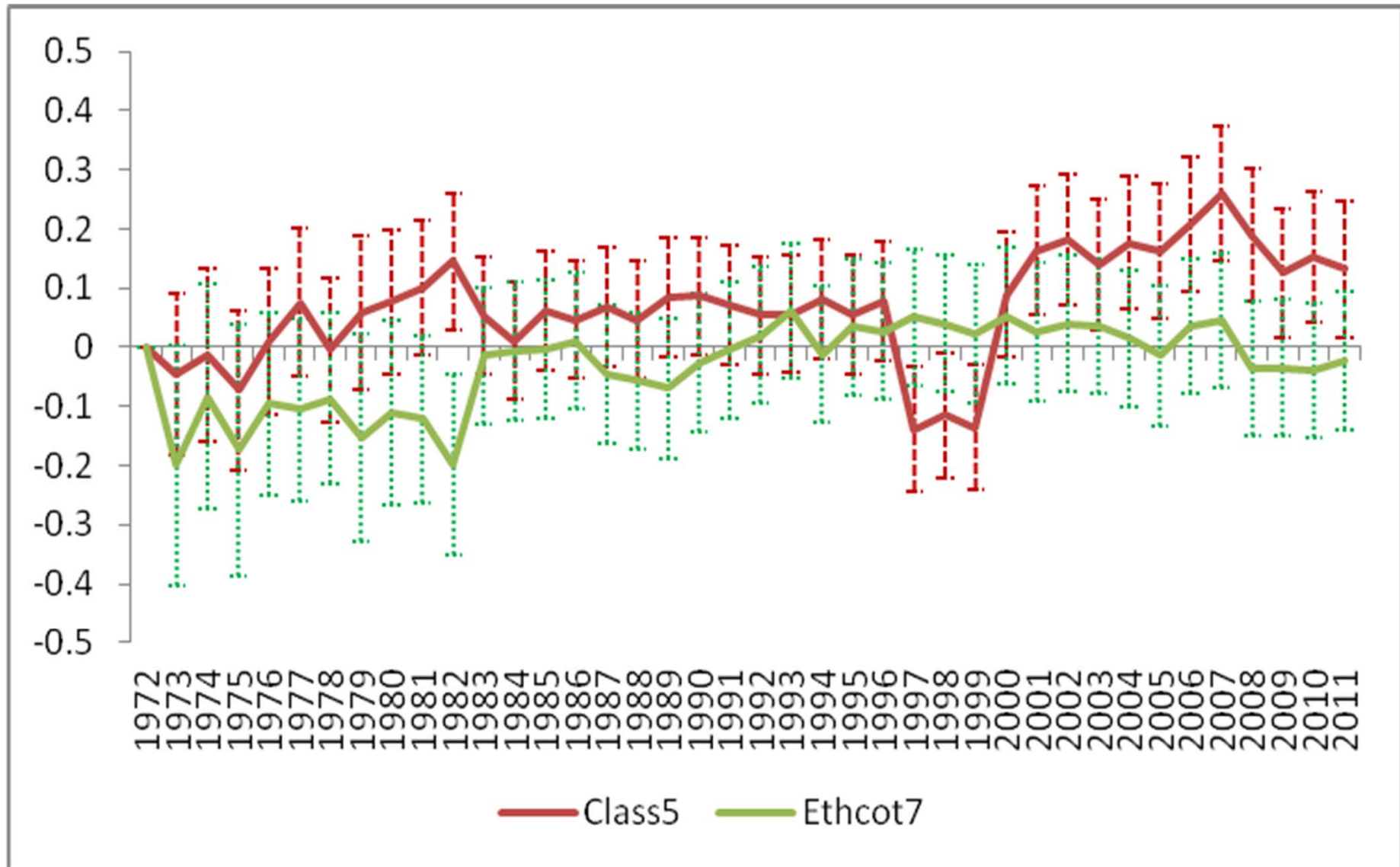


Figure UNIDIFF parameters for class and ethnicity with unemployment
Women



	Overall gap compared with White British	% of gap explained by human capital	% of gap explained by social capital	% of gap explained by job refusals	% of gap remaining unexplained
Men					
2nd gen					
B Car	11.1	10.8	6.8	11.9	71.3
B Afr	8.6	17.4	3.9	24.5	54.2
Indian	4.8	29.2	12.1	-3.0	61.7
Pak/Bang	5.6	25.0	11.3	3.6	63.1
All BME	7.4	16.4	10.2	7.0	66.4
Women					
2nd gen					
B Car	6.2	32.6	-1.4	14.4	54.5
B Afr	--	--	--	--	--
Indian	4.5	28.8	2.5	-0.2	68.9
Pak/Bang	6.2	23.4	1.6	12.9	62.1
All BME	5.0	31.1	3.3	7.6	58.0
All 2 nd gen BME	6.1	23.1	8.0	7.8	61.1

Source: HOCS 2003, 2005.

Note: we have not calculated the components for Black African women as the HOCS data do not seem to be reliable for this group.

Summary

- Clear class effect
- Class effects fairly linear except for small employers
- Ethnic effects very strong, esp during hard times
- Class effects smaller than ethnic ones, esp for men
- For men, ethnic effects growing more unequal but class effects more equal, or constant fluid from mid-1980s
- 2nd gen Black men are still faced with serious job refusals

Thank you!

Suggestions warmly welcome

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