

Race inequalities in the UK labour market



Accommodating Diversity in the Workplace

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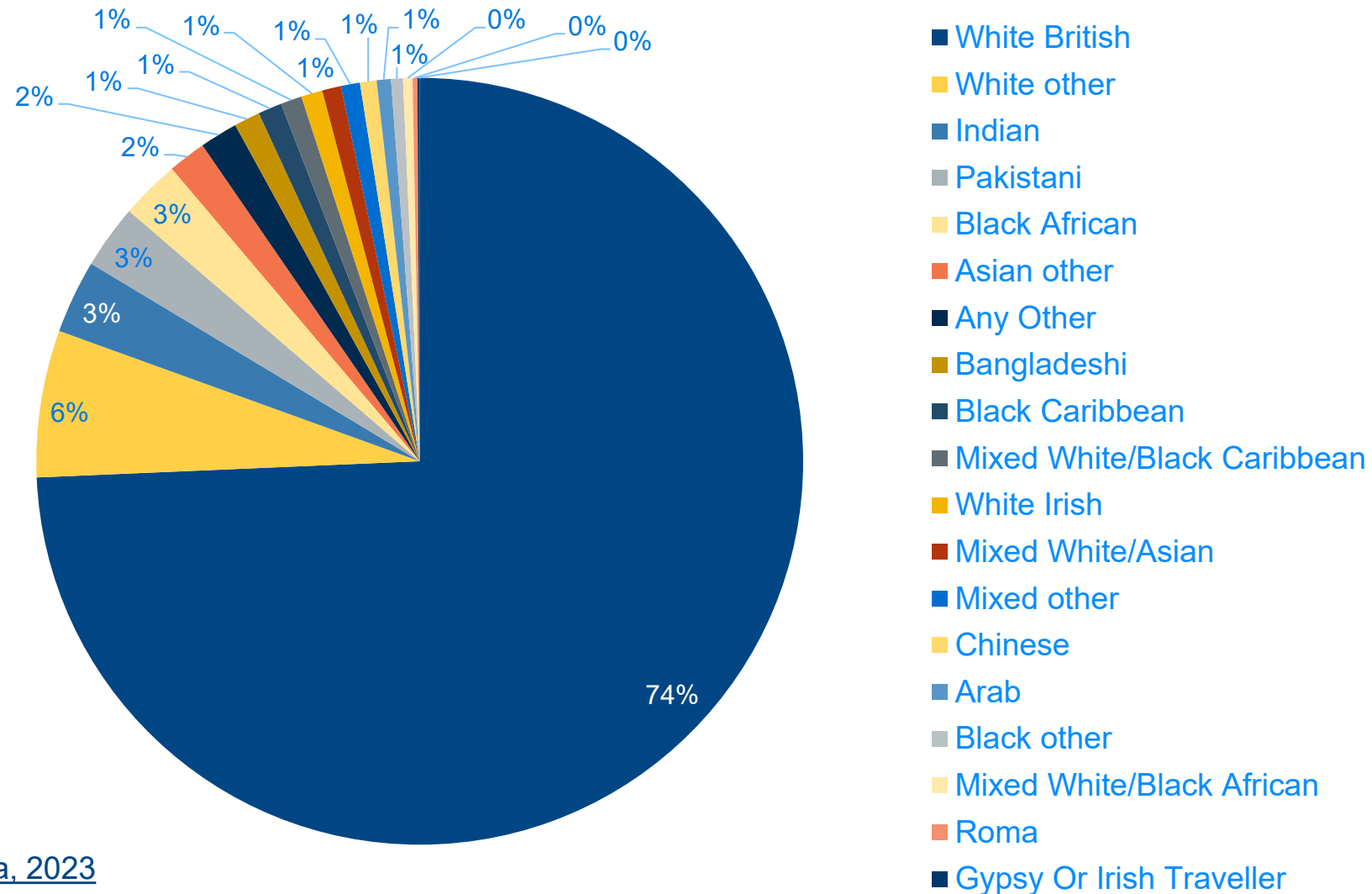
Thursday, 3rd April 2025

Source: IES 2025

Agenda

- Race/ ethnic inequalities in the UK labour market – an overview
- Workforce experiences of race/ ethnic inequalities – IES research findings
- What promotes equality, diversity and inclusion (EDI) – IES research findings
- Tackling race/ethnic inequalities in the UK labour market – ideas for action

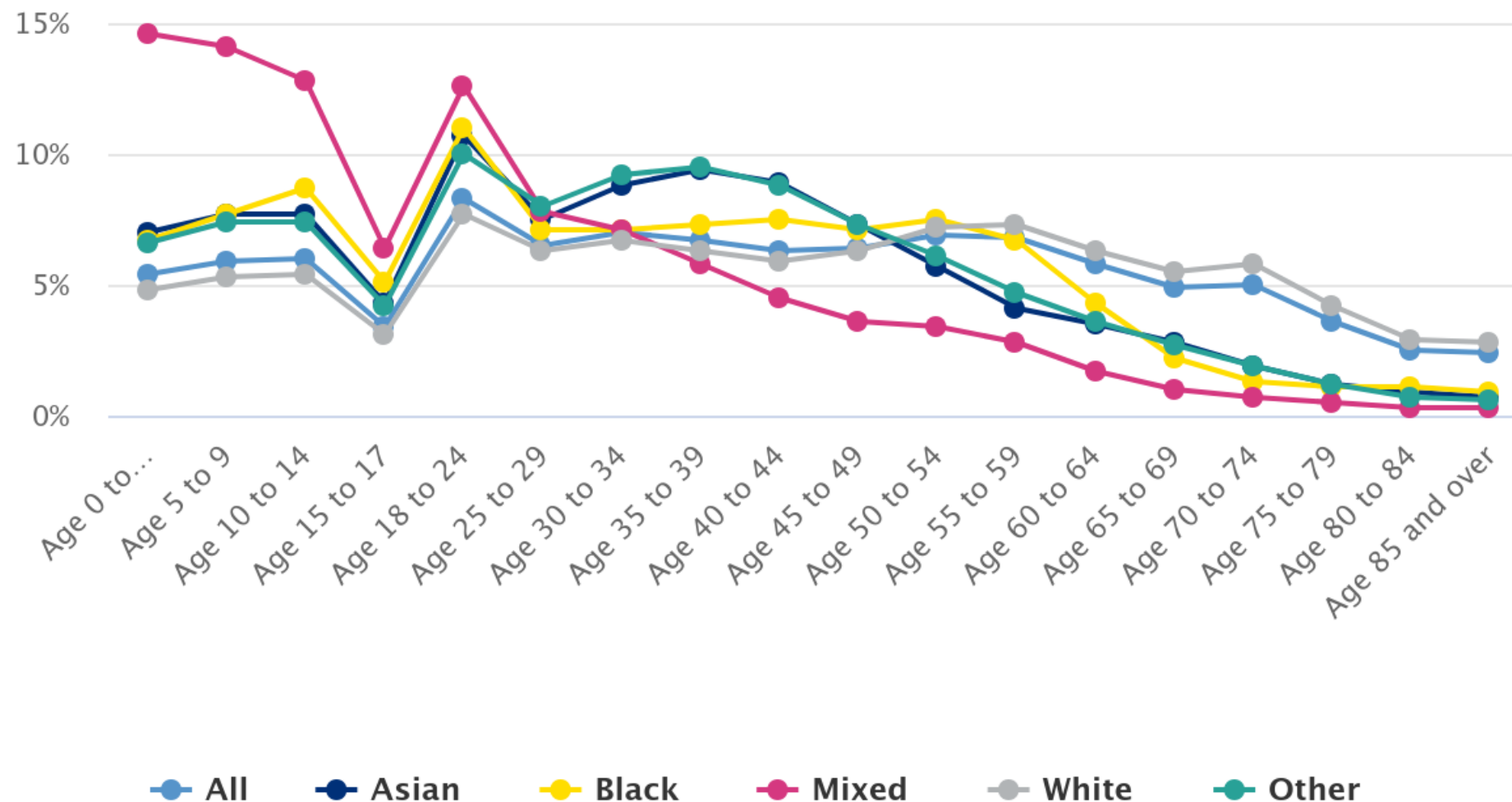
Ethnic profile of the UK population



Source: ONS data, 2023

Ethnicity by age

Title: Percentage of people in each age group, by ethnicity (5 ethnic groups). Location: England and Wales. Time period: 2021. Source: Ethnic group by age and sex, England and Wales: Census 2021 | Ethnicity Facts and Figures GOV.UK

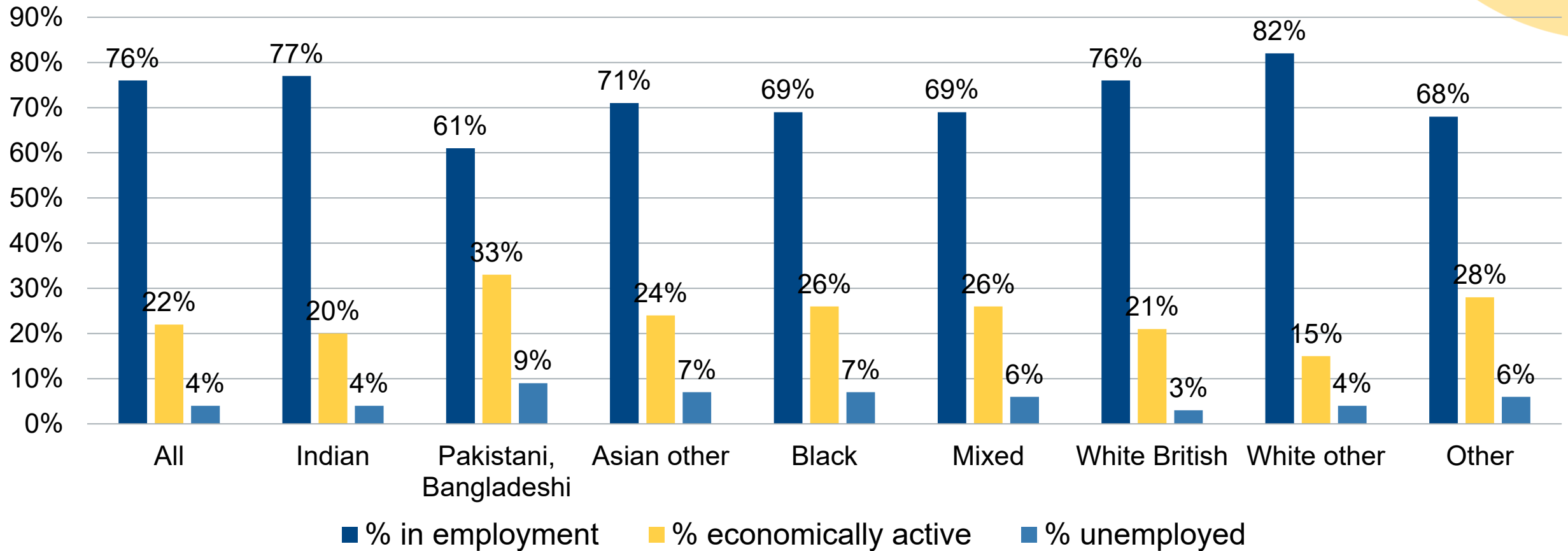


Source: ONS data, 2023

UK's ethnic diversity – a story of continuity and change

- Ethnicity over time:
 - From 2011 to 2021, the percentage of people in the white British ethnic group went down from 80.5% to 74.4%.
 - From 2011 to 2021, the percentage of people in the white 'other' ethnic group went up from 4.4% to 6.2% – the largest percentage point increase out of all ethnic groups
 - From 2001 to 2021, the proportion of Bangladeshi, Pakistani, Black African and mixed ethnic groups doubled or more than doubled in some cases
- Acknowledge differing experiences of first or second-generation immigrants.
- There are very different patterns of inequality across (and within) minority groups, generations and outcomes (Deaton Review, IFS, 2024)

Ethnic composition of the UK labour force



[Source for % employment: ONS data, 2023](#)

[Source for % economically active: ONS data, 2023](#)

[Source for % unemployed: ONS data, 2023](#)

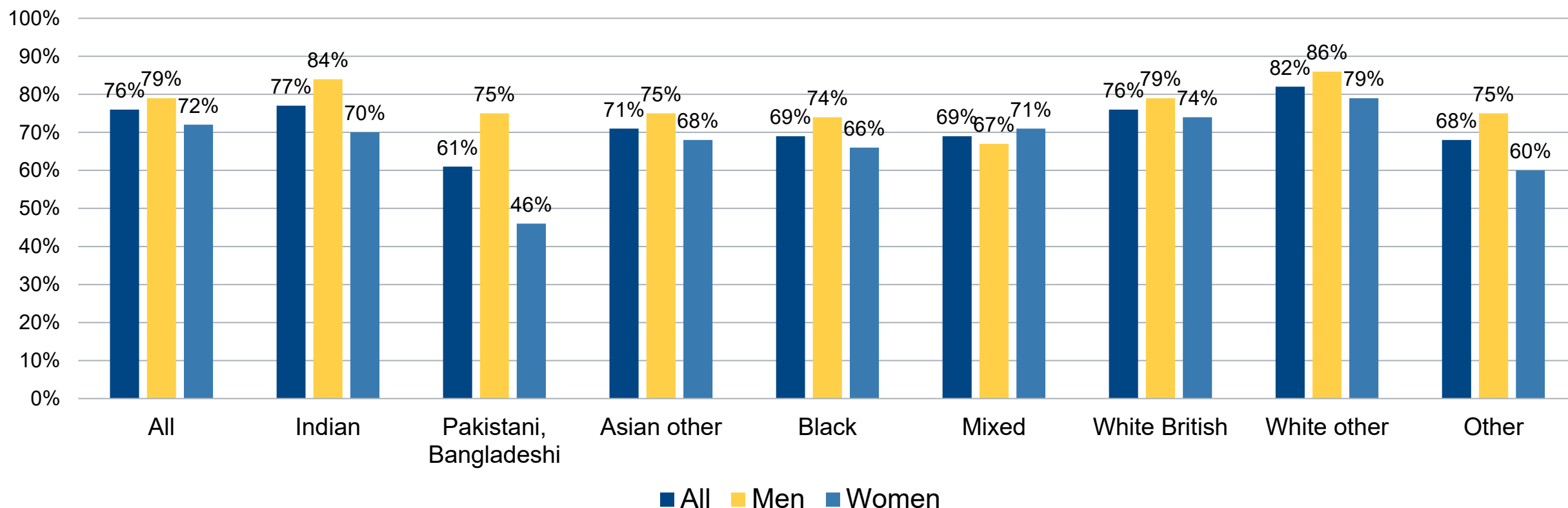
Note: Though it is IES' preferred policy to present sub-group data wherever possible, disaggregated data for the black, mixed and other ethnic groups is not available from this data source due to potentially small sample sizes from the Annual Population Survey used for estimation.

Intersecting factors affecting ethnic groups' labour market outcomes

- Gender
- Education levels
- Health status
- Marital status, parenthood, care responsibilities
- Geography
- Migration status

Ethnicity and gender in employment

Percentage of 16 to 64 year olds who were employed, by ethnicity and gender



Source for ethnicity and gender: ONS data, 2023

Note: Though it is IES' preferred policy to present sub-group data wherever possible, disaggregated data for the black, mixed and other ethnic groups is not available from this data source due to potentially small sample sizes from the Annual Population Survey used for estimation.

Ethnicity and education, health, housing

- Professional occupations were most common for people who identified as “Indian” and “Chinese” (within “Asian, Asian British or Asian Welsh”).
- Social housing was more common for people within “Black, Black British, Black Welsh, Caribbean or African” groups.
- Self-reported health was worse for people who said they were “Gypsy or Irish Traveller” (within the “White” ethnic category), including highest proportion of disabled people.
- People who identified as “Bangladeshi” (within “Asian, Asian British or Asian Welsh”) reported poorer health than might be expected since this group is relatively young.
- Highest reported levels of “very good” health were among the “Mixed or Multiple ethnic group” under “White and Asian”, and people who identified as “African”
- Women were more likely than men to report having “bad” health across most ethnic groups, especially “Gypsy or Irish traveller” and “Pakistani”.

Ethnicity and migration over time

- For black African women, Bangladeshi men, and Pakistani and Bangladeshi women, the second-generation performs better than the first-generation in the labour market
- Second-generation Bangladeshi men and second-generation black African women are less likely to be unemployed compared with white British men and women respectively
- Second-generation Indian men are less likely to be economically inactive compared with white British men
- Second-generation black Caribbean men and women are more likely to be unemployed compared with white British men and women
- However, the second generation of black Caribbean and Indian men is more likely to be unemployed compared with the first generation
- First-generation Bangladeshi and both first and second-generation Pakistani women are more likely to be economically inactive compared with white British women.
- UK-born Black, African, Caribbean or Black British employees earned more, while non-UK-born Black British employees earned less when compared with UK-born White employees.
- Even where educational and occupational success have facilitated faster relative wage growth (such as for Indian men), unexplained wage penalties remain (Deaton Review, IFS 2024)

Ethnicity and sector

	All	Asian	Indian	Pakistani, Bangladeshi	Other Asian	Black	Mixed	White	White British	White Irish	White Other	Other
Industry	%	%	%	%	%	%	%	%	%	%	%	%
Agriculture, forestry and fishing	0.8	0.1	!	0.2	!	0.1	0.7	0.9	1	1.3	0.5	!
Energy and water	1.8	1	0.9	1	1.2	1.5	0.8	1.9	1.9	2.2	1.4	0.8
Manufacturing	8.5	6.5	8.3	5.3	4.7	4.9	5.8	8.9	8.8	7.2	10.2	6.4
Construction	6.5	2.7	2.8	3.1	2.1	3.5	5.6	6.9	7	6.9	6.4	4
Distribution, hotels and restaurants	16.4	18.6	12.6	25.9	20.3	12.3	17.8	16.3	16.3	10.5	17.5	17.7
Transport and communication	9.7	15.3	18.9	14.4	10.2	10.3	9.9	9.1	8.7	11.5	13.8	13.9
Banking and finance	18.3	20.3	21.2	16.3	23.4	16.2	21.6	18.1	17.9	18.4	20.6	18.4
Public admin, education and health	32.2	31.9	32.3	31.3	31.9	47.2	32.8	31.7	32.3	38.2	24.4	32.7
Other services	5.8	3.6	2.9	2.4	6	4	4.9	6	6.1	3.8	5.2	6.1

Source for ethnicity and gender: ONS data, 2022

! Data withheld to protect confidentiality

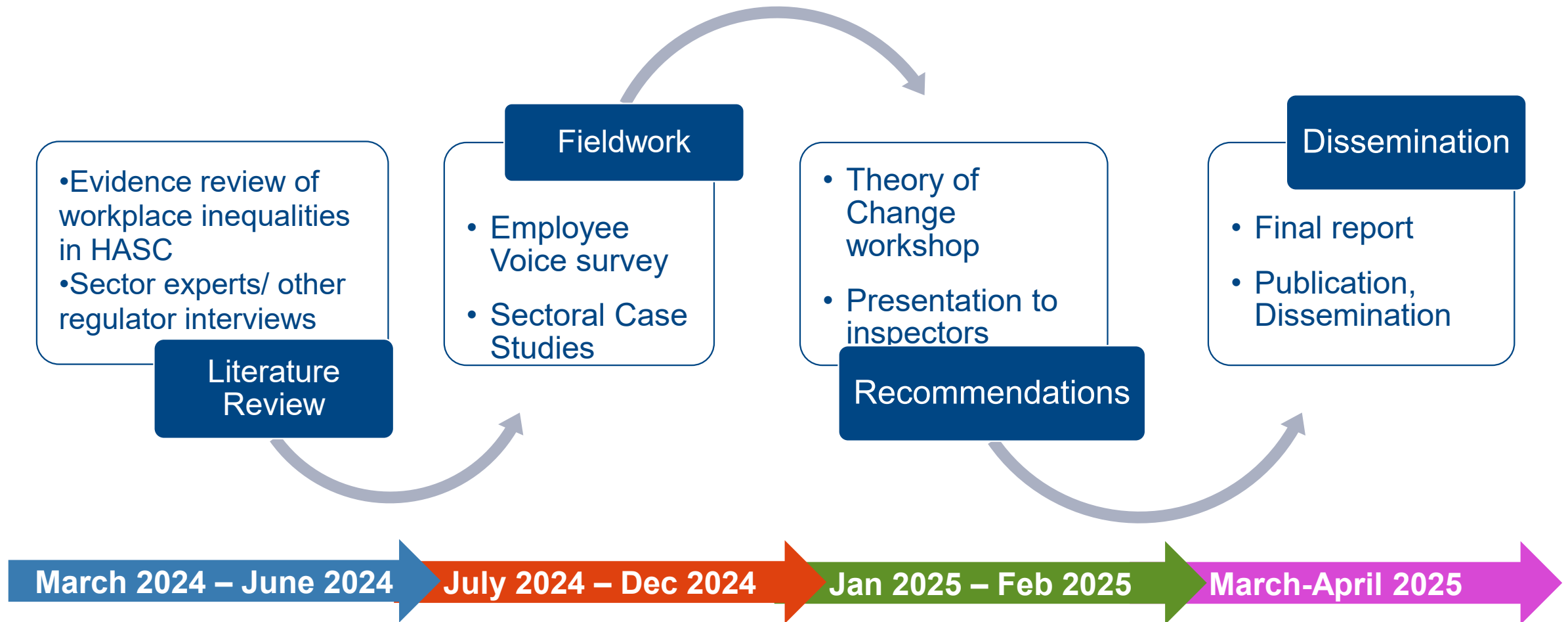
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Workforce inequalities – findings from the health and adult social care sector



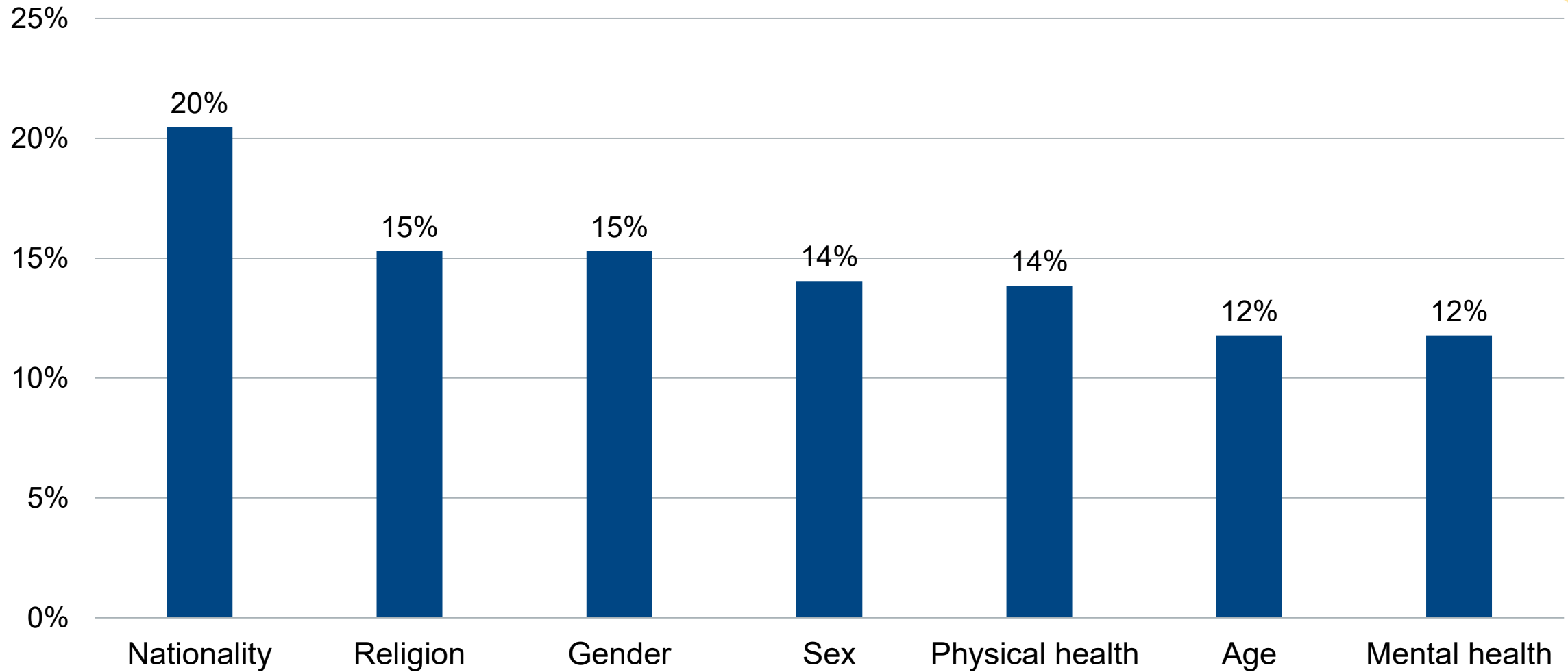
Mixed methods research for Care Quality Commission (CQC)



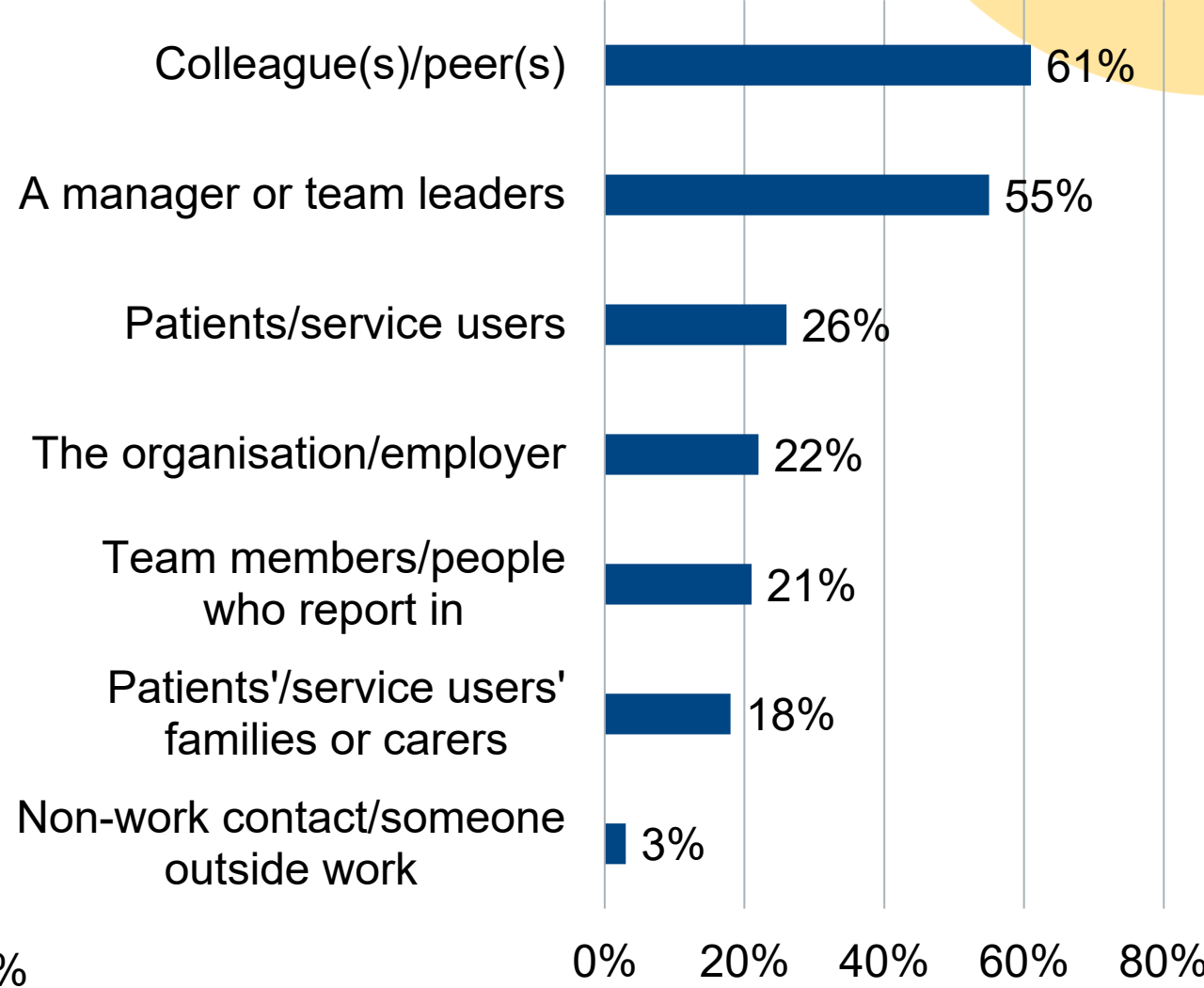
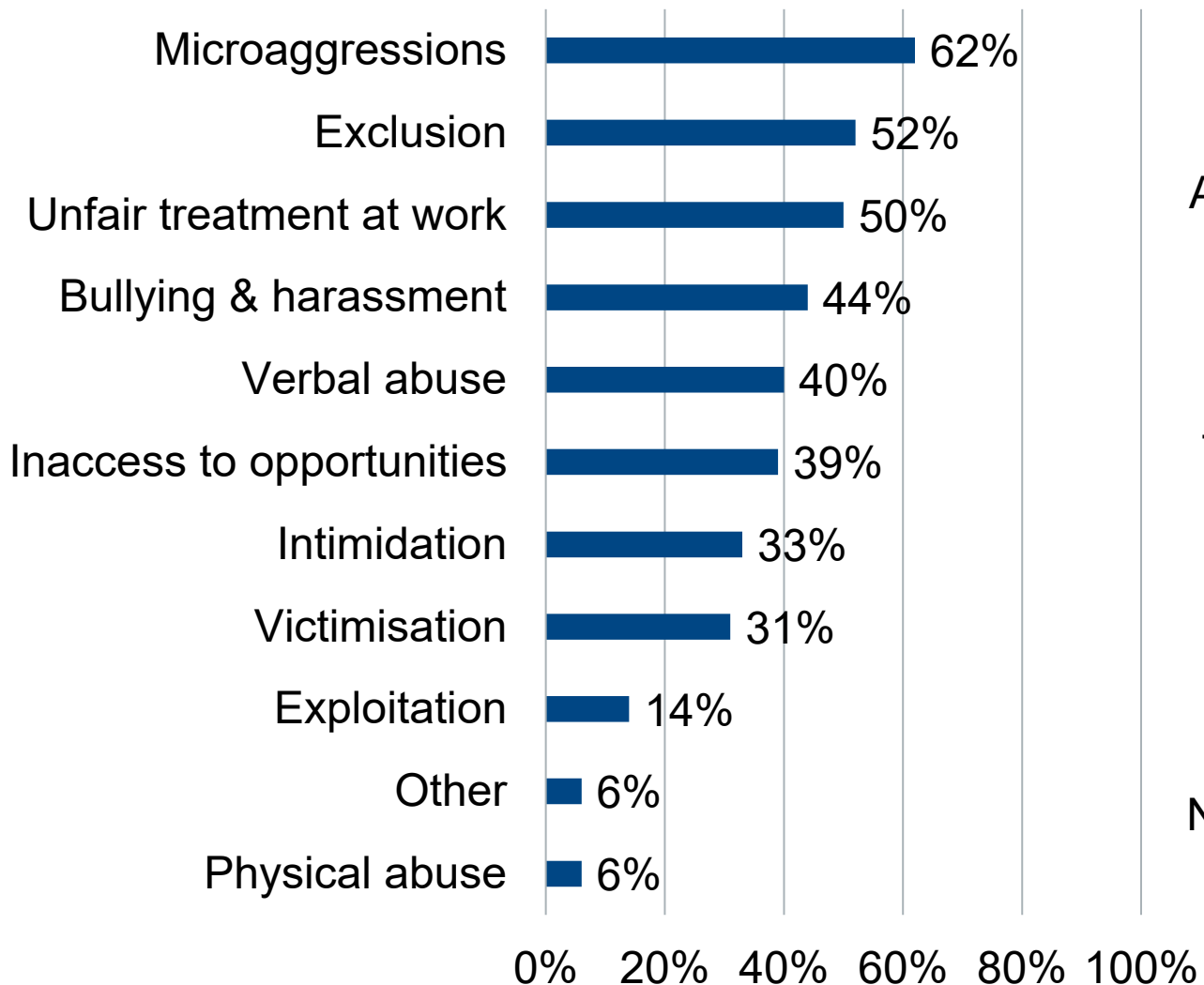
Survey findings on race/ethnic inequalities (646 respondents)

- 41% of survey respondents (N=646) had observed and/or experienced race/ethnicity-related inequalities
- Race/ethnicity inequalities were observed and/or experienced more frequently by Black, Asian and other ethnic minority respondents compared to white respondents
- Race/ethnicity inequalities are most prevalent across all HASC sectors – much higher for acute care, community and social care services than other sectors
- Majority (68%) experienced two or more types of inequality

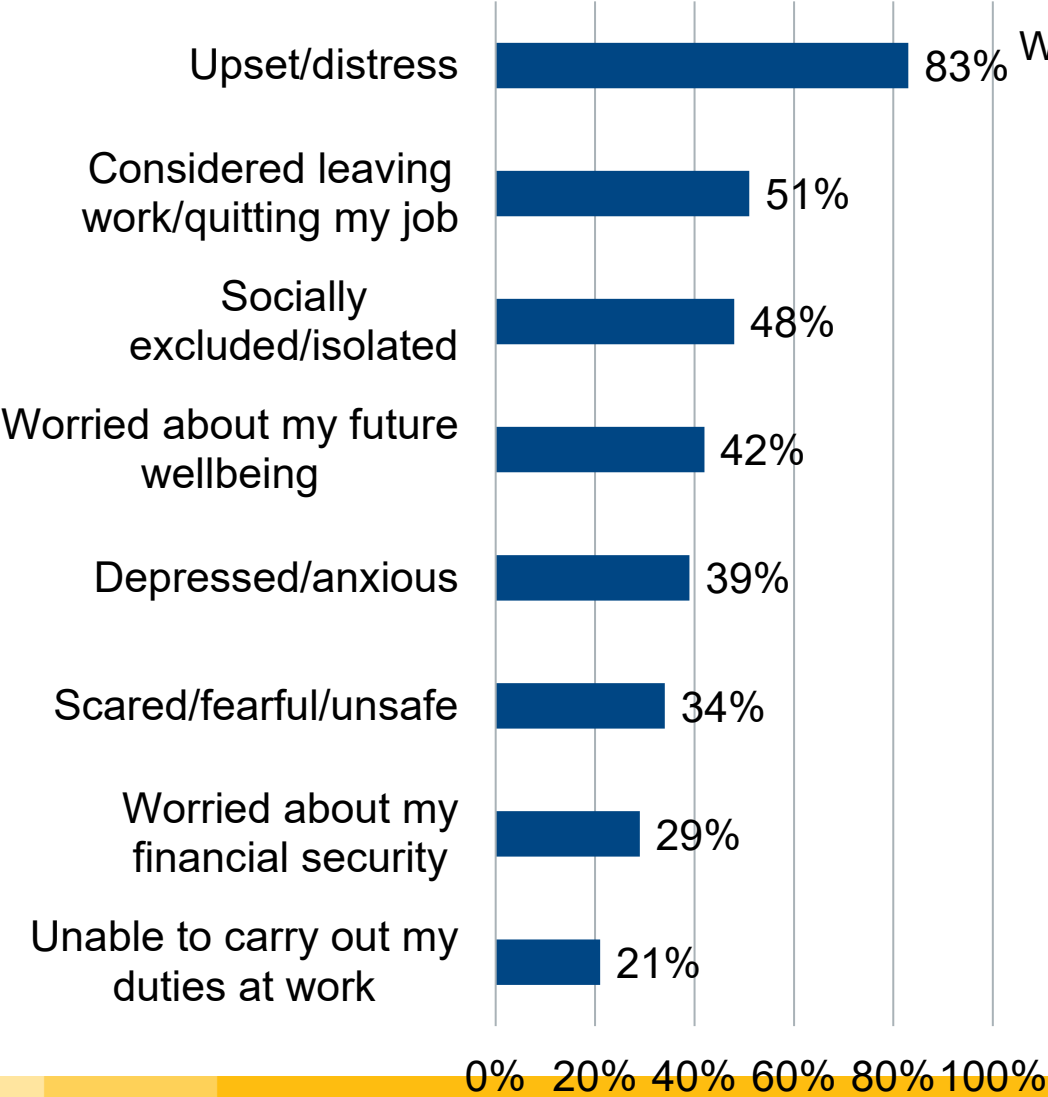
Intersecting inequalities with race/ethnicity



Manifestation and source of workforce inequalities



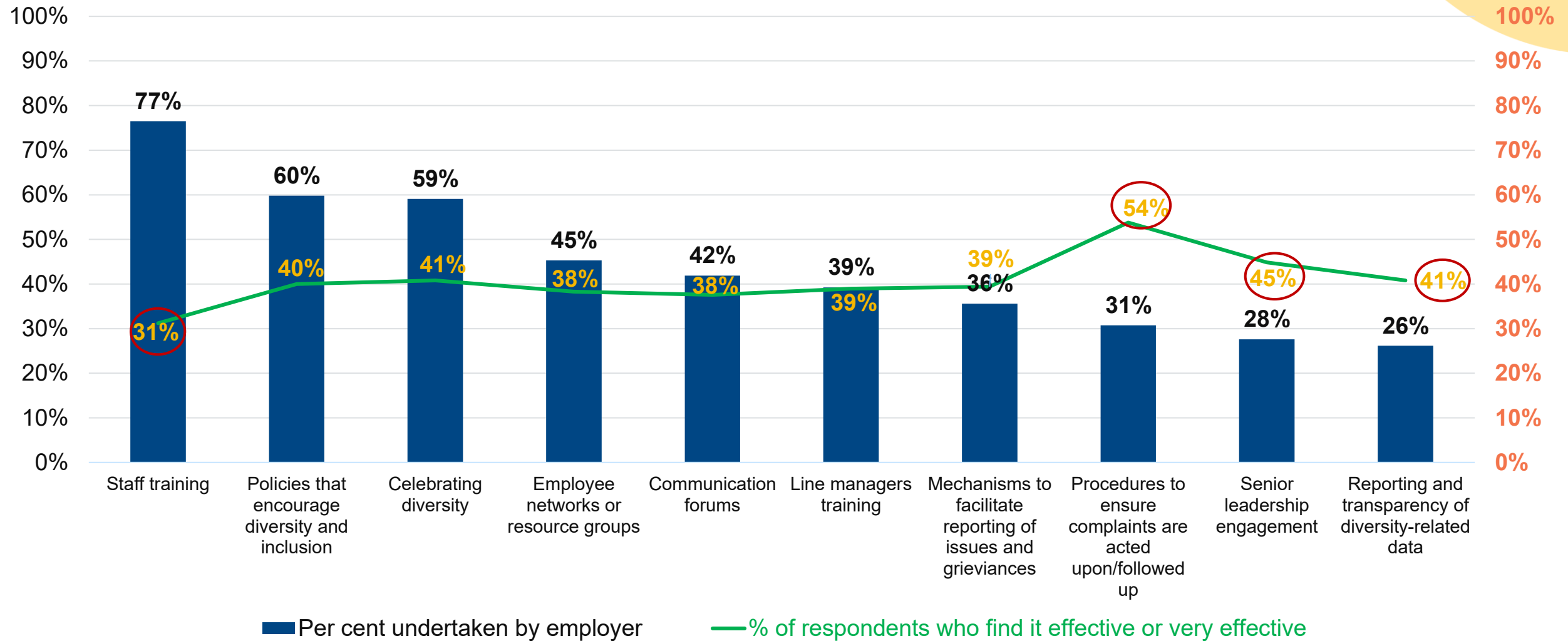
Impact workforce inequalities (on self and career)



Conditions driving inequality



What works to address inequalities



Key findings from CQC for tackling ethnic inequalities

- Systemic and institutional factors underpin barriers to tackling workforce inequalities
- An intersectional approach to EDI is crucial for effective behaviour change
- Leaders must create a safe environment and focus on wider inclusion to address everyday inequalities
- Cross-sectoral collaboration and accountability measures through frameworks and clearly defined targets are key
- Staff training or celebrating diversity are more prevalent initiatives but not seen to be effective as compared with complaints procedures, senior leadership engagement and transparency in EDI data



Promoting racial equality and tackling workforce inequalities



Good practices to promote racial equality – employer case studies

Presence of staff networks

Senior leadership diversity and engagement

Access to high quality workforce data

Dedicated organisational (infra)structure and processes

Skills, expertise, and resources

Organisational culture

Line manager buy-in

Workplace adjustments

Lived experience and collaboration

Ideas for action

- Engage senior leaders' commitment and accountability (mindful of performative leadership behaviours)
- Institute strong complaints/ grievance procedures with effective resolution (mindful of the impact these have on those who raise a complaint)
- Encourage constructive dialogue (mindful of risks of divisive diversity)
- Adopt an intersectional approach to EDI policies and processes (mindful of the systemic and institutional factors that present deeply ingrained barriers)
- Promote 'Inclusion for all' as a key approach (mindful of the entrenched nature of systemic and institutional racism)



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