

PROJECTING EMPLOYMENT BY ETHNIC GROUP TO 2022

In the UK, the ethnic groups most in poverty tend to have the lowest employment rates, and when employed are concentrated in low-paying sectors and occupations. This research examined likely changes in the ethnic profile of employment to create employment projections by ethnic group, gender, industry and occupation in 2022.

Key points

- The working-age population of ethnic minority groups is growing faster than the average. Their share of employment is projected to increase between 2012 and 2022.
- The largest relative projected employment increases are for the Mixed parentage and Other groups.
- Ethnic groups are unevenly distributed by industry. Pakistani and Bangladeshi groups are concentrated in the trade, accommodation and transport sector (including hotels and restaurants). Black ethnic groups account for a greater than average share of employment in public sector services.
- Between 2012 and 2022 the occupational structure of employment is expected to polarise. Projected increases of 2.34 million and 0.52 million jobs in high-pay and low-pay occupations respectively contrast with a 1.01 million decrease for intermediate occupations (associated with middle-level skills). This may reduce scope for progression to high-pay jobs.
- Polarisation of employment structures is apparent for most ethnic groups outside London. In London, professionalisation of employment structures (greater employment share of high and high/intermediate occupations) is projected for women in most ethnic groups and men in several groups.
- By 2022, Pakistani, Bangladeshi, Any other Asian, Black and Other groups are most likely to be in low-pay or intermediate occupations; Indian and Chinese groups are most likely to be in high-pay occupations.
- Despite ethnic minority groups' increased penetration into high-pay occupations, existing labour market inequalities are likely to persist.

The research

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BACKGROUND

Ethnic minority groups are projected to comprise a growing share of the UK population. With a younger age profile than the White British population, their share of employment is expected to increase. Ethnic groups in the most poverty tend to experience low employment rates and concentration in low-paid occupations. This research explored the possible ethnic profile of employment in 2022.

Future working-age population

The UK population aged 16–64 is projected to be 75 per cent White British in 2022, compared with nearly 79 per cent in 2012. While the White British and White Irish groups are expected to decline in size, population increases are projected for other ethnic groups. The largest are for the Other White, Mixed parentage, Black African, Other ethnic, Pakistani, Indian and Any other Asian groups. The ethnic minority population is projected to grow in all parts of the UK.

Employment trends

UK employment is projected to increase by 5.8 per cent from 31.93 million jobs in 2012 to 33.78 million in 2022, with women accounting for 57 per cent of this increase. Employment is projected to decline in the manufacturing and primary (agriculture, mining and quarrying) and utilities sectors, and to increase in service sectors and construction. Grouping occupations into three broad categories on median hourly pay, projected changes to 2022 are:

- high-pay occupations (managerial, professional and associate professional): 2.34 million increase;
- intermediate occupations (administrative and secretarial; skilled trades; process, plant and machine operatives): 1.01 million decrease;
- low-pay occupations (caring, leisure and other services; sales and customer service; elementary occupations): 0.52 million increase.

Economic and employment participation by ethnic group

UK labour-market participation and employment rates increased for ethnic minority groups between 2001 and 2013, converging with the White British group. Projected employment rates for 2022 are highest for Indian and White men and lowest for Chinese, Mixed parentage and Black men. For women, projected employment rates are lowest for Pakistani and Bangladeshi groups.

In England, the highest projected male employment rates are for the Other White, Indian and White British groups, and lowest for the Black African and Chinese groups. Projected female employment rates are highest for the Other White, White British and Black Caribbean groups and lowest for the Pakistani, Bangladeshi and Other ethnic groups.

Changing employment patterns by ethnic group, 2012–2022

At UK level, the largest projected relative increases in employment are for people of Mixed parentage and Other ethnic groups. The White group's share of total employment is projected to fall from 89 per cent (2012) to 86 per cent in 2022.

In England, a small decline in employment among the White British group is projected, but in London a 6 per cent decline. In London, the White British group is projected to comprise 40 per cent of those

in employment in 2022 (down from 46 per cent in 2012), with 21 per cent from the Other White group (up from 19 per cent in 2012). In the rest of England, the White British group is projected to account for 83 per cent of employment in 2022 (down from 86 per cent in 2012).

Employment by sector, gender and ethnic group, 2022

At UK level, men from ethnic minority groups are projected to remain disproportionately concentrated in the trade, accommodation and transport sector (including hotels and restaurants), which is associated with lower-than-average pay. Men from the Bangladeshi, Pakistani and Other groups are particularly likely to work in this sector. They are under-represented in the business and other services sector, where pay is generally higher than average. The concentration of men from the Mixed parentage, Indian and Chinese groups in this latter sector is projected to intensify. Men from the Other White group are projected to be disproportionately concentrated in the construction sector in London, and in manufacturing in the rest of England.

For women, a key feature is the marked over-representation of Bangladeshi, Pakistani, Chinese and Any other Asian groups in trade, accommodation and transport in 2022. Those in this sector are likely to be at greater-than-average risk of low earnings. In contrast, women from the Mixed parentage, Indian and Chinese groups are over-represented in business and other services. Black women are projected to remain over-represented in public sector services.

Employment by occupation, gender and ethnic group, 2022

At UK level, ethnic minority groups are projected to account for 14, 12 and 22 per cent of total male employment in high-, intermediate- and low-pay occupations respectively. Indian, Chinese and Mixed parentage men have the highest projected employment shares in high-pay occupations, while Chinese men have the lowest projected share in low-pay occupations.

Low-pay occupations account for more female than male employment. The proportion of female employment in low-pay occupations is greatest for Bangladeshi, Any other Asian and Pakistani groups, and least for Indian and Chinese groups.

Table 1: Changes in employment structures by ethnic group, gender and region, 2012–2022

Nation/ region	Gender	Professionalisation	Polarisation	Increase in low pay occupations
UK	Male	Chinese	All working-age population in employment*, White, Mixed parentage, Indian, Bangladeshi, Black	Pakistani, Any other Asian, Other ethnic group
UK	Female	All working-age population in employment*, White, Bangladeshi, Chinese, Black	Mixed parentage, Pakistani, Any other Asian	Other ethnic group
London	Male	All working-age population in employment*, White British, Indian, Chinese, Black Caribbean, Black African, Other Black	Other White, Mixed parentage, Bangladeshi, Any other Asian	Pakistani, Other ethnic group
London	Female	All working-age population in employment*, White British, Other White, Indian, Pakistani, Bangladeshi, Chinese, Any other Asian, Black Caribbean, Black African	Other Black, Other ethnic group	
Rest of England	Male		All working-age population in employment*, White British, Mixed parentage, Indian, Pakistani, Bangladeshi, Chinese, Black Caribbean, Other Black	Other White, Any other Asian, Black African, Other ethnic group
Rest of England	Female	All working-age population in employment*, White British, Chinese	Other White, Mixed parentage, Indian, Pakistani, Bangladeshi, Any other Asian, Black Caribbean	Black African, Other Black, Other ethnic group

Note: Derived from IER projections of employment by occupation, gender and ethnic group.

*The average effect for the working-age population in employment.

In 2022, different patterns of professionalisation (increased share of employment in high-pay occupations, or in high-pay and intermediate occupations) and polarisation (increased share of employment in high- and low-pay occupations, and decreased share in intermediate occupations) are evident by ethnic group and gender (see Table 1).

Professionalisation of employment structures is more apparent for women than for men. It is also much more apparent in London than in the rest of England, with more ethnic groups sharing in professionalisation in the capital. By contrast, polarisation in employment structures is the norm for men outside London. The Chinese and White British groups emerge as the most advantaged and the Other ethnic group as among the most disadvantaged.

Conclusion

Existing ethnic inequalities in the labour market are likely to persist over the medium term. It is important for policy-makers and practitioners not only to help people from ethnic minority groups to access employment, but also to promote job quality and progression in employment for them – particularly for the most disadvantaged groups.

About the project

David Owen, Anne Green, Lynn Gambin and Yuxin Li from the Institute for Employment Research (IER), University of Warwick, undertook the research. The study used Labour Force Survey data to project employment rates from 2012 to 2022; these rates were applied to Leeds University projections of the population aged 16–64 to estimate employment by ethnic group, gender and geography. These figures were combined with the Working Futures project's employment projections by sector and occupation to estimate the changing industrial and occupational breakdown of employment by ethnic group and gender for the UK, nations of the UK, London and the rest of England.

FOR FURTHER INFORMATION

This summary is part of JRF's research and development programme. The views are those of the authors and not necessarily those of JRF.

The full report, **Projecting employment by ethnic group to 2022** by David Owen, Anne Green, Lynn Gambin and Yuxin Li, is available as a free download at www.jrf.org.uk

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