Race and ethnicity

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Executive summary

This chapter considers inequalities across ethnic groups in the United Kingdom and finds that there is no single story of advantage or disadvantage. Ethnic inequalities are complex and characterised simultaneously by continuity rooted in historical origins and conditions, and rapid change fuelled by new and changing populations and opportunities. Continuity and change are also reflected in very different patterns of inequality across (and within) minority groups, generations, and outcomes. The populations of the UK’s diverse minority ethnic groups today arrived at different times, from different countries and cultures, and equipped with different levels of educational and human capital. Perhaps unsurprisingly, these groups now show varied fortunes. Some are characterised by high levels of average qualifications, income and wealth, while others are persistently disadvantaged, faced with elevated levels of poverty and unemployment. Alongside different levels in outcomes are varied trajectories, both within and across generations. Within groups, there are less-explored, intersectional contours of difference, along the lines of gender, geography and class. Research and policy must acknowledge this diversity and complexity in order to inform effective policy prescriptions going forwards.

- The UK has become rapidly more ethnically diverse in the past few decades. From 1991 to 2011, the White population of England and Wales grew by less than 2% – including rapid growth in White migrant populations – while all other ethnic groups combined grew by 166%. While migration flows are a crucial part of this story, increasingly ‘natural growth’ drives the continued trend towards greater ethnic diversity, and the results of the UK’s latest censuses will highlight again the size and diversity of the country’s minority ethnicity population. In 2011, nearly one-fifth of the population of England and Wales identified with an ethnic group other than the White British majority; in comparison, the populations of Scotland and Northern Ireland exhibit significantly less ethnic diversity.

- Official UK datasets collect information on respondents’ self-reported ethnic group. This is a flawed but nonetheless practical way of understanding group differences. Ethnic groups as collected in official UK data combine different aspects of individual identity, and many of the categories are informed by historical ‘ideas of Race’. The extent to which individuals relate to their ethnicity and the stability of their ethnic identity varies substantially. Though this creates challenges for research and interpretation, the availability of ethnic identity information in UK data permits a better understanding of inequalities and group differences than is possible in many other contexts.

- Ethnic groups in England and Wales have very different characteristics to the White British majority that matter for inequalities. A majority of Black African individuals are first-generation immigrants, while most Black Caribbean individuals were born in the UK. The ethnic minority population is much younger than the population as a whole. And despite patterns of dispersion over time, most ethnic groups are disproportionately concentrated in cities, with 58% of the Black population of England and Wales residing in London as of 2011, for instance.

Rapid improvements in educational outcomes for many students from minority ethnic groups are one of the most striking educational trends in recent years. In England, GCSE attainment improved particularly rapidly for Bangladeshi, Pakistani and Black African students in the past.

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two decades, with Bangladeshi students going from a 9 percentage point attainment gap compared with White British students in 2004 to a 6 percentage point advantage in 2019. **Students from almost all minority ethnic groups are more likely to attend university than their White British counterparts.** However, significant attainment gaps exist for these students once at university.

- Labour market outcomes show varied fortunes across and within groups over time. **Overall, ethnic employment gaps have closed substantially since the 1990s, and especially among men.** In the 1990s, Pakistani men were nearly 20 percentage points less likely to be in employment than the White majority; by 2019, this gap was closed to 2 percentage points. Despite this, statistical analysis that controls for individual characteristics continues to find large, unexplained employment gaps for many minority groups. Discrimination, preferences, norms and local opportunities may play differing roles for different groups. **Median earnings gaps appear to be more persistent, and even where educational and occupational successes have facilitated faster relative wage growth (such as for Indian men), unexplained wage penalties remain.**

- Lower rates of employment, larger households, and higher housing costs for Pakistani, Bangladeshi and Black households imply lower standards of living than labour market earnings alone suggest. While redistribution via taxes and benefits push in the other direction, **poverty rates among minority ethnic individuals are much higher than the White British majority – and even more so among children.** Pre-pandemic, more than half (52%) of Bangladeshis, including more than two-thirds of Bangladeshi children (67%), were in poverty after housing costs, for instance, even after large falls in the preceding decades.

- Alongside these material inequalities, **minority ethnic individuals in the UK exhibit long-term upward social mobility – even more so than among the White population.** Educational attainment appears to be a key part of this story and this pattern sets the UK apart from many European countries. However, occupational and income mobility is not always commensurate with qualifications for minority ethnic groups in the same way as for the White majority.

- Though pre-pandemic ethnic health inequalities show a varied picture, **the health impacts of the COVID-19 pandemic have so far been extremely disproportionate for minority ethnic groups:** as of the end of 2021, age-standardised mortality rates were 3.6 times higher for Bangladeshi men than for White British men, and twice as high for Black men than for White British men. These patterns draw attention to issues such as differences in working conditions and institutional trust – the latter most clearly illustrated by stark gaps in vaccine uptake.

- Government policies acknowledge ethnic inequalities and attempt to address them explicitly by targeting discrimination and promoting more equal representation. Both are likely to play important roles in outcomes for minority ethnic individuals, even if our understanding of the precise mechanisms, and how these vary in importance in different settings, is limited. However, the UK evidence available suggests that **discrimination is persistently prevalent in hiring practices, and that representation of ethnic minorities in some institutions lags their population share substantially,** suggesting that more progress is needed in these areas.

1. **Introduction**

**Background**

This chapter is concerned with racial and ethnic inequalities in the UK. The UK has become increasingly ethnically diverse in recent decades with large and varied minority ethnic populations coming from across the globe. As Figure 1 shows, in the 2011 Census of England and Wales (which will soon be superseded by the 2021 edition) nearly one-fifth of the population identified with an ethnic group other than the majority. In this context, understanding how and why those from different ethnic communities face different opportunities and outcomes has become an increasingly important topic.
Differences in outcomes between ethnic groups can be large – certainly comparable to or larger than the UK’s substantial regional disparities (Overman and Xu, 2022) on some national headline measures of inequality. However, there is no straightforward or unified story of advantage or disadvantage among the UK’s diverse ethnic minority groups. For example, Bangladeshi unemployment rates are nearly twice those of the Indian population, a larger gap than that between the regional unemployment rates of the North East and South East of England (see Figure 2). Yet, the high unemployment and low wealth of Bangladeshis is in sharp contrast to their high rates of university entry. Thus, different outcomes can tell very different stories, reflecting varied cohorts and rapidly changing populations. Moreover, communities that may be considered ‘close’ often exhibit very different outcomes. For instance, Indians and Bangladeshis are often combined under the overarching category ‘Asian’ but average incomes and wealth differ markedly between the two groups. Thus, our choices in measurement and methodology shape the stories we tell. In this chapter, we take an interdisciplinary and multidimensional approach in order to consider the complex dynamics of Race, gender, age, migration, and education that differentially interact with – and shape – the UK’s rapidly changing ethnic populations.

Intersectional patterns rooted in identity, location and circumstance raise questions about how to understand ethnic disparities that are both inter-related and in flux. The COVID-19 pandemic brought ethnic inequalities in the UK into stark relief, and, alongside the concurrent surge in concern with Black Lives Matter, focused the public gaze on the disproportionate impact of the pandemic on ethnic minority groups, and the persistence of ethnic inequalities more generally.

In their chapter, Satz and White (2021) suggest that societal concern with group-based inequalities, such as racial and ethnic inequalities, may arise from a sense of unfairness regarding
Figure 2. Example inequalities by group across different socio-economic outcomes, relative to population benchmark

Note: For each outcome, this figure compares group averages to the population average, measured as the overall rate for unemployment and university entry, and the median for wage and wealth. Unemployment rate and wage are for England and Wales in 2017–19, for adults aged 16–64 and not in full-time education, where unemployment measures the share of individuals active in the labour market but without employment, and wage measures the median wage of employees; wealth is based on median household wealth in UK households in 2016–18, with ethnicity measured by the ethnicity of the household head; university entry is rate of progression to higher education among state school pupils in England in the 2018–19 academic year.


the sources of those inequalities, including historical injustices (e.g. colonialism, enslavement and racist policies) and contemporary discrimination. Moreover, ethnic inequalities may create relational concerns about the balance of political power across different communities, and can undermine social cohesion and commonality of experiences that many see as a fundamental part of democratic systems. Civil rights champions have long advocated that racial equality grounded in values of love, care and respect bestows a ‘humanising endowment of dignity’ on all in society (Lewis and Cantor, 2016). Others may simply object to the fact that ethnicity-specific obstacles or constraints limit the potential and prosperity of individuals and the nation as a whole. Thus, there are various political and philosophical motivations for being concerned with ethnic inequalities.

On aggregate, the British public is concerned with ethnic inequality: novel research elsewhere in this Review found that more British people identified inequalities between racial and ethnic groups as a serious issue than those selecting intergenerational, gender, or health inequalities (Benson et al., 2021).

Despite the renewed focus on ethnic inequalities, they are not new: they reflect historical and contemporary processes of migration, exclusion and racialisation – and resilience. At the same time, this chapter shows that different ethnic minority groups have varied experiences and inequalities that have differentially shaped their socio-economic outcomes, which speaks to the importance of recognising and investigating inequalities between and within ethnic minority groups residing in the UK – as well as between minorities and the majority.

This chapter is written in a particular destabilising moment of ‘conjuncture’ in the unfolding history of Race relations (Boulila, 2019). The 21st century has been hailed as signalling the coming-
of-age of the post-Race era in the West (Lentin, 2012; Goldberg, 2013). The election of Barack Obama in 2008, Rishi Sunak’s rise to UK Prime Minister in 2022, and a rising Black, Latinx, Indian, Middle Eastern and Asian middle class in the United States and post-imperial Britain and Europe is seen to mark the ascendancy of high-income economies in which ‘all can achieve’. In these so-called ‘post-Race times’, some have argued that in contrast to the ‘colour line’ that defined the 20th century, the embodiment of Race through skin colour is no longer a structural impediment to educational and economic opportunities (Kapoor, Kalra and Rhodes, 2013). In the wake of 65 years of struggle for Civil Rights in the US and antidiscrimination legislation in UK (Runnymede, 2015), some express a belief that we live in an increasingly colour-blind meritocracy, where all can succeed with the right combination of talent and tenacity (see, for example, the Commission on Race and Ethnic Disparities – or the Sewell Report; Sewell et al., 2021). However, in the post-Race era, this ‘dream’ of equality has been met by a ‘multicultural backlash’, which sees equality mechanisms aimed at levelling the playing field for racialised ethnic groups as conferring an unfair advantage rooted in political correctness. A politically fuelled discourse now contends that the ‘really discriminated’ against are no longer Black and Brown minority groups but the ‘displaced’ White majority (Reay, 2009; Gilroy, 2012; Bhambra, 2017; Malik, 2021).

In parallel, racialised flashpoints continue to mark this post-Race ‘conjuncture’ with deep discontent, surveillance and suppression. These racialised tensions are reactions to, for instance, the hyper-securitisation of Muslims post-9/11, police (and state) brutality as voiced in the global Black Lives Matter uprisings, and the erection of bulwarks against mass migration and refugees fleeing the war-torn post-colonial global South and Middle East.

In this context, new patterns of ethnic inequalities are emerging in the UK, while persistently disadvantaged groups such as Black Caribbean youth, Muslim men and women, and Gypsy Traveller peoples are still ‘left behind’. This chapter will explore and document the ways in which these inequitable (and often intersectional) polarisations and ethnic distinctions are developing in the UK in surprising ways, engendered through changing patterns of immigration and intergenerational progression.

Chapter scope and structure
This chapter sets out to shed new light on current and longstanding ethnic inequalities in the UK. It draws on existing knowledge and insights from the theoretical, qualitative and quantitative literature, enhanced with new quantitative analysis to document differences in economic outcomes across and within groups. As well as understanding the contours of different ethnic groups’ experiences of inequality relative to the White British majority, the chapter aims, where possible, to offer a nuanced intersectional perspective on the impact of Race, class and gender on ethnic inequalities, even as the precise patterns change. It links them to the factors that enable inequality to endure and be replicated, and which itself draws on or at least makes links to discussions of resources, including wealth, labour markets, and welfare and taxation.

We offer an analysis of the processes and mechanisms that help to explain ethnic inequalities in the context of different sorts of ethnic resources, institutional factors and differences in norms and behaviours. This includes an appreciation of the legacy of racialised colonial relations and its influence on migration histories and the ensuing stigma, stereotypes, harassment and discrimination that ethnic minorities encounter. We also highlight substantive changes in political representation, equality legislation and diversity policies, which represent perhaps the most explicit recognition of ethnic and racial inequalities through policy in the UK.

Our new findings, as we present them in this chapter, update and potentially challenge existing ‘accepted truths’ about ethnic inequalities and thus invite deeper investigation in relation to different mechanisms, including discrimination, occupational concentration and access, patterns of migration and regionalism. Furthermore, this chapter highlights the rapid pace of change within some ethnic groups. Racialised ethnic groups interact with, influence, and are influenced by mainstream British society. People are creating new ‘hybrid’ cultural forms and identities. For example, not all Muslims interpret their religion in the same way; there are wide differences between Indians in the type of work they do and their involvement in mainstream institutions; and there are increasing separations between younger Bangladeshis and their family traditions. And within ethnic groups, men and women often exhibit very different life outcomes.
The content of this chapter relates to and/or gives a specific perspective on some of the other chapters in the Review that cover domains such as education, income, gender inequalities and geography, but which often do not focus on differences across ethnic groups specifically. The dynamics of ethnic inequalities in these domains across generations and cohorts (and their spatial patterning) will enhance understanding of inequalities more generally. There is a particularly clear relationship between this chapter, with its focus on different (migrant) generations, and the Immigration chapter, which analyses the immigrant generation specifically. However, this chapter cannot and does not aim to offer an exhaustive overview of all areas of ethnic inequality and across all groups. For example, it was beyond our scope to explore the important impact of policing and the criminal justice system and its role in the reproduction of ethnic inequalities (Lammy, 2017; Elliott-Cooper, 2021).

The chapter is organised in three main sections.

Section 2. Race and ethnicity in the UK today
In this section, we provide necessary context for understanding inequalities across ethnic groups in the UK. We briefly discuss the history and linkages between Race and ethnicity, with reference to the UK specifically, before presenting (changing) expressions and measurements of ethnic identity in the 21st century. We then offer a high-level demographic breakdown of ethnic groups. One of the defining factors in characterising inequalities among different ethnic minorities lies in understanding regional patterns of settlement and the opportunities this affords in terms of access to housing and jobs. The concentration of ethnic minority groups in large urban conurbations and specific regional areas in the UK reflects historical patterns of migration and settlement linked to the demand for labour in niche industries and employment opportunities. The section also highlights the rapidly changing nature of ethnic minority groups in terms of fertility and intergenerational change, and the growth of mixed-Race groups. The relative youthfulness of most ethnic minority populations, compared with the ageing majority White British population, points towards a continuation of the ‘irresistible rise of multi-racial Britain’ (Phillips and Phillips, 1998).

Section 3. Inequalities between and within ethnic groups
In this substantive section, we draw on varied datasets to examine inequalities in education, the labour market, social mobility and living standards over time. Throughout, we highlight interdependencies over each set of outcomes but stress that these correlations do not appear to work in the same way across all groups. While patterns of educational attainment show important positive trends for many ethnic minority groups, labour market outcomes and living standards do not always appear commensurate – even if both have improved in recent decades. More disaggregated data show how patterns can vary substantially by gender, cohort and class: for instance, young Bangladeshis show remarkable educational gains; outcomes for Black Caribbean men, in particular, have stagnated. Similarly, in terms of poverty and wealth, we document substantial ethnic differences, despite some heterogeneous change over time. These socio-economic inequalities preceded and are further highlighted by the disproportionate impacts of the COVID-19 pandemic.

Section 4. Legislation, representation and discrimination
Existing legislation seeking to directly address ethnic inequalities has generally done so by either promoting greater representation and/or by taking steps to outlaw or address discrimination. In this section, we discuss these policies and summarise the available evidence and mechanisms that underlie such policy initiatives. We explore barriers to ethnic minority access participation and representation in key areas of the State, such as government, public institutions and other decision-making bodies. Drawing on public data, we explore avenues of ethnic minority ‘voice’ through access and participation in parliamentary democracy, both as voters and MPs. Mapping seniority and progress in specific professions, such as medicine, teaching and the police, the data point to the paradox of ethnic minority exceptionalism and exclusion. To the extent possible, we also consider the role of racial or ethnic discrimination in contemporary inequalities.
2. Race and ethnicity in the UK today

The issues of Race and ethnic inequalities are both contentious and complex. The UK’s biggest ethnic minority populations have their roots in the country’s colonial past, and even the concept of Race or ethnicity as a measurable trait has racist roots. Thus, it is important to provide some brief context as to how we arrived at where we are now. Moreover, the UK’s ethnic composition has been changing fast, and different ethnic groups in the country today have very different characteristics that are relevant for the analysis of inequalities. Before examining these inequalities then, it is useful to first survey some key characteristics of the country’s different ethnic populations.

Race, ethnicity and identity

What do we mean by Race and ethnicity?

The title of this chapter is ‘Race and ethnicity’, and often in everyday and policy contexts these two terms are used interchangeably. However, these are two different concepts, and we must be clear from the outset about how they relate to each other, where our focus lies, and why we include both in the title.

To do so requires offering some brief perspective on the history of Race, which is a (violent) history of racism, and inherently political. With the decline of religion and ascendancy of science during the Enlightenment in the 17th and 18th centuries, a crude racial pseudoscience evolved, invoked to justify imperialism, colonialism and enslavement. Thus, from the beginning, the very ‘Idea of Race’ was intrinsically linked to systems of power, domination and material extraction (Mills, 2014). Observable physical differences emerged as a predominant rationality in distinguishing the ‘Races’ (Malik, 1996; McClintock, 2013). Race became a way of organising human beings into biological categories and was used to explain perceived differences between them, particularly asserting the superiority of the Europeans over Black, Brown and Asian ‘others’. This biological view saw Race as unchanging and innate – a theory of Race now known as essentialism. This idea was challenged by the publication of Darwin’s *Origin of the Species* in 1859, which rejected racial essentialism and argued that Races could be subject to change. However, Social Darwinism created a ‘scientific’ approach that Races had to be kept separate and ‘pure’ – particularly the European White Race, to prevent internal ‘contamination’. The Eugenics movements of the 19th and 20th centuries sought to further control the purity of the ‘White Races’ by forcibly preventing the ‘breeding’ of those deemed undesirable, such as Black, Jewish, disabled and poor people (Kohn, 1995). Racialised systems of governance, such as Apartheid in South Africa, Jim Crow in the US and the British Empire, deployed the rule of law to legislate and brutally enforce the compulsory separation of Black, Brown, Asian and White ‘Races’ upon pain of death and punishment.

After the Second World War, the horrors of the genocide of Jews, Slavs, Gypsies and the disabled forced the academic community to challenge the so-called ‘scientific’ basis of racial difference. Between 1950 and 1967, a variety of United Nations Educational, Scientific and Cultural Organization (UNESCO) statements on Race and difference appeared, arguing that the ‘Idea of Race’ had no biological basis and that Race was a social construction. The theory of racial constructivism posits that racial categorisations and distinctions are determined by social, historical and cultural forces – with the importance placed on specific genetic or phenotypic characteristics often related to dynamics that support existing social hierarchies (Sidanius and Pratto, 2001). However, the deep social meanings of Race, connected to racial hierarchies based on phenotypical and physical characteristics, have endured in different ways to this day. The power of early scientific thought, coupled with the legacy of imperialism, colonialism and enslavement, has left deep footprints in the unspoken racial psyche of our societies.

In the post-war years, the contours of racism shifted: the ‘new racism’ in dominant discourse moved from the scientific, biological rationale of the Enlightenment towards a ‘cultural’ racism (Goldberg, 1993). Successful anti-colonial struggles in India, Africa and the Caribbean, combined

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3 Among social scientists, racial constructivism is generally accepted to be the best description of how Race operates in reality. However, outside of social science and in popular discourse, essentialist ideas continue to predominate (Sen and Wasow, 2016).
with growing Civil Rights movements and the introduction of the United Nations and other legislation covering human rights and equality, became part of most countries’ progressive agendas (Omi and Winant, 2014). The arrival of New Commonwealth citizens from the Caribbean to rebuild post-war Britain became not only a flashpoint for the virulent racism of the far right but a potential source of political capital for those in high office – most famously in Enoch Powell’s ‘Rivers of Blood’ speech. In response to the need to ‘cool out’ racial strife in the inner cities, the 1960s heralded in the era of multiculturalism. Thus, the post-war discourse of ‘assimilation and integration’ shifted to one of ‘tolerance and mutual respect’ of minority communities. However, the notion of ‘celebrating’ cultural differences within the multicultural approach masked deep underlying racisms and patterns of segregation that set in motion persistent inequalities at school and work, such as the exclusion of Black children in schools (Coard, 1971; Mirza, 2005, 2022). In this ‘turn’ to cultural racism, racialised minorities were not so much seen as biologically inferior but as culturally and socially lacking – mocked, dirty and undeserving (Ware, 1996).

In response to this hostility, racialised minorities evolved antiracist strategies adopting and reclaiming the ‘Idea of Race’. They constructed positive self-identities based on colour and visible cultural difference as a basis for political resistance to fight for the equal right to participation (Andrews, 2018). Thus, when people used the term ‘Black’ in the post-colonial era of the 1960s it was understood not to constitute a fixed, biologically defined Race or racial category. Instead, it evolved as a positive political assertion of a powerful Afrocentric identity, such as the African American Black Panthers. ‘Black’ also evolved as a contested, homogeneous, umbrella term to encompass those who are visibly and politically excluded and racialised as ‘other’ in post-colonial Britain. For example, it was appropriated by ‘Black’ feminists in the political sense to positively denote women who self-identify, originate or have ancestry from global majority populations such as African, Asian, Middle Eastern and Latin America and Indigenous and bi-racial backgrounds (Brah, 1996; Mirza, 2015). However, some argue that this call to political solidarity has partly been lost in recent years amidst the fragmentation of ‘identity politics’, borne of the need to name and reclaim unique differences, struggles and histories (Modood, 1994).

Contours of racial marginalisation have continued to expand beyond historical ideas of Race. In the latter 20th century, globalisation and waves of famine, war and persecution produced mass movements of people entering European and other ‘White’ settler nation states, including Australia, Canada and the US. The UK has seen not only immigration from its own ex-colonies of Africa and India, including the subsequent nations of Pakistan and Bangladesh, but more recently in the 1990s refugees from Bosnia, Ethiopia, Iran, Kosovo, Palestine, Somalia, Sri Lanka and Syria, among others. The right to free movement of people in the European Union (EU) resulted in large inflows of migrant workers from Eastern Europe, sometimes vilified as the new ‘folk devils’ in the UK (Bottrell and Burrell, 2019). Such xenophobic sentiment has been linked with the political drive to Brexit in 2016 and the ‘hostile environment’ towards migrants, which saw the racial targeting and deportation of asylum seekers, including legal British Caribbean citizens of the Windrush generation (Jones et al., 2017, p. 208; Williams, 2020). However, national cultures have never been fixed or unified. The nation is an ‘imagined community’, imagined ‘because the members of even the smallest nations will never know most of their fellow members, meet them, or even hear them, yet in the minds of each lives the image of their communion’ (Anderson, 1983, p. 6). Nations themselves are discursive devices representing difference as unity/identity. National identities are formed in relation to the threat of ‘outsiders’ from ‘other’ nation states. This has been particularly marked in relation to tensions between the ‘East’ and ‘West’ and the ‘Rest’ – that is, the nations of the global South (Said, 1978; Hall, 1992; Bhabha, 2020). Thus, although colour and phenotype have been integral to ideas of Race and racial hierarchy, particularly in relationships of slavery and colonialism, religion or ‘narrow’ ideas of culture have also informed racism. There has been a rise in Islamophobic racism, for instance, framed in terms of visible faith-based difference ever since the global ‘disjuncture’ of the (Muslim) terrorist attacks of 9/11 (Abbas, 2021).

This broadening of minority exclusion and repression beyond historical ideas of Race connects us with the concept of ethnicity. Traditionally, ‘ethnicity’ was used to describe people who perceived a shared identity based on culture, descent and territory. For instance, in the early 20th century ethnicity was used in the US by anthropologists and sociologists to refer mainly to the White European immigrant groups they were studying and to analyse their relationship to American society (Alba, 1990). In the UK, the analysis of ethnicity has typically referenced the study of New Commonwealth immigrants from the 1950s (Solomos, 2003). Ethnic identity is a process of group
identification and includes self-defining religious and cultural groups who can share any combination of skin colour, language, religion, beliefs, nationality, regional affiliation and historical ‘memory’ (Banks, 1996; Jenkins, 1997; Fenton, 2010). While in some countries and contexts, Race is the main operational concept in government agencies, in the UK, self-identified ethnicity is the concept recognised in official data collection, and thus will be the main way in which we study inequalities in this chapter. Like Race, the operationalisation of ethnicity is contested.

While we all have an ethnicity, expressed through our shared language, culture and memory, some scholars have argued that the salience of ethnicity varies according to whether it is made visible or not in relation to an assumed national norm. For example, differential power relations among and between ethnic groups in a predominantly White post-colonial society such as the UK means perceptions of inherent differences in worth, access to rights, citizenship and belonging may not apply in the same way for racially identifiable groups, such as Africans or Indians (Parekh, 2000; Cornell and Hartmann, 2006). This has prompted claims that the unstinting singular ‘gaze’ on Black, Brown and Asian ethnic groups when discussing ethnic inequalities in the UK legitimates, in a subtle way, their difference from the (White) ‘norm’. It problematises the ‘exotic’, ethnically ‘different’, ‘fixed’ racialised minority cultures who are put under the microscope. Those deemed as ‘outsiders’ (for example, immigrants, migrant workers and refugees) are constructed as outside of a mythical ‘homogeneous national culture’.

However, the term ‘ethnic group’ cannot be used solely in relation to those peoples from the ex-colonies of the Caribbean, the Indian subcontinent, continental Africa, and Hong Kong. As social commentator Alibhai-Brown (2000) states, ‘we live in a society composed of a number of ethnic groups, one of which is the English’, though the normalcy of a ubiquitous Whiteness often renders Englishness invisible as an ‘ethnic’ identity (Frankenberg, 1997; Malik, 2021). Nevertheless, everyone has an ethnicity, whatever colour, creed or nationality. The English, Scottish, Irish, Welsh and Gypsy/Travellers all have distinct national allegiances and/or ethnic loyalties and cultural characteristics (Colley, 1992; McKinney, 2003; Runnymede Trust, 2017).

Despite this, the legacy of ‘Race’ still frames the everyday way we talk about ethnic difference. Ethnicity in UK data collection uses both phenotypical visible skin colour (‘Black’) alongside country of origin (Caribbean). At other times, culture, language, religion, region and continent are used to identify and categorise racial and ethnic origins. Thus, we find peoples defined by geographic or national origins, such as African, Asian, Indian or Chinese, juxtaposed with specific cultural, linguistic and religious groups, such as Irish travellers or (Muslim) Pakistanis and Bangladeshis. In so doing, official conceptions reflect the reductionist and essentialist limitations of using ‘racial’ terms and ‘ethnic categories’ to define and measure identity and difference.

The terminology of ethnic identity and Race is not static in society. It is constantly changing and open to political contestation, and the different ways in which racial terms and ethnic categories evolve help us to understand the political and historical development of the ethnic and racial definitions we use today (Bhavnani, Mirza and Meetoo, 2005; Fenton, 2005; Burton, Nandi and Platt, 2010; Platt, 2019). The way we talk about ‘race’ and ethnic difference reflects competing ideological attempts to assert group domination and induce subordination in different times and social and historical contexts (Goldberg, 1993). Thus, we need to be ever cognisant of the fluidity and changing nature of identity and its accompanying racialised terminology. For example, as ‘race’/Race is now perceived as a social construction, no longer ideologically supported by objective or measurable physical and social characteristics, it is written in quotation marks and/or expressed with a capital letter. This is also the case with the term ‘black’/Black, which is now a positive racialised identity, and like Race is not a genetically inherent or measurable biological fact (Lewontin, Rose and Kamin, 1984; Andrews, 2018).

What is ‘common-sense’ or acceptable in one place or time can offend in another. The use of ‘coloured’ with its colonial associations is offensive to young ‘black’/Black people of African heritage and to those of ‘mixed’ heritage origin (Song, 2010; Ifekwunigwe, 2015). However, ‘coloured’ was commonly used as a term by older (post-colonial) ‘West Indians’ (a term now replaced by African Caribbean) to positively self-identify themselves in the 1960s. In the US, ‘women of color’ is still used to collectively and controversially encompass the various shades of African American, Asian, Hispanic and other non-White American womanhood. In South Africa,
however, the term ‘coloured’ invokes negative connotations of segregation under apartheid when Indian and indigenous ‘mixed race’ people were referred to as thus, as a means to differentiate them from Black people, and so impose a formalised racial hierarchy (Song, 2004). In antebellum US, the labels ‘colored’ and ‘negro’ were used under the racist Jim Crow legal system to suppress Black African Americans’ identity and right to self-determination. Terms such as ‘hybridity’, which were once seen as a derogatory racist concept (implying ‘half-breed’ or mixed ‘race’), have more recently been reclaimed to denote dynamic fertile diasporic spaces where the mixing of people of ‘colour’ produces a positive and creative space of difference (Hall, 1992).

New racialised and ethnic identities are constantly emerging in response to oppression, marginalisation, resistance and ‘voice’. While there is a heightened and sensitive nature to using the ‘right’ (‘woke’) racial terms and categories, it is also important to openly acknowledge there is no consistent or one way to do it. The government, in its efforts to track and monitor difference and diversity, has used the term Black and minority ethnic, shortened to BME, or BAME (Black, Asian and Minority Ethnic) or BAMER (to include refugees), though such terms were disavowed by the Sewell Report (Sewell et al., 2021). These are not terms many ‘minority ethnic’ communities tend to use to describe themselves. Indeed, there has been much controversy about what they really signify and to whom (e.g. Khunti et al., 2020). The label ‘ethnic minority’ ironically refers to peoples who make up ‘majority’ populations globally, such as Asians or Africans, who yet find themselves defined as ‘minority’ migrant communities in the UK – even if their ancestors have lived in the UK for three or more generations.

In response to this, some choose more empowering terms, thus ‘minority ethnic’ rather than ‘ethnic minority’ is now sometimes used. Some argue such terms are an inaccurate representation of the truth and ‘whitewash’ the historical role of British Imperialism and the devastating effects of colonialism, and thus self-identify as the ‘global majority’ (Campbell-Stephens, 2021). While BAME was an attempt to denote the social construction of difference through visible racial (Black) and cultural (ethnic) markers, it does not acknowledge that racism is increasingly being framed in terms of (still visible) faith-based difference since the (Muslim) terrorist attacks of 9/11 (Abbas, 2004; Meetoo and Mirza, 2007).

This discussion highlights the historical and conceptual complexity of Race, ethnicity, and their overlaps. While Race and ethnicity have different conceptual histories, under a constructivist interpretation of Race, the conceptual distinctions between them are significantly blurred, and in different contexts – whether geographical, methodological or cultural – they may be used interchangeably. While this chapter will largely present inequalities by ethnic group as defined and collected by statistical authorities, we should not lose sight of the ways in which these inequalities are linked to or may reflect racialised discrimination both historically and in contemporary Britain. The study of differences in socio-economic outcomes today needs to be mindful of historical racial roots, as well as the potential role of intersections with class or gender, for instance. In sum, while it is important to acknowledge that there is no single, consistent or ‘correct’ way to measure Race and ethnic difference, these concepts and associated categories and measures remain a pragmatic tool with which to measure tangible inequalities.

**Ethnic groups in the UK**

Data collection specifically on ethnicity has a relatively short history in the UK. The 1991 Census was the first to ask respondents about their self-reported ethnic group, with the England and Wales Census offering seven pre-coded categories and two additional write-in options, under ‘Black-Other’ and ‘Any other group’. In the years that followed, some of the country’s main survey datasets, such as the Labour Force Survey and the newly launched Family Resources Survey, adopted the same consistent question. In the decades since, additional options have been incorporated in official statistics to reflect the changing composition of the population and new or refined understandings of identity. The 2001 England and Wales Census began offering options for those who held mixed or multiple ethnic identities, as well as disaggregating ‘White’ into different White ethnic groups; the 2011 England and Wales Census further added ‘Gypsy or Irish Traveller’ and ‘Arab’, while the 2021 edition added a tick box for ‘Roma’ under White, and provided a ‘search as you type’ function to make it easier for people of Somali origin to use the write-in option under ‘Black African’. Table 1 lists the 18 ethnic groups offered at the 2011 Census in
England and Wales – which form the basis for the analysis in this chapter – alongside the 19 provided in Scotland. This illustrates how the categories offered are tailored to context. In Northern Ireland, where it is not acceptable to ask respondents to choose between Northern Irish/British and Irish identities in line with the Good Friday Agreement, the 2011 Census provided only ten pre-coded groups.

Table 1. Ethnic groups used in official statistics in the UK (2011 censuses)

<table>
<thead>
<tr>
<th>England and Wales</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>White:</strong></td>
<td><strong>White:</strong></td>
</tr>
<tr>
<td>English/Welsh/Scottish/Northern Irish/British</td>
<td>Scottish</td>
</tr>
<tr>
<td>Irish</td>
<td>Other British</td>
</tr>
<tr>
<td>Gypsy or Irish Traveller</td>
<td>Irish</td>
</tr>
<tr>
<td>Any other White background</td>
<td>Gypsy/Traveller</td>
</tr>
<tr>
<td>Mixed/multiple ethnic group:</td>
<td>Other White ethnic group</td>
</tr>
<tr>
<td>White and Black Caribbean</td>
<td>Polish</td>
</tr>
<tr>
<td>White and Black African</td>
<td></td>
</tr>
<tr>
<td>White and Asian</td>
<td>Other</td>
</tr>
<tr>
<td>Any other Mixed/multiple ethnic background</td>
<td></td>
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<tr>
<td>Asian/Asian British:</td>
<td></td>
</tr>
<tr>
<td>Indian</td>
<td></td>
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<tr>
<td>Pakistani</td>
<td></td>
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<tr>
<td>Bangladeshi</td>
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<tr>
<td>Chinese</td>
<td></td>
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<tr>
<td>Any other Asian background</td>
<td></td>
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<tr>
<td>Black/African/Caribbean/Black British:</td>
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<tr>
<td>African</td>
<td>Other</td>
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<tr>
<td>Caribbean</td>
<td></td>
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<tr>
<td>Any other Black/African/Caribbean background</td>
<td></td>
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<tr>
<td>Other ethnic group:</td>
<td></td>
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<tr>
<td>Arab</td>
<td></td>
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<tr>
<td>Any other ethnic group</td>
<td></td>
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</tbody>
</table>

Note: In both censuses, an individual selecting any of the ‘other’ categories is prompted to write in their self-identified ethnicity in a provided box; this prompt is omitted from the table for brevity. In Wales, ‘Welsh’ is the first listed option in the White category. Source: Office for National Statistics; National Records of Scotland.

A respondent’s self-reported ethnic group according to these categories forms the basis of studying inequalities for the vast majority of this chapter. Because consistent categories deriving from the censuses are used across many datasets, we can study the experience of different groups in different domains and at different points in time with a common framework. However, it is important to note the criticisms and shortcomings of relying solely on such measures, above and beyond the conceptual challenges and historical and political baggage of ethnic and racial categorisation already discussed.

The conceptual foundation for the ethnic groups in Table 1 – which combine aspects of phenotype, culture, religion, geography and nationhood – is based on objectively measuring an individual’s subjective self-identification using a fixed set of categorical responses. This creates challenges for research because such fixed groups may not adequately represent patterns of true individual identification; for instance, Pringle and Rothera (1996) found that when asking both an open-

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4 Scotland’s 2022 census saw further changes, with the addition of ‘Roma’ and ‘Showman/Showwoman’ under ‘White’, and the consolidation of the different tick boxes below ‘African’ and ‘Caribbean or Black’ into one each, alongside prompting of example ethnicities that could be written in the provided space for these groups. Write-in prompts were also provided for those selecting ‘Other’ under ‘Other ethnic group’, in the form of ‘… (for example, SIKH, JEWISH)’. 
ended ethnicity question alongside the census question, a close match occurred in only 28% of cases, raising questions about how meaningful the categories offered may be. Survey responses may simply be learned over time; for instance, recent immigrants from the Caribbean and Central and South America have previously been shown to favour selecting their country of origin as their Race or ethnicity, and don’t distinguish between the two concepts (Martin and Gerber, 2006).

Moreover, despite the operationalisation of census-style questions in order to study socio-economic trends for groups in society, ethnicity and Race are not fixed concepts. The way individuals relate to group identities and thus identify themselves in social surveys depends on many aspects of circumstance, which may change how they define themselves on any given day or in the longer run, highlighting the reality of the constructivist interpretation of Race and ethnicity. For instance, Dahis, Nix and Qian (2020) document that substantial numbers of African American men changed their racial identity to White between 1880 and 1940, with evidence suggesting this ‘passing’ may have been a response to discrimination. Rademakers and van Hoorn (2021) illustrate the extent of ‘ethnic switching’ in India, Indonesia and the US; such switching is correlated with migration and with marriage, with potential implications for measures of ethnic segregation, for instance. Jia and Persson (2021) formalise the interacting considerations of material benefits, identity costs and social reputation for individuals selecting their identity. Overall, there is a range of empirical evidence that racial or ethnic identity choice is (partially) dependent on individual incentives (Austen-Smith and Fryer, 2005; Eguia, 2017; Kim and Loury, 2019).

Changing ethnic identities can be quantitatively important. Simpson, Warren and Jivraj (2015) use linked census data to show that in England and Wales, 4% of all people chose a different ethnic group in 2011 than in 2001 – twice the level of ‘ethnic switching’ as in the previous decade. For some groups, this is much higher, with 43% of those selecting Mixed White and Black African in 2001 choosing a different group in 2011. This rises to 50% of ‘Other Asian’ and 71% of ‘Other Black’. As summarised by Burton, Nandi and Platt (2010), such problems arise from ‘treating a multi-dimensional, fluid and contextually and relationally specific concept as if it were unidimensional, fixed and stable’.

Undoubtedly, there are many different ways to conceptualise minority groups, and the measurement of ethnicity in the UK often bundles together characteristics that may function as a source of identity. Given the challenges in measuring ethnicity, it is useful to explore alternative means of conceptualising minority experiences, and their overlaps with the categories on which we will rely, in order to understand the degree to which these ‘boundaries’ between groups blur or not. As well as skin colour, ethnicity and country of birth or generation of immigration, one might think of nationality, religion, language or some concept of stated national identity as identifying ‘minority’ groups that may be disadvantaged or excluded in some way (Burton, Nandi and Platt, 2010). In aggregate, the size of the ‘minority population’ defined in different ways varies significantly: at the 2011 England and Wales Census, 20% reported an ethnicity other than White British, 13% were born abroad, 8% reported a non-native main language, and 8% held a minority religion (or 9% excluding those who did not respond).

Each conception of minorities suggests different historical prejudices and potentially exposes individuals to different challenges and forms of discrimination. For instance, individuals born in less prosperous countries than the UK are unlikely to have had the same opportunities to accumulate familial wealth over generations; and while skin colour may result in discrimination, someone whose first language is not English may be excluded from certain professions or career progression on the basis of language ‘skills’. The shortcomings of the main ethnicity measure and the need to do justice to these potential overlaps have led to alternative approaches, such as the construction of ethno-religious groups (e.g. Longhi, Nicoletti and Platt, 2013). As Figure 3 shows, the degree of overlap between these different conceptions of minorities varies substantially by characteristic and ethnic group. White Irish and ‘Other White’ individuals are predominantly

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5 Religion was the only census question where response was voluntary in 2011, with 7.2% of respondents choosing not to state their religion.

6 In many contexts, these alternative conceptions of minorities are the only way in which minority communities can be studied, as the collection of data on ethnic or racial origin is, in itself, a political – and, in some cases, controversial – practice. In France and Germany, for instance, it is prohibited to collect data on an individual’s ethnic or racial background. In fact, a 2018 review found that among OECD members, statistical offices in only 16 out of 36 countries
born abroad (though of course what this means varies greatly in line with different migration histories and experiences) and do not hold British nationality, but only a small share of either reports a minority religion. In contrast, a majority of Pakistanis and Bangladeshis were born in the UK, identify with a British identity, and hold British nationality; they are also overwhelmingly Muslim and thus are in a religious minority. Black Caribbeans are aligned with White British on these measures to a large extent but are exposed to racialised discrimination and disadvantage.

These overlaps between different markers of minority status, and different potential sources of advantage and disadvantage, will be important to bear in mind when interpreting the socio-economic inequalities that we explore in this chapter. We acknowledge that the measure of ethnicity that underpins the analysis to follow will bundle together a range of different dimensions of group difference, and do not causally ascribe any particular inequalities to ‘ethnicity’ per se. This is in line with the constructivist treatment of Race and ethnicity in empirical social science; for instance, Sen and Wasow (2016) set out an interpretation of Race as ‘a bundle of sticks’ – a composite measure resulting as the product of a complex fusion of various elements of identity and experience.

Figure 3. Overlaps between conceptions of minority groups

Note: England and Wales only. Minority religion includes any religion other than Christianity or ‘No religion’; non-British national identity includes those who report exclusively a national identity other than English, Scottish, Welsh, Northern Irish or British.

Source: ONS (2020a).

Changing ethnic identities

Given the different ways of defining minority groups offered above, and the plasticity of the idea of ethnicity, it is important to interrogate how ethnicity functions as a source of identity for different types of individuals. Individuals can define themselves in many different ways, drawing identity from where they were born or live, their nationality, religion, political affiliation or other unrelated characteristics. Many will hold multiple identities in each of these domains at the same time. The importance of ethnic background in this respect varies substantially in the UK. As Figure 4 shows, White individuals typically view their ethnic background as less important to their sense of identity, as compared with ethnic minority groups.7 Black respondents are particularly likely to

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7 To be clear, the survey question does not ask respondents whether the ethnic group shown in the figure is important for their sense of identity. The question asks whether racial or ethnic background is important to the respondent’s
report that their ethnic or racial background is either very or fairly important to their sense of who they are.

Figure 4. Relative importance of characteristics to person’s sense of who they are, deviations from White British individual response on a four-point scale (2016–18)

Note: This figure shows the relative importance of seven potential sources of identity for individuals aged 16+ in the UK, by ethnicity. These are calculated from a scale of 1 to 4 as follows, using Wave 8 of Understanding Society (2016–18). First, individual responses are demeaned across the seven domains. These demeaned responses are then averaged within each ethnic group, before subtracting the White British mean to construct the measures shown in the graph. Positive numbers show relatively greater importance, with the seven domains summing to zero for each ethnic group. Cases where respondents answer ‘Don’t know’ or ‘Does not apply’ are recoded to 1 (‘Not at all important’).


However, the extent to which individuals identify with their ethnic background depends on a range of different factors, which may vary more within ethnic groups than across them. For instance, Nandi and Platt (2020) – see also Nandi and Platt (2015) and Strand (2014) – show that the strength of ethnic identity is inversely related to level of education for both minorities and the majority group, as education can provide an alternative source of identity directly, and through engagement and access to other identities (e.g. political identity). Among minorities, ethnic background is a more salient feature of identity for younger and less economically engaged individuals. It also rises in the second generation, conditional on factors including education, age and economic activity, indicating a heightened awareness of minority status in such groups. National identity could also, in principle, substitute for ethnic identity, though there is evidence that strong British national identities and minority identities often coincide (Nandi and Platt, 2015).

An interesting component of the literature on the determinants of minority identity concerns how they evolve over generations; in particular, how does the importance of ethnicity as a source of identity differ for those born in the UK compared with first-generation immigrants? Existing research shows that there is no simple answer to this question. Platt (2014) finds that ethnic identity is less important in the second generation when respondents are asked about specific
elements of their history, such as a named ethnic group or their parents’ country of origin. However, research that asks respondents about a more general concept of ethnic identity – allowing the respondent to interpret this as they see fit – has found that ethnic identity among minorities can be stronger in the second generation (Nandi and Platt, 2020), lending some credence to the idea of ‘reactive ethnicity’ (Rumbaut, 1997). Despite this, in most cases, ethnic identity is less important, on average, than other sources of identity, such as family or profession – for both majority and minority groups.

While overall ethnic background is a more salient component of identity for minority groups, the fact that, as discussed, ethnicity can encompass or reflect many components of group identification means that what this means could vary substantially. Indeed, Figure 5 confirms that this is the case. It shows the relative importance of four possible elements of ethnic identity for British minorities by presenting the relative importance of each component for each group. The implication of this analysis is intuitive: individuals from ethnic minority groups obtain their ethnic identity from the elements of that identity that most signifies their minority status. White minorities are more likely to cite their language or country of birth as important to their ethnic identity. Indians, Pakistanis and Bangladeshis highlight the importance of their religion. Black individuals are much more likely to cite their skin colour – particularly for Black Caribbeans, who as previously noted are often aligned with the majority population in terms of other conceptions of minority groups (Figure 3).

**Figure 5. Components of ethnic identity among ethnic minority groups in the UK (2016–18)**

<table>
<thead>
<tr>
<th></th>
<th>Language at home</th>
<th>Country of birth</th>
<th>Skin colour</th>
<th>Own religion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other White</td>
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<td></td>
<td></td>
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<tr>
<td>Indian</td>
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<td>Pakistani</td>
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<td>Bangladeshi</td>
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<td>Black Caribbean</td>
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<td>Black African</td>
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Note: The figure shows the relative importance of four potential sources of ethnic identity for individuals aged 16+ in the UK, by ethnicity, using Wave 8 of Understanding Society (2016–18). These are calculated using the deviation of the mean score for each component from the mean of the individual components, where each component is reported on a scale of 1 to 4, such that the sum of components equals zero. Positive numbers show relatively greater importance. Cases where respondents answer ‘Inapplicable’, ‘Don’t know’ or ‘Does not apply’ are recoded to 1 (‘Not at all important’).


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8 Similar evidence is shown by van Heelsum and Koomen (2016) in the context of Moroccans in Western Europe.
This discussion is intended to provide some understanding to the categorisation of ethnic groups that we observe in various datasets and that we will inevitably rely on for studying ethnic inequalities in the UK. While we acknowledge that there is no consistent or one way to measure ‘Race’ or ethnic difference, the measures available remain a pragmatic tool for studying tangible inequalities. In this sense, racial and ethnic monitoring is a double-edged sword. On the one hand, it can cement notional, essentialised racial categories as fixed and thus exacerbate visible difference and discrimination, and yet, on the other hand, it can be a powerful tool to understand racial and ethnic inequalities to inform policy. It is our intention in this chapter to do the latter, as we endeavour to explore the enduring and changing patterns of racial and ethnic inequalities with the data at hand. Of course, the fluidity of self-reported ethnicity, and its overlaps with other characteristics and constituent elements of identity, raises the question of which inequalities we are actually measuring with such an approach. Our discussion will seek to partially address the different components of ethnicity that may be relevant to measured ethnic inequalities. More generally, while it is true that these categories are multifaceted and are not objective or fixed over time or place, we argue that they remain a useful means of identifying members of communities joined together by family ties and with shared histories and often shared experiences in the world today. While the meaning of these ethnic groups will vary across individuals and across communities, from an empirical perspective these group labels provide a way of exploring the extent to which these shared histories and experiences structure outcomes in different walks of life.

**The ethnic make-up of the UK**

**The rise of multiracial Britain**

Ethnic minority populations in the UK are deeply tied to the British history of globalisation and its project of Imperial expansion that began in earnest in the 17th century. By the 19th century, British colonial territory stretched from the continent of Africa, to the Indian subcontinent, and included the Caribbean and ‘White settler’ countries of North America and Australia (Fryer, 1984; Olosuga, 2016). The British Empire’s insatiable need for labour and resources fuelled mass enslavement and indenture of Black, Brown and Asian peoples and genocide of Indigenous populations of the world. This racialised global human economy ties specific post-colonial, now ‘New Commonwealth’ populations, to this ‘Small Island Nation’ today. As the Black social theorist Stuart Hall commented, the ‘dark stranger’ on British shores is ‘as British as the sugar in your tea’.

Following the decline of the Empire in the early 20th century in the wake of the devastation of the Second World War, Britain received large migrant flows from Europe (e.g. from Italy and Poland) but still found herself in urgent need to relocate an accessible Black, Brown and Irish workforce to a ‘motherland’ in distress. The memorialisation of the ‘fairy tale’ landing of the Windrush generation from the Caribbean in 1948 marked the first major post-war wave of migration of British ‘overseas citizens’ to its shores, thus heralding the uneasy ‘irresistible rise of multi-racial Britain’ (Phillips and Phillips, 1998; Runnymede Trust, 2017). Other global majority groups followed from India, Bangladesh and Pakistan, and former British African colonies, plus British Asian refugees from Uganda and Kenya in the 1970s. While many other ethnic groups in the UK have arrived in the new millennium, it is still these historic colonial populations that form the established ‘ethnic minority groups’ observed in the Census. Some of the descendants of these ‘older’ racialised peoples from the post-colonial nations have been in Britain for four or even five generations and some now make up some of the youngest and fastest growing population groups, including the self-defining ‘Mixed ethnicity’ groups.

Newer ethnic minority groups are now changing the ethnic minority landscape in the UK. Propelled by the 21st century forces of global mass migration, the post-colonial displacement of people through war, famine and economic destitution, and the free movement of peoples across the EU, we see new diverse settlers. There are growing populations from North Africa and the Middle East, and from China and South East Asia – particularly the Philippines. There are smaller groups of refugees and asylum seekers from Congo, Rwanda, Somalia and Syria, and dispossessed peoples such as Kurds, Palestinians and Tamils, among many others. Most dramatic of all is the growing ‘Other White’ ethnic group comprising those from EU countries including Germany, Poland and other Eastern European and Southern European countries, such as Italy and Spain, as well as some from Turkey and the Middle East and North Africa (MENA).
countries who identify as White. Figure 6 highlights ‘new’ and ‘old’ populations: some of the countries of origin have shaped Britain’s immigration flows in the last 50 years, and consequently the ethnic minority profile that we see today.¹

**Figure 6. Year of arrival of England and Wales residents in 2011 born outside the UK, by country of birth**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>India</td>
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<td>Poland</td>
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<td>Ireland</td>
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<td>Germany</td>
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<td>Bangladesh</td>
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<td>Nigeria</td>
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<td>South Africa</td>
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<td>United States</td>
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<td>Jamaica</td>
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<td>France</td>
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<td>Sri Lanka</td>
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<td>Philippines</td>
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<td>Zimbabwe</td>
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<td>Australia</td>
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<tr>
<td>Somalia</td>
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Note: The figure shows the share of each group’s population in England and Wales by the year they arrived in the UK according to their last entry into the country, excluding short visits outside of the UK. Countries are ordered by the number of residents of England and Wales born in each one from top to bottom; all groups shown include at least 100,000 individuals.


Immigration histories affect socio-economic fortunes, which depend on the routes and period of migration, as well as age, gender, immigration status, and the reception received in the UK. Importantly though, different groups of migrants also have very different histories in terms of their financial, human and social capital at the point of arrival into the UK. This is crucial to bear in mind for the interpretation of socio-economic fortunes that we explore later in this chapter. These trajectories must be understood in the context of the different levels of wealth, education and work-based skills that different ethnic groups bring with them (Fernández-Reino and Rienzo, 2022). For example, during the 1940s post-war reconstruction, skilled Black and Indo-Caribbean nurses, engineers, tailors and teachers were restricted to low-paid and low-status jobs in transport, health services and factories in the UK. Though British overseas citizens, Caribbean ‘West Indians’ suffered endemic racial discrimination, which has had long-term consequences for subsequent generations of young Black and mixed-race Britons to flourish in education and employment (Runnymede Trust, 2017). Similarly, well-educated aspirational African economic migrants met the same fate of relative downward social mobility and restricted opportunities in

¹ Official demographic data that we utilise and describe in this section are largely drawn from the 2011 censuses of the UK, which were the most up-to-date versions available at the time of writing. Many of the figures that we quote and present will, however, soon be outdated with the release of results from the 2021 Census of England and Wales.
the UK (Mitton and Aspinall, 2011). In the 1980–90s, African economic migrants, many of them professional women, came from Ghana, Nigeria and Zimbabwe, and more recently in the 2000s from Congo, Eritrea, Somalia and South Africa. Their labour has provided a constant flow of essential and personal service workers from the English-speaking subcontinent into the UK’s health and welfare infrastructure. Another vital ethnic group has been Pakistani and Bangladeshi workers who were needed to work in clothing and related services industries in the 1970s. Drawn from traditional Muslim male-centred working-class rural communities such as Mirpur in Azad Kashmir and Sylhet in Bangladesh, they (and particularly the women) have remained locked into geographies of poverty in the declining cotton mills of the Northern towns and sweat shops in the inner cities (Khan, 1979).

The trajectories of these less-advantaged groups are in sharp contrast to the fortunes of Kenyan and Ugandan East African Asian refugees of 1970s, many of whom were middle class professionals, entrepreneurs, builders and traders of Indian origin. These groups are often merged in the data with Indian migrants from the subcontinent, including large numbers of professional workers, which together constitute the largest group of ‘successful’ minority ethnic migrants working in the healthcare and business sectors in large numbers in the UK (Qureshi, Varghese and Osella, 2013). Chinese migrants have a similar socio-economic profile to the East African Asians, with strong colonial and citizenship connections to the UK. Though small in number, there has been a long presence of Chinese people in the UK (Runnymede Trust, 2017). Beyond the post-war settlement of unskilled male labourers in the catering business, there are now middle class and elite professionals, again many of them women, hailing from former colonies of Hong Kong and mainland China (Lee et al., 2002), though students also make up a large share of the ethnic Chinese population in the UK – many of whom emigrate after completing their studies. The relatively higher average socio-economic and class capital and educational attainment of Indian and Chinese groups has earned them the dubious label of ‘Model Minorities’ (Chou and Feagin, 2015) compared with Black Caribbean and Muslim Pakistani communities, whose political struggles and economic disadvantages, marked by exclusion and alienation, have been reframed in terms of the deeply problematic theory of ‘Cultural Deficit’ (Song, 2004; Mirza, 2008). Such simplistic narratives belie the heterogeneity in resources and outcomes within ethnic groups, which usually comprise varied historical populations (e.g. Mok and Platt, 2020). Nonetheless, clearly (average) social, educational and class capital plays a significant role in determining the life chances and economic fortunes of the different post-colonial ethnic groups in the UK, which – as our analysis of material inequalities in this chapter will reveal – is far from a level playing field.

The UK population by ethnic group

In recent decades, the UK has become an increasingly ethnically diverse country, reflecting new patterns of migration, settlement and identity. As shown in Figure 1 in the 2011 Census of England and Wales, more than four-fifths of the population of those two nations described themselves as White British. A further 5.5% belonged to another White ethnic group; the majority of these fall under ‘Other White’, a group that grew substantially in the preceding decade with large migrant flows from EU 8 Accession countries, especially Poland, and subsequently from the EU 2 Accession countries of Romania and Bulgaria. The non-White population of England and Wales accounted for 14% of the total, including long-established populations from the Indian and Black Caribbean ethnic groups, for instance, as well as groups that have grown substantially in recent years, including the Black African population. Comparisons with other country contexts are challenging, given, as discussed, different conceptions of minority populations. However, these numbers imply greater ethnic diversity than the majority of European countries (Wolff, 2009); by way of contrast, however, in the US, 60% of the population is non-Hispanic White (US Census Bureau, 2021).

At various points in this chapter we use ‘non-White’ as a collective and comparative term to denote racialised ethnic groups who do not identify with one of the ‘White’ ethnic groups. We adopt this terminology largely for practical reasons relating to the data available: in particular, official census and survey data collected in the 1990s do not distinguish between different White ethnic groups. In using the term ‘non-White’ we acknowledge the historical limitations of official data measures and do not intend to convey the status of non-White as ‘difference from Whiteness’. 
Figure 7. Composition of ethnic minority populations of Scotland and Northern Ireland, 2011

SCOTLAND

White Scottish population = 4,445,678 (84.0%)

Other groups = 849,725 (16.0%)

NORTHERN IRELAND

White population = 1,778,449 (98.2%)

Other groups = 32,414 (1.8%)

Note: These graphs show the ethnic composition of the populations of Scotland and Northern Ireland after excluding the largest ethnic group recorded in the respective census. For presentational purposes, both African ethnic groups are combined in Scotland; as are the three Caribbean and Black groups. Ethnic groups for Northern Ireland are presented at aggregated levels.

The rest of the UK is far less ethnically diverse than England and Wales.\textsuperscript{11} As mentioned previously, in Northern Ireland and Scotland, the national statistical authorities use a different classification of ethnic group, which means that disaggregated figures for the whole of the UK and group comparisons between the Home Nations are not always possible. However, for groups where a reasonable comparison can be made with the data available, there is no minority ethnic group with a larger population share in either Northern Ireland or Scotland than in England and Wales (see Figure 7). Overall, the populations of Northern Ireland and Scotland are 98% and 96% White, respectively. The different classification of ethnicity in Northern Ireland and Scotland – and the small samples of minority groups in those countries in the available data – mean that, for practical reasons, the majority of the analysis of inequalities to follow will focus on England and Wales, which together account for 97% of the UK’s non-White minorities overall.

Taking a long-term perspective on the country’s ethnic and racial composition is complicated by the relatively recent measurement of ethnic group and the changes in categories at each decennial census since 1991. However, it is possible to compare changes in the population of all non-White groups compared with all White groups, as shown in Figure 8. Overall, in the two decades prior to 2011, the White population grew by less than 3%, while the non-White population grew by over 166%.

Figure 9 provides a more disaggregated view of which ethnic groups have grown the most as a share of the population between the 2001 and 2011 censuses. This emphasises that looking only at the growth of the non-White population understates the growth of the ethnic minority population in recent years, given that the ‘Other White’ population grew particularly rapidly between 2001 and 2011. Between 2001 and 2011, the White British population share fell from 87.4% to 80.5%, with almost all minority groups making up a larger share of the population in 2011 than in 2001. This reflects a combination of net migration flows and internal demographic change, discussed further below.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure8.png}
\caption{White and non-White populations of England and Wales over time (millions)}
\end{figure}

Note: In 2001, White was split into White British (87.5%), White Irish (1.2%) and White Other (2.6%). In 2011, White was split into White English/British/Scottish/Northern Irish (80.5%), White Irish (0.9%), White Gypsy/Traveller (0.1%) and White Other (4.4%).


\textsuperscript{11} In particular, England has a much larger ethnic minority share than any of the other constituent nations of the UK. 80% of England’s residents identified as White British in 2011, compared to 93% in Wales.
Figure 9. Change in population share between 2001 and 2011 Censuses for England and Wales, by ethnic group

Note: Group names changed to differing extents across the two censuses and have been harmonised for illustration here. The Arab and White Gypsy/Traveller groups were new additions in the 2011 Census and thus changes for these two groups are simply their total population share in 2011.


Migration, fertility and population change

Drivers of population change
While the UK has a long history of migration, the past few decades have seen much greater emigration and immigration flows. A third of the foreign-born population enumerated at the 2011 Census of England and Wales arrived in 1990 or earlier but, as Figure 3 shows, net non-EU migration increased substantially in the late 1990s and net EU migration in 2004, with the accession of additional countries into the EU. Throughout the period shown, net migration of British nationals was negative. These patterns are one key factor in the UK’s changing ethnic diversity.

The role of migration as opposed to internal population dynamics in relation to the size of different ethnic groups in the UK varies substantially depending on the population group being considered. In the ten years up to 2011, immigration flows accounted for a large proportion of population growth among the Chinese, Indian, ‘Other White’ and ‘Other Black’ ethnic groups (Simpson and Jivraj, 2015). However, this is not the case for the Black Caribbean and Mixed ethnicity populations, which predominantly originate in flows of immigration from a generation or more ago. This is increasingly the case for a number of the UK’s biggest minority ethnic groups: as Figure 3 showed, a majority of the Pakistani and Bangladeshi populations of England and Wales are born in the UK. Even aside from immigration, though, most minority ethnic groups have exhibited ‘natural growth’ in their populations, with births exceeding deaths among the resident population. For Pakistanis, Bangladeshis and Black Caribbeans, this has been a more important source of population growth than immigration (Simpson and Jivraj, 2015), reflecting a combination of the age structure of each group, fertility rates, and the extent to which ethnicity is passed on to children.
Most minority ethnic groups have much younger age profiles than the overall population (Figure 11). This, in itself, is an important fact for the study of ethnic inequalities. It means that simple comparisons between groups will not always be the best way of measuring differences in outcomes, given the life-cycle nature of health outcomes, wealth accumulation and pay progression, for instance. It also implies that different policies and societal trends affect groups to varying degrees in the aggregate. These distinct age profiles reflect in no small part the immigration and settlement histories of each group (e.g. Figure 6). The broad age structure of the Black Caribbean population, for instance, is very comparable to the White British majority. The Chinese and ‘Other White’ populations are disproportionately of young working age, reflecting a large student population and a recent influx of economic migrants, respectively. Those of Mixed ethnicity are overwhelmingly young – in 2011, more than 40% of the Mixed ethnicity population overall was aged under 15. The White Irish population is the one ethnic group with a greater share of its population aged 65 or older than White British, largely reflecting that a majority of the descendants of Irish immigrants do not identify as White Irish. Similarly, the children of Black Caribbean immigrants identifying as Mixed ethnicity or Other Black affects the observed age profile of that historical population too. The broad pattern, though, is one of minority ethnic groups being substantially younger, on average.

Only a portion of those with mixed parentage select one of the Mixed ethnicity categories, however. For instance, using data from Understanding Society, Mok (2019) finds that only 38% of individuals with one White and one minority ethnic parent self-identify with a Mixed ethnicity category.
Figure 11. Age distributions of ethnic groups in England and Wales (2011)

This pattern is even stronger among the UK-born populations of minority ethnic groups: intuitively, age distributions differ substantially by generation of immigration, as Figure 12 makes clear. For every minority ethnic group, the median age of those born in the UK is substantially lower than the median age of those born abroad. For groups with a longer history of settlement in the UK – for instance, the Black Caribbean and Indian populations – the typical age of both UK and foreign-born individuals is higher than in other minority groups. However, for most minority ethnic groups, the median age of UK-born individuals is below 20, and often substantially so. Understanding how the experience of the younger, UK-born, second (and later) generations compares or contrasts with their immigrant family origins is of significant interest for the future of multi-ethnic Britain. With this in mind, it is important to consider the role that an individual’s experience as a first-generation immigrant may play in their socio-economic outcomes, which may be distinct from – even if intertwined with – the importance of their ethnic background.

The greater proportion of ethnic minority groups in younger age brackets, and the smaller shares in elderly groups, is a key factor in the overall growth in the population shares of most groups in recent decades. This is the main driver of ‘natural growth’, that is, births exceeding deaths for minority ethnic groups (Simpson and Jivraj, 2015). In addition, however, there are some differences in fertility that contribute to varied rates of population growth. As shown in Figure 13, estimated fertility rates have been relatively higher among Pakistani, Bangladeshi and Black African women compared with White British women at the last two censuses of England and Wales – and substantially so. Overall, there is a lot of heterogeneity between different minority ethnic groups, much of which can be explained by the proportion of immigrants in each group and the level of fertility in their ancestral country of origin (Coleman and Dubuc, 2010). Such factors can go a long way in explaining why fertility rates are estimated to be relatively lower among Indian women, and much lower among Black Caribbean and Chinese women.¹⁴

¹³ Fertility rates by ethnic group are not collected as official statistics. Thus, these estimates rely on assumptions about how ethnic identity is passed on from mother to child, and evidence suggests this may vary by ethnic group. See Simpson and Jivraj (2015) for a discussion of these issues.

¹⁴ As the method used applies to the five years prior to the census based on women aged 15–44, low fertility rates for these groups may reflect their different age structures, with Chinese over-represented towards the bottom of that age bracket (e.g. as students), and Black Caribbean more so towards the top.
Among the Pakistani and Bangladeshi populations, though estimated fertility rates remain high, they converged towards the White British rate between the 2001 and 2011 censuses, in line with evidence that the fertility of immigrants tends to assimilate to that of the population in destination countries (e.g. Dubuc, 2012). Fertility patterns also vary over the life course for immigrant women compared with natives, with many (but not all) groups of migrant women exhibiting a pattern of delayed fertility, converging towards the average lifetime fertility rate of natives with age (Wilson, 2020).

**Figure 12. Median age of ethnic groups in England and Wales by country of birth, 2017–19**

Source: ONS (2020a).

**Figure 13. Estimated fertility rates by ethnic group, relative to White British**

Note: Fertility rates by ethnic group are not collected as official statistics. These fertility rates are estimated based on populations of young children relative to women of child-bearing age of the same ethnic group.

Source: Authors’ calculations based on Simpson and Jivraj (2015), using data from the 2001 and 2011 censuses of England and Wales.

While immigration and fertility differences are the key drivers of growing populations of the biggest minority ethnic groups in England and Wales in recent years, emigration and mortality are relevant factors too, of course. There are no comprehensive data available for these statistics disaggregated by ethnicity, though we briefly discuss the available evidence on mortality differences later. Another factor that is highly relevant for the measured population size of different ethnic groups is the stability of ethnic identity, and how this identity is transmitted.
across generations. As discussed earlier, in most cases, ethnic identity is relatively stable for the largest groups shown here, but less so for some of the Mixed ethnicity groups and ‘Other’ categories, which can both lose and gain members from identity change. Thus, it is unclear how the disproportionately young populations of these groups will be reflected in data in the decades to come. The transmission of ethnic identity across generations will depend, for instance, on the extent to which different groups raise children with co-ethnics. Previous research has shown significant differences in the transmission of ethnicity from mother to child: in 2001, 97% of the children of White British mothers in England and Wales were also White British (Wohland et al., 2010); for Pakistanis, the figure was 90%, falling to 81% for Black Africans and 66% for Black Caribbeans. For smaller minority ethnic groups, these ‘transmission rates’ fall even more – to between 39% and 48% for the Mixed ethnicity groups, and down to 25% for White Irish.

Population projections

A natural question is what the future ethnic make-up of the UK might look like. It goes without saying that this is extremely difficult to predict. As much as anything else, this is because (as discussed) ethnic identity is not fixed: individuals may change their ethnic identity over time, and the children of current cohorts may exhibit very different patterns of identity to their parents. Indeed, it is likely that in the coming decades, new categorisations of ethnic groups will become a part of the country’s official statistics. Nonetheless, looking to the future is a crucial part of considering how ethnic inequalities may evolve going forwards, and how policy might need to respond to the potentially different needs of different segments of the population. Thus, the data on population projections here are best interpreted as mapping out broad trajectories in the population sizes of the descendants of particular communities, rather than interpreted literally as the number of individuals identifying with a particular group in many decades to come.

The most comprehensive population projections by ethnic group from the UK come from the ETHPOP project, hosted by the University of Leeds. This group of researchers has projected forward the population of each ethnic group in the UK from 2011 to 2061 at local levels using census and migration data, estimating internal and external migration, fertility rates and survival probabilities, and employing assumptions about how these margins will evolve in the coming decades. Figure 14 shows forecast population growth for some of the UK’s biggest ethnic groups over this period, under the researchers’ ‘LEEDSI’ scenario – one of two main estimates. This suggests two distinct types of paths for population growth. White British and Black Caribbean populations – the two ethnic groups with the oldest age profiles – are forecast to shrink slightly or grow negligibly over the forecast period. In contrast, all other ethnic minority groups shown are forecast to grow by 150% or more over a 50-year period, with the Pakistani population expected to grow by more than 250%.

Such scenarios would clearly change the ethnic make-up of the UK’s population substantially. Figure 15 shows the estimated population share of ethnic minority groups in 2011 and 2061; with the exception of Black Caribbeans, all ethnic minority groups would grow their share over this period, and significantly so. By 2061, these projections estimate that the ‘Other White’ group will account for 11% of the population, with Pakistanis and those of Mixed ethnicity accounting for another 5% each. The share of the population identifying as White British would fall from 83% to 62%. While these forecasts employ a range of assumptions and are full of uncertainty, and much could change in the coming decades, it is without doubt that the future of the UK is more ethnically diverse than the UK of today. This makes understanding the magnitudes, drivers and remedies of ethnic inequalities an increasingly pressing issue to understand.

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15 The projections cover the whole of the UK, with assumptions made about the concordance of different ethnic groups in the constituent nations.
Figure 14. Projected population growth by ethnic group in the UK, 2011–61

Note: The figure uses LEEDS1 projections. Note that these data employ assumptions about the mapping of ethnic groups between the different nations of the UK in order to use the above categories for the country as a whole.


Figure 15. Projected UK population shares in 2011 and 2061 by ethnic group

Note: The figure uses LEEDS1 projections. Note that these data employ assumptions about the mapping of ethnic groups between the different nations of the UK in order to use the above categories for the country as a whole.

Geography and residence

The geography of ethnicity

The geographic profile of most ethnic minority groups in England and Wales is strikingly different to that of the White British majority. The extent to which this is driven by choice as opposed to constraints is complex, and largely beyond the scope of this chapter, but the existing literature concludes that labour market needs, housing availability, and concerns about reception from the majority group all play a role in the settlement patterns of minority groups (Finney and Simpson, 2009). Regardless of the role of choice compared with constraints, it is impossible to understand ethnic inequalities without paying close attention to the geographical dispersion of ethnic groups, given the deep and persistent geographical inequalities that exist in the UK (Overman and Xu, 2022).

Figure 16. Percentage of local authority populations identifying as White British (London boroughs inset)

[Map showing percentage of local authority populations identifying as White British]


In 2011, while 80.5% of the overall population of England and Wales identified as White British, at the local authority level this percentage varied from 17% in Newham to 98% in Allerdale, and Redcar and Cleveland. Figure 16 shows variation in the percentage of the population identifying as White British in each of the local authorities of England and Wales, as at the 2011 Census. The pattern is clear: overall, the North East, South West and East of England, as well as Wales, are far less ethnically diverse than the rest of the country, with ethnic minorities disproportionately concentrated in large urban centres, including Birmingham, Leicester, Manchester and London. Ethnic diversity, then, is strongly related to an area’s degree of urbanisation (Figure 17). While 78% of the White British population lives in an area classified as urban, this figure is 98% for Black and Asian populations overall. There is variation within the broad category of ‘urban’, too. Black and
Bangladeshi individuals live predominantly in (major and minor) conurbations; Pakistanis and those of ‘Other White’ or Mixed ethnicity, on the other hand, are comparatively more likely to live in cities or towns.

**Figure 17. Type of area of residence in England and Wales, by ethnic group (2011)**

Note: Groups ranked by share of population living in a major conurbation.


**Segregation and integration**

While almost all minority groups are disproportionately likely to live in urban areas, certain groups are especially concentrated in specific towns, cities, or parts of cities. London in particular accounts for a very large proportion of the population of some groups in England and Wales (Table 2). Less than 15% of the population of England and Wales resided in London in 2011, but the city accounted for 58% of the Black population, 52% of the Arab population and 50% of the Bangladeshi population. Overall, 18% of the Bangladeshi population lived in Tower Hamlets and more than 10% of the Black Caribbean population lived in either Croydon or Lewisham. Large communities of some groups are of course found in other parts of the country too: Indians accounted for 28% of the population of Leicester, and Pakistanis accounted for 13% of Birmingham’s population and 20% of Bradford’s, for instance. This geographical variation in the concentration of different ethnic groups has then implications for risks of unemployment and other economic shocks, given regional and local differences in economic fortunes, and also for educational experience, as educational performance varies regionally as well as with socio-economic position. We return to these issues when we discuss labour market outcomes and education.
Table 2. Percentage of 2011 population of England and Wales resident in London, by ethnic group

<table>
<thead>
<tr>
<th>Ethnic group</th>
<th>Percentage in London</th>
<th>Ethnic group</th>
<th>Percentage in London</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>14.6</td>
<td>Asian</td>
<td>35.9</td>
</tr>
<tr>
<td>White</td>
<td>10.1</td>
<td>Bangladeshi</td>
<td>49.7</td>
</tr>
<tr>
<td>White British</td>
<td>8.1</td>
<td>Chinese</td>
<td>31.6</td>
</tr>
<tr>
<td>White Irish</td>
<td>33.1</td>
<td>Indian</td>
<td>38.4</td>
</tr>
<tr>
<td>White Gypsy/Traveller</td>
<td>14.2</td>
<td>Pakistani</td>
<td>19.9</td>
</tr>
<tr>
<td>White other</td>
<td>41.6</td>
<td>Asian other</td>
<td>47.7</td>
</tr>
<tr>
<td>Mixed</td>
<td>33.1</td>
<td>Black</td>
<td>58.4</td>
</tr>
<tr>
<td>White/Asian</td>
<td>29.7</td>
<td>Black African</td>
<td>58.0</td>
</tr>
<tr>
<td>White/Black African</td>
<td>39.5</td>
<td>Black Caribbean</td>
<td>57.9</td>
</tr>
<tr>
<td>White/Black Caribbean</td>
<td>28.0</td>
<td>Black other</td>
<td>60.7</td>
</tr>
<tr>
<td>Other</td>
<td>41.0</td>
<td>Other</td>
<td>49.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Arab</td>
<td>52.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Any other</td>
<td>46.0</td>
</tr>
</tbody>
</table>


The geography of ethnicity has sparked vigorous debates about segregation, integration and the ‘project of multiculturalism’. Compared with the US, with its more explicit historical structures of racialised residential segregation, ethnic minorities in the UK are generally more geographically dispersed, making the UK more comparable to some European cities in this respect (Knox and Pinch, 2014). Nonetheless, concerns about ethnic segregation and ‘ghettos’ have been a pervasive worry among researchers and policymakers. Beyond the relevance of geographic dispersion for outcomes in education, labour market and housing, there may also be implications for public service planning, for instance, and for inter-group relations (Bowyer, 2009). There is a long-standing literature on the drivers of ethnic settlement and segregation in the UK. For instance, Phillips (1998) highlighted the role of both deprivation and cultural factors in ethnic concentration – with rural England particularly impenetrable to ‘outsiders’ – and also documented different trajectories for different minority groups, with Indians exhibiting greater dispersal than other minorities.

The idea of ethnic segregation, which some evidence suggests is even greater within schools than within neighbourhoods (Burgess, Wilson and Lupton, 2005), has played a particularly central role in policy debates and choices concerning multiculturalism versus integration. This became particularly true in the aftermath of the ‘Race riots’ in several English towns in the early 2000s (Robinson, 2005; Finney and Simpson, 2009) and ensuing claims of ethnic minorities living ‘parallel lives’ (Cantle, 2001) or ‘sleepwalking to segregation’ (Phillips, 2005). Such claims about increased ethnic segregation received criticism for their statistical basis (including the role of population growth; Simpson, 2004); though see also counter-arguments such as Carling (2008), and a narrative of removing cultural difference without addressing material difference (Kalra and Kapoor, 2009). Bolt, Özüekren and Phillips (2010) make the case that integration and residential segregation cannot be causally linked in one direction. Laurence (2011) provides evidence on the costs and benefits to greater diversity: on one hand, diversity does appear to have a cost in terms of overall ‘social capital’; on the other, it is associated with an improvement in interethnic ties. Importantly, both this paper and other research (Letki, 2008; Sturgis et al., 2011) stress that deprivation overall is the much more damaging phenomenon for both outcomes.

Notwithstanding the conceptual and methodological debates referenced above, geographical concentration has become less pronounced in describing the profile of ethnic minorities in the
UK, though remains much more marked for some groups than others.\textsuperscript{16} Catney (2015) document that between 2001 and 2011, residential mixing has increased at both the local authority level and within local authorities. Figure 18 provides a simple quantification of this pattern across local authorities in the form of the Herfindahl–Hirschman index calculated using local authority populations in 2001 and 2011. This confirms that geographical concentration is much more pronounced in most ethnic minority populations in England and Wales than in the White British group, and particularly so within Bangladeshi and Pakistani communities. However, between the last two censuses, greater geographical dispersion is apparent.

\textbf{Figure 18. Herfindahl–Hirschman index for local authority residence of ethnic groups in England and Wales, 2001 and 2011}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure18.png}
\caption{Herfindahl–Hirschman index for local authority residence of ethnic groups in England and Wales, 2001 and 2011}
\end{figure}

Despite this trend towards greater dispersion of ethnic minority groups, and associated projections of greater local diversity going forward (Simpson, 2015), evidence suggests that the ability or willingness of those from some minority groups to spatially integrate is generally lower than in the White British population (Zucotti, 2019). While educational attainment and social advancement among second-generation minority individuals attenuates this ‘neighbourhood attainment’ gap to some extent, all else equal differences remain. Housing market barriers, other resources, discrimination or preferences may all play roles, but for Pakistanis and Bangladeshis, in particular, there appears to be a preference for residing in strongly co-ethnic areas as well.

This is perhaps part of the story behind considerable differences in patterns of internal migration between ethnic groups. Figure 19 shows the percentage of each group in the population who had changed address from a year ago, conditional on their previous address being in the UK. This shows that the Chinese group is most likely to move around the UK. However, the aggregate pattern masks demographic differences between groups that might drive internal migration – for instance, the Chinese population in England and Wales disproportionately comprises students who may move regularly for work after university and in their twenties. Focusing in on one age group indeed shows some different patterns: while Chinese young people aged 25–34 remain the most likely to migrate internally, young Bangladeshis and Pakistanis are substantially less likely to do so. This possibly reflects the strong ‘retention effects’ documented by Zucotti (2019) for Bangladeshis and Pakistanis who grow up in areas of high ethnic concentration and high deprivation, and young people from these groups are also much less likely to move away from home for university (Donnelly and Gamsu, 2018).

\textsuperscript{16} There is some discussion in the literature about the appropriateness of ‘single-digit’ indices such as the one used here for describing patterns of dispersion and segregation. See, for example, Poulson and Johnston (2006) and Peach (2008) for different perspectives.
Figure 19. Percentage point difference in share of population of England and Wales who changed address within the UK in the previous year, compared with White, 2011

Note: More disaggregated ethnic groups unavailable.

Households and housing

Different age and geographic distributions, fertility, and patterns of household formation mean that typical household structures differ greatly across ethnic groups. For instance, ethnic minority households often have many more dependent children than White households (Figure 20). Households where the head is Pakistani, Bangladeshi or Black African had more dependent children than any other ethnic group as of 2011. The former two groups had more than three times as many children, on average, than households where the head was White British. Of course, age structure is a big part of this pattern – there will be relatively few dependent children aged 18 and under in the many households headed by elderly White people.

Focusing on the working-age population to strip out (some of) the effect of age distributions, Table 3 shows important differences by ethnic group when taking a broader view of household composition. Single-adult households – both with and without dependent children – are particularly common among the Black population in England and Wales. The majority of Pakistani and Bangladeshi adults are in couples with dependent children. A majority of White British adults have no dependent children, partly reflecting a greater concentration of this group in older age brackets, even within the working-age population. This context is crucial for thinking about how inequalities in the labour market, income and wealth have implications for different populations overall, and about how different types of benefits and other policies may alleviate or widen ethnic inequalities.

Finally, there are notable differences in housing across ethnic groups, reflecting, in part, many of the factors covered in this section, as well as the socio-economic inequalities that we return to shortly. Housing is an important part of living standards and wealth accumulation, and thus deserving of more detailed analysis as an outcome in itself. In this chapter, we do not attempt to cover this alongside the other main outcomes of interest later on, but note here a couple of key facts. For instance, there are stark differences in the tenure status of groups. More than two-thirds (68%) of households in England and Wales headed by a White British person owned their home either partially or outright in 2011. This figure was similar for Indian and Pakistani households, but falls to 45% for Black Caribbeans, 43% for Bangladeshis and 27% for Black Africans. Moreover, while less than 1% of White British households had more persons than rooms, this figure was 15% for Pakistanis, 24% for Bangladeshis and 13% for Black Africans. For a more thorough discussion of housing and ethnic minorities, see Shankley and Finney (2020), for instance, who provide more detail using similar data and offer greater historical context as well.
Figure 20. Mean number of dependent children by ethnic group of household reference person in England and Wales, 2011

Table 3. Household structure of working-age adults by ethnic group in England and Wales, 2016–19

<table>
<thead>
<tr>
<th>Group</th>
<th>Single-person household: no dependent children (%)</th>
<th>Couple: no dependent children (%)</th>
<th>Lone parent: with dependent children (%)</th>
<th>Couple: with dependent children (%)</th>
<th>Average number of children aged under 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>White British</td>
<td>18.1</td>
<td>40.6</td>
<td>10.0</td>
<td>31.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Other White</td>
<td>16.8</td>
<td>32.3</td>
<td>8.0</td>
<td>42.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Indian</td>
<td>12.8</td>
<td>32.9</td>
<td>4.7</td>
<td>49.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Pakistani</td>
<td>10.1</td>
<td>21.4</td>
<td>11.4</td>
<td>57.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>8.8</td>
<td>16.5</td>
<td>6.8</td>
<td>67.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Black African</td>
<td>20.6</td>
<td>14.4</td>
<td>30.4</td>
<td>34.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Black Caribbean</td>
<td>36.9</td>
<td>17.5</td>
<td>28.2</td>
<td>17.4</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Note: The table includes working-age adults (aged 16–64) excluding full-time students. The first column is the sum of single-person households with no children and lone parents with no dependent children; the second column is the sum of couples with no children and couples with no dependent children.

3. Inequalities between and within ethnic groups

Section 2 summarised how ethnicity is measured in the UK, and provided an overview of how the population of different ethnic groups has changed and how they now contrast in terms of some important characteristics. This lays the foundation for this more substantive section, which seeks to explore inequalities across (and sometimes within) ethnic groups: their magnitudes, patterns of convergence and divergence, and, where possible, their drivers. As discussed, the nature of our analysis means that many questions remain unanswered, and some important dimensions of ethnic inequality (e.g. housing, criminal justice) are not explored here. Nonetheless, the findings herein carry many lessons for policy, and point towards a number of useful directions for future research. For most of this section, we focus on inequalities up until the end of 2019, in order to provide a long-term perspective. We separately consider the impact of the onset of the COVID-19 pandemic in early 2020 at the end of the section.

Education and qualifications

Education and skills are a measure of socio-economic position in themselves and represent a crucial means by which individuals can prosper and social mobility can be achieved. Moreover, the education system is an important sphere in which points of view and identities are shaped (Dee, 2004; Milligan, Moretti and Oreopoulous, 2004; Meyer, 2015) and is a historical battleground for racial justice (e.g. John, 2010; Warmington, 2014). Thus, the troubled relationship between Race, ethnicity and education is fundamental to understanding both the enduring and changing patterns of ethnic inequalities in the UK. In the 75 years since post-war migration, the educational landscape has been marked by different waves of policy and protest – from assimilation in the 1950s, to multiculturalism in the 1980s, diversity and difference in the 1990s, and decolonising in the 2000s (Mirza, 2022).

In this subsection we present an overview of the sometimes-dramatic differences in educational attainment between ethnic groups, and draw lessons for policies aimed at improving group outcomes. Educational attainment is an interesting case for considering ethnic inequalities, in that over time there has been an upward trend towards higher levels of educational achievement for most ethnic minority groups, and on headline measures most now achieve higher levels of education than majority White British students (Figure 21). However, there remain marked differences in participation, attainment and outcomes among and between ethnic minority groups. While there has been a significant uplift for some disadvantaged groups such as Bangladeshi girls through targeted initiatives to raise standards (Mirza and Meetoo, 2018), others such as Black Caribbean children have fared less well in the system and continue to do so (Strand, 2014). These patterns of success and disadvantage sometimes raise group-specific considerations and lessons for education policy design and implementation (Kirby and Cullinane, 2016).

Qualifications among adults

As Figure 21 shows, average educational attainment varies significantly by ethnic group for children in the English education system. Much of this subsection considers these differences in detail but first we consider the stock of qualifications in the adult population, which is more relevant for the labour market (and other) inequalities that we analyse subsequently. While much research on educational inequalities focuses on the school system, the stock of qualifications in the adult population may look very different for at least three reasons. First, the relative success of many ethnic minority groups in the English education system today is not something that is observed in previous cohorts on the whole (see, for instance, Gillborn and Mirza, 2000). Second, there has been a broad increase in average levels of qualifications attained in recent decades (see Farquharson, McNally and Tahir, 2022). Because the ethnic minority population is disproportionately young, this pattern should be expected to drive average qualifications in these populations up, relative to the majority. This makes it important to consider different age groups within the adult population. Finally, and perhaps most importantly, much of the working-age population among ethnic minority groups was born abroad (see Figure 3), and thus the stock of qualifications in the adult population also reflects the composition of immigrants to the UK. This makes it relevant to distinguish qualifications levels between the immigrant and subsequent generations. On average, migrants to the UK arrive with more years of education than natives (e.g. Dustmann and Frattini, 2011) and are more likely to hold tertiary qualifications. But, as
previously discussed, different migrant flows have very different profiles in terms of social and educational capital.

**Figure 21. Highest educational attainment by ethnic group for the 2006 GCSE cohort**

Note: Qualifications groups are based on nine groupings used to compare across different types of qualifications. See here for more detail: [https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels](https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels).

Source: Espinoza et al. (2020).

Figure 22 shows different patterns of educational attainment among adults of UK and foreign-born populations for each group, highlighting the interplay between immigration generation and success in the UK educational system in the current stock of qualifications across ethnic groups. Migrants from different groups have very different profiles. For instance, Bangladeshi men born abroad are around two and a half times as likely as Indians to hold no qualifications. At the same time, there is evidence of a somewhat bimodal distribution among migrants, with migrants from most groups more likely to hold a university degree than White British, even in cases where no qualifications are also more prevalent (e.g. Pakistani men and Black African women). Many factors play a role in driving these different patterns across groups. The qualifications that immigrants arrive with depend on their timing and cohort of arrival, for instance, given different levels and trends in educational attainment in countries of origin. Migrant status is also relevant – those on employment visas are more likely to hold qualifications than those arriving as dependents. Then, of course, there are the myriad factors that determine the selection of migrants from countries or origin, including the changing demands and constraints of the immigration system. As documented in Dustmann, Kastis and Preston (2022), more stringent entry requirements for those coming from ‘third countries’ have driven increased levels of qualifications in more recent cohorts.

There are substantial shifts in the second generation. On the whole, second (and later) generation minority ethnic individuals are much more likely to hold qualifications than those born abroad, and most are more likely to do so than White British – for both men and women. There are also significant jumps in the share of ethnic minorities attaining a university education in the second generation, and this is often most marked amongst women, with Bangladeshi and Black African women seeing, respectively, 27 and 22 percentage point (pp) gains in shares with tertiary qualifications in the second generation. This has been linked to a drive for credentials and belief in the promise of social mobility through educational qualifications among Raced and classed ethnic minorities (Rollock et al., 2014). Such ‘educational desire’ is particularly manifest among Black Caribbean women (Mirza, 2008). However, second-generation Black Caribbean men fare less well and are similarly likely to hold a degree as those born abroad. These varied fortunes in the UK education system among the descendants of migrants are what we focus on for most of this
section. Overall, though, these massive shifts in qualifications between the first and later generations show clear evidence of intergenerational mobility, at least on this margin.

**Figure 22. Qualifications held among adult populations of England and Wales, by ethnic group and country of birth, 2017–19**

![Chart showing qualifications held among adult populations of England and Wales, by ethnic group and country of birth, 2017–19](chart.png)

*Note: The figure includes individuals aged 25–64 living in England and Wales. The dashed line shows the White British benchmark for each measure; as there is very little difference between White British men and women on either measure, a population benchmark is shown. 95% confidence intervals shown. ‘No qualifications’ means the respondent reports no formal educational qualifications.*

*Source: ONS (2020a).*
Behind these population-level figures are also striking changes by birth cohorts within groups, as shown in Figure 23 for men. On the basis of the share of the population holding a degree, among those born in the UK, later birth cohorts are better qualified for all groups shown, even if the magnitude of this increase differs substantially; 35% of White British men born in the UK from 1971 onwards hold a degree – 10pp more than those born from 1950 to 1970. Among UK-born ethnic minorities, degree-holding among Indian men has risen particularly quickly. However, among foreign-born populations, the differences are even more striking. Again, average qualifications among Indian men born abroad have risen extremely quickly – those born from 1971 onwards are 36pp more likely to hold a degree than those born from 1951 to 1970. The comparable increase for Pakistanis is 16pp, while increases for Black Africans and Black Caribbeans have been rather more modest at 3pp and 9pp, respectively. Such patterns depend on the selection of migrants (and their dependents) from countries of origin, as mentioned above, but also on patterns of educational attainment over time in those countries of origin, which may differ substantially. All of this is important context for patterns of success and disadvantage in the labour market, and for longer-term social mobility, both of which we return to.

Figure 23. Degree holding by ethnic minority men in England and Wales, by cohort and country of birth, 2017–19

Note: The figure includes individuals aged 25–64 living in England and Wales. 95% confidence intervals shown. White British born abroad not shown.

Source: ONS (2020a).

Attainment at school
There are substantial ethnic differences in educational attainment in English schools, at the same time as there has been rapid change in recent years. Overall, attainment at GCSE level has increased markedly in recent years: for White British students, the share achieving the benchmark standard increased from 42% in 2004 to 65% in 2019. But different ethnic groups have seen different trajectories (Figure 24). Bangladeshis, Pakistanis and Black Africans had 10pp attainment gaps compared with White British in 2004, but in recent years have almost entirely closed or even overturned this. Indians and Chinese students have 15pp and 25pp attainment advantages, respectively, which is similar to their advantages seen in the mid-2000s. Some groups have not improved attainment at the same pace, however. After a notable reduction in an

17 We focus on a subset of groups in this analysis where sample sizes are sufficient to enable inference.

18 Prior to 2011, the benchmark is achieving five A*-C GCSE grades, including English and Maths; thereafter, it is measured as the share of students achieving at least a grade 4/C in both English and Maths at GCSE. Actually, this latter measure slightly reduces overall attainment.
18pp gap between 2004 and 2013, Black Caribbean attainment has fallen behind again. An interesting case is the ‘Other White’ group, who in the early 2000s had slightly higher GCSE attainment than the White British majority. Unlike most other ethnic minorities, this group fell behind in the subsequent decade – recall that this is a period of significant compositional change for this population with large migration flows from Eastern Europe. Since 2012, however, there has been a degree of convergence to the White British attainment level for this group.

The drivers of these different trends by group will vary. Changes in underlying socio-economic profiles may have a role to play. As Figure 25 shows, there is much variation across ethnic groups in terms of the share of students eligible for free school meals (FSM) – a common proxy for socio-economic disadvantage when looking at educational outcomes. FSM children have systematically lower levels of attainment, and thus socio-economic characteristics contribute to differences in both levels and trends between groups. For instance, Strand (2015) reports that in 2011 nearly 40% of Black African and over 35% of Bangladeshi students aged 5–16 were eligible for FSM; among Key stage 4 (KS4)\textsuperscript{19} students in the 2018/19 academic year, these figures were 22% and 25%, respectively (Figure 25). The comparable figures for White British are 15% in 2011 and 13% in 2018/19. It would seem then that broader socio-economic changes may have implications for trends in the education system.

**Figure 24. Percentage point difference in GCSE attainment relative to White British students**

Note: The figure shows percentage point difference in share of students in English state schools attaining benchmark GCSE performance compared with White British, with a positive number indicating higher attainment than White British. Prior to 2011, the benchmark is achieving five A*-C GCSE grades, including English and Maths; thereafter, it is measured as the share of students achieving at least a grade 4/C in both English and Maths at GCSE. Data are missing for Mixed ethnicity overall in 2004.


\textsuperscript{19} KS4 denotes the national qualifications most students pursue between ages 14 and 16 in England.
The geography of ethnic groups is also likely to play a role. For instance, the concentration of ethnic minority children in major urban areas raises the question as to how relative educational gains for many minority groups relate to the ‘London effect’ – that is, the striking educational gains made in the capital and some other big cities, such as Birmingham, in recent years, and the particularly wide gap between the attainment and progress of disadvantaged pupils in the capital compared with the rest of the country. The emerging consensus from existing research in this area suggests that geography is indeed an important factor for ethnic differences in school progress and attainment. While Burgess (2014) estimated that, on some measures (e.g. pupil progress, or achieving five A*-C GCSEs), the London effect is entirely explained by ethnic composition (i.e. gains made by White British students in London were not significantly different to those in the rest of the country), he also noted some exceptions, such as when excluding vocational qualifications and when focusing only on very high achievement. Other research has concluded that ethnic composition can only account for part of the London effect. Greaves, Macmillan and Sibieta (2014) focus on the outcome plotted in Figure 24 up to 2011 (achieving five A*-C grades at GCSE) and conclude that pupil characteristics cannot explain the differences in attainment across regions. Thus, conclusions on this question appear sensitive to measurement. However, there is greater consensus that ethnic composition cannot account for changes in the London effect over time (Greaves, Macmillan and Sibieta, 2014; Blanden et al., 2015), suggesting that ethnic minority attainment will indeed have benefited from positive trends in London schools. More recent data also suggest that although ethnic composition is important in explaining some of the London effect, it does not account for the whole story (Plaister and Thomson, 2019a, b), meaning that the gains among ethnic minority groups may partly be due to where in the country they go to school.

Figure 24 showed trends and gaps in GCSE attainment in recent years for different cohorts. These gaps develop over the life course and are the result of a wide range of different factors, including broader socio-economic inequalities. Figure 26 compiles attainment gaps at age 5, 11 and 16 for some of the largest ethnic minority groups, separately for FSM and non-FSM children. Here we show overall attainment for each group rather than showing boys and girls separately. This is to place greater emphasis on how attainment gaps interact with socio-economic background. Also, although girls systematically have higher attainment than boys across groups, there are no substantial differences in ethnic attainment gaps across FSM-by-gender splits – at least not for the main ethnic minority groups shown in Figure 25.20 Attainment gaps are again presented relative to White British students in England, according to headline attainment measures for each age group.21

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20 For completeness, the full underlying data are presented in the Appendix; Table A.3 in particular shows group-level attainment, incorporating the fact that there are differences in the share of FSM students across groups.

21 See the figure notes for more detail.
Figure 26. Attainment gaps (percentage point) relative to White British at different stages of school in England, by FSM status, in the 2018/19 academic year

Note: These figures plot percentage point differences in attainment for ethnic minority groups relative to White British students in the 2018/19 academic year in English state schools or early years education, separately for students who are eligible and ineligible for FSM. At age 4–5, attainment is measured as reaching the expected level of development across all 17 early learning goals at the end of the year in which the child turns 5; KS2 attainment is measured as reaching the expected standard in reading, writing and maths based on teacher assessment; KS4 attainment is measured as attaining at least a grade 5 in GCSE English and Maths.

Source: Early years foundation stage profile results: 2018 to 2019, Department for Education; National curriculum assessments: Key stage 2, 2019 (provisional), Department for Education; Key stage 4 performance 2019 (revised), Department for Education.
While these data do not represent a single cohort – only a snapshot of different cohorts in the 2018/19 academic year – they do paint a striking picture about how ethnic differences in attainment develop throughout the education system. Two clear trends are of particular interest.

First, for most ethnic minority groups – Black Caribbean being the exception – more progress is made, on average, than among the White British majority on these headline measures of attainment, as indicated by the bars becoming more positive for older age groups. This holds for both FSM and non-FSM children. Among young children (aged 4–5), overall attainment gaps by ethnicity are less substantial in general. For most groups, overall attainment is within 10pp of White British, with non-FSM students for most groups starting behind their White British peers. Overall, Chinese and Indian pupils are slightly more likely to meet the expected development standard than White British, and Black, Pakistani and Bangladeshi children less so. However, by KS2 and KS4, in general ethnic minority attainment increases by much more than among White British. At KS4, non-FSM Indian pupils have a 19pp attainment advantage over White British, and Chinese pupils have a 31pp advantage. Among FSM children, relative ethnic minority attainment is even greater.

While these data pertain to different cohorts, studies using longitudinal data have documented similar patterns. Wilson, Burgess and Briggs (2011) document similar attainment patterns, consistent across most minority groups, schools and regions, with progress particularly marked in the lead-up to high stakes KS4 exams that are so crucial in the UK’s education system. They conclude that personal, neighbourhood and school characteristics cannot explain these patterns, with aspirations and attitudes more likely to be important. Dustmann, Machin and Schönberg (2010) estimate that a large part of the initial gap comes from the fact that English is not the parents’ first language for many ethnic minority pupils. The relevance of this for attainment is declining with age, thus explaining faster educational progress for many ethnic minority groups – this does not hold for Black Caribbean pupils, however, for whom the majority of parents are English speakers. They also identify potential roles for different types of schools attended across groups and for teacher incentives related to the publication of league tables as possible drivers of greater progress among ethnic minorities – in the latter case, driven by the greater concentration of ethnic minority children in a potential ‘attention interval’ on the margin of a pass or fail grade.

Second, Figure 26 highlights starkly the interacting effects of ethnicity and socio-economic characteristics in school attainment. Specifically, when focusing only on FSM children, ethnic minority attainment relative to White British is vastly improved compared with non-FSM children. This is a phenomenon that attracts substantial research and policy interest. Strand (2014) provides a detailed account of these interactions and their possible explanations. More than in any other ethnic group, White British educational attainment is graded by socio-economic status (SES), with disadvantaged White British exhibiting lower attainment than almost all other ethnic groups, but high SES White British students performing relatively well. Most ethnic minority groups exhibit a comparative ‘resilience’, with attainment much less sensitive to SES background. The analysis suggests that a range of factors related to aspirations and parental support can account for this pattern – controlling for variables such as desire to continue education, frequency of doing homework, and parental involvement and aspirations can explain most of the differences at low SES. However, these factors appear to over-explain ethnic differences at high SES – on average, most ethnic minority groups underachieve at high SES after accounting for these factors. Qualitative research shows other factors could be at play here such as low teacher expectations and school policies of setting and streaming, which particularly affect Black African and Black Caribbean pupils (Gillborn and Youdell, 1999; Kulz, 2017).

A few groups then stand out as having relatively poor educational attainment in the UK school system. The low attainment of majority White British students on FSM is a topic of lively debate. (Gillborn et al., 2021). White British attainment is especially sensitive to socio-economic background – disadvantaged White British children are less likely to achieve well at school than their disadvantaged ethnic minority peers – and this issue invited an inquiry from the Education Select Committee and a report in 2021. Regional differences are a consideration here, given the

22 The inquiry was titled ‘Left behind white pupils from disadvantaged backgrounds’; see details at https://committees.parliament.uk/work/237/.
relatively smaller share of White British students in London and other educationally successful cities, although the aforementioned research suggests this is likely to be only a partial answer. Other work has highlighted low student and parent aspirations, a lack of community engagement, feelings of marginalisation and intergenerational cycles of poverty as important factors (Department for Schools, Children and Families, 2008; Demie and Lewis, 2011; Strand, 2014). The findings of the Education Select Committee pointed to similar factors; they suggested that place-based disparities (e.g. local job markets and opportunities) and cultural factors (e.g. experience of education, community assets) might disproportionately affect White British attainment (House of Commons Education Committee, 2021). In contrast, other commentators suggest these explanations present a deficit model of working-class culture judged in relation to middle-class and elite educational values and aspirations (Reay, 2001; Sveinsson, 2009).

Black Caribbean attainment has long been lower than in other ethnic groups but, as seen above, has fallen behind in recent years in a worrying trend. Socio-economic disadvantage is clearly a factor here, with a much higher share of Black Caribbean children eligible for FSM than in other groups (Figure 25). Beyond this, research has identified a number of different drivers of relatively low Black Caribbean attainment. For instance, Demie (2018) highlights teacher perceptions and stereotyping of Black Caribbean students. Strand (2011, 2012) has also highlighted this as a possible factor, alongside cultural differences in educational aspirations that are transmitted through generations. One disturbing and persistent trend that may contribute to lower attainment at age 16, and to the relative decline in attainment across age groups seen in Figure 26, is the considerably higher rates of exclusion among Black Caribbean children – as well as among Mixed White and Black Caribbean students (Figure 27). While a relatively large portion of these elevated rates can be statistically explained by factors such as geography and socio-economic disadvantage, there remains a sizeable ‘unexplained’ component for Black Caribbean and Mixed White and Black Caribbean children (Timpson, 2019). Qualitative evidence suggests school-based priorities driven by changes in structures and funding, such as academies and league tables, can lead to discriminatory practices such as excessive policing and excluding of racialised pupils considered to be a problem (Kulz, 2019; Joseph-Salisbury, 2020). Exclusions interrupt educational progress directly and indirectly due to broader disruption to young peoples’ lives, with consequent damaging impacts on ultimate attainment. Although the absolute rates of permanent exclusions may not be large enough to explain group-level differences, the consequences for individual-level outcomes are likely to be substantial. Fixed-term exclusions, however, also bring similar, if temporary, disruptions to education, and the rates of such instances for some groups are very high. More generally, we should also be mindful of the potential ways that exclusion events could affect peer groups and families, and thus go beyond the excluded individual. The impact of exclusions on educational and other life outcomes is an area worthy of further research.

The experience of Traveller and Gypsy/Roma children – not shown in Figures 26 and 27 – is particularly striking. Their attainment has improved little over time, and thus these groups have fallen much further behind all other groups, particularly among girls (Marcus, 2019). In the 2018/19 academic year, only 28% of Traveller and 14% of Gypsy/Roma children achieved grade 4 in English and Maths, compared to a White British benchmark of 65%. Again, socio-economic disadvantage is pervasive in these populations. High exclusion rates are also a feature of the educational experience of Traveller and Gypsy/Roma children, and may contribute to the low levels of progress and attainment also witnessed in these groups. Moreover, Bhopal (2004, 2011) identifies myriad factors that combine to create a challenging environment for these children, from their transient lifestyle, which hampers sustained progress, to discriminatory attitudes and behaviours in education and in society more broadly that can affect self-confidence and enjoyment of school, and ultimately likelihood of attendance. The Education Select Committee currently have an inquiry underway to explore the challenges faced by these groups in the UK’s education system.
Figure 27. Exclusion rates in English state schools by ethnic group

Note: The figures show exclusion rates for permanent and fixed period exclusions among state school pupils in England. Permanent exclusion refers to a pupil who is excluded and who will not come back to that school (unless the exclusion is overturned). Fixed-period exclusion refers to a pupil who is excluded from a school for a set period of time.


Clearly, the factors that determine different outcomes across ethnic groups at schools are varied, and targeted policy responses may at times be necessary. It is important to note that even for groups where attainment is relatively high and/or has improved, challenges related to Race and ethnicity in the school system remain. For instance, despite a closing of attainment gaps at school on benchmark measures for many groups, substantial differences remain at the top end of the grade distribution. Data from 2018/19 show that among A level students, 25% of Chinese pupils, 15% of Indians and 10% of White British in England achieved at least three A grades. These figures fall to 7%, 6% and 3% for Pakistanis, Black Africans and Black Caribbeans, respectively. Experience of racism and discrimination at school has long been – and remains – commonplace.
for ethnic minority children (Eslea and Mukhtar, 2000; Lander, 2015; YMCA, 2020), and many in
the past have raised concerns about the inclusivity of school curricula and the impact of
apparently neutral policies on some ethnic minority groups, including policies on uniforms and
hair (e.g. Joseph-Salisbury, 2020). Existing literature highlights that teachers can have very
different expectations regarding students depending on their ethnic or racial background, and
this can have a material impact on outcomes (Dee, 2005; Gershenson, Holt and Papageorge,
2016). This highlights the potential importance of diversity in the teacher workforce (Lander,
2014; Poku, 2022) to which we return later. In the English context, evidence suggests that teacher
assessments may widen ethnic differences compared with quasi-blind tests (Burgess and
Greaves, 2013). Such considerations led to concern about widening inequalities resulting from
the cancellation of exams in 2020 and 2021. However, evidence suggests that this was not borne
out in reality, with greater increases in GCSE attainment among lower-performing ethnic groups
than higher-performing ones, on average (Thomson and Nye, 2020).

Despite these specific cases of underperformance, with complex patterns of causation, the
overall picture of attainment in English schools is not one of ethnic minority disadvantage. In this
respect, the England stands apart from its European neighbours for the most part: in the
European context, it is educational disadvantage among minority groups that is the dominant
narrative and source of analysis (Kristen and Granato, 2007; Heath, Rothon and Kilpi, 2008;
Levels and Dronkers, 2008; Song, 2011; Alba and Foner, 2015). In this context, research has
shown that socio-economic background accounts for most of the differences observed in
educational attainment between the second-generation minorities and majority populations
(Marks, 2005), suggesting that much of what drives lower educational attainment among the
children of immigrants is their disadvantaged social origins.

The sociological literature distinguishes between primary and secondary effects of ethnicity on
educational outcomes – the former relating to attainment differences, and the latter to
differences in the likelihood of continuation in education, conditional on attainment. The broader
European literature suggests that primary effects of ethnicity are associated with poorer
educational attainment, even net of social class background, with studies emphasising that
immigrant families lack language fluency, cultural capital, networks or knowhow that can
support their children’s attainment (e.g. Song, 2011; Becker, Klein and Biedinger, 2013). In general,
such a narrative does not fit the data in England well, raising the question as to what is different
here. Perhaps there is something distinctive about the English school system that requires
greater attention: there is clear evidence of the relevance of different school systems to the
students’ outcomes (Crul and Vermeulen, 2003) and Jackson, Jonsson and Rudolphi (2012) have
argued that ‘choice-driven’ systems, such as those in England, may better favour the realisation
of some migrant aspirations but competitive selection can also disadvantage others (Kulz, 2017).

Post-16 education
Age 16 marks the end of compulsory schooling in the UK education system. Thereafter, in
England, students can continue in full-time education (including vocational education), begin
apprenticeships, or pursue part-time work alongside part-time education or training. The vast
majority (87% in the 2018/19 academic year) continue to full-time education, with an increasing
share – though still the minority – taking vocational qualifications rather than ‘traditional’
qualifications, which are typically required for university attendance (though, of course, not all
who take such qualifications will continue to university). As in attainment, however, there are
clear differences across ethnic groups in post-16 destinations. In 2018/19, White British children
were the least likely to continue in education aside from Mixed White and Black Caribbean
children, with Chinese and Indian pupils the most likely to stay in education – 11pp more likely than
White British (Figure 28). Among those continuing in education, Archer et al. (2021) document
substantial differences in post-16 course or subject choices post-GCSE across ethnic groups,
even when focusing on only disadvantaged pupils. Chinese and Indian children are much more
likely to choose courses with high earnings potential; White British women and Black Caribbean
men are particularly unlikely to do so.

23 See the Education chapter of this Review (Farquharson, McNally and Tahir, 2022) for a comprehensive review of
differences and inequalities in educational pathways in the UK.
Overall, White British students are much more likely to enter apprenticeships or work than all other groups. The under-representation of ethnic minorities in apprenticeships is identified as a possible area of concern in the Sewell Report (Sewell et al., 2021), which argued that a combination of academic educational aspirations in minority communities and public policy choices to increase participation into higher education has perhaps led to a neglect of more vocational pathways among some groups. There are also some important differences in the share of students who are not in any sustained education or employment, which is an area of concern in terms of the long-term life chances of individuals. This is markedly highest in the Mixed White and Black Caribbean population. While much attention when it comes to educational access and success is given to university entrants, it is important not to lose sight of the varied pathways of those who do not attend university, as discussed in detail in Farquharson, McNally and Tahir (2022). As we will discuss shortly, while a university education is a good (financial) investment, on average, across the population, for some ethnic minority groups it appears particularly important due to very low average pay for non-graduates.

**Figure 28. Destination of students in England after KS4 (in the 2018/19 academic year), percentage point difference compared with White British**

![Figure 28](image)

Note: The data include pupils at state schools in England, and are sorted by likelihood of continuing in education.

Source: Destinations: key stage 4 and 5 pupils: 2019, Department for Education.

While non-higher education pathways are deserving of more attention in policy and research, participation in higher education presents some of the most striking examples of ethnic differences in education. Students from most ethnic minority groups are more likely to continue to higher education than the White British majority (Figure 29). Among a number of ethnic minority groups, higher education is the predominant option – and by a large margin. Chinese and Indian state school pupils were 41pp and 34pp, respectively, more likely to go on to higher education than White British after the 2018/19 academic year. Rapid increases in Bangladeshi participation in higher education mean this group was 27pp more likely to continue to tertiary education. The only ethnic minority groups with a lower level of participation in higher education than White British are the Mixed White and Black Caribbean population (with whom the gap has been narrowing somewhat) and the Gypsy/Roma and Traveller populations, where the gap has grown. To put these ethnic differences in context, the higher education participation gap between students eligible and not eligible for FSM, and between those in state schools and independent schools, was below 19pp for both cases in the same year. Ethnic differences really are considerable.
These data speak to positive secondary effects of ethnicity on education for most minority groups. For a given level of attainment, ethnic minorities are more likely to stay on in post-compulsory education than the White British majority (Bradley and Taylor, 2004; Fernández-Reino, 2016) and to attend university (Crawford et al., 2011). This advantage in university participation is, again, observed among minorities from more disadvantaged backgrounds in particular (Crawford and Greaves, 2015). For most groups of immigrant-origin children in English schools, therefore, secondary ethnic effects (choices) complement rather than compensate for primary ethnic effects. Both class-related accounts and deficit immigration models of minorities educational performance do not therefore help explain educational outcomes for second-generation immigrants in England (Modood, 2004). Discourses of ‘model minorities’, which have sometimes been drawn on when discussing the educational success of Indian and Chinese minorities (Archer and Francis, 2006; Lee and Zhou, 2015) not only fail to account for the educational attainment of other groups, but also can disguise heterogeneity and cohort differences within these groups (e.g. Mok and Platt, 2020).

Figure 29. Entry rates to university among state school pupils over time relative to White British

Note: The data only include state school pupils in England.


These top-level participation figures still mask important aspects of university access, choice and experience for the future prospects of those from different ethnic groups. First, there are major differences in the type of institution attended (Figure 30). Among those who go to universities, White British students are more likely than most ethnic minority pupils to attend high tariff (i.e. more selective) institutions. While participation in higher education is much higher among Pakistani, Bangladeshi, Black African and, to a lesser extent, Black Caribbean pupils than in the White British majority, the share of these students going to high tariff institutions is considerably lower.24 Similarly, Advani, Sen and Warwick (2020) show that it is these same groups who are particularly under-represented in the Russell Group institutions. Given the wide range in estimated financial returns to education by institution (Belfield et al., 2018), this margin may be an important factor in the long-term earnings potential of individuals from different groups.

24 High tariff defined according to normalised mean UCAS tariff score of student intake such that approximately a third of each cohort attends a high tariff institution.
Data on completion and attainment at university suggest that the aforementioned positive effects of ethnicity on education do not continue to be realised for all groups beyond entry into tertiary education. University drop-out rates are higher for all ethnic minority groups than among White students, and particularly for Black students. Across all higher education undergraduate students, the non-continuation rate in 2017/18 was 15.5% for Black students, 10.2% for Asians and 8.9% for White students (Office for Students, 2020). Similarly, among those who complete their degree, attainment is considerably lower among all ethnic minority students than among White students. Relative to their White counterparts, all ethnic minorities – including the Chinese and Indian groups that have high average attainment at school – are less likely to attain ‘good’ degrees once at university. Universities UK (2019) report a staggering 24pp attainment gap for Black Africans relative to White students in terms of achieving an upper second- or first-class degree, for instance (Figure 31). It may be that differences in institutions attended have a role to play, or that there is an important selection effect, with young people from ethnic minority backgrounds and with lower grades more likely to attend university than comparable White peers. Recent analysis has suggested that observable characteristics can often account for around half of the attainment gap, with some variation across groups (Codiroli Mcmaster, 2021).

Using individual-level data, this research found that controlling for factors such as parents’ education and local area higher education participation consistently reduced ‘unexplained’ ethnic attainment gaps. Sequentially adding institutional characteristics (broad subject area, share of minority ethnic students and total number of students) had little explanatory power, while prior attainment also reduced unexplained gaps somewhat. Nonetheless, large unexplained attainment gaps remained for almost all ethnic minority groups after accounting for these factors. This is a clear area of concern in the higher education system, which requires attention and solutions, not least because recent research highlights how important degree class can be for future earnings (Britton et al., 2022). Among others, discrimination and low teacher expectations, elite institutional culture, a lack of ethnic minority role models among staff, inclusivity of curricula, student preparedness and financial concerns have all been raised as

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25 Arguably, the institutional characteristics used in this analysis are rather blunt. It may be that accounting for variation across more specific institutions and subject areas would change these results.
possible contributory factors to these ‘unexplained’ differences (Mirza and Meetoo, 2012; Arday and Mirza 2018; Richardson, 2018; Universities UK, 2019).

**Figure 31. Student attainment by ethnic group, 2017/18 cohort**

Despite these differences, the best available evidence suggests that university is a good (financial) investment for all ethnic groups, on average. Using linked school, university and tax records for England’s 2002–2007 GCSE cohorts, Britton, Dearden and Waltmann (2021) estimate positive returns to undergraduate degrees at age 30 for all ethnic groups, but highlight substantial heterogeneity as well. For the most part, estimated returns are higher for women, and highest for Pakistani women at 40%, with Bangladeshi, Indian and White British women also receiving high returns. Among men, Pakistanis (36%) again are estimated to have the highest returns, and again Indians (16%) and Bangladeshis (14%) also have high returns. White British men have a more modest 6% return. While Black African men and women earn strong returns, Black Caribbeans have much lower estimated payoffs than most groups.

Unpacking these numbers suggests different drivers are at play. The very high returns of Pakistanis, for instance, partly reflects the very low earnings of non-graduates in this group – in fact, median earnings of university graduates remain lower than any other ethnicity for both men and women. Subject choice emerges as an extremely important factor: Asian students systematically choose subjects with higher financial returns such as business, law and computing, whereas Black and White British students have higher propensities to choose lower-returning subjects such as sociology, creative arts and social care.

Overall, there are many positive trends in the UK educational system tending towards the closing of ethnic inequalities – though many challenges remain, and a number of minority groups still face significant attainment gaps compared with the rest of the population. Some of these positive trends are relatively recent, and we might not expect to see them fully reflected in the other outcomes considered in subsequent subsections, such as the labour market and patterns of representation. However, it is also important not to be complacent about what can be achieved through the education system alone. While over the long term, educational mobility can play an important role in occupational and social mobility, it is not a panacea either (e.g. Platt and Zuccotti, 2021; see the ‘Social mobility’ subsection later in this section). While Britton, Dearden and Waltmann (2021) show evidence that university attendance can partially even out ‘unexplained’ earnings gaps between White British and ethnic minority individuals, among men graduate earnings gaps remain large and tell a similar qualitative story as those estimated for individuals without higher education qualifications.
The labour market

The labour market is an important determinant of income and standard of living. More than this, the work that people do is an important part of their identity, and often frames other aspects of their experience too (e.g. Strangleman, 2012). Despite the existence of Race equality legislation covering employment discrimination, disparities between ethnic groups in the labour market – as measured by access (participation, employment), pay or broader conditions – are wide and long-standing. While we cannot cover or account for all disparities across all groups, we draw attention to some of the most salient trends and the way in which they link to other economic and policy issues.

Participation and employment

Most ethnic minority groups – with notable exceptions such as Indian men and Black Caribbean women – have long exhibited much lower rates of employment than the White or White British majority.26 Figure 32 shows the difference in the overall employment rate for each ethnic group relative to the majority over time, among those of working age and not in full-time education and separately by gender.27 This overall employment rate is a function of participation in the labour market as well success in finding a job (i.e. unemployment). Among men, there has been significant convergence in overall employment rates across ethnic groups. In the mid-1990s, Black, Bangladeshi and Pakistani men were between 18pp and 29pp less likely than White men to be in employment. However, in the subsequent decades, these gaps have narrowed to such an extent that as of 2019, the differences between these groups and the White British majority might appear negligible compared with those that existed 25 years ago. However, the gaps that remain are still substantial for some groups, even as employment among Indian and ‘Other White’ men has continued to rise, exceeding that of White British. Black Caribbean men, for instance, were still 5pp less likely than White British men, and more than 10pp less likely than ‘Other White’ or Indian men, to be in employment in 2019.

Among women, the scale of change across the labour market as a whole is much more marked in terms of participation and employment in recent decades, with the overall employment rate rising from 53% in 1971 to 72% in 2019 (ONS, 2022c). Figure 32 shows how employment gaps changed for different ethnic groups from 1995 to 2019, during a period of large employment increases for women from all ethnic groups. Among White majority women, employment rose by 11pp over the period; among Black Africans it rose by 22pp, and for Pakistanis and Bangladeshis it rose by 24 and 25pp, respectively. Overall, these are massive shifts, and again there is a degree of convergence over time: ethnic employment gaps were notably lower in 2019 than in the 1990s. However, even more so than amongst men, striking disparities remain. Pakistani and Bangladeshi women stand out here in particular, with employment rates for these groups in the region of 35%–40% as of 2019. The size and persistence of these gaps has been noted on many occasions in the past, and the possibility of raising ethnic minority employment has been highlighted as an area of opportunity for the UK economy as a whole (McGregor-Smith, 2017).

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26 The ONS Labour Force Survey – the main dataset used in this section – did not distinguish between White British and other White ethnic groups prior to 2001.

27 Non-employment here includes all reasons, and notably retirement. Given the more elderly age profile of the White British population, excluding retirees results in all minority groups exhibiting lower relative employment rates than shown here. The trends, however, are not substantially affected.
There has undoubtedly been some convergence in employment rates over time across ethnic groups, even as significant differences remain. Interpreting these raw trends is difficult though, not least due to substantial shifts in the size and composition of groups over time, as well as rising educational attainment (to differing extents). Figure 33 decomposes these contemporary employment gaps into labour force participation and unemployment. Though related, these are different phenomena with different interpretations, and the data show that their role varies by group. Among men, the higher employment rate of Indian and ‘Other White’ men, relative to
White British, is largely the result of higher rates of labour force participation for these groups, even if unemployment is lower too. For other minority groups, overall employment disadvantages are driven for the most part by larger shares of these populations in unemployment. In fact, Pakistani and Black African men actually have higher rates of labour force participation than White British men, but because of higher unemployment their overall employment rate is lower. For women, we see some similar patterns, where cases of higher labour force participation among some minority women are offset by higher unemployment – most notably among Black Caribbean women. The huge employment gap between White British and Bangladeshi and Pakistani women is driven primarily by much lower labour force participation rates for these groups.

**Figure 33. Employment gaps by ethnicity in England and Wales, relative to White British, 2017–19**

While comparing the shares of each group who are unemployed allows an overall decomposition of the employment gap, different rates of economic activity mask differences in rates of unemployment, which are shown in Figure 34. Viewed this way, we again see stark disparities between groups. High unemployment is a feature of the labour market experience of Bangladeshis and Black individuals for both men and women, with rates roughly twice that of the White British majority. Unemployment among Pakistani women is more than three times that of White British women and is higher than any other minority group too, even though unemployment contributes more to the overall employment gap shown in Figure 33 for Black women, given higher labour force participation among these groups.
Figure 34. Unemployment rates by ethnic group in England and Wales, 2017–19

Note: The figure shows estimated unemployment rates – which exclude those not actively seeking work – among individuals aged 16–64 and not in full-time education in England and Wales.

Source: ONS (2020a).

The explanations behind these overall employment gaps and their component parts of participation and unemployment are likely to be various and complex. Two particularly important considerations to study from the start are: differences between the UK- and foreign-born populations of each group; and the extent to which individual characteristics other than ethnicity that are correlated with employment, including age and education, can account for differences across ethnic groups for either men or women. In the former case, separating out the labour market experience of first-generation migrants from that of their children helps to address any positive or negative selection of migrants, and allows a better comparison between individuals growing up in the same country and education system. In addition, there is much evidence that immigrants face a socio-economic penalty on arrival (‘downgrading’) given their observed education and experience levels (e.g. Dustmann, Schönberg and Stuhler, 2016; see also Dustmann, Kastis and Preston, 2022), and it is important to understand whether this persists in the second generation. Considering differences in education, age and other characteristics is also important given that we have already demonstrated the substantial differences between minority ethnic groups and the majority population in these respects. Statistical analysis allows us to estimate the role these characteristics may play in explaining the raw differences shown above.

Figure 35 shows conditional employment gaps by ethnic group, separately for those born in the UK and those born abroad, after controlling for a range of relevant observable characteristics. This shows that these characteristics do indeed account for the employment premium of ‘Other White’ men, who are on average younger, better educated and more likely to live in London (where employment is higher) than their White British counterparts. For UK-born Indian men, similar characteristics more than account for their higher rate of employment – after accounting for these characteristics, employment among Indian men is lower than would be expected. A similar story is seen for Pakistani, Bangladeshi and Black African men, with employment in these groups notably lower than among White British when comparing individuals with similar characteristics, and are somewhat larger for the UK-born population. For both UK-born and foreign-born Black Caribbean men, some of their lower employment rates can be explained by observables related to health and household composition, for instance, but an ‘unexplained’ employment penalty still remains for racialised groups – at least for those born in the UK.

Among women, the patterns are quite different. In contrast to men, one would indeed expect somewhat lower employment among ethnic minority women than White British on the basis of basic personal characteristics. Employment among women is more graded by education than
among men; Dale, Lindley and Dex (2006a) showed that qualifications played an increasingly important role in predicting employment for women, and gaps between those with and without a degree have increased over time. Thus, the relatively low levels of formal qualifications in the foreign-born populations of some groups (Bangladeshi, Pakistani) will drive different patterns compared with the higher average qualifications held by Indian, Other White and Black women. What is clear from this analysis is the striking pattern of generational change. For Pakistani and Bangladeshi women, the conditional employment gap is roughly halved for women born in the UK, though remains large at over 15pp for both groups. For Indian women too, the conditional employment gap compared with White British closes substantially beyond the first generation. While Black African women have substantially lower conditional employment rates than White British women, this is not the case for Black Caribbean women.

Figure 35. Conditional employment gaps by country of birth, relative to White British, in England and Wales, 2014–19

Note: The figure shows the percentage point difference in employment among adults aged 16–64 and not in full-time education in England and Wales, compared with White British, separately for those born in the UK and born abroad. Coefficient comes from a linear model controlling for month-of-interview fixed effects, age, age squared, region of residence (11 regions), highest qualification achieved (seven groups), whether married or cohabiting, indicators for the number of children under 16 in the household and the total number of household members, and whether the individual has a disability or long-term health condition.

Source: Northern Ireland Statistics and Research Agency (NISRA), Office for National Statistics, Social Survey Division (2020), wave 1 only.

A range of different factors has been put forward to explain the residual, ‘unexplained’ employment differences. For women especially, differences in labour force participation are crucial. The high participation rates of Black women have been related to the relatively high proportion of single-adult households in those groups (Holdsworth and Dale, 1997; Nandi and Platt, 2010), as shown in Table 3. In contrast, Pakistani and Bangladeshi adults overwhelmingly live with a partner, and often with dependent children. With this in mind, the low participation of Pakistani and Bangladeshi women may well be linked to their ability to work in those communities and the kind of work they have access to. Holdsworth and Dale (1997) find that the presence of a partner has the greatest impact on Pakistani and Bangladeshi women’s employment, and Dustmann and Theodoropoulos (2010) present evidence that women from these communities do not typically have a desire to participate in the labour market and document a strongly conservative view about the role of women and work among these groups. However, feminist studies highlight the uncounted labour of women in these communities in the form of homeworking and in unregulated hidden workplaces such as ‘sweatshops’ – both in the UK and in their countries of origin (Coyle, 1982; Alamgir, Alamgir and Irina Alamgir, 2022).
This undocumented female labour will not appear in official statistics such as the data from 2017–19 for England and Wales, which suggest that only 12% of Pakistani women not in employment would like to work, compared to 20% of White British and 25% of Black women. Indeed, female labour force participation is strikingly low in the respective countries of origin – 36% in Bangladesh and 21% in Pakistan in 2019 (International Labour Organization, 2022). Khoudja and Platt (2018) also show evidence that attitudes towards gender and employment explain part of the low participation rates among Pakistani and Bangladeshi women. Consistent with this, among the sample of women in Figure 35, close to three-quarters of Pakistani and Bangladeshi women report that they have never worked, falling to less than half (46%) of those born in the UK. In comparison, only 14% of White British women not in work report having never worked. The prevalence of individuals who have never worked is higher for Indian and Black African women too (44% of the out-of-work in each case). While differences across groups for men also exist, they are less stark.

Child-bearing and family responsibilities in particular likely play an important role here. The conditional employment gaps above accounted for important differences in family and household structure: for instance, while 49% of Chinese and 56% of White British women aged under 45 have a child under 16 in their family, this rises to 71% for Black Africans, 73% for Pakistanis and 75% for Bangladeshis. However, that decomposition effectively assumes that the effect of fertility and household composition on employment is the same across groups, which may not necessarily be true. Figure 36 shows that, for women, the association between household structure and employment varies substantially by ethnic group. Across all ethnic groups shown, women with a child under 16 in the household are less likely to be in work: after controlling for other observables, White British women with a child under 16 are 13pp less likely to be employed than those without children. Though this evidence is cross-sectional, longitudinal analysis has shown the importance of fertility events for the labour market participation of women (Andrew et al., 2021). For minority ethnic women, the magnitude of this association varies from 10pp for Chinese and Black Caribbean women to 17pp for Pakistani women and 18pp for Other White women.

The effect of living with a partner, however, is markedly different across ethnic groups. For some groups, women either married or cohabiting are more likely to be in employment, all else equal. White British women are 1.5pp more likely to be in work, and Black Caribbean women living with a partner are more than 9pp more likely to do so. In contrast, Indian, Pakistani and Bangladeshi women are 9, 15 and 21pp less likely to be in work than comparable individuals without a partner. In interpreting these figures, it is important to note that within each group, the share of women who are married or cohabiting varies substantially. In the sample underlying these results, less than a third of Black Caribbean women have a partner at home, while more than 70% of Indian, Pakistani and Bangladeshi women do so. Thus, there are likely to be selection effects at play.

For completeness, in Figure A.1 in the Appendix, we show the same results for men. There is much less variation across ethnic groups: for all groups, having a partner is positively associated with employment, and the differences in effect sizes are much smaller than for women. In most cases, there is a negative association with the presence of children in the household too, and in no case is there a statistically significant positive association. Overall, this evidence – combined with the different profiles of household structure across ethnic groups – appears to be an important factor in differential labour force participation and employment for women. In this context, it is possible that social norms have a role to play in the striking generational shifts shown in Figure 35. For instance, Arcarons (2020) shows how the labour market activity of second-generation Pakistanis and Bangladeshis is influenced by the participation behaviour of family members, including mothers-in-law.
Despite some shifts in the second generation, significant ‘unexplained’ employment gaps persist for UK-born ethnic minorities, as illustrated earlier and explored in greater detail in Figure 37. Here, we focus on a few groups for which sample sizes are sufficient to perform statistically meaningful decomposition analysis. This makes clear that unexplained employment gaps are present for almost all ethnic minority groups – Black Caribbean women are the exception. For men, the fact that ethnic minorities are more likely to live in more economically active areas means that they would be expected to have higher employment rates than if they were distributed in line with the overall population, while less advantageous family and health characteristics of Pakistani and Black Caribbean men would predict slightly lower employment rates. Unlike for men, female employment is quite strongly graded by educational attainment, and thus the higher levels of qualifications held by ethnic minority women, on average, predict higher employment rates. Family and health characteristics predict similar effects as for men, but again the most striking result is the size of the unexplained employment gap for Pakistani women. This decomposition does not incorporate the differential impact of observed characteristics across groups – including the family characteristics explored above – and thus more of the differences across groups could potentially be (statistically) explained by allowing for these interacting effects. Instead, the unexplained component here highlights employment differentials across groups given individuals’ characteristics, assuming those characteristics affect employment outcomes in the same way for minority ethnic individuals as for the ethnic majority.

Manning and Rose (2021) estimate the size of ‘unexplained’ employment differentials over time using the same data. They find that, for men, ethnic penalties in employment have declined quite substantially over time but that unemployment gaps in particular have remained more persistent, suggesting that changes in participation over time have been the main driver of closing gaps. For
women, unexplained employment penalties have seen less change, with only Chinese and Indian women reducing the differential over the whole period of study. As for men, unexplained unemployment gaps have been persistent for most groups, only falling noticeably for Indian women.

Figure 37. Decomposition of overall employment gaps for UK-born ethnic minorities, by gender, in England and Wales, 2014–19

Note: The figure shows estimated differences in employment among UK-born adults aged 16–64 and not in full-time education in England and Wales, compared with White British. M indicates male; F indicates female. Coefficients come from a probit regression with employment as the outcome variable, with the explanatory role of each set of factors estimated using Oaxaca–Blinder decomposition. Basic controls include year*quarter fixed effects, age, age squared, region of residence (11 regions); education is measured by highest qualification achieved (seven groups); family and health includes marital status (six groups), indicator variables for number of children under 16 and total number of people in the household, whether the individual has a health condition that limits their activity, and indicator variables for the main health condition reported (17 conditions). 95% confidence intervals based on robust standard errors are also shown, and labelled bars note the unexplained employment gap relative to White British.

Source: Northern Ireland Statistics and Research Agency (NISRA), Office for National Statistics, Social Survey Division (2020), wave 1 only.

Thus, unemployment appears to be a crucial obstacle to closing remaining employment gaps. Longhi (2020) attributes the higher rates of unemployment observed in British ethnic minorities to longer unemployment duration and rules out a role for occupational segregation and the stability of employment leading to more transitions into unemployment. Li and Heath (2020) also find that minority ethnic individuals experience longer unemployment spells, on average – particularly for Pakistanis, Bangladeshis, Black Africans and Black Caribbeans. Moreover, they suggest that the ‘scarring’ effects of unemployment also appear larger for ethnic minorities. Higher unemployment rates for ethnic minorities mean that the impact of scarring on labour market outcomes later in life (e.g. Burgess et al., 2003) is a significant concern; the potential for scarring to be group-specific only heightens this, particularly in the context of jumps in unemployment during the COVID-19 crisis.

This still leaves open, however, the question of what the proximate causes are for ‘unexplained ethnic penalties’ observed in the data. There are many potential reasons discussed in the literature. For instance, there is some evidence that English language fluency is strongly related to unemployment (Cheung, 2014) but such a channel is less plausible for the UK-born population. Dale, Lindley and Dex (2006b) highlight very different patterns across the life course of different
ethnic minority women in the UK, with Black Caribbean women exhibiting (relatively) high rates of economic activity across the life course and the presence of a partner strongly linked to low levels of Pakistani and Bangladeshi female employment. Black feminist writers suggest that the phenomenon of Black Caribbean female-headed households and their capacity to work and raise children independently can be understood in the context of the historical legacy of enslavement, which thrived on enforced women’s work and destruction of normative familial relations (Hooks, 1981; Davis, 1983; Mirza, 1992). However, for Pakistani and Bangladeshi women, it is not so much religious and cultural practices but the presence of a male partner that is strongly and negatively correlated with women’s labour market participation (Khan, 1979; Mirza, 2013; Khoudja and Platt, 2018).

Aside from the historical, cultural and family-related drivers discussed above, there is evidence that neighbourhood ethnic concentration in childhood has consequences for adult labour market outcomes in ways that can reinforce existing patterns of success and disadvantage. Greater concentration of co-ethnics is associated with lower labour market participation and social class for Pakistani and Bangladeshi women but better outcomes for Indian men. This potentially reflects the maintenance of cultural norms in the former case and access to ‘ethnic capital’ – that is, group-level economic and social resources – in the latter (Zuccotti and Platt, 2017).

This evidence may also reflect potential mechanisms related to both social networks and geographic factors. International evidence has highlighted the role that geographic concentration can play in group outcomes when this constrains access to job opportunities (Gobillon, Rupert and Wasmer, 2014; Hellerstein, Kutzbach and Neumark, 2014) and spatial variation in employment outcomes has been shown to be strongly related to ethnic composition in the UK (Clark and Drinkwater, 2002). Previous work in the UK has also documented differences in willingness to commute for ethnic minorities and argued that this can explain part of longer unemployment durations (Thomas, 1998). In this sense, ethnic differences in the labour market may go hand-in-hand with the ‘levelling up’ agenda in the UK.

Differential access to social networks may also be important, given the large share of jobs that are acquired through informal networks. Research suggests that some minority ethnic groups are more reliant on such channels (Battu, Seaman and Zenou, 2011), which may constrain available opportunities – particularly if an individual’s (co-ethnic) network is itself disproportionately disadvantaged. While strong co-ethnic networks may provide access to labour market opportunities in some cases, previous UK research has suggested that ethnic minorities who maintain a strong attachment to their culture of origin, or an ‘oppositional’ identity to the dominant group, do experience an employment penalty (Battu and Zenou, 2010). Pedulla and Pager (2019) present evidence from the US suggesting that while White and African American jobseekers utilise their networks at similar rates, subsequent job offers are less forthcoming for African Americans. The role of social networks in accessing job opportunities is likely to be particularly important for first-generation immigrants. In the context of Germany, for instance, Dustmann et al. (2016) estimate that close to half of immigrants (47%) obtain their first job on arrival through acquaintances, friends or relatives, compared to a quarter for the current job of German workers. However, Frijters, Shields and Wheatley Price (2005) found that although (foreign-born) ethnic minority individuals in the UK were more likely to rely on informal methods of job searching, decomposition analysis suggested this could not explain any of the gap in employment probabilities compared with the UK-born White population since immigrants were less likely to be successful in all forms of job searching.

But there is undoubtedly a role for discrimination too, even if the aggregate role of this is difficult to ascertain. Racial employment discrimination has been illegal in the UK since 1968 but there is widespread evidence of discrimination against minority applicants in hiring processes. Heath and Di Stasio (2019) compile nearly 50 years of evidence from field experiments on labour market discrimination on the basis of Race and ethnicity in Britain. The evidence is clear that ethnic minorities are systematically less likely to receive call-backs, with the effect larger for racialised non-White minority groups, suggesting a strong racial component. The size of effects found in correspondence studies between the 1960s and 2017 changed little over time and are largest for applications with Pakistani, Black Caribbean or Black African names. Racial discrimination is clearly at play at the point of entry to jobs then, and though the evidence is more limited for subsequent stages, there is no reason to think that such behaviours are confined only to the stage
of obtaining an interview; for instance, discrimination may have a role in promotion or firing decisions too. Moreover, discriminatory perceptions – whether or not they reflect actual or overt discrimination – may contribute to differential labour market participation and outcomes. Rolfe et al. (2009) conducted in-depth qualitative interviews with participants who said they had experienced discrimination in the workplace: the evidence therein suggests that such experiences materially affect subsequent labour market decisions, and aspects of workplace culture and representation can be a factor in determining such discriminatory perceptions.

While the existing evidence documents the persistence of racial discrimination in hiring, it does not cover all job types and it may be that different types of employers exhibit different behaviour, with potentially heterogeneous effects across the population. For instance, international evidence suggests that discrimination is less severe among more highly educated applicants (Zschirnt and Ruedin, 2016) – such a pattern would then have implications for within-group inequalities, as well as across groups. There are also some challenges to the methodology of these experiments. Neumark and Rich (2019) emphasise that even if these studies equalise observable characteristics across groups, if there are differences in the variance of unobservable characteristics, the estimate of discrimination is biased – and this bias can go in either direction. Reassessing the evidence on discrimination from 10 previous audit and correspondence studies from around the world to correct for this bias, they find that more than half of the findings of labour market discrimination are no longer valid (though all the results on housing market discrimination remain robust). In addition, and as we discuss later, interpreting results as purely reflecting racial discrimination is made challenging by the fact that decision-makers may interpret different information signals from application forms – relating to social class or country of origin, for instance. Overall, while discrimination is certainly an important factor, there are a number of complexities in ascertaining its total effect, and in distinguishing between different underlying motivations.

Types of work and occupational segregation

We now turn to considering differences in the types of work people from different ethnic groups do, which has important implications not only for earnings, but also for job and income security, working conditions, and other forms of benefits and compensation, such as pensions. Figure 38 provides a high-level overview of the types of work done in each ethnic group pre-pandemic. The estimated population split by NS-SEC classification for each ethnic group includes all individuals in employment in England and Wales. This highlights clear differences between groups, such as the disproportionate number of Bangladeshi and Pakistani men working as small employers or in self-employment (own account workers), with very few in higher managerial positions. Indian and Chinese men, on the other hand, are more likely than White British men to be in managerial positions. Black men – and especially Black Caribbean men – are disproportionately missing from the highest managerial and professional positions. Across the board, women are less likely to be in higher managerial and professional roles, but among women similar ethnic differences are clear, though somewhat less pronounced. Self-employment is also much less common for women. We also get a sense here of some within-group inequalities: note that among ‘Other White’ and Pakistani women, the proportion of individuals in both higher managerial roles but also in the category of semi-routine and routine work is higher than the White British majority. This highlights what can be missed in only comparing group averages, though they are central to this chapter.

These high-level distributions of occupational class stem from allocation to different (types of) occupations. One of the most striking features of the labour market profiles of some ethnic minority groups is their over-representation in a few specific occupations. This is something that has been particularly highlighted during the COVID-19 crisis, when those in key worker roles continued to interact with the public when cases were at their highest, and at the same time significant sectors of the economy were entirely shut down by the social distancing measures implemented by the government. In both cases, the concentration of some groups in specific types of employment was made apparent (Platt and Warwick, 2020a, b). For example, Black African men work in social care roles at seven times the rate of White British men, and Black African women are four times as likely as their White British counterparts to do so. 11% of working Bangladeshi men work in food preparation or hospitality and a further 17% in road transport driving; for men overall, these figures are 2% and 5%, respectively. Many of the jobs in which minority ethnic group individuals are over-represented are more marginal and insecure
types of work, or in sectors characterised by low pay (e.g. social care). Not all examples of occupational concentration fit this narrative, however: those of Indian ethnicity account for 14% of doctors, for instance – more than four times their population share.

**Figure 38. Economic status of employed working-age individuals in England and Wales, by gender and ethnic group, 2017–19**

Note: The data include working-age individuals (aged 16–64) not in full-time education and in employment.

Source: ONS (2020a).
Such occupational concentration is far less apparent among the White British majority. As the majority of workers, almost by definition they cannot be concentrated in specific occupations, although, as Figure 39 shows, occupational concentration is greater among White British women than men. However, minority groups could have similar or different distributions to their White British counterparts. Figure 39 provides an overall quantification of occupational concentration for men and women of each ethnic group in the form of the Herfindahl–Hirschman index. The pattern is not consistent but, overall, Pakistani and Bangladeshi men and Black African women display the clearest occupational concentration. If occupational concentration also occurs within households and families – in particular, because the household relies on a single earner – vulnerability to economic shocks is heightened. Concentration in specific jobs, or a limited range of occupations, may reflect an inability or a hesitance to switch jobs, with implications for pay and progression, and may even transmit over generations.

Figure 39. Occupational concentration by ethnic group, gender and country of birth: Herfindahl–Hirschman index of SOC code of employment in England and Wales, 2010–19

Nevertheless, it is clear from Figure 39 that this occupational concentration is primarily present among the foreign-born populations. When focusing only on those born in the UK, the evidence for such occupational concentration is far less clear, even if it remains slightly higher for Bangladeshis, Pakistanis and Black African women than those of other ethnic groups born in the UK. This suggests that migration histories and the demands of the UK labour market for specific types of immigrant worker are of significance here. For instance, it is well known that the NHS draws heavily on foreign labour to fill gaps, with a full 14% of doctors reporting an Asian nationality (Baker, 2021). The concentration of Bangladeshis in the restaurant sector can (at least partly) be traced back to large migration inflows from the mid-1970s at a time of industrial decline and hostile discrimination in the UK, which led many new immigrants to launch their own hospitality businesses (Alexander et al., 2020). As shown previously, there is substantial educational mobility for second-generation and later-generation immigrants in the UK, including for Bangladeshis, which likely plays an important role in hospitality being a less common type of employment for those born in the UK. Discrimination and limited opportunities are likely to be relevant more broadly, given the evidence discussed earlier on racialised discrimination in hiring practices. This might directly prevent individuals from accessing certain roles, and furthermore the expectation of discrimination could lead individuals to seek out roles more widely pursued among co-ethnics. As with access to employment overall, local labour markets and social
networks likely play a role. As noted earlier, first-generation immigrants are likely to be particularly reliant on personal relationships for employment opportunities (Dustmann et al., 2016), which may restrict them to certain types of work. Consistent with both discrimination and social network stories, there is some evidence that occupational concentration and segregation among ethnic minorities is lower in areas with a larger co-ethnic population overall (Catney and Sabater, 2015).

The observed change in occupational concentration over generations is consistent with a greater variety of opportunities for those born in the UK, who may have access to wider and more varied social networks; also, as shown earlier, ethnic minorities have (on average) done well in the UK education system in recent years. Nonetheless, occupational concentration remains a striking feature of ethnic minorities’ labour market profile overall, and manifests itself in different patterns of opportunity and vulnerability across groups (Figure 40). The prevalence of self-employment in some minority communities is (also) a well-established feature, with self-employment rates particularly high among Pakistani and Bangladeshi men. While in some cases self-employment may reflect individual preferences, such as a desire for flexibility or entrepreneurism, it may again reflect a perceived or true lack of opportunities with employers. For instance, Clark and Drinkwater (2000) show that gaps in predicted wages at the individual level between employment and self-employment are an important explanatory factor in self-employment. More generally, research is not conclusive as to the role of ‘push’ and ‘pull’ factors in the over-representation of some groups in self-employment (Clark and Drinkwater, 1998). There is again convergence over time and generation, however, with self-employment a less popular form of work for younger, better-educated and UK-born individuals, who make up an increasing share of ethnic minority communities (Clark and Drinkwater, 2007). While self-employment may have benefits such as flexibility or job satisfaction (Giupponi and Xu, 2020), incomes in such roles may be less stable and pension saving is also much less common for the self-employed (Crawford and Karjalainen, 2020). One might contrast these features of self-employment with employment in the public sector, which brings substantial security and typically better pension rights relative to the private sector, and in which the prevalence of employment again varies substantially by group. In particular, Black African and Black Caribbean workers are more likely to be working in the public sector than other ethnic groups – for both men and women.

The prevalence of part-time work – which has important implications for wage progression over the life cycle – also varies by group. ‘Other White’ individuals are the least likely to work part-time, whereas Bangladeshi and Pakistani men and women are notably more likely to do so. While part-time work is often related to the presence of children in the household, and especially so for women (e.g. Booth and van Ours, 2008), poor health or lack of opportunities are also relevant – particularly for men. Temporary work is more common for all minority groups for both men and women, suggesting more precarious employment and incomes. However, a caveat to these facts is that at least part of these differences may be driven by differences in other characteristics of individuals. Specifically, part-time and temporary work are more common among younger people overall, and the differences in age profiles across ethnic groups shown in Figure 11 and the presence of dependent children may also have an impact on preferences over part-time versus full-time employment.

All these differences in occupation type, job characteristics and hours of work have implications for earnings and therefore economic well-being – both contemporaneously and cumulatively across the life course, given the importance of accumulated experience and skills for pay progression.

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28 For instance, in the first quarter of 2019, data from the ONS Quarterly Labour Force Survey suggests that, excluding students, 87% of women working part-time did not want a full-time job, compared to 72% for men. 22% of these men said they could not find a full-time job and 8% needed to work part-time due to illness or disability.
Figure 40. Job characteristics by ethnic group in England and Wales, 2017–19

Wages and earnings

Compared with employment rates, inequalities in median earnings have been comparatively stable in many cases – at least for men (Figure 41). For most ethnic minority groups, male median earnings relative to those of the ethnic majority were comparable in 2019 to those in 1995. Exceptions are Indians and the ‘Other White’ group, where earnings have moved in opposite directions. This is likely to be partly due to changes in the composition of these groups with cohorts: for instance, the increasing dominance of the ‘Other White’ group by Eastern Europeans post-2004 (who face strikingly low wages; Campbell, 2013), and the continuation of high rates of high-skilled Indian immigrants across the 2000s, a large share of whom work in professions such as medicine or in computer programming. Among women, there is less dispersion across groups in median earnings, and White women’s earnings are towards the middle of the distribution. Perhaps unsurprisingly given the more substantial changes in employment over this period, there is more evidence of re-ranking of median incomes among women. Compositional change is again at work here; the Black African population also grew significantly over the period and, as previously shown, was accompanied by jumps in employment rates for both men and women; such large shifts on the extensive margin could have plausibly shifted wage distributions.
Figure 41. Median gross weekly earnings of employees by ethnic group as a percentage of White ethnic majority median, in England and Wales

Note: The figure shows 12-quarter rolling averages of median total gross weekly earnings of employees in England and Wales, among those aged 16–64 and excluding those in full-time education. Before 2001, White British and Other White ethnic groups are not distinguished in the data. Bangladeshi women are excluded due to very small sample sizes at the beginning of the series shown.

Some of these earnings inequalities are attributable to differences in the number of hours worked. Reflecting the earlier evidence on part-time work, Figure 42 shows that among those in work, Bangladeshi men work more than six fewer hours than White British men, and Pakistanis and Black men also work slightly less.\textsuperscript{29} Differences are somewhat less pronounced among women, though again Pakistani and Bangladeshi women work fewer hours than other groups. As well as directly meaning less weekly remuneration, there may be implications for differences in skill accumulation and wage progression, to the extent that this variation reflects something more than different age and family profiles. We explore the role of these different factors for individual pay in what follows.

Figure 42. Mean actual hours of work among those in work, by ethnicity and gender, in England and Wales, 2017–19

<table>
<thead>
<tr>
<th>20</th>
<th>25</th>
<th>30</th>
<th>35</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>White British</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other White</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indian</td>
<td></td>
<td></td>
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<tr>
<td>Pakistani</td>
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</tr>
<tr>
<td>Bangladeshi</td>
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<tr>
<td>Chinese</td>
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<td>Black African</td>
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<tr>
<td>Black Caribbean</td>
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<tr>
<td>Other groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The figure shows mean actual hours from first and second jobs, calculated as a rolling average from 12 waves of data. Includes all individuals in work and not in full-time education, aged 16–64 in England and Wales.


A large number of studies have shown substantial differences in hourly wages between ethnic groups, including how these vary by different characteristics; a recent and comprehensive example is the work of Longhi and Brynin (2017). In general, similar patterns of advantage and disadvantage observed on the extensive margin map on to the intensive margin – though magnitudes can differ and there are important exceptions. As shown in Table 4, White British men have higher median wages than all groups except for Indian and Chinese men, who have quite substantially higher median wages. Among women, a similar ranking emerges, although median wages are more compressed across groups. In addition, within-group gender wage gaps vary substantially: in fact, Black Caribbean women earn similarly to their male counterparts, and Bangladeshi women earn more, on average, than Bangladeshi men (though this must be understood in the context or exceedingly low levels of female labour force participation as well). Recent work from the ONS studying median hourly pay among employees (ONS, 2020c) finds that, in general, ethnic wage gaps are smaller when looking just at younger workers or those born in the UK; the latter point is also made strongly by Longhi and Brynin (2017).

There are also important differences in the tails of the wage distribution. At the bottom of the wage distribution, Table 4 highlights that the percentage of employees close to the minimum wage rate varies substantially by group, with Pakistanis and Bangladeshis the most concentrated in low-wage jobs (although this does not account for the share of the group population who are

\textsuperscript{29} It is not clear whether there may be differences in reporting of hours worked across groups that may affect these estimates. For instance, the prevalence of work in unregulated and undeclared work may affect individual reporting.
employees – as shown in Figure 40, a disproportionate share of these groups overall are in self-employment). Evidence suggests that cumulative increases in the minimum wage rate in recent years have reduced wage inequality between workers (McKnight and Cooper, 2020). This may have materially important consequences for inequalities between ethnic groups, given longstanding differences in wage distributions. Small sample sizes and some uncertainty about data quality in the data used means it is difficult to quantify the effect of minimum wage changes on group wage distributions; but evidence from the US suggests that such policies can have quantitatively important effects in reducing racial gaps (Derenoncourt and Montialoux, 2021). The US context is not an ideal guide for the UK but this is still informative about the potential for interactions between labour market institutions and horizontal inequalities. However, at an aggregate level, most employees in minimum wage jobs are not in the lowest-income households because they are typically younger (Cribb, Joyce and Xu, 2019), and thus the implications for overall income inequality are less clear. At the top of the wage distribution, those of Indian and Chinese ethnicity are over-represented in the top 10% of earnings, whereas Pakistani, Bangladeshi and Black individuals are under-represented. Women are under-represented overall among high-wage employees, but the patterns within genders are similar across ethnic groups. It is the groups that are over-represented in the marginal types of work – where hours and job security are lower – that have the lowest wages.

Table 4. Hourly wages of employees by ethnicity and gender, in England and Wales, 2017–19

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Median wage (£)</th>
<th>&lt;10% above min wage</th>
<th>&gt;90th wage percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>White British</td>
<td>14.0</td>
<td>11.2</td>
<td>16%</td>
</tr>
<tr>
<td>Other White</td>
<td>12.0</td>
<td>10.6</td>
<td>21%</td>
</tr>
<tr>
<td>Indian</td>
<td>16.6</td>
<td>12.5</td>
<td>16%</td>
</tr>
<tr>
<td>Pakistani</td>
<td>10.7</td>
<td>9.9</td>
<td>32%</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>9.9</td>
<td>10.9</td>
<td>37%</td>
</tr>
<tr>
<td>Chinese</td>
<td>19.3</td>
<td>15.0</td>
<td>10%</td>
</tr>
<tr>
<td>Black African</td>
<td>11.5</td>
<td>10.7</td>
<td>26%</td>
</tr>
<tr>
<td>Black Caribbean</td>
<td>12.2</td>
<td>12.2</td>
<td>18%</td>
</tr>
</tbody>
</table>

Note: Distance from minimum wage rate calculated based on statutory minimum wage on date of interview in the survey. Includes only employees aged 16–64 and not in full-time education, in England and Wales. Point in wage distribution calculated among employees, separately for each year in the survey.

Source: ONS (2020a).

To what extent can these differences in wages be (statistically) explained by differences in relevant characteristics for individuals from these groups? Figure 43, using data from the 10 years from 2010 to 2019, shows that accounting for such characteristics changes this picture substantially by estimating unexplained mean wage gaps. This evidence shows that, in almost all cases, racialised non-White ethnic minorities receive lower average wages than would be expected given their demographic, educational, occupational, family and health characteristics. Characteristics such as education more than explain the pay advantages observed for some groups, and cannot account for the lower pay received by some groups. Separating by those born in the UK and those born abroad also proves important, as in many cases these unexplained wage gaps are smaller for individuals born in the UK – consistent with the evidence shown earlier on employment, as well as with earlier research.

For example, they are similar to the patterns shown by Longhi and Brynin (2017) and ONS (2020c), and Henehan and Rose (2018) reach broadly similar conclusions and also study differences by level of education. They find that pay penalties are largest for Black male
graduates and for Pakistani/Bangladeshi non-graduate men. Longhi, Nicoletti and Platt (2013) emphasise the role of sorting into particular occupations as a key factor in explaining wage differences between groups, and also note within-group heterogeneity by constructing ethno-religious groups. In particular, they find that among Indians it is Hindus who achieve relatively higher wages compared with Muslims. Moreover, much of the overall wage gap seems to be concentrated around the middle of the wage distribution, with less evidence of differences in the tails of the wage distribution.

Figure 43. Unexplained wage gaps by ethnic group, gender and country of birth, relative to White British, in England and Wales, 2010–19

Note: The figure shows unexplained wage penalties relative to White British. Each set of penalties comes from a separate linear regression of ln(hourly pay) on month-of-interview fixed effects, age, age squared, region of residence (11 regions), highest qualification achieved (seven groups), whether married or cohabiting, indicators for the number of children under 16 in the household and the total number of household members, the individual’s main long-term health condition, hours of work, experience squared, whether full- or part-time, whether in the public sector, and SOC code of employment. The reference group is White British individual. 95% confidence intervals based on robust standard errors shown.

Source: Northern Ireland Statistics and Research Agency (NISRA), Office for National Statistics, Social Survey Division (2020), wave 1 only.

This ‘unexplained’ wage gap is not only large – it has also persisted over a sustained period. Figure 44 presents estimates of unexplained wage gaps over more than two decades. Here we focus on UK-born individuals in order to remove the substantial effects arising from compositional change due to migration over time. As a result, the analysis is restricted to a couple of ethnic minority groups where the sample sizes for the UK-born are large enough to produce more reliable estimates. Even so, we present rolling seven-year averages for coefficient estimates in order to address year-to-year volatility and to show clearer patterns over time. In most cases, unexplained wage gaps have not closed substantially over time. For Black Caribbean men, the unexplained component has actually grown over time, from around 2% in 2000 to nearly 8% in 2019. There could be various factors at play here, but one that is likely to be relevant is the ageing profile of the Black Caribbean population. As previously mentioned, existing evidence finds that ethnic wage gaps are typically larger at older ages, perhaps linking to differences in wage progression, which we return to shortly.
Figure 44. Unexplained hourly wage gaps among UK-born employees in England and Wales

![Chart showing unexplained wage gaps for different ethnic groups (Indian men, Black Caribbean men, Indian women, Black Caribbean women) over time from 2001 to 2019.](chart_url)

Note: Each value is a simple seven-year rolling average of coefficient estimates from separate regressions for each year in the data. The coefficient comes from a linear regression of ln(hourly pay) on month-of-interview fixed effects, age, age squared, region of residence (11 regions), highest qualification achieved (seven groups), whether married or cohabiting, indicators for the number of children under 16 in the household and the total number of household members, hours of work, experience squared, whether full- or part-time, whether in the public sector, and SOC code of employment. Only UK-born individuals are included, and the reference group is UK-born White individuals. A positive ‘gap’ here means higher wages than White British.


Unexplained wage penalties are persistent but, as shown earlier, there have been some substantial shifts in actual (median) earnings for minority ethnic groups. Statistical decomposition methods can shed some light on how the relative importance of different factors in trends in the raw data has changed over time. Figure 45 shows a decomposition of wage gaps among employees in England and Wales for two different ethnic minority groups: Indians and Black Caribbeans. These are interesting groups to study given divergent fortunes for either group over time, with strong (relative) employment and wage growth for Indians, but less so for Black Caribbeans, on average. We also focus on these two groups for this analysis partly for practical reasons, as both have a sufficient enough sample size in the data (after pooling years) to conduct separate analyses by gender and by country of birth.

Figure 45 shows the results of Oaxaca–Blinder decompositions, in which we have bundled together characteristics into groups that might be important in determining or explaining labour market outcomes. The black dots show the estimated mean wage gap in log points, relative to White British individuals of the same gender – approximately the average proportional difference in wages. The constituent bars for each group, which together sum up to the total estimated wage gap, illustrate the amount of variation in (log) hourly wages that can be explained by different types of characteristics, given how these characteristics vary with wages among White British. Separately analysing the first- and later-generation ethnic minorities again allows us to account for large compositional changes over time. Combined with separate analysis by gender, this allows for interesting contrasts between the two minority groups shown.
Figure 45. Decomposed wage gaps compared with UK-born White individuals over time

Note: The figure shows the mean wage gap of each group in each period, with the reference group UK-born White individuals of the same gender in each case, and the sample restricted to UK-born employees aged 16–64 and not in full-time education in England and Wales. The explanatory role of each set of factors is estimated using Oaxaca–Blinder decomposition. Basic controls include year*quarter fixed effects, age, age squared, region of residence (11 regions); education is measured by highest qualification achieved (seven groups); family and household include marital status (six groups) and indicator variables for number of children under 16 and total number of people in the household; job characteristics include hours of work, experience squared, whether full- or part-time, whether in the public sector, and SOC code of employment. First-generation ethnic minorities were born outside the UK; second-generation and later-generation ethnic minorities were born in the UK.


This exercise reveals some striking patterns. Almost uniformly, ‘basic controls’ (which include region of residence and age, for instance) would indicate that the minority groups shown should earn higher wages than White British individuals. The magnitude of this effect is predicted to be large, reflecting the fact that both Indians and Black Caribbeans are much more likely to live in urban areas than White individuals, and Black Caribbeans in particular are heavily concentrated in London, where average wages are among the highest in the country. The simple measure of education used here (highest level of qualifications held) is expected to confer a relatively significant wage advantage to Indian men and women. This was true both in the 1990s and 2010s for Indians born in the UK, while for those born abroad, educational qualifications have become relatively stronger over time, as reflected in their positive estimated contribution to relative wages. This is not the case for Black Caribbeans, in general. Household characteristics consistently predict marginally lower wages for foreign-born minorities but not for those born in the UK.
What emerges very strongly from this analysis is the importance of job characteristics in the contrasting fortunes of groups in the labour market over time. The measures used here are job tenure (as a proxy for experience), hours, industry, and full- or part-time work. For Indians – and particularly for Indians born in the UK – the type of work done by individuals appears to be a substantial driver of relative wage growth over time. For instance, for UK-born Indian men, job characteristics in the 1990s predicted a −5% wage penalty compared with White individuals; in the years 2013–19, the same characteristics predict more than a 7% wage premium. For women, the corresponding figures are 1% and 10%. Unravelling this pattern in more detail is difficult with the amount of data available in the survey. However, an illustrative example of the occupational shift of UK-born Indian men is that, according to the same data, the most common job role in the 1993–99 period was sales assistant (around 6%); in the 2013–19 period, this was down to 2%, and the most common job roles were programming and software development, bookkeeping, and finance and investment analysts (all 3% or more).

Black Caribbean men and women show a divergent case. In the 1990s, Black Caribbean women worked in jobs that would predict slightly higher wages than White individuals, but in recent years this has reversed, and this holds both for UK-born and foreign-born individuals. For men, job characteristics are strongly predictive of lower wages in all four models shown, and the negative contribution has grown for UK-born individuals, from a predicted −8% wage penalty in the 1990s to a staggering −14% in recent years. The five most common occupations in the more recent period for UK-born Black Caribbean men are sales and retail assistants, van drivers, bus and coach drivers, elementary storage occupations, and security guards. These are all roles with relatively low pay and limited opportunities for progression, suggesting that a life-cycle perspective on the evolution of wages is likely to be informative, and that the transition into employment at early ages will be important to changing this pattern. The fact that the jobs that people do is an important factor in determining their wages should surprise nobody, but the role of occupational shifts in ethnic inequalities appears to be considerable.

Even so, unexplained wage penalties continue to exist in almost all cases. Though Indians earn more than White individuals on average, and Black Caribbean men earn less, both earn less than would be expected given their qualifications and job characteristics. And while the unexplained wage penalty appears to be lower for UK-born individuals than first-generation immigrants, it has not decreased over time for those born in the UK. In this sense, generational shifts are not echoed by temporal change. It is important to note that there is some debate about how ‘unexplained’ gaps should be measured. We have shown here that job characteristics are quantitatively important to consider but it is also likely that those job characteristics themselves are related to differential labour market opportunities across groups. In that sense, we may wish to compare labour market outcomes (in terms of wages, for instance) on the basis of individual characteristics from outside the labour market (i.e. just age, region, qualification, and so on). This is the approach of Manning and Rose (2021), for instance. An approximate way of adjusting the estimates in Figure 45 for such an approach is to add the wage difference predicted by job characteristics on to the unexplained component. This would change our conclusions somewhat. In this approach, the contemporary unexplained pay gap for UK-born Indians is essentially erased (or might become slightly positive); for Black Caribbeans, however, the unexplained component would grow, and massively for men. This is in line with the results of Manning and Rose (2021). Neither approach is ‘wrong’ here, but both have subtly different interpretations. The unexplained component shown in Figure 45 is suggestive of inequalities even in the same job, pointing more squarely towards differences in the labour market, including discrimination. Removing the contribution of job characteristics arguably better reflects broader inequalities, which have implications for labour market success.

Though the measurement of unexplained pay differences changes its interpretation and its magnitude across groups, for most non-White ethnic minorities in the UK, it does not affect the sign (Indians are a marginal exception). And while the data used are imperfect, this is a pattern that has also been found consistently in other datasets. One important limitation of the Labour Force Survey is that it does not include any income information for the self-employed. Self-employment has become an increasingly important form of work in the UK as a whole, but it has long been the case that some ethnic groups are particularly concentrated in self-employment, as shown earlier. Among those in work, 3% of Pakistani men were self-employed in 2017–19; this compares to 15% in the population as a whole, or 19% among White British men. Thus, relying only on the Labour Force Survey does not paint a full picture of ethnic earnings inequality. Differences
in mean earnings using the Family Resources Survey, which includes all labour market earnings, are shown in Figure A.2 in the Appendix: again, all non-White minority groups have lower earnings than would be expected based on their other characteristics. These differences are largest for those born abroad but are still quantitatively large for those born in the UK.

Britton, Dearden and Waltmann (2021) use linked education and tax return data to study unexplained earnings gaps by ethnicity at age 30. The precision of these data is a key advantage over survey data. In addition, they are able to account for detailed characteristics of individuals, including school attainment, socio-economic background, and institution attended and subject studied at university, where applicable. They are not able to control for detailed job characteristics, but even among university graduates this analysis yet again finds substantial earnings differences between different ethnic groups. Men from all ethnic minorities have unexplained wage penalties in their analysis; gaps are slightly smaller among those who attended university, but similar qualitative patterns remain across groups regardless. For women, higher education attendance again narrows unexplained gaps somewhat, but there are differences depending on whether individuals attended higher education or not. For instance, Black women who did not attend higher education have unexplained earnings premiums; the converse is true for those who went to university.

Understanding the drivers of labour market disadvantage for ethnic minorities is crucial in order to address broader inequalities across ethnic groups – in incomes, housing and wealth accumulation, and health, for instance. While the evidence in this section has shown that education does provide a partial path to closing existing gaps, it is also clearly not a panacea. What are the causes of differences in occupations that drive differences in wages and earnings, and what about the significant ‘unexplained’ wage differences shown above? Existing research is far from conclusive on these questions and, just like the analysis in this section, most of the existing evidence is based on cross-sectional data. The evolution of wages and earnings over the life cycle are likely to be extremely important though. To consider this, Figure 46 plots average age–wage profiles for UK-born White, Indian and Black Caribbean men and women using more than 25 years of repeated cross-sections, in order to simulate individual-level change across the age distribution. There are again distinct patterns both across and within ethnic groups. For White individuals, average wages rise rapidly for those in their twenties; thereafter, they continue to rise steadily for men but plateau for women. Research suggests that fertility events play a crucial role in this pattern (Andrew et al., 2021). Indian men and women display a similar qualitative pattern but start with higher average wages. The pattern for Black Caribbeans is rather different. For men, average wages are somewhat similar to those for White British men until around age 30; soon after, average wages stagnate and even slightly decrease at older ages. This could reflect the type of occupations noted earlier, where opportunities for pay progression are likely to be relatively limited. For Black Caribbean women, however, average wages continue to increase at older ages, even outstripping average wages of their male counterparts, and remaining higher than White British women. This perhaps reflects the relatively high employment rates of Black Caribbean women, allowing for greater accumulation of experience and pay progression. However, we cannot draw very strong conclusions from this analysis. For instance, because this analysis cannot control for cohort (because we cannot jointly control for age, year of birth and year of interview), we cannot rule out that the different fortunes of different cohorts are driving at least part of the patterns shown.

Pay progression appears to be a crucial factor then in the different wage gaps experienced across ethnic groups. The causes of differences in the evolution of wages over time could be varied, and existing evidence is not conclusive as to what the most important proximate factors are. While we do not yet have definitive evidence on any of these, many of the candidates are similar to others discussed so far in this section. Discrimination is likely to be at play, at least to some extent, and in some cases the expectation of discrimination or exclusion could affect choices. Indeed, as we discuss in Section 4, large shares of minority ethnic individuals feel discriminated against, including in the workplace, and qualitative evidence suggests this can significantly affect their later choices (Rolfe et al., 2009). Social networks will affect the opportunities that individuals have access to, and as we have seen, there is clear variation in the types of qualifications pursued and achieved across groups, with implications for feasible career paths. Differences in mobility – due to either willingness or ability to travel for new work opportunities – may also be important. Investigating and separating out all of these factors is not feasible in this chapter, and of course many of these are strongly related (social networks and
expectations of discrimination could constrain mobility, for instance), but all of these factors deserve attention in understanding and addressing the unexplained wage penalties for ethnic minorities consistently uncovered in empirical research in the UK.

**Figure 46. Average (mean) wages by age and gender among UK-born employees in England and Wales, 1993–2019**

![Graph showing average wages by age and gender among UK-born employees in England and Wales, 1993–2019.](image)

Note: The figure shows estimated mean age–wage profiles of UK-born individuals by ethnic group in England and Wales, with economy-wide changes in wage rates stripped out. Both public and private sector employees are included but the self-employed are not. Smooth wage profiles estimated using locally weighted scatterplot smoothing (LOWESS).


**Income, poverty and wealth**

Education and labour market success substantively shape differences in material living standards. In this section, we offer a more complete treatment of ethnic inequalities in resources, incorporating important factors beyond labour market earnings. It is also important to consider other privately earned income – from investment or occupational pensions, for instance. In addition, living standards also depend on household composition, the tax and benefit system, and the cost of living (including housing), and differences in wealth have implications for the ability of households to weather economic shocks and for the transmission of inequality across generations.

**Household income inequality**

Income inequality among the UK’s ethnic majority population (White prior to 2001–02 and White British thereafter in the data used) has not changed substantially in the last 25 years according to some headline metrics. Figure 47 shows two measures of income inequality over time: the Gini coefficient and the 90:10 ratio of income – in both cases, income includes all sources (labour market earnings, investment, pensions, miscellaneous income and state benefits) and is measured after taxes. Despite some movement in the last 25 years – most notably an increase
during the Great Recession and a subsequent fall – overall income inequality in recent years is fairly similar to the level seen in the mid-1990s on the basis of some headline measures.\(^{30}\)

Aggregating all minority ethnic groups together, Figure 47 calculates these two statistics for the ethnic majority compared with the ethnic minority since 1994. This makes it clear that for the majority of the period, inequality within the ethnic minority population has been markedly higher. While for much of the period the direction of travel is similar for both the ethnic minority and majority populations – suggesting drivers of inequality common to both populations – this is not consistently the case. In particular, inequality within ethnic minority communities increased substantially in the later 1990s and early 2000s at a time when it was starting to decrease in the majority population. This may be because of compositional changes in this period, with large migration inflows at this time changing the size and composition of the UK’s ethnic minority population. This elevated level of inequality within the ethnic minority populations points to diversity within ethnic minority populations in incomes – some do very well while others have very low incomes, as suggested by the evidence on labour market earnings already shown.

**Figure 47. UK income inequality among ethnic majority and ethnic minority populations over time**

Note: Ethnicity measured by household head. Income measured as total net household income before housing costs, equivalised according to OECD equivalence scale. Prior to 2001–02, ethnic majority includes all White individuals; thereafter, it includes only those identifying as White British as the survey question changed.


Figure 48 shows how typical incomes vary substantially by ethnic group across the period. Median incomes have been consistently highest in White households, although median Indian incomes recently rose above those of White British, and median Chinese incomes have also been comparable to the majority in recent years.\(^{31}\) In 2018–19, median Black Caribbean incomes remained 17% below the White British median, Black Africans 22% lower, Bangladeshis 29% lower and Pakistanis 36% lower. This is in spite of substantial catch-up in the last 25 years: most ethnic minorities have exhibited faster total income growth than the majority group. For instance, median Indian incomes have risen from 15% below the White median in 1996–97 to 5% above

\(^{30}\) See other chapters and commentaries in this Review for a more comprehensive discussion, including some metrics that show rather different trends.

\(^{31}\) Not shown because of the volatility of estimated Chinese median incomes (even after taking a three-year average), which is likely to be partly due to the small sample size of the Chinese population.
White British in 2018–19. Bangladeshi and Pakistani incomes also increased much faster than the White population, albeit from a very low base. Not all ethnic minority groups exhibit a continuing trend of catch-up, however. In both the Black African and Black Caribbean populations, median incomes have barely caught up with those of White British since the mid-2000s after some strong catch-up in the preceding decade. While Figure 48 is based on net incomes, which are most useful for assessing relative living standards, a similar pattern is observed if using gross income as well (Figure A.3 in the Appendix).

**Figure 48. Median net incomes before housing costs in England and Wales by ethnic group of household head, relative to White ethnic majority**

Note: The figure includes all individuals in England and Wales, with ethnicity measured by household head. Income measured as rolling three-year average of median total household income before housing costs, equivalised according to OECD equivalence scale. Prior to 2001–02, ethnic majority includes all White individuals; thereafter, it includes only those identifying as White British.


Going beyond median incomes, Figure 49 plots the share of individuals from households headed by a member of each ethnic group in each income quintile. This provides a broader view of income distributions for each group and how they have (or haven’t) changed. White households are necessarily (given that they make up the majority of the population) fairly evenly spread across income quintiles, but are slightly over-represented at the top. Overall, non-White ethnic minorities are disproportionately concentrated in the bottom quintile of the income distribution, and under-represented at the top. There have clearly been some significant changes, with Bangladeshis being the most striking example: in 1994–98, a full 70% of those in Bangladeshi households were in the bottom income quintile; this had decreased to under 40% in the period 2015–19, though of course that figure is still clearly disproportionate. Even in recent years, only 3% of those in Bangladeshi households were in the top 20% of the income distribution, and only 4% of Pakistanis. Indian and Chinese incomes have also increased, and Chinese households in particular are now actually over-represented in both the bottom and top income quintiles, highlighting greater within-group inequality for this group. Again, however, the Black African and Black Caribbean populations have not seen big shifts in their relative income distributions overall during this period.

To state these striking differences in another way, across 2015–19, individuals in non-White ethnic minority households accounted for 9.2% of the population in the top income quintile, and 20.2% of the population in the bottom quintile. Individuals in Pakistani and Bangladeshi households...
accounted for less than 0.7% of the population in the top quintile, and ten times that share (7%) of the population in the bottom quintile. Amongst children, non-White households accounted for 12.7% of the population in the top quintile, and 28.4% of the population in the bottom quintile.

**Figure 49. Quintiles of net household income in England and Wales before housing costs by ethnic group of household head**

To explore further how within-group inequality has evolved over time, Figure 50 shows the 10th, 50th and 90th percentiles of net income for each group over time. Between 1994–98 and 2015–19, there were substantial increases in median incomes for most ethnic groups, and catch-up relative to White individuals in many cases, as already documented. Almost all of the growth in median incomes came prior to the Great Recession: between 2004–08 and 2015–19, median incomes increased little for most ethnic groups, though Indians, Pakistanis, Bangladeshis and the growing Mixed ethnicity population fared relatively better in terms of overall median income growth.

However, changes in median incomes have also been accompanied by an increase in inequality within many groups, with incomes at the bottom of the distribution relatively unchanged 20 years on for some groups, but big increases at the top of the income distribution, as measured by the 10th and 90th percentiles, respectively. The ‘Other White’, Indian and Chinese populations emerge as having relatively greater within-group inequality, driven by the top of the income distribution. Fast overall income growth in the Indian and Chinese populations has significantly pulled up median incomes in those groups but growth at the top has been even faster. In contrast, Pakistani and Bangladeshi incomes remain relatively more compressed, even if relative growth at each point of those group income distributions has been notable. It is simply that in the 1990s the income distributions of both groups were heavily concentrated at low incomes: the 90th percentile of Bangladeshi incomes, for instance, was only 86% of the White median. Figure 50 also illustrates a striking freeze in the income distributions of both the Black Caribbean and Black African populations between 2004–08 and 2015–19, consistent with the stagnation of labour market earnings in these groups shown earlier.

Note: The figure includes all individuals in England and Wales, with ethnicity measured by household head. Income measured as total household income before housing costs, equivalised according to OECD equivalence scale.

Figure 50. 10th, 50th and 90th percentiles of household income before housing costs in England and Wales by ethnic group over time

Note: Top and bottom of bars show 10th and 90th percentiles of income for each group; the middle line shows the median. The figure includes all individuals in England and Wales, with ethnicity measured by household head. Income measured as total net household income before housing costs, equivalised according to OECD BHC equivalence scale, and deflated using the Consumer Price Index. Prior to 2001, the data only include ‘White’ as one group, and ‘Mixed ethnicity’ is not collected in the data.


Decomposing the gaps

Given differences in income between and within groups and in convergence over time, we now set out to explore some of the factors contributing to these differences. As the labour market section showed, ethnic differences in earnings are large, and cannot be fully explained by observable characteristics of individuals. How earnings inequality translates through to living standards, however, depends on household composition, including labour market participation of partners and the number of children or other dependents. We focus our analysis here on the working-age population, which contains the vast majority of the adult population of ethnic minorities.32

Figure 51 shows how these considerations affect mean earnings differences across ethnic groups. We focus here on working-age adults only because for many adults at older ages, labour market earnings are not an important source of household income. In addition, focusing first on those of working age draws a clear link between our analysis of labour market outcomes (which only concerns those of working age) and their living standards. However, the equivalised household earnings measure shown does account for household members who are not of working age.

32 It is, however, important to note that there has been a substantial closing of income gaps between the pensioner and the working-age populations in recent decades throughout their respective income distributions (see Figure A.4 in the Appendix), driven by stagnant earnings growth alongside protected increases in the state pension (Bourquin et al., 2019). In contrast to the role that working-age benefits and taxes play in closing ethnic income gaps, such patterns are likely to have worked in the opposite direction – at least in terms of differences between White British and minority ethnic incomes – given the high share of the over-65s identifying as White British.
Figure 51. Mean individual and household labour market earnings among working-age adults in England and Wales, relative to White British, 2015–16 to 2018–19

To put it crudely, here we see a dichotomy of two groups. White British, Other White, Mixed ethnicity, Indian and Chinese individuals have relatively high household earnings, on average. The Black population has much lower household earnings overall, and average working-age Pakistani and Bangladeshi household earnings are less than half that of White British. Compared with individual earnings gaps (calculated only on the basis of those in work), accounting for household composition has heterogeneous effects across groups. For the poorer groups shown, household earnings relative to White British are lower than individual earnings, which reflect only the intensive margin earnings differences seen earlier. The greater differences in household earnings reflect inequalities on the extensive margin (i.e. lower employment rates) and differences in the number of dependents. In particular, the very low rates of female labour force participation among Pakistani and Bangladeshi households means that such households are particularly likely to be single-earner households. And in the latest year of the data used in this section, the average number of dependent children per household varies: it is 1.34 for Pakistanis, 1.07 for Bangladeshi, 1.04 for Black Africans, 0.60 for Indians, 0.41 for White British and 0.22 for Chinese. This has an important impact on equivalised measures of household income and reflects both different age profiles and different fertility rates, as described earlier.

In contrast, for some groups, household earnings relative to White British are greater than individual measures, on average. This is the case for the Other White group, where employment rates are high for both men and women, and for the Chinese ethnic group, where the mean number of dependents is low and employment rates are again high.

Living standards reflect both the levels and numbers of earners relative to non-earners in a household but are also supported by sources of income beyond the labour market. Figure 52 shows that income privately generated through investments, occupational pensions, or transfers from other households change income distributions and ethnic income inequalities very little.
Figure 52. 10th, 50th and 90th percentiles of income among working-age adults in England and Wales, relative to White British median, 2015–16 to 2018–19

Note: Ethnic group is self-reported and defined at the individual level; all income is measured at the household level and is equalised using the OECD before housing cost equivalence scale and deflated according to the month and year of interview. The figure includes adults aged 65 and under and not in full-time education in England and Wales. ‘Earnings’ shows total gross employment and self-employment incomes; ‘Plus other income’ includes investment, occupational pension, children’s and miscellaneous income; ‘Plus benefits’ shows total gross income, which adds a wide range of income-related and non-income-related benefits; ‘After taxes’ shows net income before housing costs, which nets off council tax, income tax and national insurance contributions, for instance. A full list of what is included in gross and net income can be found in Department for Work and Pensions (2020a).


However, government policy does have important direct effects on final household incomes through the tax and benefit system. While such policies are not explicitly targeted at those from different ethnic or racial backgrounds, redistributive policies can have substantial effects on ethnic income gaps because of different distributions in market incomes (Derenoncourt and Montialoux, 2021). This is also the case in the UK context. The blue bar shows income percentiles relative to the White British median after accounting for benefits received by the household. The vast majority of the benefit expenditure underlying these effects comes from measures such as family and incapacity benefits and tax credits, rather than unemployment benefits (ONS, 2016), with pensions less relevant in this sample because we focus on the working-age population. Unsurprisingly, given that most of these benefits are designed to support those on low incomes, those out of work, or those otherwise economically vulnerable, receipt of such benefits enhances the living standards of low-income individuals across all ethnic groups (see Hoynes, Joyce and Waters, 2022). However, they also noticeably close the gap between the median incomes of groups. This effect is buttressed by the impact of taxes – in this case, income tax and national insurance contributions, as measured in the Households Below Average Income data – which have a similar effect through disproportionately reducing incomes at the upper end of the household income distribution.

These channels are quantitatively important for some ethnic inequalities. As a percentage of the White British median, it is estimated that, due to taxes and benefits, incomes for Bangladeshis are increased from 40% to 65%, for Pakistanis from 45% to 60%, and for Black Caribbeans from 65% to 80%. In this context, changes to tax credits and benefits have been estimated to disproportionately affect exactly these same groups. Cuts to benefits, tax credits and Universal
Credit have previously been estimated to amount to losses of around £4,400 per year for Bangladeshi households, on average, and £2,700 for Pakistanis, by the 2021–22 tax year (Portes and Reed, 2018) – bigger than for any other ethnic group.

Building on the analysis of wages shown earlier, Figure 53 illustrates the extent to which ethnic differences in (mean) incomes – after accounting for all sources – can be explained by other characteristics of individuals, including household composition, and labour market participation. The figure presents separate estimates for the UK-born population of each group to consider if and how patterns change beyond the first generation of immigration, leading to different conclusions. For the relatively higher-income ethnic minority groups – Other White and Indian here – observable characteristics ‘over-explain’ their high average incomes, suggesting conditional income penalties, relative to White British. Notwithstanding uncertainty on precise magnitudes with the sample sizes available, actual incomes are higher for the UK-born population of both groups, but after accounting for observables, income penalties are strikingly similar regardless of whether we consider the whole population or restrict the analysis to the UK-born population. For other minority groups, accounting for key observable characteristics changes average income gaps little for the most part, particularly for the UK-born, leaving large unexplained income differences for Pakistanis, Bangladeshis and Black Africans and, to a smaller extent, for Black Caribbeans.

**Figure 53. Unconditional and conditional income gaps among working-age adults in England and Wales, by ethnic group, 2015–16 to 2018-19**

Note: Ethnic group is self-reported and defined at the individual level; the reference group is White British. The figure includes all adults aged 16–65 and not in full-time education in England and Wales. Income is measured at the household level before housing costs and is equivalised using the OECD before housing cost equivalence scale and deflated according to the month and year of interview. Coefficients come from a linear regression of the log of income. All specifications control for month-of-interview fixed effects; the controlled specifications additionally include controls for region of residence, gender, age and age squared, highest qualifications, whether in work, general self-reported health and whether there is any longstanding health condition, marital status and number of children in the household. 95% confidence intervals based on robust standard errors shown.

Thus far, all income has been measured before housing costs for the sake of consistency. However, an alternative measure of income, which may be more appropriate in terms of the disposable income that households have readily available to spend on consumption, is one that disregards income spent on housing costs to give disposable income that is available to households after such committed expenditure. As Figure 54 shows, the importance of housing costs differs substantially by ethnic group and income level. The gap between income before and after housing costs (BHC and AHC) tends to be smallest for White British individuals, and larger for Black and Bangladeshi individuals. This is driven by two main factors. First, the White British majority are more likely to own the property that they live in and have lower ongoing housing payments as a result. This is linked to the older profile of the group – even within the working-age population – as well as wealth inequalities, to which we return shortly. Second, housing costs are higher in urban areas, and particularly in London, where ethnic minorities are especially likely to reside. The impact of housing costs on income measures is particularly clear towards the bottom of the income distribution, and this is where the variation across ethnic groups is most striking. While the 10th percentile of White British AHC incomes is 70% of the BHC figure; this falls to 59% for Pakistanis, 51% for Bangladeshis and 46% for Black Africans and Black Caribbeans.

Figure 54. 10th, 50th and 90th percentiles of equivalised household income after housing costs as a share of same percentile points before housing costs, by ethnic group in England and Wales, 2015–19, for working-age adults only

Note: The figure shows the ratio between income measured before and after housing costs at different percentiles of each ethnic group’s income distribution. Both income measures are constructed at the household level and use OECD equivalence scales, and are deflated according to the year and month of interview. The sample includes only working-age adults (aged 16–64) not in full-time education in England and Wales.


Poverty rates provide another view of how income differences manifest in the share of individuals in the most vulnerable living conditions. Figure 55 shows how poverty rates have changed for different ethnic groups over time. Here, a measure of relative poverty is used rather than a fixed threshold – for longer-term trends in poverty, a relative measure is likely to be more appropriate, as over time society’s understanding of what an acceptable standard of living is changes. Specifically, poverty is defined as being below 60% of the median equalised before housing costs income; in Figure A.5 in the Appendix, we show equivalent trends after housing costs for completeness. This shows elevated levels of poverty for most ethnic minority populations, in line
with the income differences shown already. As of 2019, poverty rates among adults ranged from 14% for White individuals to 38% for Pakistanis. However, as with median incomes, there has been a narrowing of differences in the last 25 years. This is particularly clear among Bangladeshi and Pakistani adults, even though it is these groups that continue to register the highest rates. Convergence is not the dominant story for all groups, however, with Black African poverty rates no lower pre-pandemic than before the Great Recession, and Black Caribbean rates pre-pandemic no lower than – or even somewhat higher than – the mid-1990s.

**Figure 55. Before housing cost poverty rates in England and Wales by ethnic group**

Note: These figures show three-year rolling averages of rates of relative poverty by ethnic group in England and Wales, first among adults, and second among children. Ethnicity is measured according to the household head, and income is measured before housing costs and equivalised according to the OECD equivalence scale.

Levels of child poverty are often a particular area of concern, given the implications of childhood conditions for child development, educational attainment and, ultimately, outcomes and social mobility in adulthood (Cattan et al., 2022). For most groups, poverty rates are even higher among children: households with children are more likely to be at the bottom of the (equivalised) income distribution than those without. Close to half (47%) of Pakistani children were living in poverty as of 2019. In general, the long-term trends of convergence in adult poverty rates are also clear for child poverty but it is these staggering differences in historical and contemporaneous levels that are highlighted in these data (see also Platt, 2009). In the region of 70% of Pakistani and Bangladeshi children in the 1990s grew up in relative poverty, and 40% of Black Africans.

Within the general pattern of convergence, there are also other features. For instance, child poverty, in particular, jumped notably during the Great Recession for some groups. This was a period when employment fell, wages were squeezed, and public sector spending, including state benefits, began to be reduced. More recently, previously falling rates of poverty have been on the rise again. This is especially marked in the Pakistani and Black Caribbean populations; in the latter case, child poverty rose from less than 20% to over 30% in the space of just a few years. Overall, in 2018–19, non-White children accounted for nearly a third (31.4%) of children in poverty but just over a fifth (20.7%) of children overall. The disproportionate representation of Pakistani (9.3% of children in poverty versus 4.4% overall), Bangladeshi (3.5% versus 1.7%) and Black Caribbean (1.5% versus 1.0%) children in poverty is especially worrying. These trends draw attention to the importance of a robust social safety net for addressing ethnic inequalities in particular. Ensuring that families have adequate resources to support their children is crucial for preventing inequalities becoming embedded across generations.

We also note here that the main figures quoted in this subsection are arguably underestimates because of the disproportionate importance of housing costs in the budgets of many ethnic minority households. While the data discussed here are again based on income before housing costs for the sake of consistency, measures of poverty after housing costs suggest even higher rates, and greater differences across groups (see Figure A.5 in the Appendix). As of 2018–19, 17% of White British adults were in poverty as measured after housing costs. This rises to 44% for Pakistanis, 43% for Bangladeshis, 41% for Black Africans and 36% for Black Caribbeans. Child poverty rates reach a staggering 67% for Bangladeshis and 47% for Black Caribbeans when measured this way; in the 1990s, these figures reached as high as 90% for Bangladeshi children and 50% for Black Caribbean children.

Wealth

The striking magnitude of wealth inequalities between those of different racial backgrounds has been documented extensively in the US context (e.g. Shapiro and Kenty-Drane, 2005; McKernan et al., 2013; Shapiro, 2017), with the gap between White and non-White people three times higher for wealth than for income. Recent work from the Office for National Statistics (ONS, 2020b) shows that the UK also exhibits stark differences in this respect (Figure 56). Considering all sources of wealth held by households, all ethnic minorities are under-represented in the top 20% of the wealth distribution, and many are over-represented at the bottom. For example, more than half of Black African households are in the bottom fifth of the wealth distribution; only 2% are in the top fifth.

Going beyond overall wealth reveals important differences that link to other dimensions of inequality – or other aspects of group differences – explored elsewhere in this chapter. Overall, property and pension wealth are the key components that drive these gaps: for most households, financial wealth is a relatively small fraction of overall holdings, and physical wealth is less unequally divided across ethnic groups. The median White British household has £115,000 in property wealth, whereas the median Black household has none. Interestingly, Pakistani and Indian households – two minority groups that are relatively less concentrated in London – have median property wealth greater than White British. This seems strongly suggestive of the importance of regional differences in access to the housing market for these overall wealth inequalities.

The other main source of inequality in wealth comes from private pensions, where median holdings among White British (£80,000) are twice that of any other group. Pakistanis, Bangladeshis, Black Africans and Chinese all have median pension wealth of £5,000 or lower.
Part of this is due to lower participation in private pension saving, with the percentage of households from these groups holding positive private pension wealth estimated at 69%, 48%, 59% and 57%, respectively, compared to a figure of 82% for White British. This extensive margin difference is likely to be strongly linked to the types of work people do; for instance, the very high levels of self-employment in Bangladeshi and Pakistani communities seems highly relevant in the context of much lower rates of private pension membership among the self-employed, which continue to diverge from participation among employees (Crawford and Karjalainen, 2020).

Figure 56. Distribution across wealth quintiles by ethnic group of household head in Great Britain, 2016–18

Note: The figure shows the share of households of each group in each quintile of the national wealth distribution, where ethnicity is determined by the household reference person. Some ethnic groups are excluded due to small sample size. Total wealth is the sum of household net property, net financial, physical and private pension wealth.

Source: ONS (2020b).

Of course, wealth is generally accumulated over the life cycle, and thus the different age structures of groups are likely to be a contributing factor to these household wealth gaps. Figure 57 accounts for age – as well as household composition and socio-economic characteristics – in estimating mean wealth gaps for each group. This analysis suggests that, on the whole, such factors can go some way in explaining wealth gaps for most groups. The exception here is the Indian population, for whom the wealth gap is actually larger once accounting for background characteristics. Wealth is, of course, not only accumulated through an individual’s income streams and savings behaviour but is also driven by inheritances and capital growth. Most immigrant populations likely did not bring substantial levels of assets with them and could not invest or accumulate in the same way as those with such assets. This is highly relevant when thinking about ethnic wealth inequalities, particularly given evidence on the growing importance of inheritances (Bourquin, Joyce and Sturrock, 2020) for wealth accumulation, as well as record house price growth in the UK in recent decades (Cribb and Simpson, 2018). The more recent their immigrant origins in the UK, the less likely those from ethnic minority groups are to have been able to benefit from wealth accumulated from either of these drivers, perhaps reflected in the

Bangladeshi and Chinese estimates come from sample sizes of 39 and 37, respectively, and thus should be treated with caution.

It is important to note, however, that small sample sizes mean that point estimates are highly uncertain. For instance, the estimated adjusted gap of £−62,000 for the ‘Other White’ group is not statistically distinguishable from zero.

Though settlement in the UK, or joining family members in the country, is now in many cases subject to a minimum income and/or savings requirement.
very low levels of housing wealth among Black Africans, who are one of the most recent immigrant flows. With the increasing salience of wealth for social mobility and for health and well-being across the generations, the limits to accumulation faced by immigrants are likely to have important implications for the future. This is especially true given the backdrop of rapidly rising wealth-to-income ratios (Bourquin, Brewer and Wernham, 2022), driven by rises in assets prices and stagnating labour market incomes. Such patterns embed historical inequalities and injustices into today’s and tomorrow’s economic fortunes.

**Figure 57. Mean wealth gap, relative to White British, before and after controlling for observables in Great Britain, 2016–18**

Note: The figure shows mean wealth gap by ethnicity according to the identity of the household reference person, relative to White British. Total wealth is the sum of household net property, net financial, physical and private pension wealth. Patterned green bars indicate estimates statistically indistinguishable from zero. Black African results after controls include a small number of households in the ‘Black other’ group. Adjusted estimates include controls for household composition and housing tenure, as well as the age, gender, educational level and socio-economic classification of the household head.

Source: ONS (2020b).

**Social mobility**

**Social origins**

The evidence presented herein shows that ethnic inequalities present themselves in different ways in different domains. With important caveats and differences across groups, ethnic minority educational attainment is strong relative to the White or White British majority; however, there is evidence of remuneration in the labour market not being commensurate with qualifications for most minority ethnic groups. There are, however, notable shifts over time, with a degree of convergence in employment and wages, for instance. As noted at the end of the previous section, a challenge in combining all of this evidence together is that, in general, data on different outcomes pertain to different cohorts of individuals. Given this, an important question is to what extent can we ‘read off’ the future of ethnic inequalities based on recent data showing strong progress of most minority groups in the education system? Evidence on long-term occupational and social mobility is a crucial part of understanding whether current institutions provide opportunities for minority groups to achieve upwards mobility to the same extent as the majority population.

Labour market disadvantages faced by minority ethnic groups are not unique to the UK but are found across Europe (e.g. Heath, Rothon and Kilpi, 2008; Alba and Foner, 2015). To understand the sources of this disadvantage, research has increasingly drawn attention to the fact that the
social origins of minority groups are overwhelmingly disadvantaged. For instance, among UK-born individuals who had reached adulthood by 2011, 29% of White British came from advantaged origins as measured by at least one parent working in a service job; this falls to 16% for Indian individuals, 14% for Black Caribbeans, 7% for Pakistanis and 5% for Bangladeshis. Social origins or social class in childhood is a strong predictor of adult outcomes in education and the labour market (Breen and Luijkx, 2004; Bukodi, Paskov and Nolan, 2020; Chetty et al., 2020), and such origins may be an important driver of ethnic inequalities in these domains, rather than other factors associated with minority ethnicity, including discrimination. This idea (Platt 2005a, b) has been explored in a number of studies that suggest social origins can indeed explain at least some of the educational and occupational disadvantage faced by minority groups (e.g. Levels and Dronkers, 2008; Gracia, Vázquez-Quesada and Van de Werfhorst, 2016; Li and Heath, 2016). At the same time, there are distinctive differences in both occupational and educational mobility across groups – that is, class origins do not seem to work in the same way across minority and majority groups. In addition, typically there still remain ‘ethnic effects’ after adjusting for class origins, which therefore continue to invite explanation.

Educational and occupational mobility
As already noted, many authors have highlighted differences in educational ambition among minority groups compared with the majority (Kao and Tienda, 1998; Mirza, 2008; Strand, 2014). In the UK, some studies have shown that these ambitions facilitate continuing in the education system even if grades are lower than would, on average, be required for continuing amongst the majority population (Fernandez-Reino, 2016; Strand, 2014). Such patterns reflect positive primary effects of ethnicity for minority groups. In addition, the UK stands out among comparator countries as a context where many minority ethnic groups are now performing better than majority groups on many headline measures of attainment, as shown earlier (see also Crawford et al., 2011; Crawford and Greaves, 2015; Strand, 2011). Educational outcomes in minority ethnic groups tend to be much less sensitive to social origins compared with the White British majority youth. Thus, adjusting for social origins only goes to demonstrate positive attainment despite origins (Burgess, 2014; Zuccotti and Platt, 2019).

This is illustrated in Figure 58 for adults aged between 20 and 45 from four UK-born ethnic minority groups compared with the White British majority, sourced from Platt and Zuccotti (2021). For both men and women and across all four minority ethnic groups shown, the predicted probability of attaining a university degree is higher than their White British counterparts among those with both relatively advantaged and disadvantaged social origins. In fact, the predicted probabilities of attaining a university degree are in most cases higher for minority ethnic individuals from disadvantaged origins than for White British individuals from more advantaged origins (not shown; for details, see Platt and Zuccotti, 2021). In addition, there is evidence that social origins do not work in the same way across groups. Consider the different patterns observed for Black Caribbeans and Pakistanis, for instance: in the former case, disadvantaged individuals have a greater educational advantage over White British; in the latter case, the opposite is true.

36 Though disadvantaged social origins may themselves reflect historical processes of Racism, discrimination and exclusion.
37 The distinction between primary and secondary ethnic effects (Jackson, 2012; Jackson et al., 2012) mirrors earlier literature on the primary and secondary effects of social class (Sewell, Haller and Portes, 1969). Primary effects relate to continuation in education; secondary effects relate to attainment.
Research on occupational outcomes has also, by including social class origins, enhanced the ability to explain differences in labour market outcomes across groups (Gracia, Vázquez-Quesada and Van de Werfhorst, 2016; Li and Heath, 2016; Platt, 2005a). A number of UK studies have shown that upward social mobility given social class origins is greater for many ethnic minority groups than it is for the majority (Platt, 2005a, b; Zuccotti, 2015; Zuccotti and Platt, 2019). Figure 59 provides an illustration of this using longitudinal linked census data for England and Wales, which offers a picture of social mobility over the long term, again from Platt and Zuccotti (2021). This shows that social origins do offer some explanatory potential for understanding the poorer labour market outcomes of minority groups, as measured by access to professional or managerial class occupations. The second bar in each figure for both men and women shows positive ethnic effects on occupational mobility once one accounts for social origins. For Pakistanis and Bangladeshis, this is particularly true for men; for Black Caribbeans, it is clearer for women. This suggests that the meaning of these social origins appears to differ in that, for occupational success for those who are in employment, disadvantaged social class origins do not hold minorities back in the same way as they do for the majority.
A big part of the solution for this is to be found exactly in educational attainment. Adjusting for educational attainment in the third bar for men and women shows that much of the upward mobility is achieved through education (see also Platt, 2005b). When outcomes are adjusted for education, there are far fewer gains in upward mobility across groups. Indeed, once this is taken into account, Pakistani and Bangladeshi women do less well than one might expect given their educational attainment and social origins, mirroring the cross-sectional labour market evidence shown previously, which does not explicitly account for socio-economic background.

While largely consistent with the findings on educational mobility and labour market outcomes, these findings on social mobility nevertheless raise continuing questions about why ethnic minorities are able to achieve greater educational and social mobility than their counterparts.
from similarly deprived origins. But they also raise the question of why this greater propensity to upward mobility for those in work is not realised in access to work.

**Life satisfaction**
The evidence shows that UK-born ethnic minorities display significant educational mobility, and that this often provides a path to occupational mobility – though the relationship between education and occupational success is not the same across all groups. However, this intergenerational mobility must also be viewed in the context of continuing contemporaneous differences in living standards. These alternative narratives of opportunity and disadvantage raise the question as to how individuals evaluate their life satisfaction as a whole, which also provides a useful bookend to our presentation of material difference.

To study life satisfaction, we use self-reported answers from the Annual Population Survey from 2017 to 2019 (ONS, 2020a), where survey participants are asked, ‘Overall, how satisfied are you with your life nowadays?’. Responses are on a scale from 0 to 10, with 0 indicating ‘not at all’ and 10 indicating ‘completely’. Because average reported life satisfaction varies substantially over the life course, we first exclude those under 18 and over 64, as well as all retirees, before age-standardising responses to remove any differences arising from different age distributions. Fixed effects for date of interview are also stripped out, before normalising all responses so that they can be interpreted as standard deviation differences from the population mean.

Figure 60 first shows (age-standardised) differences by ethnic group, separately for men and women, and by country of birth. A number of interesting findings emerge from this analysis. Overall, differences in life satisfaction are in line with measures of socio-economic success; thus, the Indian and Other White ethnic groups report relatively high levels of life satisfaction, whereas Black Caribbean individuals report substantially lower levels. Pakistani and Bangladeshi individuals report similar levels to White British, despite much lower average employment and income levels. We also see that for all minority ethnic groups, life satisfaction relative to the White British majority is lower amongst women than amongst men, and sometimes substantially so. Figure A.6 in the Appendix shows that while controls typically narrow gaps (e.g. because Black Caribbeans live disproportionately in London, which has lower average reported life satisfaction, or because Indian individuals are more likely to have a partner and be religious, which are both associated with high levels of life satisfaction), Black women in particular still report low levels of life satisfaction.

Given the magnitude of generational change documented above, how life satisfaction compares amongst the immigrant and later generations is also of interest. Pooling together men and women, here it is striking that, relative to the White British majority, mean reported life satisfaction is lower for the UK-born populations of all minority ethnic groups shown than for the foreign-born population. While for most groups, differences are statistically indistinguishable in practice, for the Indian and Other White ethnic groups life satisfaction is significantly worse for those born in the UK than amongst their foreign-born counterparts. Again, 0 shows that controls narrow some of the larger gaps. However, we also see that among the UK-born population of the most highly educated ethnic minority groups (Indian and Chinese), life satisfaction conditional on educational attainment is lower than in Figure 60.

This finding of lower levels of life satisfaction among the post-immigration generations of ethnic minorities mirrors that of Knies, Nandi and Platt (2016). As they discuss, various factors could be at play that drive differences between the first and later generations. For instance, while the immigrant generation may be more affected by the costs of dislocation and susceptible to social isolation, they may also be positively selected, and benefit from significant increases in living standards compared with their country of origin. Later generations do not face these same dynamics but may still experience marginalisation and discrimination (Heath, Rothon and Kilpi, 2008). Importantly, later generations are likely to have a different benchmark, which is an important consideration for well-being (Bartram, 2010). A divergence between expectations or aspirations and realised outcomes may engender dissatisfaction. Such a mechanism has been suggested in the context of lower second-generation political participation and perceived discrimination (Sanders et al., 2014), and referred to as the ‘paradox of social integration’ (Heath et al., 2013).
Figure 60. Differences in self-reported life satisfaction by gender, country of birth and ethnic group in England and Wales, 2017–19

Note: The figure shows estimated average differences in self-reported life satisfaction by ethnic group, with White British as the reference group. The sample includes individuals aged 18–64, excluding retirees, in England and Wales in 2017–19, and the outcomes are standardised such that coefficients can be interpreted as standard deviation differences. Coefficients (with 90% confidence intervals using robust standard errors) come from a linear regression of age-standardised and normalised self-reported life satisfaction on indicator variables for self-reported ethnic group. Results for men and women include both individuals born in the UK and those born abroad; results for those born abroad and those born in the UK include both men and women (with gender controlled for), and all White British are used as the reference group in both cases. Survey question asks: ‘Overall, how satisfied are you with your life nowadays?’. Responses are in the range 0–10, with 10 being the most satisfied.

Source: ONS (2020a).

The COVID-19 crisis

The evidence presented herein has examined the dynamics of ethnic inequalities over the long term and how these present themselves in different domains in recent years. For the most part, this has used data up to 2019. However, the unprecedented events beginning in 2020 had a range of unequal impacts. In this context, and following global protests in support of the Black Lives Matter movement, these unequal impacts on different ethnic groups attracted substantial public and research interest. In this subsection, we review the evidence on how and why some groups have been more badly affected than others, and consider the long-term implications of the public health crisis and economic fallout.

Mortality and morbidity

While the COVID-19 pandemic brought greater attention to the issue, ethnic health inequalities are longstanding.\(^\text{38}\) They do not, however, always paint a picture of disadvantage for minority groups. Consider, for instance, measures of life expectancy. Prior to the onset of the COVID-19 pandemic, data on life expectancy or age-adjusted mortality by ethnic groups was not readily available, as death registration processes do not collect data on ethnicity in England. In the absence of official statistics, researchers have relied on smaller datasets and proxy methods to

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\(^{38}\) Nazroo (2022) in this Review discusses these inequalities in greater detail in their wide context of socio-economic inequalities and experience of racism. Here we only highlight some headline differences before concentrating on COVID-19 specifically.
estimate ethnic inequalities in mortality. Scott and Timæus (2013) – see also Wallace and Kulu (2015) – used a linked subsample of census data from England and Wales to find that a health advantage exists for most minority immigrant populations – and especially so after accounting for socio-economic gaps. This is in line with evidence from the UK and elsewhere that immigrants are typically positively selected on health (Akresh and Frank, 2008; Kennedy et al, 2015; Ichou and Wallace, 2019). Patterns are less clear for UK-born minorities, partly because of small sample sizes, but there is evidence of higher age-adjusted mortality among Black Caribbeans than among UK-born Whites, with socio-economic inequalities partly explaining this gap. Bhopal et al. (2018) undertook a comparable study in Scotland and found that most minority groups have better health than the White Scottish majority. More recently, the ONS (2021a) linked census records to death registrations to provide the most comprehensive estimates of life expectancy by ethnic group in the UK, using deaths from England and Wales from 2011 to 2014. These estimates, shown in Figure 61, coincide with the findings of previous studies, with White and Mixed ethnicity groups found to have the lowest life expectancy out of all groups across both men and women.

**Figure 61. Estimated life expectancy at birth by gender and ethnic group in England and Wales**

Note: Life expectancy estimated using linked data from the 2011 Census and death registrations, based on self-reported ethnic group and covering 95% of persons enumerated at the Census. ‘Other’ includes Arab, Chinese and Other ethnic groups.

Source: ONS (2021a).

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39 An alternative approach has been to estimate ethnic mortality rates based on their geographical distribution and the relationship between self-reported health and mortality (Rees, Wohland and Norman, 2009), leveraging the fact that life expectancy is strongly graded by local deprivation (e.g. Marmot, 2020). Though imperfect – due to ecological fallacy, for instance – this analysis points towards Pakistanis and Bangladeshis having the lowest life expectancy.

40 Some researchers have expressed concerns about the accuracy of these estimates, however, noting potential biases arising from differential rates of matching and emigration across ethnic groups, and questioning how sensible some of the estimates are. See Nazroo (2022) for more detail.
Other measures of health with more readily available data show clear health inequalities across ethnic groups. Figure 62 shows the prevalence of a range of comorbidities recorded in hospital visits in England for different ethnic groups relative to White individuals. These figures, which correct for differences driven by the age of individuals, come from analysis from the ONS (2020d) and suggest a complex picture which differs by group and by condition. While the prevalence of cancer is highest among White individuals for the most part, mental health conditions are twice as common among Black Caribbean men than among White men. Metabolic conditions (namely diabetes) are substantially more common among most minority groups – particularly for Pakistanis and Bangladeshis, with prevalence nearly four times higher among men and five times higher among women of the latter, compared with White individuals. These complex patterns make it difficult to generalise when it comes to health inequalities, but the Chinese population does emerge with lower comorbidities nearly across the board, while Pakistanis, Bangladeshis and Black Caribbean individuals experience elevated rates of many health problems. Given evidence on the strength of the link between socio-economic success/deprivation and health (Marmot, 2020), it is not surprising that health inequalities seem to map to the patterns of economic success and disadvantage by ethnicity previously discussed. Similarly, shocking patterns exist for infant mortality too: across 2017–19, the infant mortality rate for Pakistani (7.7 per 1,000) and Black Caribbean babies (6.5) in England and Wales were more than twice that of White British (3.1) (ONS, 2021c).

The pandemic, however, brought fresh attention to different health outcomes across ethnic groups in light of striking differences in COVID-19 mortality, which led to a recommendation from Public Health England (2020c) that ethnicity should become a mandatory question for healthcare professionals to ask of patients, thus embedding this data collection in the death registration process. Overall, minority ethnic women have suffered fewer COVID-19 deaths per capita than the White British majority. Combining ONS data covering COVID-19 deaths up to December 2021 with over-30 population estimates for England from the Annual Population Survey (ONS, 2020a) suggests that White British females suffered 3.3 deaths per 1,000, compared to 2.4 for Indian women, and 2.9 for Pakistanis and Bangladeshis, for instance. For men, however, this pattern does not hold. The fatality rate for White British men of 4.0 per 1,000 is similar to that of Indian men (3.8) and is exceeded by that of Pakistani (5.1) and Bangladeshi (4.8) men. These figures are striking given the age gradient of COVID-19 deaths: by the end of 2021, 92% of total confirmed deaths with COVID-19 on the death certificate had occurred among those aged 60 and above (ONS, 2022b). Indeed, the Black Caribbean population, whose age structure is comparable to the White majority, has the highest number of per capita fatalities of all, at 4.2 per 1,000 for women and 7.9 per 1,000 for men.41

Analysis that accounts for the age of COVID-19 victims makes the point much more clearly that in most minority ethnic groups, fatalities have been higher than White individuals of a comparable age (Figure 63). Some of these gaps are stark, with age-standardised deaths 3.6 times higher among Bangladeshi men than for White British men, and 2.0 times as high for Black men. Similar inequalities exist for women too, if slightly smaller in magnitude. The Chinese ethnic group are the only minority ethnic population whose age-adjusted mortality rate is not statistically elevated compared with the White British population. Within the working-age population (age 30–64), ethnic differences are often even more substantial – the age-standardised mortality rate for working-age Bangladeshi men, for instance, is nearly six times that of White British men. Such evidence on excess mortality in the UK’s Black and Asian communities mirrors patterns of excess deaths in the country’s most deprived communities (e.g. Johnson, Joyce and Platt, 2021).42 These gaps likely reflect a manifestation of complex economic, social and health-related inequalities that existed pre-pandemic, and perhaps interacted with the epidemiological environment in ways that they do not with health outcomes more broadly. The role of each of these is not yet fully

41 These per capita estimates are very simplistic calculations which effectively assume that the study population in the referenced ONS data is the same as that in the APS 2019, which is not the case because of factors such as immigration and identity change, for instance. However, a similar set of estimates can be arrived at by using the age-stratified population in England as at the 2011 Census.

42 We have also seen ethnic disparities in COVID-19 mortality other countries. For instance, as of September 2022, estimates for the US suggested age-adjusted COVID-19 deaths were 1.7 times higher in the Black or African American population than among the non-Hispanic White population, and 1.8 times higher for Hispanic or Latino persons (CDC, 2022).
understood but much research has sought to explain these disparities (Platt and Warwick, 2020a, b; ONS, 2020d, 2022b), and evidence points to a few key considerations.

**Figure 62. Age-adjusted prevalence of hospital-based comorbidities in England, relative to White, March 2017 to May 2020**

Note: All comorbidities are age-adjusted and based on hospital statistics. The White rate is the baseline, and the figure shows deviations in relative risk from this baseline for each group. Confidence intervals are omitted for presentational purposes but are available in the source dataset.

Source: ONS (2020d).
First, there are a number of reasons why some groups may have faced excess risk of exposure to the virus. Indeed, early data from Public Health England showed age-standardised diagnosis rates around three times higher among Black men than White men, with elevated case rates among all minority groups to varying degrees (Public Health England, 2020a). Earlier on in the pandemic, a key factor was the concentration of ethnic minority populations in major urban centres where the disease was particularly prevalent. As of January 2021 – when vaccines were beginning to be rolled out extensively – London had the highest cumulative case rate of all UK regions. Even within a given area, different housing conditions and the presence of multigenerational households has also been highlighted as a possible risk factor. For instance, fewer than 2% of White British households in London have more residents than rooms; in contrast, this figure is just under 30% for Bangladeshi households, 18% for Pakistani households and 16% for Black African households. Some evidence suggests household composition may be a factor in explaining the disparities observed for some groups (Nafilyan et al., 2021).

Perhaps most salient though is the potential risk faced by people in different types of work. The pandemic has brought into stark relief the different conditions people face at work. While large numbers of workers were able to work from home or were furloughed, those in ‘key worker’ roles continued to work throughout the pandemic. As noted in the labour market section, this has drawn attention to the occupational segregation of ethnic groups, with employment in the roles, including health and social care work, being particularly common in the Black population (Figure 64). Evidence suggests that some occupations have suffered far higher death rates than others, including security guards (where Black Africans are over-represented) and taxi drivers (where Pakistanis and Bangladeshis are) (ONS, 2020e).

Beyond risks of exposure to the virus, existing health inequalities such as those shown above may play a role in differential morbidity. For instance, in the UK, being overweight or obese is more common in the Black population, and diabetes is a risk factor in the Asian population. However, analysis and evidence review from Public Health England (2020b) suggest that comorbidities cannot in general explain much of the differences in hospitalisation or deaths between ethnic groups, aside from some indication of a potential role for diabetes in the Asian population.
Analysis from the ONS, which is able to account for many different individual characteristics, is perhaps the most comprehensive attempt at estimating excess mortality and its drivers, and shows slightly different patterns over time. In the first wave of the pandemic (defined as January 2020 to September 2020), age-standardised COVID-19 deaths were highest among Black Africans, Black Caribbean men and Bangladeshi men. In the second wave (defined as September 2020 to March 2021), it was Bangladeshis and Pakistanis who had the highest levels of COVID-19 mortality by far. However, across both waves, and across both men and women, all non-White minority ethnic groups aside from Chinese had higher rates of age-standardised COVID-19 deaths than White British. This analysis suggests that, in general, controlling for characteristics such as geography and socio-economic characteristics (including local deprivation and measures of job exposure) can explain a big portion of excess mortality for most groups. However, in many cases big unexplained differences remain, with deaths among Black African men in the first wave, and Pakistani and Bangladeshi men in the second wave, still twice as high as their White British counterparts even after controlling for all observable characteristics.

Health status and comorbidities emerge as a relevant factor for Bangladeshis and Pakistanis in particular, but less so for other minority groups. Of course, the fact that socio-economic deprivation or other measures of disadvantage can statistically account for some of these age-adjusted mortality differences does not erase the fact of the inequalities themselves. It simply goes to show how interlinked different measures of life outcomes can be.

**Figure 64. Share of working-age populations in key worker roles by ethnic group in England and Wales**

![Bar chart showing the percentage of working-age populations in key worker roles by ethnic group in England and Wales.](chart)

Note: Key workers are identified based on government guidance from 19 March using four-digit SOC codes to identify key worker jobs in health and social care, education, public services, food, public order and transport. For further details, see Farquharson, Rasul and Sibieta (2020). Shares represent the proportion of the working-age population (aged 16–64) (excluding students) of each group that is in the identified occupations.


In the phase of the pandemic when vaccinations have been widely available, ethnic inequalities in COVID-19 mortality have persisted, even if absolute mortality rates have dropped substantially for all groups. In most cases, though, the unexplained component has been somewhat smaller than in previous waves after accounting for the same characteristics mentioned above. For Indian individuals, the ONS estimates similar (adjusted) COVID-19 mortality to White British, for instance. On top of personal characteristics, vaccine uptake also emerges as an important factor. Before accounting for vaccination status, adjusted COVID-19 deaths for Black individuals between June 2021 and December 2021 were between 1.4 and 2.1 times as high as White British, depending on gender and detailed ethnic group. Accounting for vaccination status entirely accounts for these differences in the ONS analysis.
Thus, vaccine uptake may continue to be an important consideration for health inequalities from COVID-19 going forward. As of the end of 2021, the (age-standardised) share of White British individuals who had received three doses of vaccination was over 68% (ONS, 2022a); for Indian and Chinese individuals, it was 65% and 64%, respectively. For Black Caribbean individuals, the figure was 34%, and it was below 40% for Black African and Pakistani individuals too. This is a clear area of concern for ethnic inequalities, which has received substantial attention. Razai et al. (2021) document elevated levels of vaccine hesitancy in ethnic minority populations as well as lower take-up of other routinely offered vaccines, and argue that vaccine hesitancy among ethnic minorities – and particularly the Black population – is the product of a lack of trust in institutions and in the safety and efficacy of vaccines. They suggest this reflects a failure of public health messaging, necessitating targeted action that focuses on building trust through community voices. However, logistical and practical steps, such as providing information in multiple languages and public transport to vaccination sites, are also crucial. Robertson et al. (2021) use survey data to study vaccine hesitancy in the UK. They find that hesitancy is especially high among Black individuals, and also among Pakistanis and Bangladeshis, but with somewhat different factors cited by respondents. The former were more likely to state that they ‘don’t trust the vaccine’, with the latter more likely to reference concerns about side effects. Woolf et al. (2021) similarly find that, among healthcare workers, Black Caribbean individuals have the highest rates of vaccine hesitancy. Their qualitative work identifies a lack of trust in institutions and a lack of ethnic diversity in vaccine studies as potential drivers of hesitancy among minorities, among other reasons. Vaccine hesitancy perhaps reflects broader differences in satisfaction with health services across ethnic groups in some cases. For instance, while 69% of all patients report a positive experience in making a GP appointment, this falls to 57% for Bangladeshis and 55% for Pakistanis (Race Disparity Unit, 2019).

**Economic exposure**

Alongside the health crisis, the economic impacts brought about by COVID-19 and the ensuing policy response highlighted economic inequalities in various ways. While exposure to the virus may have long-term effects on the incomes and welfare of affected individuals (e.g. through ‘long COVID’ or family bereavements), there is also evidence that the economic effects of widespread social distancing measures had varied implications for ethnic groups according to their different pre-pandemic characteristics.

Pre-pandemic characteristics implied differential exposure to the economic disruption across ethnic groups. Differences between groups in age structure and household composition mean that the COVID-19 crisis has had implications for ethnic inequalities even before considering differences among those in the labour market or otherwise in similar cohorts. Because almost all ethnic minority groups are much more concentrated in younger age brackets than the White British majority, at the aggregate level these populations are less likely to depend on more certain retirement incomes and have faced exposure to educational disruption and labour market shocks. The greater prevalence of ethnic minorities in younger working-age brackets suggests greater employment exposure to shutdowns (Joyce and Xu, 2020) and any potential labour market scarring that may result.

As we have seen (Table 3), among working-age adults, the prevalence of two-earner households is notably lower for Pakistanis, Bangladeshis, Black Africans and Black Caribbeans (Platt and Warwick, 2020a, b). For the former two groups, this is largely due to low rates of female labour force participation; for the latter two, single-person and single-parent households are common. Either way, this reduces the scope for within-household income insurance and, with more children per household and higher child poverty rates in ethnic minority households, also raises the possibility of long-run consequences for families. Single-earner households in general face greater income risks from health shocks, including from long-run impacts such as ‘long COVID’. In addition, Platt and Warwick (2020a, b) documented how the occupational concentration of some minority groups in certain sectors and roles pre-crisis implied differential exposure to the impact of lockdowns (Figure 65). While in the population as a whole, women are more likely to work in sectors such as hospitality that were shut down to varying degrees, this only holds for White women. Among non-White groups, men are more likely to do so, partly due to lower labour force participation rates among some minority ethnic women. Bangladeshi and Pakistani men – heavily concentrated in restaurants and taxi driving, respectively – stand out in this regard. These groups – in older age brackets – are especially concentrated in industries that were shut down.
Moreover, ethnic minority groups overall are less likely to hold jobs with secure incomes: Black individuals are particularly over-represented in insecure jobs and Bangladeshis and Pakistanis are disproportionately self-employed, as shown earlier (Figure 40).

Figure 65. Share of working-age population in shutdown sectors in England and Wales, by ethnic group and gender

Note: Shares represent the proportion of the working-age population (aged 16–64) (excluding students) of each group in the identified industries.


However, some minorities also exhibit disproportionate representation in what were deemed ‘key worker’ roles, and especially in health and social care roles. Pre-pandemic, Indian and Black African men were much more likely than White British men to work in such roles; Black African women were much more likely than White British women. Employment in these roles was less directly affected by social distancing measures, implying that there is not one story for all ethnic minorities: some groups were much more exposed to income disruption from COVID-19 than others.

These kinds of patterns help to reconcile the findings of research on the realised impacts of the pandemic on labour markets and living standards, which have changed rapidly over time. Piyapromdee and Spittal (2020) showed that Black individuals were the most likely group to have continued in work in the first months of the pandemic – perhaps reflecting their prevalence in key worker roles – whereas Asian and Mixed ethnicity individuals lost employment at the highest rates. Overall, non-White ethnic minority individuals were more likely to have faced reduced working hours in this first stage (Social Metrics Commission, 2020), and were more likely to self-insure through existing savings or borrowing more (Benzeval et al., 2020). Brewer et al. (2020) documented that among those initially furloughed, 22% of those from an ethnic minority lost their job, compared to 9% of all furloughed workers.

Over the course of 2020, even more stark inequalities opened up across ethnic groups. Overall, unemployment rose much more for most ethnic minority groups in the first year of the pandemic than for White individuals. Between the first and last quarters of 2020, unemployment rose by 0.9pp for White individuals, and 3.6pp for each of the Indian, Pakistani and Black populations (ONS, 2021b). Increases in unemployment were particularly striking among young people (Henehan, 2021). The prevalence of single-earner households led to a big increase in household worklessness for some groups. Between the last quarter of 2019 and the first quarter of 2021, the share of Pakistani/Bangladeshi adults living in households working zero hours increased by 10pp,
compared to 2pp for the population as a whole. Additionally, while, overall, the share of adults living in households where everyone is unemployed or inactive barely shifted in this period, it increased by 2.5pp for Pakistani/Bangladeshi individuals (Cribb et al., 2021).

Thus, there is clear evidence that, at the height of the pandemic, economic disruption was greater for ethnic minority groups than for the majority, and for different reasons for different groups. However, these shifts have also proved somewhat unpredictable. For instance, Crossley et al. (2021) find that despite the initial impact on labour market outcomes being greater for ethnic minority groups, a quicker rebound meant that the employment differential compared with the White majority was the same in March 2021 as pre-pandemic. This rebound involved ethnic minority individuals being more likely to change employer and/or industry as well. By the first quarter of 2022, the unemployment rate for White, Bangladeshi, Black and Indian individuals was similar to that observed in the first quarter of 2020, though it remained slightly elevated for Pakistani individuals (ONS, 2022d).

Long-term effects

The longer-term implications of the crisis for different ethnic groups are difficult to predict. Undoubtedly, unequal health impacts will have long-term effects. Families that have lost loved ones may face financial difficulties on top of the emotional trauma. Those who have suffered ill-health from the virus may have symptoms that affect themselves and their families for some time, either directly or through effects on their ability to work. Vaccine hesitancy for many minority ethnic groups thus appears to be an important area of concern for health inequalities continuing to persist going forward – though health inequalities will, of course, go hand-in-hand with broader socio-economic inequalities too. With the virus likely to circulate in the population indefinitely now, any progress that can be made on improving take-up in minority ethnic groups would be hugely valuable.

In general, one would expect that income and job losses could have substantial long-term effects that could differ by ethnic group. For instance, Platt and Warwick (2020a, b) highlighted the employment exposure of Bangladeshis and Pakistanis in older age brackets to lockdown and thus household worklessness. More recent evidence discussed above has confirmed this possibility, which could end up having long-term implications on labour market engagement and household incomes; in addition, job loss also has implications for children, and has been shown to have a direct impact on children’s school performance, for instance (Rege, Telle and Votruba, 2011; Ruiz-Valenzuela, 2020). However, given that the labour market as a whole emerged from pandemic-related restrictions relatively tight, the future is highly uncertain in this regard.

The concentration of ethnic minority individuals at younger ages, however, suggests two more important areas of risk. The first is that of educational disruption. Students across the country lost many hours of schooling as a result of school closures, and evidence suggests this is likely to have opened up existing gaps in schooling even further due to different access to resources (including parental time) at home (Andrew et al., 2020). Some research suggests that distance learning was less likely to reach children from Bangladeshi and Pakistani families (Bayrakdar and Guveli, 2020). What this means for those of different ethnic backgrounds is currently unclear though. While GCSE results in 2020 actually saw the largest gains for the most disadvantaged ethnic groups, for instance, more evidence will be needed to assess whether educational disruption has had differential effects across ethnic groups.

Secondly, young people entering the job market in the coming years may face a difficult road, depending on the economic outlooks, and we have seen in the past the effect that scarring can have on the life trajectories of those entering the workforce in a recession (Burgess et al., 2003). For minority groups where pre-crisis unemployment was already markedly higher than average, and wages lower, such dangers will be heightened even further. As shown above, youth unemployment topped 40% among Black individuals in 2020Q4, perhaps partly related to the greater economic disruption caused by lockdowns in parts of the country where Black individuals are particularly likely to reside. High youth unemployment was already an important area of concern for some minority ethnic groups, but the increases witnessed during the pandemic deserve particular attention from policymakers.
Perhaps the most important determinant of ethnic inequalities related to COVID-19 going forward will be the policies put in place partly in response, such as the significant fiscal policies planned and implemented. Recent tax and benefit policy decisions have been historically large (Adam et al., 2022; Delestre, Miller and Zaranko, 2022), and the system of repayment for student loans is being overhauled substantially (Waltmann, 2022). Analysing how such changes will affect different ethnic groups is far beyond the scope of this chapter, but these and other policy changes will be important factors going forwards.

4. Legislation, representation and discrimination

The levels and trends of material difference presented in Section 3 did not come about in a political or policy vacuum. Governments of different political stripes have acknowledged large and longstanding ethnic inequalities through various commissions and reviews, including the McGregor-Smith Review, the Parker Review (Parker et al., 2017), the Lammy Review and, most recently, the Sewell Report. Such reviews acknowledge that government policy has an important role to play in the evolution of ethnic inequalities. Ostensibly ‘Race-neutral’ policies can have important implications for ethnic inequalities given the different characteristics of groups – as we have seen in the case of widening university access, minimum wages, and tax and benefit policy, for instance. However, there is also a history of legislation in the UK that has more explicitly sought to address inequities for marginalised ethnic groups. These initiatives have not involved targeted resources or redistribution but have generally focused on steps and laws to reduce discrimination and increase representation and access. This is in line with the idea that both preventing discrimination and promoting fair and equal access for those who are traditionally excluded from positions of power and influence are crucial elements of achieving social and economic justice (Sen, 2009; Sandel, 2009). The history of Race equality legislation in the UK reveals explicit recognition from historic governments of the potential impact of racial discrimination and unequal access and representation in UK society on the life chances of ethnic groups, and the role that policy and legislation can play in addressing this. In this section, we provide a review of this legislation and the evidence on discrimination and representation, and we consider the potential importance of these channels for socio-economic outcomes.

Half a century of legislation

The first examples of legislation that explicitly addressed racial discrimination were the Race Relations Acts of 1965 and 1968. These outlawed direct discrimination on the grounds of Race, colour, ethnic group and national origin. However, this only applied to some public places (Runnymede, 2015). Although these Acts prohibited racial discrimination and introduced the idea of ‘racial hatred’, crucial areas such as housing and employment remained outside of the scope of the Law. Thus, the infamously symbolic slogan ‘No Irish, No Dogs, No Blacks’ posted in windows of rented accommodation in the streets of 1950s and 1960s Britain remained unaddressed. The overt racial discrimination and exclusion that met early migrants could continue, underpinning the patterns of settlement, segregation and employment of ethnic groups we see today. Moreover, these early Acts were also grounded in the foundational American Civil Rights concept of ‘individual redress’. This meant the onus was on the individual who was ‘unfairly treated’ to pursue justice through the courts. Without financial and legal support – and often without knowledge of what one’s rights actually are – this is a difficult and often inaccessible route for most people and is still a principle that underpins equality legislation to this day.43

The 1976 Race Relations Act introduced ‘positive action’ and ‘ethnic monitoring’ as an explicit strategy to tackle racism in employment and immigration policy. Positive action is action aimed at ensuring that people from previously excluded or disadvantaged ethnic minority or other protected groups can compete on equal terms with other applicants. It is intended to prevent discrimination or make up for the accumulated effects of past discrimination. Positive action is not, however, to be confused with positive discrimination or affirmative action, which is not legal in the UK. Unlike these stronger measures apparent in the US, positive action does not provide quotas for historically disadvantaged ethnic groups but ‘encourages’ applications or opportunities if there is evidence of under-representation at various levels of organisational

43 For example, gender and equal pay in the 1970s, disability in the 1980s, religion or belief and sexual orientation in the early 21st century. In 2006, it also became unlawful to discriminate on the basis of age in employment.
practice, such as recruitment and retention or progression. However, the 1981 Nationality Act continued to entrench the idea of excluding ‘coloured’ immigrants by including a definition of British in which your father or grandfather had to be born in the UK. This policy privileged White descendants settled in White settler countries such as Australia, Canada and South Africa. The notion of the post-colonial British nationality defined in terms of Whiteness was explicitly articulated and inextricably linked with excluding the claims of citizenship from Black and Brown New Commonwealth Immigrants (Brown, 2022).

By the early 1990s, almost two decades after the articulation of positive action and ethnic monitoring, the incorporation of their spirit into organisational practice was still both tentative and marginal (Bhavnani et al., 2005). Employers developed Equal Opportunities Policies (EOP) policies, but implementation was poor, piecemeal, and often delivered in a ‘tick-box’ and reactive way, rather than proactive and positive. Approaches included multicultural ‘soft options’ such as BME staff networks and religious holiday observance. Lengthy tribunals and grievances procedures provided the main route to complaint (Ahmed, 2021). Watchdog bodies such as the Commission for Racial Equality (CRE) lacked the power to bring about meaningful change and eventually disappeared, absorbed into the Equality and Human Rights Commission, with the ability to proactively initiate investigations. Similarly, the new incarnation of anti-racism as ‘diversity and inclusion’ moved away from a specific focus on Race equality toward more generic policies on gender, ‘race’, religion, sexual orientation, disability and age.

The 2000 Race Relations (Amendment) Act (RRAA) represented a significant shift in antidiscrimination legislation, introducing the radical Black American concept of institutional racism (Ture, Carmichael and Hamilton, 1967) into the lexicon of British Race relations.44 The RRAA was written in response to the findings of the Stephen Lawrence Inquiry in 1999. The racially motivated murder of the Black teenager Stephen Lawrence in London in 1993 and the subsequent mishandling of the case by the Metropolitan police prompted the Macpherson Report, which brought the concept of Institutional racism into the public domain and placed a duty on all public bodies to proactively eliminate unlawful racial discrimination and promote Race equality. Institutional racism as articulated in the RRAA refers to the process and effects of indirect organisational discrimination, which disadvantages racialised ethnic and protected groups in seemingly unconscious but insidious ways. It is defined in the UK as follows.

‘The collective failure of an organisation to provide an appropriate and professional service to people because of their colour, culture, or ethnic origin. It can be seen or detected in processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness and racist stereotyping which disadvantage minority ethnic people.

It persists because of the failure of the organisation openly and adequately to recognise and address its existence and causes by policy, example and leadership. Without recognition and action to eliminate such racism it can prevail as part of the ethos or culture of the organisation. It is a corrosive disease.’

(Macpherson, 1999, 6.34)

Articulation of this is intended to address the ‘unwitting’ racism embedded in organisational structures and the governance of institutions. It recognises that racism is not only an ideology but also a process because ‘structures and ideologies do not exist outside the everyday practices through which they are created and confirmed’ (Essed, 1991, p. 44).

Thus, the concept of institutional racism enshrined in the RRAA goes beyond simply sharing good anti-racist practice as a means of addressing racism. It involves a review of structures and practices that enable ingrained racist attitudes to persist in everyday practices in an organisation. This is intended to address the idea that routine and repetitive practices help to maintain existing social structures and relations as they are incorporated into the way people live

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44 Institutional Racism was a concept coined in America in 1967 in the Black Power era by Kwame Ture (formerly known as Stokely Carmichael) and Charles V. Hamilton who stated that ‘Racism is [...] less overt, far more subtle, less identifiable in terms of specific individuals committing the acts [...] and originate in the operation of established and respected forces in society’ (Ture, Carmichael and Hamilton, 1987, p. 4).
their everyday lives. In this way, they are reflective of and re-constitute the deeper roots or causes of racism and activate underlying power relations. One example is the idea that it becomes the norm of the dominant White group to see ‘others’ as different and inferior, particularly in relation to visible characteristics such as the colour of one’s skin (Gillborn, 2008). These prejudices are frequently hidden and not conscious in people’s thinking and behaviour but are embedded in the ‘natural’ way they see the world. Thus, they benefit from the ‘invisible assets’ they naturally enjoy by virtue of the normalcy of being White in a White-dominated society that values and facilitates their progression. Unlike their racially identifiable Black, Brown and Asian counterparts, White privilege means they can live, love and move freely, unencumbered by scrutiny, judgment and surveillance in institutions that are historically and hierarchically organised for their survival and success (Leonardo and Porter, 2010).

The Equality Act 2010 represents the most recent watershed in the evolution of anti-discrimination legislation. The Race Relations Act (1976) and RRAA are now ‘harmonised’ under the 2010 Equality Act, which provides an overarching single legal framework that consolidates the numerous Acts and Regulations that formed the basis of anti-discrimination law in Great Britain. In bringing together over 55 years of previous equality legislation, the 2010 Equality Act now affords protection from discrimination, harassment and victimisation based on nine ‘protected characteristics’ such as age, disability, gender reassignment, pregnancy and maternity, Race, religion or belief, gender, sexual orientation, and being married or in a civil partnership. Its progressive intersectional approach covering many elements of identity and difference appears outwardly inclusive; however, still does not allow for cases of multiple or complex discrimination (Mirza, 2015). For example, a policy preventing Muslim women wearing headscarves at work is neither purely religious or sex discrimination as it does not affect Muslim men or other women and has to be pursued separately under case law (Bourne, 2020).

An important and progressive measure in the 2010 Equality Act is the Public Sector Equality Duty. This ensures that public (not private) bodies and institutions must consider the different needs of all individuals when shaping policy and delivering services, and this includes the duty to positively foster and advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not. Equality impact assessments enshrined in the 2010 Act were a powerful tool for public bodies to use to assess the effects that a proposed policy was likely to have on their protected groups. However, the legal requirement to carry out policy equality impact assessments was withdrawn in 2016 during the enaction of ‘Hostile Environment’ policies, including two new stringent Immigration Laws and the targeted victimisation of Black New Commonwealth citizens (Alexander et al., 2020).

Despite this history of progressive anti-discrimination legislation in the UK, there remains a significant disparity between Race equality policy commitments and the economic outcomes and reported experiences of racialised ethnic groups. As we discuss below, there have been significant changes in the degree of representation, and potentially some shifts in the various manifestations of racial discrimination, but clear disparities remain, and there may be a case for more active measures.

Some scholars are highly critical of the types of equality and diversity initiatives enabled by UK legislation. For instance, Ahmed (2012) argues equality and diversity documents alone cannot remove racism from an institution, arguing that these documents constitute ‘non-performative’ institutional ‘speech acts’. Thus, an institution making a public commitment to diversity, or admission that they are non-racist and ‘for equality’, becomes a ‘speech act’ that works precisely by not bringing about the effects it intends. She argues that having a good Race equality policy gets translated into being good at Race equality – ‘as if saying is doing’. Such critiques highlight

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45 The Equality Act 2010 consolidates the numerous Acts and Regulations that formed the basis of anti-discrimination law in Great Britain. This includes nine major pieces of discrimination legislation, around 100 statutory instruments setting out rules and regulations and more than 2,500 pages of guidance and statutory codes of practice – such as the Equal Pay Act of 1970, the Sex Discrimination Act (1975), the Race Relations Act (1976), the Disability Discrimination Act (1995), the Employment Equality (Religion or Belief) Regulations (2003), the Employment Equality (Sexual Orientation) Regulations (2003), the Employment Equality (Age) Regulations (2006), the Equality Act (2006) and the Equality Act (Sexual Orientation) Regulations of 2007.
the scepticism of many regarding what can be achieved through institutional policies and statements of law in the face of subtle and hidden forms of discrimination and exclusion.

Nonetheless, anti-discrimination legislation has been critical in shaping the British response to racism. It has provided a liberal democratic framework for action calling for both equal treatment and equal opportunity, albeit primarily in employment. More recently, demographic shifts in the UK have led to a push towards the ‘Business Case’ for the employment and entrepreneurship opportunities of ethnic minority groups (McGregor-Smith, 2017). But many scholars have argued that the social context in which Race-relations legislation has been passed in the UK reveals a tension. On the one hand, successive legislative reforms have strengthened the legal basis for combatting racialised discrimination, and many celebrate a tradition of providing sanctuary to those fleeing persecution, including for the Jewish Kinder Transport and, more recently, Afghan and Ukrainian refugees. On the other hand, populist policies to restrict immigration, nationality and asylum have been argued to institutionally entrench racism (Byrne et al., 2020, p. 316). Thus, different arms of the State may simultaneously combat and reproduce racism in tandem.

**Representation, access and voice**

Unmeasured in the headline inequalities shown earlier in education, the labour market and incomes are issues of differential access and voice in decision-making institutions, and representation in particular professions and sections of society. Representation, access and voice are important considerations for a number of reasons.

At the institutional level, ethnic and racial composition may have implications for policies and procedures that affect groups differently. There is ample evidence that racial and ethnic identity can be a strong predictor of beliefs in a wide range of domains (Heath et al., 2013; Funk, Rainie and Page, 2015). Thus, the rates at which different ethnic groups participate in politics and are represented within it may shape the policies that are actually enacted, and through this may affect ethnic inequalities in society. Similarly, representation in other public and commercial organisations may also have implications for ethnic inequalities. More generally, there is evidence that diversity, including ethnic diversity, can change the process and outcomes of decision-making for the better; for instance, by creating conditions for competitive debate and innovation, drawing on a wider set of information or skills, or facilitating mutual team learning (Hamilton, Nickerson and Owain, 2003; Clots-Figueras, 2012; Hoogendoorn and Van Praag, 2012; Hoogendoorn, Oosterbeek, and Van Praag, 2013; Levine et al., 2014).

As well as contemporaneously affecting decisions made by organisations, the representation of groups is also likely to play a role in the decision-making of individuals in a wide range of domains. At an aggregate level, the degree of representation of a group in visible positions in society may affect aspirations and behaviours (Beaman et al., 2012), or feelings of belonging and integration in the wider community. At a more granular level, whether or not individuals have relatable role models in certain professions may affect their choices about education or occupation, for instance, linking representation to future supply-side dynamics (Kofofed, 2019; Porter and Serra, 2020). And empirical evidence suggests that ethnic and racial likeness can have important effects on the outcomes of interactions in asymmetrical power relationships, whether in education (Fairlie, Hoffmann and Oreopoulos, 2014; Lusher, Campbell and Carrell, 2018), health (Alsan, Garrick and Graziani, 2019) or criminal justice (Arnold, Dobbie and Yang, 2018; Goncalves and Mello, 2021).

These considerations highlight why representation, access and voice are important to consider in the context of ethnic inequalities in the UK. In this section, we survey the extent to which different

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46 The impact of ethnic diversity on organisational success may depend on specific features of the context though: Hjort (2014) documents a negative association in a context (Kenya) with strong interethnic rivalries, and Marx, Pons and Suri (2021) find that diversity between teammates has a negative impact on performance while diversity between teammates and supervisors has a positive impact, possibly due to lower effort in homogeneous teams in the latter case. A different but related question is whether diversity in the aggregate is beneficial for economic performance. On this, the literature points towards varied considerations. On the one hand, for instance, immigrant inflows have been shown to benefit innovation and growth (Hunt and Gauthier-Loiselle, 2010; Peri, 2012). On the other hand, research has identified a negative relationship between ethnic diversity and social trust (Alesina and La Ferrara, 2002; Putnam, 2007).
ethnic groups are represented in important UK institutions and decision-making processes, and we discuss potential obstacles and their implications.

Political participation

In a democracy, voice in the political system is a natural place to start. The colonial roots of the UK’s biggest minority ethnic groups mean that Asian and Black communities have long been legally able to participate in the country’s political system. This is in contrast to the US, for instance, where the right to vote has in the past explicitly excluded individuals on the basis of Race, and voter suppression continues to erect barriers to the political participation of minority groups (Anderson, 2018). Despite this, voter participation in the UK has long been uneven. One 1974 survey, for instance, estimated that nearly a quarter (24%) of non-White voters were not registered to vote, compared to 6% for White voters (Anwar and Kohler, 1975). Qualitatively similar findings were shown in a number of other studies in the 1980s and 1990s (Anwar, 2001).

Based on more recent data, ethnic minorities in the UK on the whole are more likely than White British individuals to believe in the efficacy of political participation and to be satisfied with the country’s system of governance (Uberoii and Johnston, 2019). However, voter turnout at General Elections (GEs) is lower overall among non-White ethnic minorities than the White population – it was estimated to be 11pp, 11pp and 14pp lower at the 2019, 2017 and 2015 elections overall, respectively (Ipsos Mori, 2019; Uberoii and Johnston, 2019). Insofar as turnout is also higher among older and more socially established groups, such ethnic patterns may partly be explained by socio-demographic characteristics. However, voting eligibility rules are also of importance. GE voting requires British, Irish or Commonwealth citizenship: thus, while minority ethnic individuals who are citizens of India or Jamaica, for instance, have the right to vote, the majority of Poles living in the UK cannot.

The most recent data that allow for the study of disaggregated ethnic groups, as well as accounting for other socio-economic characteristics, is from the 2010 GE. Heath et al. (2013) show that, conditional on being on the electoral register, voter turnout in 2010 was generally similar among ethnic minorities compared with White British. However, there were notable differences in voter registration, which drive overall turnout differences: among those eligible (measured by British or Commonwealth citizenship), 7% of White British were unregistered, compared to 19% of ethnic minorities, with the most common reasons given for non-registration in the latter group being ineligibility or having recently moved. Among different minority groups, non-registration varied from 15% for Pakistanis to 28% for Black Africans. The generation of immigration is also an important factor in voting behaviour, with turnout higher in the second generation due to both greater eligibility and increased turnout conditional on eligibility. Heath et al. (2013) present analysis that accounts for predictors of electoral registration (such as age, gender, housing tenure) and suggest that these socio-economic differences can largely explain ethnic differences in electoral registration and turnout. To this extent, the under-representation of ethnic minorities in vote-casting goes hand-in-hand with other gaps in political participation in society, and voter registration appears to be a key margin for policy to focus on.

Of course, political participation goes far beyond voting in GEs. There are also opportunities to elect local representatives, and prior to the UK leaving the EU, there were European elections as well. These elections have less strict voter eligibility rules, which may facilitate greater (relative) ethnic minority participation: in particular, EU citizens (many of whom are likely to fall into the ‘Other White’ ethnic group) have been able to vote in these polls. Overall turnout is much lower in these elections and again big differences emerge across ethnic groups. According to the Internet panel of the British Election Study, overall recalled turnout for 2019 local elections was 57% for White British individuals, and 49% for other ethnic groups overall. For European elections, the respective figures were 65% and 58%. Among ethnic minorities, turnout was relatively higher among Asian groups than Black groups overall. In the most significant political event of the UK’s recent history – the referendum on EU membership – voter turnout was estimated to be 22pp

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47 It should be noted that the measurement of turnout is based on survey data and that difficulties in calculating these figures mean that precise numbers should be treated with caution. This may have implications for the comparability of data across years.

48 EU citizens remain eligible to vote in local elections, however, and were able to vote in European elections prior to the UK leaving the EU.
lower among the non-White population, and 17pp lower among those registered (Ipsos MORI, 2016).

Particularly in the context of the UK’s electoral system, the distinct patterns of geographic concentration for ethnic minority groups noted earlier are important here. The first-past-the-post (FPTP) system used in parliamentary elections means that minority ethnic voters are key blocs in particular parts of the country, and in those places, they may also be well represented in local polls (Anwar, 2001). However, FPTP strongly encourages parties to focus strategies and resources on marginal constituencies. Thus, when ethnic minority voters are concentrated in relatively safe seats, their interests may be less well addressed.

Outside of electoral politics, Heath et al. (2013) show that minorities overall are similarly likely to report participation in voluntary organisations as White British, and differences in the share who report signing a petition or participating in a demonstration are not statistically significant. This does not hold for all minority groups, however. In contrast to their lower turnout at GE’s, Black Africans are significantly more likely to be active in voluntary organisations than all other ethnic groups, for instance. Bangladeshis are more likely to report participation in a protest or demonstration. Sanders et al. (2014) show that broadly, democratic engagement – measured in a number of ways, including reported voter turnout, interest and knowledge – is comparable among ethnic minorities in the UK compared with the population as a whole. Some differences exist, however, between groups and generations. For instance, second-generation Black, Bangladeshi and Pakistani citizens are less politically engaged than the corresponding immigrant populations; this pattern has been termed ‘the paradox of social integration’ (Heath et al., 2013).

Political preferences

Though overall the picture is complex with regards to political participation, ethnic minority voices are under-represented in the political process through lower voter turnout. The importance of this depends somewhat on the extent to which the mainstream political agenda reflect the interests of ethnic minority groups – in terms of both what the key issues are, and how these should be addressed. Heath et al. (2013) report a number of important differences between the majority and minority populations in identifying the most important issues facing society. Overall, ethnic minorities were much more likely to choose unemployment as the most important issue, with the White British majority more likely to choose immigration or the less specific issue of the ‘state of the economy’. This is perhaps unsurprising given the elevated levels of unemployment among many minority groups shown earlier.

On core ideological issues, points of view also differ between the majority and minority populations, as well as between different minority groups. These differences can be complex and arguably counter-intuitive. For instance, minority ethnic groups – and particularly Asian groups – are less likely to support increased public spending over reduced taxes. On the topic of asylum-seekers, there is more variation among minorities than between the majority and minority overall: 74% of Black Africans disagreed with sending asylum-seekers home, compared to 34% of Indians and 39% of White British. One policy area where minority groups uniformly express starkly different opinions to the majority is on policies to improve opportunities for minorities and affirmative action, with all minority groups substantially more likely to support such moves.

These issue-oriented preferences are in turn related to party allegiances and voting choices. In terms of political preferences, historically ethnic minorities have overwhelmingly supported the Labour Party. Recent elections have, on the whole, seen a continuation of this trend despite efforts from the Conservative Party to portray a more inclusive political project. In the 2019 GE, an estimated 64% of all ethnic minority voters opted for Labour, with the Conservatives capturing 20% and the Liberal Democrats 12% of these votes (Ipsos Mori, 2019), with some analysis suggesting that the ethnic minority voting gap is nearly wholly responsible for the ongoing success of the Labour party in London (Katwala, 2019). In this context, it is notable that all significant anti-discrimination legislation has been passed by the Labour party. This is not to say that support for the Labour party is unconditional or even across ethnic minorities. Intervention in Iraq and Afghanistan eroded Pakistani support for Labour, for instance (Heath et al., 2013) and while an estimated 8% of Black Caribbeans votes went to the Conservatives in the 2019 GE, this figure was 18% for Indians.
Among those who did vote in the Brexit referendum, ethnic minorities were much less likely to vote for Leave: an estimated 51% of White British individuals did so, compared to 34% of Other White voters, 32% of Asians and 29% of Black voters (Swales, 2016). Such aggregation of groups hides important differences, however, with Indian voters – and especially Sikhs – being far more likely to have voted Leave (Leidig, 2019).

**Political representation**
A lack of diversity in UK politics has long been a concern, in terms of class, gender and sexuality, for instance. Ethnic diversity is no exception in this respect. The UK had a female Prime Minister before any self-identifying ethnic minority MP was elected: this happened for the first time in 1987.49 Since then, the number of (non-White) ethnic minority MPs has increased at every GE, reaching 65 (or 10% of the total) in 2019 (Figure 66). The 2010 GE marked a particular turning point in this respect, when there was an 80% jump in the number of ethnic minority MPs elected, from 15 to 27. This was an election where the major parties had a record number of incumbents retiring and where each had an incentive to increase ethnic minority representation within their ranks, with the Conservative party seeking to banish the label of the ‘nasty party’ and the Labour party aiming to increase the representativeness of candidates given the country’s changing demography (Sobolewska, 2013). Mirroring the pattern of voting preferences for ethnic minorities, ethnic minority politicians are much more common in the Labour party than in the Conservatives, and this has been the case as far back as data have been compiled. 20% of Labour MPs came from non-White backgrounds in the 2019 GE, compared to 6% of Conservatives. Recent elections have, however, seen greater ethnic minority representation in the Conservative party, including in senior positions.

![Figure 66. Share of ethnic minority MPs by General Election](image)

Note: Ethnic minority defined as non-White according to data collated by British Future.

Source: Audickas, Cracknell and Loft (2020).

Still, the overall share of ethnic minority MPs in parliament lags behind the population share of ethnic minorities overall (see Ansell and Gingrich, 2022). Of course, the ethnic minority population is younger, and the adult population of most ethnic minority groups remains majority foreign-born, so this might be unsurprising even before considering other socio-economic characteristics that may be relevant to this under-representation. But despite the active steps taken by political parties to increase ethnic minority representation in recent years, previous research has also highlighted evidence of barriers from within the political system itself, including

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49 MPs and Members of the House of Lords are not required to provide their ethnicity. Thus, information on the ethnic identity of these individuals has been collated by organisations such as Operation Black Vote and British Future, often based on public assertions or statement or individuals. This does not mean, however, that there were zero MPs identifying with a minority ethnic group prior to 1987. For instance, prior to the Second World War, three MPs from the Indian subcontinent were elected to the House of Commons (Anwar, 2001).
in the selection process for candidates and, in some cases, of penalisation of ethnic minority candidates by voters. While efforts to reduce these barriers appear to have been partially successful, some research has found that ethnic minority candidates still have to apply for more vacancies and face more interviews, and ultimately receive lower vote shares than their party overall (Sobolewska and Shankley, 2020). Though overall ethnic minority representation has increased, as of 2019 all non-White MPs were elected in England, and it is not possible to give a broader sense of which minority ethnic groups are (or are not) represented in parliament given that MPs do not have to provide this information. At the local level, the under-representation of ethnic minority politicians appears to be larger. Sobolewska and Begum (2020) find that 7% of local councilors in the UK come from non-White ethnic groups, with the under-representation of South Asian women particularly clear.

**Representation in public life**

While the make-up of national and local polities clearly matters for some of the most important decisions that affect people’s lives, they form only a small part of public life overall. Representation in other public and private institutions is also likely to be important from a decision-making perspective. Moreover, adequate representation may have implications for the recipients of services provided by these institutions, and for the decisions made by individuals over their futures. Thus, as well as being important for decision-making processes, the representation of different groups may matter for the experiences of individuals, their future outcomes and ultimately entry into these professions.

Figure 67 provides an overview of how broad ethnic groups are represented in a few example public institutions, relative to their working-age population shares as measured at the 2011 Census. In general, data that are further disaggregated by gender and/or more detailed ethnic groupings are not publicly available, but this information provides a useful starting point. Unsurprisingly, given that they account for the vast majority of the population as a whole, White individuals are close to proportionally represented in each of the institutions shown. However, among ethnic minorities, the patterns vary much more by group and by institution. It is clear that all ethnic minorities are well represented among NHS staff, with the representation of Asian staff over 50% higher than their working-age population share and the representation of Black individuals more than 80% higher. In the civil service too, most minority groups (with the exception of the ‘Other’ ethnic group) are well represented overall. However, in positions in the police force and in teaching, Black and Asian individuals remain vastly under-represented.

Representation at the top of these professions may be particularly important, as individuals in senior roles drive decision-making and may provide role models for paths to success for junior colleagues of a similar background. In Figure 68, the share of each ethnic group within each institution employed in ‘senior roles’ (see figure notes for definitions) is shown, relative to the White senior share within each institution. Thus, this figure is after accounting for any differences in overall representation shown already. The story that emerges is that, in most cases, ethnic minorities are under-represented in more senior positions in these institutions. There are exceptions to this: Asian individuals are much more likely to hold senior positions in the NHS (largely owing to the large number of Asian doctors) and Mixed ethnicity individuals in the civil service are more likely to occupy more senior roles. The predominant pattern of lower seniority may partly be due to younger age profiles, which mean that ethnic minority individuals are more likely to be earlier on in their careers. In this case, we might expect these patterns to shift naturally over time, but this does not negate the possible implications of the patterns in the present period: a lack of senior figures from minority ethnic groups could still change decisions within institutions or regarding entry of those institutions until such patterns change.
The data presented on aggregated groups in Figures 67 and 68 shows distinct patterns of (under-)representation but the aggregation may hide important nuances relating to more specific ethnic groups and with regards to intersectionality – between gender and ethnicity, for instance. One area where more detailed data are readily available is for teachers in state schools in England, from the Department for Education’s School Teacher Workforce dataset. This allows us to consider how representation varies in one important field for more detailed ethnicity–gender groupings, including over time. Teaching is of particular interest in this case for a number of reasons. For instance, teachers play an important role in the development of children and they may act as role models to young persons. Empirical evidence has shown that being matched with a teacher/instructor of the same ethnic or racial group can increase educational attainment and may affect educational and occupational choices for minority groups (Fairlie et al., 2014; Kosoed, 2019; Porter and Serra, 2020). In addition, as we have seen, changes in ethnic attainment gaps are some of the most striking patterns in terms of ethnic inequalities in the UK, and a large fraction of minority ethnic populations are of school age – particularly for those born in the UK.
Figure 68. Share of each ethnic group in ‘senior roles’ among employees in selected sectors and institutions, relative to White (log scale)

Note: Senior positions defined as: Senior Doctor and other Senior Roles for NHS; Chief Officer, Chief Superintendent, Superintendent, Chief Inspector, Inspector or Sergeant for Police; Heads and Deputies and assistants for Teachers; and Grade 7 and above for Civil Service. Ethnic groups, time periods and geographical coverage are as in Figure 67.

Source: See Figure 67.

Figure 69 shows the share of the teacher workforce for men and women from each ethnic group over time, relative to their 2011 working-age population in England. Men for all ethnic groups are under-represented, reflecting a longstanding pattern in the profession. However, it is minority men for whom this under-representation is most stark, with Indian and Other White men in teaching positions at less than one-third of their population share. While women from most minority ethnic groups are represented at least in line with their population shares (with the exception of Black Africans), they still lag behind White British women. There have, however, been some important changes in recent years. Most notable is the growth in the share of both male and female Bangladeshi teachers.

As before, we can also consider the seniority of those in teaching roles. Figure 70 looks at the share of teachers from each group who are either headteachers or deputy or assistant heads. The patterns here are striking: while nearly 7% of White British male teachers are headteachers, this falls to 3.9% for Black Caribbeans, 2.3% for Indians and less than 1% for Bangladeshi and Black Africans. Very similar patterns emerge for women too, though all of these percentages are lower for women. Again, at least some of these differences are likely to be due to age profiles, as the White Irish, White British and Black Caribbean populations are notably older, on average, than the other groups.
These data paint a mixed picture of unequal representation and voice in politics and public life. Of course, issues of representation extend beyond the domains presented in this section. For instance, the 2017 Parker Review highlighted that only 2% of FTSE 100 directors were non-White UK citizens, and emphasised a business case for increasing this representation, for instance through diversity of experience and expertise and enhanced brand value. Ethnic minority groups are also under-represented among journalists (Spilsbury, 2017) and in the arts sector ethnic diversity varies substantially by sector, with ethnic minority representation high in fashion and textiles but lower in film and radio (Arts Council, 2014). It is not possible to directly link any of these patterns to the inequalities shown earlier but clearly under-representation in positions of influence is linked to some degree to unequal occupational success and progression, and income and wealth. Thus, while undeniably a coarse illustration of inequality with some difficulties in interpretation, these data do reproduce a thread of diminished (relative) group power and influence for some minority ethnic groups.
Figure 70. Share of teachers from different ethnic groups in senior positions in England, by gender, 2018–19

Note: Figures presented on a full-time equivalent basis and cover state-funded schools only.

Source: Department for Education Teacher Characteristics.

Racism and discrimination
Up until this point, we have only briefly mentioned the role of racism and discrimination in the patterning of inequalities across ethnic groups. This is because empirically identifying the role of these factors is generally difficult to do. However, as noted at the outset of this chapter, the history of Race and ethnicity is also a history of racism. And racism and discrimination cut across the themes covered in this chapter. They are a motivation for studying racial and ethnic inequalities, an outcome of interest, and a potential mechanism that can explain inequalities in other domains. In this section, we discuss the potential role of racism and discrimination in outcomes and experiences across ethnic groups.

Discrimination and inequality
Discrimination manifests itself in contemporary inequalities in a number of different ways, which are important to try to distinguish conceptually – even if not quantitatively – as these different forms may have different policy implications.

First, we must recognise the legacy of historical racisms in contemporary inequalities. For instance, Britain’s role (and that of other Western countries) as a colonial power and a key participant in the slave trade is a major factor in many of the international inequalities around the world today. 50 This history is inextricably linked to the migrant flows that have shaped the ethnic composition of modern-day Britain and the pattern of inequalities that have been presented in

50 There is abundant evidence of the enduring impact of the slave trade (e.g. Nunn, 2008; Nunn and Wantchekon, 2011; Whitley and Gillezeau, 2011; Fenske and Kala, 2017) and of colonialism (e.g. Acemoglu, Johnson and Robinson, 2001, 2002; Heldring and Robinson, 2018; Michalopoulos and Papaioannou, 2020) on long-term economic development. The link between Racism, colonialism and global (cross-country) inequalities is beyond the scope of this chapter, however.
this chapter. Moreover, given that inequalities transmit through generations, racist and discriminatory practices towards ethnic minorities in the UK through the 20th and 21st centuries have an important role in determining modern-day inequalities. To the extent that historical racism patterns modern-day inequalities, there is a moral case to consider reparations or other forms of retroactive redistribution and restorative justice (Hall, 2018; Satz and White, 2021). There are, however, significant practical challenges concerning the design and eligibility for such policies, and polling suggests they are deeply unpopular with the British public (Jordan, 2014).

Second, contemporary discrimination continues to affect the welfare of ethnic minority groups. In the US, for instance, there is a wealth of evidence documenting how discriminatory practices limit the opportunities afforded to racial minorities in different domains (e.g. Knowles, Persico and Todd, 2001; Bertrand and Mullainathan, 2004; Arnold, Dobbie and Yang, 2018; Goncalves and Mello, 2021), and a range of international evidence points towards racial discrimination in hiring decisions (Zschirnt and Ruedin, 2016). In the UK, there are relatively few empirical studies that quantitatively measure ethnic or racial discrimination, though there is again consistent evidence of racialised discrimination in hiring, for instance (Heath and Di Stasio, 2019). Correspondence studies from the 1960s and 1970s also found strong evidence of racial discrimination in the housing and product (car insurance, specifically) markets in England (see Riach and Rich, 2002). As discussed earlier in the context of employment gaps, this research documents a large penalty for racialised ethnic minorities in the probability of receiving a positive response to a job application. This is particularly the case for South Asian and Black individuals, and this result has been found consistently in experiments dating from the late 1960s to 2017. The most recent evidence from an experiment in 2016–17 was concerned with white-collar vacancies, and found that Black Caribbean applicants had to apply to 70% more vacancies to get the same number of callbacks as White applicants (though with a wide confidence interval), with relatively similar point estimates also estimated for Black African and Pakistani applicants.

Experiments such as these provide irrefutable evidence that ethnic minority individuals experience discrimination in hiring, but still leave uncertainty about aggregate effects and mechanisms. Indeed, estimated ethnic employment penalties do not neatly match up to the rates of discrimination revealed in hiring experiments (Zwysen, Di Stasio and Heath, 2021). And the constructivist view of Race and ethnicity contends that exactly what is uncovered by audit experiments and other empirical discrimination research is often unclear (Sen and Wasow, 2016). For instance, while hiring letter experiments convincingly show discrimination, direct interpretation of racial discrimination is complicated by the fact that specific names can invoke very different racial perceptions by decision-makers (Gaddis, 2017) and the size of uncovered ethnic differences can vary significantly with the name chosen – for instance, if different names carry different class signals too, even within racial or ethnic group (Bertrand and Mullainathan, 2004). Of course, none of this negates the fact that discrimination is a problem – both because of intrinsic unfairness and because of its potential impact on other outcomes – but there are subtleties to interpretation that remain contested.

Possible policy responses to discriminatory practices are varied, and can depend partly on the reason for discrimination – a topic of much debate among researchers. Economists typically distinguish between two possible explanations underlying such discrimination. One is taste-based discrimination, where an individual is willing to pay a price or penalty to reduce their association with a given group (Becker, 1957). The second reason does not require any particular animus: ‘statistical discrimination’ posits that employers or others may use Race or ethnicity as a proxy for other, costly-to-observe or unobservable characteristics (Arrow, 1972, 1973; Phelps, 1972). There is no moral or legal distinction between these two sources of discrimination, and the idea of statistical discrimination has been criticised as ignorant of history, insofar as the characteristics that may underlie such discrimination may themselves be a product of historical taste-based discrimination (e.g. Spring, 2020). Both forms could be reduced by making discrimination costly for decision-makers (e.g. via legislation and penalties) or by removing opportunities to discriminate. Nonetheless, the two concepts can still have different policy implications. Taste-based discrimination reflects preferences of decision-makers, whereas statistical discrimination reflects information and/or perceptions. If statistical discrimination is based on imperfect information or false stereotypes, then plausibly this might be easier to shift

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51 See Altonji and Blank (1999) and Guryan and Charles (2013) for comprehensive discussions.
(e.g. through provision of accurate information) than more deep-seated racial prejudice. Agan and Starr (2018) present evidence that employers’ exaggerated assumptions around racial gaps in criminal record rates in the US meant that removing criminal record information from job applications substantially increased the Black–White gap in callbacks. Miller (2017) shows how temporary affirmative action policies in the US led to permanent (and even growing) Black employment gains even after removal, positing that the policy had forced employers to improve their approaches to screening. Evidence such as this shows the potential impact of changing information sets or perceptions of decision-makers for the outcomes of minority groups.

Beyond the ‘taste-based’ and ‘statistical’ forms of discrimination that economists focus on, other parts of the social sciences also consider more macro forces. Sociologists, for instance, additionally emphasise the potential role of unintentional or unconscious biases, and the role that organisational rules and structures can play, such as referral networks (Small and Pager, 2020). Qualitative, ethnographic approaches such as Critical Race Theory (CRT) provide a relatively new and substantive body of scholarship investigating the cumulative effects of everyday racism and discrimination in key institutions of the law, policing, education and employment. The focus on institutional discriminatory practices through microaggressions, unconscious bias, bullying, harassment and complaint procedures aim to expose how racism ‘hides in plain sight’ in workplace settings (Delgado and Stefancic, 1998; Gillborn et al., 2018). CRT uses counter-narratives to reveal the legal and institutional mechanisms that preserve and obfuscate the workings of collective White privilege and self-interest (Leonardo, 2004). However, the methodological challenge of using this experiential evidence to explain ‘unexplained’ differences in statistical data presents specific challenges of veracity (Garcia, López and Vélez, 2018).

Finally, an important consideration is the way in which racism and discrimination may function as a system with the potential for reinforcing effects. For instance, taste-based discrimination might ‘feed’ statistical discrimination by worsening average group outcomes in a way that informs the perceptions and behaviour of employers, educators, and so on. Or barriers to political representation might drive apathy in a way that further holds back progress on that margin.

The multitude of ways in which racism and discrimination might affect ethnic groups differentially – including structural and interacting mechanisms – significantly complicates efforts to isolate ‘role of racism/discrimination’ in the inequalities shown in this chapter. Given the complexity (or the impossibility) of trying to unravel all of these mechanisms, one might reasonably ask whether ‘ethnic penalties’ (after accounting for certain observable characteristics) can be understood as anything other than a residual of historical and/or contemporary discrimination. In fact, there are reasons from both essentialist and constructivist perspectives to suggest that one might go even further here, and control minimally for observable characteristics when estimating ethnic penalties as a way of uncovering discrimination, at least in its broadest sense. From the essentialist point of view, controlling for education and residence, for instance, introduces post-treatment bias, because in principle Race or ethnicity could affect both of these. From the constructivist point of view, controlling for these factors can absorb some of the factors that could affect perceived racial differences by decision-makers and thus absorb some of the effect of discrimination (Rose, forthcoming). At the same time, not controlling for skills or other characteristics correlated with both Race and economic outcomes introduces omitted variable bias; as cautioned by Guryan and Charles (2013), these considerations mean that it is very difficult to know what the ‘right’ variables to control for are when empirically measuring the impact of discrimination. For this reason, a range of empirical approaches are valuable, from simple descriptive analysis of raw differences across groups to audit studies and statistical approaches for decomposing differences.

Majority perceptions

Discrimination implies that people maintain either implicit or explicit attitudes or beliefs that differentiate some ethnic or racial groups compared with others, and that behaviour follows from these attitudes or orientations. While recent empirical evidence documenting racial or ethnic discrimination in specific domains for the UK is largely confined to hiring practices (e.g. Heath and Di Stasio, 2019; Zwysen, Di Stasio and Heath, 2021), there are data regarding stated perceptions and beliefs from survey questions, from the perspective of both majority and minority groups. The stated perceptions of the majority group with regards to ethnic minorities provide an imperfect insight into views that may shape interactions that colour the experience of
different groups, and may inform decisions when in a position to discriminate against others in employment, housing or services.

Drawing on British Social Attitudes data, Kelley, Khan and Sharrock (2017) document that the share of the population describing themselves as ‘very or a little prejudiced’ against people of other Races changed little between 1983 and 2013, generally hovering between 30% and 40% (and never below 25%) – though it is possible that what is understood as prejudice has changed over that period. On other measures – specifically attitudes to having an ethnic minority spouse or boss – Ford (2008) presents evidence that (stated) prejudice has fallen substantially (and to similar extents when these questions are asked about Black or Asian persons) in recent decades, driven primarily by lower prejudice in younger generations. Kelley, Khan and Sharrock (2017) also present data suggesting that, in 2014, 18% of adults believed some Races or ethnic groups are born less intelligent and 44% believed some groups are born harder working. The existence of such beliefs points towards the way in which perceptions might affect outcomes in education, health and the labour market.

We may also draw parallels here with views on immigration (Manevska and Achterberg, 2013), as migration flows have been an important source of the UK’s changing ethnic composition. As documented by Blinder and Richards (2020), immigration has been one of the main public policy concerns noted by survey respondents in recent years, peaking around the Brexit referendum. At the same time though, (average) views towards immigration have overall become more favourable (Figure 71). Nonetheless, perceptions of immigration still exhibit an apparently racialised hierarchy, with less favourable views regarding those arriving from Nigeria compared with Australia, for instance (Blinder and Richards, 2020). Similarly, Ford (2011) shows that opposition to immigration is especially focused on source countries that are more ‘culturally distant’. In the context of Polish migrants in the UK around the Brexit vote, Rzepnikowska (2019) argues that the public discourse on immigration links to the ‘desirability’ of ethnic minorities, with implications for experiences of racism and xenophobia in day-to-day life.

![Figure 71. Average attitudes towards immigration to the UK among ethnic majority respondents on a ten-point scale](image-url)

Note: Question asks ‘Do immigrants make the UK a better place to live?’, with 10 the most positive response. The figure shows the mean value among self-reported ethnic majority individuals.


The determinants of public attitudes towards immigrants and minority groups more generally are subject to a wide literature (Quillian, 1995; Riek, Mania and Gaertner, 2006; Brader, Valentino and Suhay, 2008; Bowyer, 2009). Here some research emphasises the idea of economic threat (e.g. Mayda, 2006) while other papers suggest cultural factors are dominant (e.g. Sniderman, Hagendoorn and Prior, 2004). In either case, the perception of some outside ‘threat’ to material interest or aspects of self-identity can shape attitudes and, by extension, behaviour. For instance, Johnston and Lordan (2016) present evidence that racially prejudiced views move with the business cycle, with increased unemployment correlated with increased self-reported racial prejudice. Ethnic employment and wage gaps also increase in downturns, and this therefore
points towards a potential link between self-reported racial prejudice and realised outcomes via discrimination.52

Changes in majority perceptions over time and place may then be an important factor affecting outcomes for minority ethnic individuals. Intuitively, discriminatory behaviour may be concentrated in a limited set of individuals, and some empirical evidence from the US has shown this to be the case in the context of speeding violations (Goncalves and Mello, 2021). Thus, shifting the views and behaviour of specific groups of individuals may have the most impact. Majority perceptions also respond to context; for instance, studies have shown that perceptions of Race can vary according to social status cues (Freeman et al., 2011). Thus, changing socio-economic fortunes themselves may feed back into majority perceptions; on the contrary, to the extent that discrimination drives socio-economic deprivation for some minority groups, a negative feedback loop could be entrenched.

Experience of discrimination
Survey evidence can also shed light on perceptions and experiences of discrimination as reported by minority ethnic individuals themselves. Perceptions of discrimination do not necessarily imply that discrimination has taken place, although it seems implausible that there would be no correlation between the two – indeed, those groups that perceive the most discrimination (see below) also tend to experience more discrimination measured in hiring experiments, for instance, even if there is not a perfect match. However, perceptions are also of interest in their own right. First, because felt discrimination has implications for individual welfare, and has been found to be associated with lower levels of psychological well-being (e.g. self-esteem, anxiety and life satisfaction; see Schmitt et al, 2014; Nandi, Luthra and Benzeval, 2020) and health behaviours in some cases (Luthra, Nandi and Benzeval, 2020). Second, because perceived discrimination may have material consequences for individual choices – such as labour market participation or use of public services – and thus may affect outcomes even if discrimination has not taken place (Small and Pager, 2020). In this vein, perceptions of discrimination in the UK have been found to be correlated with lower levels of integration in society (Heath and Demireva, 2014); Maxwell (2009) and Platt (2014) posit discrimination perceptions as an explanation for the lower attachment to British identity among Black Caribbeans compared with Asian individuals, in spite of the former being more incorporated into British culture in many respects. Ultimately, experiences and perceptions of discrimination may have profound consequences for social cohesion and political engagement and outcomes. Storm, Sobolewska and Ford (2017) show that the social distance reported between majority and minority groups is reciprocal, and that all ethnic minority groups interpret the same ethnic hierarchy as the White majority.

Perceptions of discrimination are much higher among the ethnic minority population of the UK than the majority. Figure 72 shows the share of the British population reporting that they feel discriminated against on the grounds of Race, skin colour, nationality, language, religion or ethnic group, separately for those who identify as in the ethnic minority and ethnic majority population. Consistently around 5% of the ethnic majority report discrimination; in 2018, the corresponding figure was 38% for ethnic minorities. This was the highest figure of any of the rounds of the European Social Survey (ESS) so far, and a statistically significant increase compared to the 23% recorded in 2010. Consistently, Race or skin colour is cited as the most likely grounds for this perceived discrimination. Across all waves of the ESS, nearly two-thirds (63%) of ethnic minority respondents who report discrimination suggest this as the basis, with religion (36%) and ethnicity (28%) the next most likely reasons.

The Ethnic Minority British Election Study (EMBES) from 2010 (Fisher et al., 2012) allows a more detailed look at which groups perceive more discrimination, and where in society it occurs. The survey asks whether respondents felt discriminated against in the prior five years, and if so, on what grounds and in what context. This shows that it is the Black population that is most likely to feel discriminated against: focusing on discrimination on the basis of ethnicity, skin colour, religion or language, 44% of Black Caribbeans report being discriminated against, and 35% of Black Africans. For Indians, Pakistanis and Bangladeshis, the figures are 28%, 25% and 27%,

52 See Dustmann, Kastis and Preston (2022) for a thorough discussion of these issues.
respectively. Among these, the most common contexts where this is felt are on the street (49%) and at work (44%).

Consistent with evidence from elsewhere, this survey also shows that perceptions of discrimination are notably higher among second-generation minorities (Fernández-Reino, 2020) – another piece of evidence referred to as part of the ‘integration paradox’.53 Accounting for other characteristics of individuals, however, suggests that this immigration generation effect may largely be explained by other confounding factors: after accounting for age, economic status and qualifications, whether an individual is born in the UK or not has no statistically significant effect on perceived discrimination (see Table A.4 in the Appendix). An interesting element of these results is the importance of local ethnic diversity for discrimination perceptions: living in an area with more non-White individuals or more individuals of one’s own ethnicity similarly reduce the probability of perceiving discrimination. This is consistent with arguments on the ‘protective’ aspects of own-group concentration compared with ethnic diversity, and perhaps also suggestive of the positive effect of greater integration on majority attitudes towards minorities.

While precisely identified estimates of the effects of discrimination on the outcomes of ethnic minorities are few and far between, approaching the topic from a range of angles makes the point clearly that discrimination and racism are still pervasive challenges for ethnic minority communities. Many White individuals self-report holding discriminatory views, large shares of ethnic minority individuals report discriminatory experiences in their day-to-day lives, and correspondence studies prove that different groups are treated differently in the workplace. Thus, while the overall role of discriminatory practices in determining material inequalities remains open to debate, their existence is not, and reductions in discrimination have the potential to boost both equality and economic efficiency.

Figure 72. Perceptions of discrimination among ethnic minority and majority populations of Great Britain

![Graph showing perceptions of discrimination among ethnic minority and majority populations of Great Britain.](image)

Note: The figure shows share of group reporting they feel discriminated against in the country on the basis of one or more of Race, skin colour, nationality, language, religion or ethnic group. 95% confidence interval shown. Individuals self-select into minority of majority group.


53 With the exception of Black Africans, although the small sample size of UK-born individuals (N = 71) means it is not possible to infer a statistically significant difference compared with those born abroad.
5. Conclusion

Racial and ethnic inequalities are a cause for concern for a number of reasons. One is the causal roots of these inequalities on the grounds of injustice, including intergenerational and international patterns of racism and oppression. Another is the consequences of these inequalities, including unmet potential and undermined social cohesion. Either way, the majority of the UK population agrees that these group-based differences in outcomes are concerning. Yet ethnic inequalities in the UK are not new and their existence will be surprising to few. Indeed, such inequalities are deeply embedded in the socio-economic fabric of this society and have been documented in various commissions and research projects in the past (e.g. Equality and Human Rights Commission, 2019).

In this context, the added value of this chapter is twofold. First, as an integrated part of a larger project on inequalities, the findings herein allow us to develop a holistic overview of root causes and mechanisms that shape and structure inequalities across time, cultures, and economic domains, developing a broader knowledge base to inform effective policy interventions. Second, the interdisciplinary approach utilised in this chapter – combining intersectional analysis of varied, high-quality datasets with insights from different fields of the social sciences – provides a toolkit that allows us to go beyond simply describing the inequalities in the key economic domains of education, employment, wages, income, poverty, wealth and health. While many precise patterns remain only partially explained, this interdisciplinary toolkit permits an interrogation of the drivers of these inequalities and of the levers for change, such as anti-discrimination legislation and professional and political representation.

Continuity and change

Overall, the evidence presented in this chapter suggests parallel narratives of frustrating continuity and remarkable change are both true at once. The continuity comes from the simple fact that racial and ethnic inequalities are large and longstanding – both across minority ethnic groups, and between the ethnic majority and most minority communities. This is perhaps unsurprising given the way that global economic power has historically been wielded according to racial hierarchies: given the intergenerational persistence of outcomes documented elsewhere in this Review, these historical processes underpin patterns of economic success and disadvantage around the world today. Nonetheless, the magnitudes of modern ethnic inequalities in the UK are often shocking. Unemployment is substantially higher among most minority ethnic groups than for the White majority and, among those in work, unexplained wage penalties remain large for most non-White ethnic minorities. Labour market inequalities are one important factor that contributes to poverty rates remaining elevated among most minority ethnic communities for as far back as data are available. Experiences of discrimination are still pervasive and field experiments show discrimination still affects economic outcomes in a material way. And conditional on their younger age profiles, the COVID-19 pandemic has had disproportionate health impacts on all minority groups, highlighting continued vulnerability to shocks in a particularly brutal manner.

At the same time though, there have also been significant changes in ethnic inequalities in the past few decades. The UK’s minority ethnic population as a whole has grown substantially, and there have been compositional shifts reflecting migration, generational change, and new understandings of identity. While most minority ethnic groups are comparatively geographically concentrated, there is evidence of dispersion and suburbanisation too. The minority ethnic population in the UK is increasingly UK-born, and the data show substantial educational mobility among these second-generation (and later) populations. Beyond intergenerational mobility, many minority ethnic groups have seen rapid growth in absolute levels of attainment in education and now outperform the White majority on some headline metrics. Intergenerational mobility on the educational margin is mirrored by similar patterns on the occupational margin, and groups such as Indian men now earn more than their White British counterparts, on average. While wealth inequalities are still large, minority groups largely residing outside of London have accumulated significant housing assets.

These overarching narratives of continuity and change – which may appear in conflict on the surface – are easily reconcilable considering the diversity of the UK’s ethnic groups. With different groups findings roots in migration flows decades apart, and with varied stocks of
educational and human capital on arrival, it should not be surprising that the unfolding tale of a multiracial UK is not a linear simple telling. As a result, we see these patterns of continuity and change playing out differentially across ethnic groups and within groups across different domains and generations. For instance, Bangladesh educational attainment and labour market outcomes have improved rapidly in recent years (from a low base), but the group still faces some of the highest rates of poverty in the country. In the labour market, wages for second-generation (and later) Black Caribbean men have stagnated or even deteriorated relative to the White British majority, while second-generation Indian men experienced relatively rapid wage growth over the same period. This diversity of experience across groups renders the usefulness of comparisons between White British and the ‘ethnic minority’ population questionable at best.

Knowledge gaps
We know an increasing amount about ethnic inequalities, yet there remain substantial, unanswered questions about the drivers of their levels and changes in different domains, some of which have been highlighted in this chapter. For instance, we do not fully understand the rapid increases in minority ethnic educational attainment at school in recent years (Mirza, 2008); nor have the drivers of unexplained differences in university results across ethnic groups been pinned down (Richardson, 2018). A crucially important remaining question concerns why educational attainment does not seem to translate into labour market success for ethnic minorities in the same way as for White British individuals – especially for Black, Pakistani and Bangladeshi men. Indicative evidence suggests a variety of factors may be at play, including discrimination, mobility and social networks, but the precise role of each of these is unclear. And there are broad knowledge gaps related to the way in which political and professional representation and cultural norms affect individual and organisational choices in ways that might differentially affect minority ethnic groups.

This chapter has also not considered every aspect of ethnic inequalities in the UK. One glaring gap is the role of policing and crime. The consistently shocking rates of school exclusion for Black and mixed-Race children has been known for some time (Wanless, 2006; Timpson, 2019). However, less well understood is the extent to which this racialised inequity links to interactions with the criminal justice system, the disproportionate incarceration of Black, Muslim and mixed-race people, and the subsequent impact on the wages, wealth and well-being of these individuals and their communities. While evidence of racialised profiling, policing and sentencing is clear (Lammy, 2017; Elliott-Cooper, 2021; Stott et al, 2021) the cost to society – and the endemic inequalities this disproportionality engenders – is more challenging to quantify. However, as the Black Lives Matter uprisings demonstrated, there is deep public concern about issues such as these which require action.

More research – from across disciplines and methodologies – is required to dig deeper into these questions. Developing a more nuanced understanding of the causes of ethnic inequalities – which are likely to differ across different ethnic and racial groups, and across areas of life – is crucial for designing policy responses. The set of policy options suitable for combatting discrimination in the workplace is naturally quite different to those related to differences in information through social networks, for instance. While there is a broad and deep literature exploring ethnicity in the UK, empirical social scientists in particular can contribute much more than in the past to answering these questions, given the range of high-quality data available, which increasingly includes administrative data sources that can often overcome sample size challenges inhibiting research on ethnic minorities in survey datasets – especially when focusing on specific minority ethnic groups.

There are of course limitations to what can be achieved through such datasets alone, however. Empirical analysis of ethnic inequalities – including in this chapter – often concludes with ‘unexplained ethnic differences’, which may or may not be indicative of direct discrimination. Experimental approaches such as audit studies are a powerful tool for understanding the extent of discrimination, and more research (in different areas of life) of this sort would be extremely welcome in the UK. Still, careful empirical work does not allow us to drill down into the everyday workings and exclusionary practices of institutional racism and its profound effects on the life chances of racialised ethnic groups. Emerging disciplines such as QuantCrit aim to tackle some of the limitations of quantitative methodologies (Garcia, López and Vélez, 2018; Gillborn et al., 2018). Decolonising, anti-racist and intersectional feminist perspectives bring different voices and
insights challenging the dominance of masculine and Eurocentric epistemologies that underpin traditional disciplines (Sen, 1989; Agarwal, 2003; Kabeer, 2005; Bhambra, 2014; Mirza and Gunaratnam, 2014; Raworth, 2017). An interdisciplinary approach drawing on, for example, economics, history and sociology can help illuminate the non-market factors influencing economic behaviour, including the role of direct social interaction and networks in the reproduction of wealth and Race and class privilege (Friedman, Laurison and Miles, 2015; Khan, 2020).

Policy responses to ethnic inequalities also need to grapple with the normative question of how such inequalities are valued or prioritised relative to other group-based differences (e.g. gender, geography, age) or inequalities in specific domains (e.g. income, wealth, representation). The British public sees racial and ethnic inequalities as very important, but on average ranks them behind geographical and income/wealth differences (Benson et al., 2021). However, as we have seen on multiple occasions in this chapter, the different characteristics of minority ethnic groups mean that ostensibly ‘Race-neutral’ policy does not impact all ethnic groups equally. Redistributive policies narrow income gaps overall, and by extension narrow ethnic income gaps; policies which disproportionately favour older generations do the opposite. The geographical patterning of ethnic minorities in the UK means that the ‘levelling up’ agenda is highly relevant too; the success (or otherwise) of this agenda in addressing inequalities within towns and cities will be of importance here. In this way, addressing ethnic inequalities cannot be viewed independently from these other conceptualisations of inequality.

**Looking forwards**

In the coming years and decades, the UK will continue to become more ethnically diverse, with the soon-to-be-released results from the 2021 Census of England and Wales likely to provide a powerful reminder of this trend. The minority ethnic population will continue growing fast, and its composition will change too. New groups will emerge and others may disappear, as the national understanding of identity evolves in response to culture and migration, and is reflected in data collection. In this context, concern with ethnic inequalities in socio-economic outcomes is not going to go away, and researchers and policymakers alike should grapple seriously with the complexity of these issues. This includes considering the moral case for – and socio-economic implications of – targeted policy responses that could improve the lot of minority ethnic communities, including affirmative action and reparations. Any such considerations must reflect that despite the ‘irresistible rise of multi-racial Britain’ (Phillips and Phillips, 1998), historical injustices have left deep psychic, cultural and economic scars (Hall et al., 2014) that underlie intergenerational patterns of (dis)fortune, and reparative justice would both acknowledge the source of modern-day inequalities while potentially beginning to address them too.

If policies like these remain unpopular though, the evidence offered in this chapter suggests that much can still be achieved within the current policy paradigm – especially once the enduring barriers to greater equality are better understood. High-quality analysis and careful policy prescriptions will be crucial then to removing barriers and empowering individuals from all backgrounds to be prosperous, and narrow ethnic inequalities in the process. This is a challenge of social and racial justice first and foremost. However, in an increasingly multiracial society, it is also increasingly an issue of national prosperity and well-being.
### Appendix

Table A.1. Share of students achieving benchmark levels of learning and qualifications by ethnic group and gender (all students, academic year 2018/19)

<table>
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Note: Table includes students at state schools in England. See Figure 26 for detailed notes.

Source: Early years foundation stage profile results: 2018 to 2019, Department for Education; National curriculum assessments: key stage 2, 2019 (provisional), Department for Education; Key stage 4 performance 2019 (revised), Department for Education.
Table A.2. Share of students achieving benchmark levels of learning and qualifications by ethnic group and gender (non-FSM students, academic year 2018/19)

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Source: Early years foundation stage profile results: 2018 to 2019, Department for Education; National curriculum assessments: key stage 2, 2019 (provisional), Department for Education; Key stage 4 performance 2019 (revised), Department for Education.
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<td><strong>Pakistani</strong></td>
<td>52</td>
<td>69</td>
<td>50</td>
<td>60</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td><strong>Traveller of Irish heritage</strong></td>
<td>21</td>
<td>38</td>
<td>18</td>
<td>29</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td><strong>White and Asian</strong></td>
<td>52</td>
<td>67</td>
<td>46</td>
<td>60</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td><strong>White and Black African</strong></td>
<td>54</td>
<td>67</td>
<td>44</td>
<td>62</td>
<td>26</td>
<td>32</td>
</tr>
<tr>
<td><strong>White and Black Caribbean</strong></td>
<td>51</td>
<td>67</td>
<td>41</td>
<td>54</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td><strong>White British</strong></td>
<td>45</td>
<td>62</td>
<td>39</td>
<td>49</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: The table includes students at state schools in England. See Figure 26 for detailed notes.

Source: Early years foundation stage profile results: 2018 to 2019, Department for Education; National curriculum assessments: key stage 2, 2019 (provisional), Department for Education; Key stage 4 performance 2019 (revised), Department for Education.
Table A.4. Correlates of perceived discrimination among British ethnic minorities, 2010

<table>
<thead>
<tr>
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<th>(3)</th>
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<tr>
<td><strong>Female</strong></td>
<td>-0.0561**</td>
<td>-0.0382</td>
<td>-0.0391</td>
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<tr>
<td></td>
<td>(0.0226)</td>
<td>(0.0239)</td>
<td>(0.0238)</td>
<td>(0.0238)</td>
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<tr>
<td><strong>Born in UK</strong></td>
<td>0.107***</td>
<td>0.0316</td>
<td>0.0306</td>
<td>0.0334</td>
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<tr>
<td></td>
<td>(0.0255)</td>
<td>(0.0283)</td>
<td>(0.0281)</td>
<td>(0.0283)</td>
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<tr>
<td><strong>Ethnicity (ref: Indian)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pakistani</td>
<td>-0.0423</td>
<td>-0.0290</td>
<td>-0.0198</td>
<td>-0.0213</td>
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<tr>
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<td>(0.0296)</td>
<td>(0.0323)</td>
<td>(0.0325)</td>
<td>(0.0326)</td>
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<tr>
<td>Bangladeshi</td>
<td>-0.00890</td>
<td>-0.00934</td>
<td>-0.00132</td>
<td>-0.0142</td>
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<tr>
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<td>(0.0399)</td>
<td>(0.0419)</td>
<td>(0.0420)</td>
<td>(0.0419)</td>
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<tr>
<td>Black Caribbean</td>
<td>0.137***</td>
<td>0.175***</td>
<td>0.166***</td>
<td>0.159***</td>
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<tr>
<td></td>
<td>(0.0341)</td>
<td>(0.0345)</td>
<td>(0.0348)</td>
<td>(0.0356)</td>
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<tr>
<td>Black African</td>
<td>0.0897***</td>
<td>0.0638*</td>
<td>0.0589*</td>
<td>0.0516</td>
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<tr>
<td></td>
<td>(0.0339)</td>
<td>(0.0350)</td>
<td>(0.0351)</td>
<td>(0.0356)</td>
</tr>
<tr>
<td>Age</td>
<td>0.00273</td>
<td>0.00252</td>
<td>0.00289</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.00345)</td>
<td>(0.00344)</td>
<td>(0.00343)</td>
<td></td>
</tr>
<tr>
<td>Age squared</td>
<td>-0.0000579*</td>
<td>-0.0000563</td>
<td>-0.0000593*</td>
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</tr>
<tr>
<td></td>
<td>(0.0000346)</td>
<td>(0.0000346)</td>
<td>(0.0000344)</td>
<td></td>
</tr>
<tr>
<td>Percentage non-White (of LSOA)</td>
<td>-0.125**</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>(0.0518)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Share of LSOA from same ethnic group</td>
<td></td>
<td>-0.141**</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(0.0700)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Observations 2,600 2,600 2,600 2,600  
Mean 0.308 0.308 0.308 0.308  
Controls No Yes Yes Yes  

Note: The table shows results from linear regressions where the outcome variable equals 1 if the individual reports perceiving discrimination on the basis of skin colour, ethnicity, religion or language in the prior five years. The sample includes 2,600 individuals of Indian, Pakistani, Bangladeshi, Black Caribbean or Black African ethnicity. Controls include region (11 groups), highest qualification (five groups) and economic status (four groups), LSOA denotes lower super output area. Robust standard errors are reported in parentheses; statistical significances at the 10%, 5% and 1% levels are indicated by *, ** and *** respectively.

Figure A.1. The role of household structure in predicting men’s employment, by ethnic group, for England and Wales, 2014–19

Note: The figure shows coefficients from separate linear regressions for men from each ethnic group, where the outcome variable is a binary variable equal to one if employed. ‘Child in HH’ is a binary variable equal to one if there are one or more children aged 16 or under in the household and zero otherwise. ‘Partner’ is a binary variable equal to one if the individual is married or cohabiting, and zero otherwise. Controls are age, age squared, whether UK-born, region, highest qualification, and controls for self-reported health affecting ability to work and primary reported health condition (if any). Sample is men aged 16–64 and not in full-time education, in England and Wales. 95% confidence intervals based on robust standard errors shown.

Source: Quarterly Labour Force Survey 2014–19, wave 1 only.
Figure A.2. Conditional earnings gaps, by ethnic group, gender and country of birth, 2015–16 to 2018–19

Note: The figure includes all working-age adults (aged 16–64) in paid work and not in full-time education in England and Wales. Analysis uses four pooled waves of data, with ethnicity reported at the individual level. Each series comes from a separate model where White British individuals of the same gender are the reference group. Coefficients show estimated mean log(earnings) gaps after controlling for age squared, region, highest qualification, hours worked, whether part-time, whether individual has a long-term health condition, public/private sector, and industry of employment.

Figure A.3. Median gross incomes by ethnic group, relative to ethnic majority

Note: The figure includes all individuals in England and Wales, with ethnicity measured by household head. Income measured as rolling three-year average of median total gross household income, equivalised according to the OECD equivalence scale. Prior to 2001–02, ethnic majority includes all White individuals; thereafter, it includes only those identifying as White British.


Figure A.4. Median net incomes of those aged 65 and over relative to under-65s over time

Note: The figure shows the household income at a given percentile of distribution for individuals aged 65 and over as a percentage of household income for under-65s. Household income is measured before housing costs and equivalised using the OECD BHC equivalence scale.

Figure A.5. After housing cost poverty rates by ethnic group

Note: The figures show three-year rolling average of rate of relative poverty by ethnic group in England and Wales, first among adults, and second among children. Ethnicity is measured according to the household head, and income is measured after housing costs and equivalised according to OECD equivalence scale.

Figure A.6. Differences in self-reported life satisfaction by gender, country of birth and ethnic group in England and Wales, 2017–19, with controls

Note: The figure shows estimated average differences in self-reported life satisfaction by ethnic group, with White British as the reference group. The sample includes individuals aged 18–64, excluding retirees, in England and Wales in 2017–19, and the outcomes are standardised such that coefficients can be interpreted as standard deviation differences. Coefficients (with 90% confidence intervals using robust standard errors) come from a linear regression of age-standardised and normalised self-reported life satisfaction on indicator variables for self-reported ethnic group, plus controls for whether the individual has a long-term partner, whether they are religious, self-reported long-term health problem and disability, region of residence, whether in full-time education, and highest qualification received. Results for men and women include both individuals born in the UK and those born abroad; results for those born abroad and those born in the UK include both men and women (with gender controlled for), and all White British are used as the reference group in both cases. Survey questions asks: ‘Overall, how satisfied are you with your life nowadays?’ Responses range from 0 to 10, with 10 being the most satisfied.

Source: ONS (2020a).
References


Alibhai-Brown, Y. (2000), *Who Do We Think We Are?: Imagining the New Britain*, London: Allan Lane.


Marks, G. N. (2005), 'Accounting for Immigrant Non-Immigrant Differences in Reading and Mathematics in Twenty Countries', Ethnic and Racial Studies, 28, 925–46.


types/timeseries/lf25/lms.

types/datasets/labourmarketstatusbyethnicgroupa09.


