

Unemployment rates by ethnicity: 2007 update

Summary points:

- In 2006, the unemployment rate for Black, Asian and minority ethnic (BAME) Londoners averaged 13 per cent - more than twice as high as the rate for White Londoners (5 per cent).
- Trend data for 1985-2006 shows that the ethnic differential in rates has persisted over time despite falls in the general level of unemployment.
- Within the BAME population there is huge variation in unemployment rates. In 2001, rates ranged from 6 per cent for Indian Londoners up to 21 per cent for Bangladeshi Londoners. Rates were also high for Black Londoners – who had an average unemployment rate of 14 per cent.

Context

Unemployment is a key measure of labour market disadvantage and is closely associated with poverty, educational attainment, language and even health. The labour market experience of Londoners also varies considerably according to ethnic group. The GLA reports on ethnic differentials in unemployment on an annual basis as part of its monitoring programmes in the areas of sustainability, race equality, health, the London Plan and the GLA's Corporate Plan. This note presents the latest data and provides the basis for updating the monitoring.

Defining unemployment

The unemployment measure used here is the International Labour Organisation (ILO) definition of unemployment which measures those who are unemployed and seeking work¹. Percentage unemployment rates express the number unemployed as a percentage of the economically active population (ie those in employment or ILO unemployed). Ratios presented relate to the unemployment rate for BAME groups divided by the rate for White groups. Estimates from the Annual Population Survey are used to provide headline and time-series data and 2001 Census data provide more detail on the experience of individual ethnic groups. In this analysis, the term 'BAME' refers to all non-white ethnic groups.

Unemployment rate estimates for 2006

The APS data for 2006 indicates that around 285,000 working age Londoners are unemployed, an unemployment rate of 8 per cent, the highest of all GB regions.

¹ More specifically, the definition relates to those people who are not in employment, are available to start work in the next two weeks and have either looked for work in the last four weeks or are waiting to start a new job.

Londoners from BAME groups are more than twice as likely than those from White ethnic groups to be unemployed (13 per cent and 5 per cent²), a ratio of 2.5.

Table 1 Unemployment rates by ethnicity, age & gender, Greater London, 2006

	All persons		White groups		BAME groups		Ratio BAME: White
	Unemp.	%	Unemp.	%	Unemp.	%	
All working age	285,000	7.8	135,000	5.4	149,000	13.2	2.5
Age 16-24	94,000	18.5	50,000	15.0	44,000	25.1	1.7
Age 25-44	134,000	6.6	55,000	4.1	79,000	11.8	2.9
Age 45-59/64	57,000	5.1	31,000	3.7	26,000	9.2	2.5
Men	163,000	8.0	78,000	5.5	85,000	13.5	2.4
Women	121,000	7.6	57,000	5.2	64,000	12.9	2.5

Source: Annual Population Survey 2006

Unemployment rates in London are relatively high for both men and women and the ethnic differential in rates remains strong within both groups. Of those active in the labour force, it is young Londoners who are the most likely to be unemployed. The unemployment rate for those aged 16-24 is 19 per cent, rising to 25 per cent for young BAME Londoners.

Trend data on unemployment by ethnicity

Figure 1 shows the differential in unemployment rates between White and BAME Londoners between 1985-2006. As these data are survey estimates they are subject to a degree of sampling variability and require careful interpretation. Differences in rates between individual years may reflect sampling volatility not real change so data are best viewed over the long term. For this reason, the ratio of BAME:White rates is presented as a three-year moving average to provide a more reliable guide to the change in rate differentials over time. While the data have their limitations they remain the only source of inter-censal evidence on this topic.

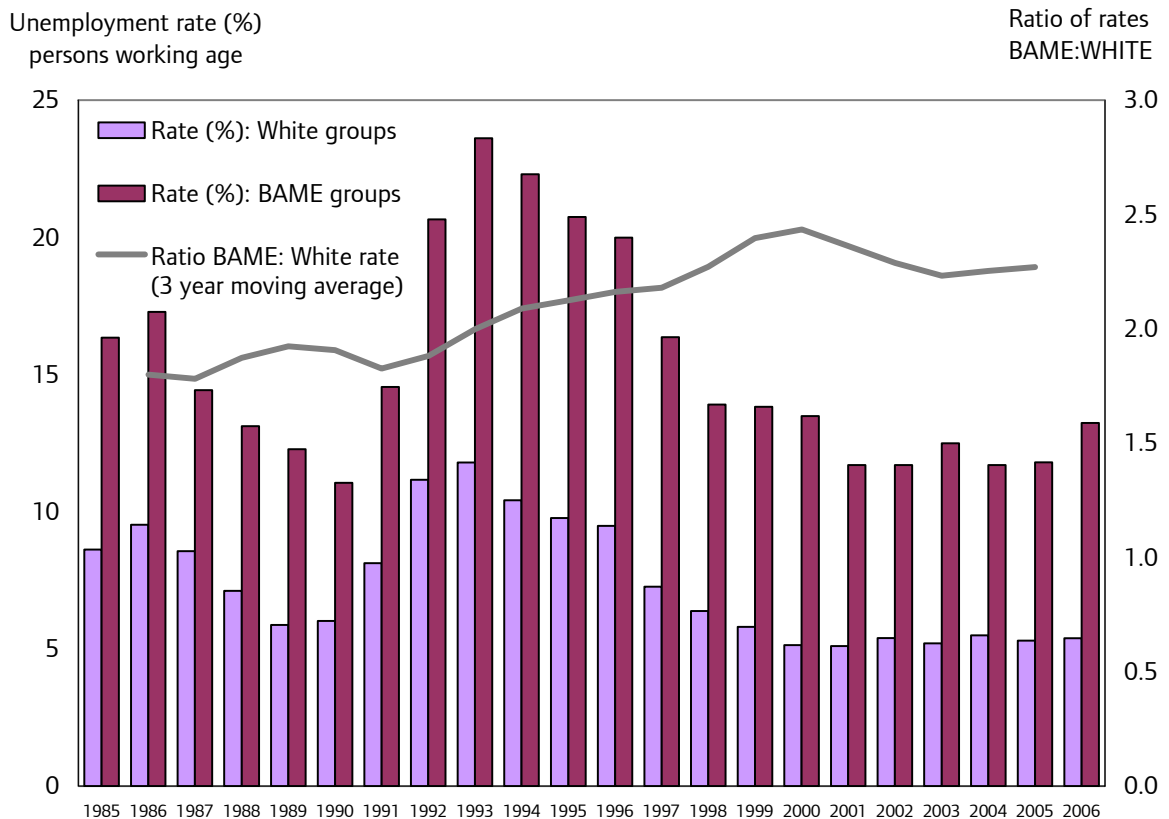
The chart shows that ethnic differentials in unemployment rates have persisted over the period 1985-2006. While the general level of unemployment has fallen for both White and BAME groups, since the last recession in the early 1990s, the ethnic differential in rates has persisted and has in fact widened over the period.

Unemployment rate differentials within the BAME population

Within the BAME population, there is huge variation in unemployment rates across different ethnic groups. Data from the 2001 Census showed that unemployment rates ranged from 6 per cent for Indian Londoners up to 21 per cent among Bangladeshi Londoners. Rates were also high for Black Londoners (12-18 per cent). *More detailed information about unemployment and ethnicity, based on Census data, can be found in DMAG Briefing 2003-26 Unemployment in London: analysis of 2001 Census data.*

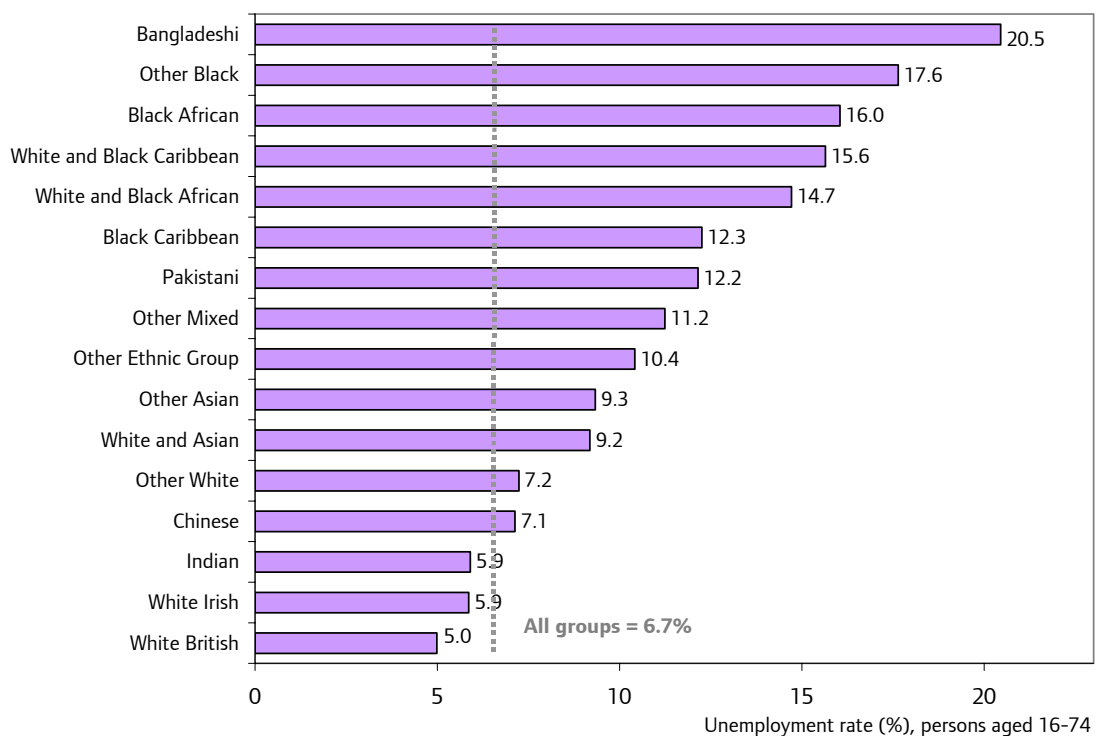
² All percentages in the text are rounded to the nearest integer.

Figure 1 Unemployment rates by ethnicity, persons working age, Greater London, 1985-2006 (APS/LFS estimates)



Source: Office for National Statistics, Labour Force Survey & Annual Population Survey

Figure 2 Unemployment rates by ethnic group, persons aged 16-74, Greater London, 2001 (Census estimates)



Source: 2001 Census Standard Table ST108

Unemployment rates by ethnicity, persons working age, Greater London 1985-2006

	Unemployment rate (%)			Ratio BAME:White rate	
	All persons working age	White groups	BAME groups	Annual	3 year average
1985	9.6	8.6	16.3	1.9	-
1986	10.6	9.5	17.3	1.8	1.8
1987	9.5	8.6	14.4	1.7	1.8
1988	8.1	7.1	13.1	1.8	1.9
1989	6.8	5.9	12.3	2.1	1.9
1990	6.8	6.0	11.1	1.8	1.9
1991	9.3	8.1	14.5	1.8	1.8
1992	13.0	11.2	20.7	1.9	1.9
1993	14.1	11.8	23.6	2.0	2.0
1994	12.7	10.4	22.3	2.1	2.1
1995	11.9	9.8	20.7	2.1	2.1
1996	11.6	9.5	20.0	2.1	2.2
1997	9.3	7.3	16.4	2.3	2.2
1998	8.0	6.4	13.9	2.2	2.3
1999	7.6	5.8	13.8	2.4	2.4
2000	7.1	5.1	13.5	2.6	2.4
2001	6.7	5.1	11.7	2.3	2.4
2002	7.1	5.4	11.7	2.2	2.3
2003	7.0	5.2	12.5	2.4	2.2
2004	7.3	5.5	11.7	2.1	2.3
2005	7.2	5.3	11.8	2.2	2.3
2006	7.8	5.4	13.2	2.5	-
2006 (CI)	±0.5	±0.9	±2.1		

(CI=Approximate confidence intervals, in percentage points, attached to 2006 estimates)

Source: Office for National Statistics, Labour Force Survey & Annual Population Survey

Notes: All data are estimates and are subject to sampling variability. Typical confidence intervals attached to these data are shown for 2006 estimates.

For more information please contact Lorna Spence, Data Management and Analysis Group,
Greater London Authority, City Hall, The Queen's Walk, London SE1 2AA
Tel: 020 7983 4658 e-mail: lorna.spence@london.gov.uk

Data produced in this briefing have been reproduced with the permission of the Controller of Her Majesty's Stationery Office and are © Crown Copyright. All analysis in this document is based on data from the Office for National Statistics.