

Ethnic Minorities and the Labour Market (EMLM) Strategic Group – summary of process

Background

A key priority for the Executive is *to raise the quality of life of the Scottish people through increasing economic opportunities for all on a socially and environmentally sustainable basis*. Delivering *Equality* for all is also a high priority and therefore the Executive needs to take all possible steps to ensure that these policy priorities dovetail and that economic prosperity is indeed accessible to/for all.

This approach follows the Strategy Unit 'Ethnic Minorities and the Labour Market report' (March 2003) and the National Employment Panel 'Enterprising People, Enterprising Places' report (May 2005). The reports outlined the fact that despite marked progress by some ethnic minority groups in areas, many groups still face barriers in the labour market such as gaps in employment rates, earnings and progression in work. There is a clear need for action in this area.

http://www.strategy.gov.uk/downloads/su/ethnic_minorities/report/downloads/ethnic_minorities.pdf

<http://www.nationalemploymentpanel.gov.uk/publications/nep/2005/epeppdf/fullreport.pdf>

Both reports set out comprehensive action plans at GB and England and Wales level respectively to improve the participation of ethnic minorities in the labour market in order to bring greater benefits to the nation's culture, economy and society. It is recognised that failure to address these issues will have serious economic consequences. Consideration of specific Scottish issues is given in the "Scottish Repercussions of the Ethnic Minorities and the Labour Market" Report (March 2004).

<http://www.scotland.gov.uk/Publications/2004/04/19177>

Under-representation of ethnic minorities in the labour market is an unfortunate reality within Scotland, as across the rest of the UK. Whether it is the employment gap, occupational segregation or inequality in the workplace itself - differential treatment and negative employment experiences are a reality for many ethnic minority communities in Scotland.

Put simply, a person from an ethnic minority background with the same education, skills, age, class background etc as a person from the majority background is more likely to be unemployed, in a more junior position and earn less than their majority background counterpart. The Cabinet Office Strategy Unit report found that factors such as education, age, economic environment explain a relatively small percentage of the difference in the labour market achievement between ethnic minorities and the overall population. Issues like difficulties in accessing information and discrimination can help explain the gap further.

DWP's Ethnic Minority Employment Division (2005) has, through a consideration of previous evidence, concluded that ethnic minority employment disadvantage is the product of three overarching factors:¹

- ◇ *Human (and social capital)*: some ethnic minority groups have lower levels of education and skills than the White population
- ◇ *Geography*: ethnic minority populations are concentrated in disadvantaged areas; and
- ◇ *Ethnicity*: ethnic minorities face disadvantage in the labour market and workforce for reasons to do with their ethnicity

Research has shown that racial discrimination by employers is a major component of disadvantage. It is, however as yet not possible to disentangle the relative contribution each of the overarching factors make to ethnic minority employment disadvantage. It is recognised that the factors are heavily interrelated and different ethnic minority groups face different degrees of compounded disadvantage.

Background – Review of Race Equality Work

The need for the Ethnic Minorities and the Labour Market strategic group also arose out of the review of local race equality work conducted by the Scottish Executive between June 2004 and February 2005. My team have taken forward the work on the review. The primary purpose of the review was to determine the best approach to deliver improvements in the lives of Scotland's diverse communities whilst ensuring that resources were maximised and directed to best effect. You can read more about the background to the review in '*A Summary of the Review and the way forward*', which was published in November 2005. The findings of the review included:

- The Executive should provide more strategic leadership and direction on race equality
- A national strategy and action plan should be developed (this is in draft form at the moment)
- Public bodies should accelerate the delivery of race equality
- Racial disadvantages must be tackled in key public policy areas
- There must be engagement of majority and minority communities and capacity built in both.

Specific communities or policy areas were identified as requiring more dedicated work and action. These were:

- Gypsies/Travellers
- Asylum Seekers and Refugees
- Race Equality In Rural Areas
- Participation in the labour market, including issues around in-migration and migrant labour.

¹ Section from "*Improving Opportunity, Strengthening Society. One Year on – A progress report on the Government's strategy for race equality and community cohesion*"

Strategic Groups were established to look at these issues in more depth and inform that National Race Equality Strategy and Action Plan.

Ethnic Minorities and the Labour Market Strategic group

The Ethnic Minorities² and the Labour Market strategic group was a short life project group with key stakeholders, which met between February and July 2006. The group minutes are on the Scottish Executive website.

<http://www.scotland.gov.uk/Topics/People/Equality/18934/15832>

The overarching objective for this work is to increase the number of people from ethnic minorities in the labour market and to address barriers to participation. This links to the following three specific objectives;

- Elimination of the ethnic penalty³
- Reduction of the employment gap⁴
- Reduction in occupational segregation

All the targets and action points set out the steps required to achieve the objectives and reflect the regional differences in Scotland. The group were tasked with producing an action plan to achieve objectives.

To address the objectives, at the first meeting the group agreed on the following workstreams;

- Government practice and leadership
- Entrepreneurship, finance and business support
- Education, training and skills support development
- Equality in the workplace
- Labour market segregation

² The remit of the group includes migrant workers and EU migrants. Therefore both visible and non-visible ethnic minority groups have been considered. The strategy is intended to be broad, however actions will initially target groups with most need.

³ Net differences in achievement are often referred to as the “ethnic penalty”. Some scholars use the term to emphasise the importance of discrimination in explaining the persisting net differences in labour market achievement and others to refer to “all the sources of disadvantage that might lead an ethnic group to fare less well in the labour market than similarly qualified Whites”. The Strategy Unit report labelled this ‘unexplained’ quantification the ‘ethnic penalty’. Further research would be required to examine what makes up the ethnic penalty in a Scottish context. However, in the absence of salary/wage data, an ‘ethnic penalty’ cannot be quantified for Scotland and it would require further research to define this for the Scottish context.

⁴ When the employment levels of all ethnic minority groups are combined and measured against the level of Whites a gap is found. This is called the employment rate gap. In England this gap has persisted for over 15 years at around 16 percentage points. In Scotland, the gap is greater. It is 19 percentage points. Some of the employment rate gap could be the result of discrimination and deprivation.

The group also had had presentations on the following cross cutting topics which also informed an action plan

- Fresh Talent Policy
- Ethnic Minority Women and Employment
- Employment in rural areas

All the actions consider gender differences. Recent Equal Opportunities Commission Research found that ethnic minority women are often ignored in public policy making.

We are in the process of finalising the group's action plan and final report.

Development of the Action Plan

Group discussion was wide ranging as I have mentioned and a number of different issues have been considered. This report summarises all the issues and possible actions looked at. However the group wanted to identify a range of deliverable actions that could help deliver real change for ethnic minorities and the labour market. The report will have targets to measure change by

Aspiration

In keeping with the goal set by the Prime Minister in the "Ethnic Minorities in the Labour Market" report, the aspiration for the action plan is to eliminate racial inequality in the labour market by 2013.

Measurable Administrative Targets

To support this aspiration, the action plan sets out a series of measurable indicators and action points.

National Race Equality Strategy and Action Plan

The group's action plan will inform the wider National Race Equality Strategy and Action Plan. We are currently consulting on the strategy. We will publish both the Strategic Group report and the National Race Equality Strategy and Action Plan early next year.

Implementation of the Action Plan

The action plan only identifies what actions need to be taken forward. Implementation or how actions will be taken forward, is the next stage. The Scottish Executive and a number of key partners are tasked with taking actions forward.

Workforce Plus/City Strategy

The Scottish Executive has recently launched Workforce Plus – An Employability Framework for Scotland. Colleagues of mine in the ETLLD are working on this.

It sets out how we hope to help more people on the route towards and into sustained employment. We are prioritising 7 areas (Glasgow, Dundee, North & South Lanarkshire, West Dunbartonshire, Renfrewshire and Inverclyde) where the greatest proportion of people are out of work. We aim to help 66,000 into work – 26% in those areas – by 2010.

There is a lot of synergy between Workforce Plus and the Department for Work and Pensions City Strategy. As such we have encouraged local partnerships to produce combined action plans for Workforce Plus and the DWP's Cities Strategy.

The aim of the Cities Strategy is to improve employment rates in the most disadvantaged parts of the UK by bringing together the public, private and voluntary sectors through a concerted local partnership – or consortium – to improve the way support for individual jobless people is co-ordinated and delivered on the ground

Although, Edinburgh is not a Workforce Plus Target area, it is among 3 Scottish cities (Glasgow and Dundee are the other two) successful in bidding to be pathfinder areas for the DWP City Strategy. As a result, it is a member of the Workforce Plus National Delivery Group (made up of 7 target areas plus Edinburgh) where the partners work with each other and the learning is disseminated. The lessons emerging from these areas will be equally relevant to Edinburgh as it tackles workless clients, including ethnic minorities, in its area.

The work of the NEP Business Commission on Race Equality in the Workplace provides an opportunity to raise the employment rates of BME individuals in the private sector. In Scotland, Glasgow has been selected as one of the 5 commission cities. The findings from Glasgow and other cities provides Edinburgh with an opportunity to learn possible solutions for ethnic minority clients.

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