



DOHA INSTITUTE
FOR GRADUATE STUDIES

Can ethnic minority strategies reduce the effects of ethnic penalties?

Labour Force Survey/Annual
Population Survey user
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- Modood, Tariq, and Nabil Khattab.
"Explaining Ethnic Differences: Can
Ethnic Minority Strategies Reduce the
Effects of Ethnic
Penalties?." *Sociology* (2015)



The study objectives

- To offer a new way to examine ethnic-penalties in unemployment
- To examine whether some ethnic groups manage to reduce the effects of ethnic-penalties by utilising alternative-strategies more than others.
- To challenge the argument that ethnicity per se cannot provide an explanation for some of the ethnic differentials in the labour market (together with other factors)



Ethnic penalties as a black box

- Most previous quantitative research on ethnic penalties have assumed (sometimes rightly) that the part of the difference that is not explained by the model is likely to be associated with discrimination.
- Whereas in fact we only speculate about what might explain this unexplained difference. External factors (e.g. discrimination) might be one possible source. Other sources might be associated with internal factors, intrinsic to the group(s) under study. Their own actions, or the lack of actions, might be another important source.



Ethnic penalties as a black box

So, we argue that some groups, more than others, might utilize ethnic strategies to reduce the effect of ethnic penalties. This implies that the effect of discrimination will vary according to whether these groups have access to internal ethnic strategies (ethnic capital, Modood 2004).



Data

- Five longitudinal quarters from the Labour Force Survey LFS (January-March 2008 to January-March 2009). A sample of 7,167 individuals that have been interviewed at each one of the five quarters is analysed here.



Variables

- Dependent variable: Ethnic penalty
- IV – sex, age, marital status, region of residence, self-employment, ethnicity, qualification.
- Ethnic groups: White-British which used as the reference group, White-Others, Blacks, Indians, Pakistanis-Bangladeshis, and Others.

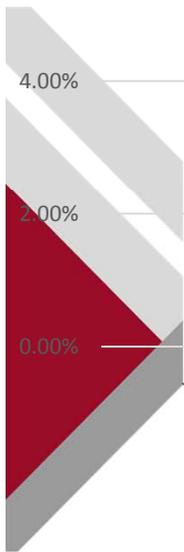
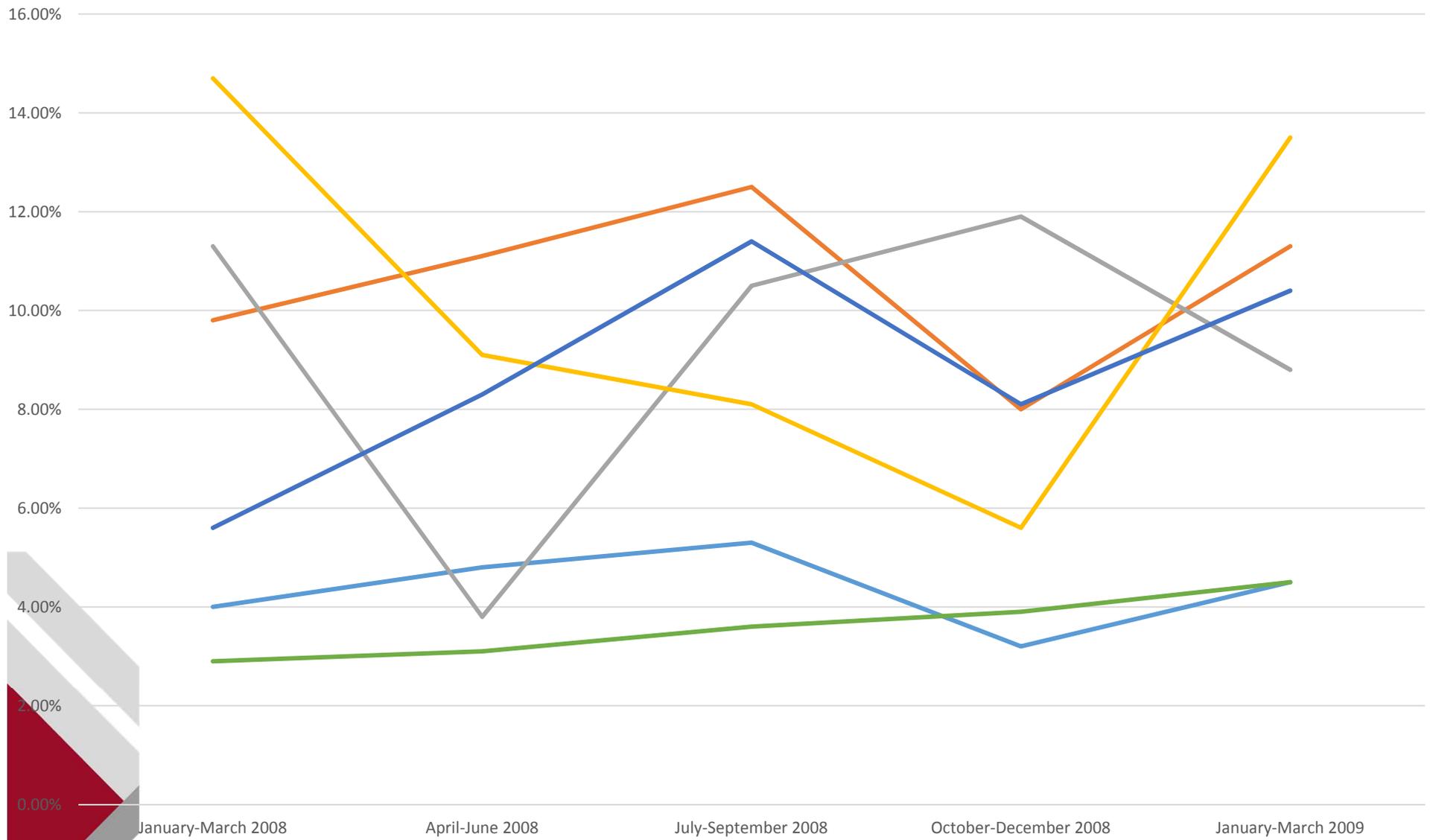


At the practical level...

- We started by examining the extent of ethnic penalty in unemployment (the net penalties)!
- We employed a Cox regression analysis model to examine whether some groups have turned to self-employment during the five LFS quarters.
- Then we used a longitudinal mixed effects model to regress the ethnic penalty in unemployment against self-employment interacted with ethnicity.



Unemployment rate among ethnic groups by LFS quarter



Other whites Blacks Indians Pakistanis-Bangladeshis Others White-British

Ethnic penalty* in unemployment across the five quarters, longitudinal LFS 2008-2009.

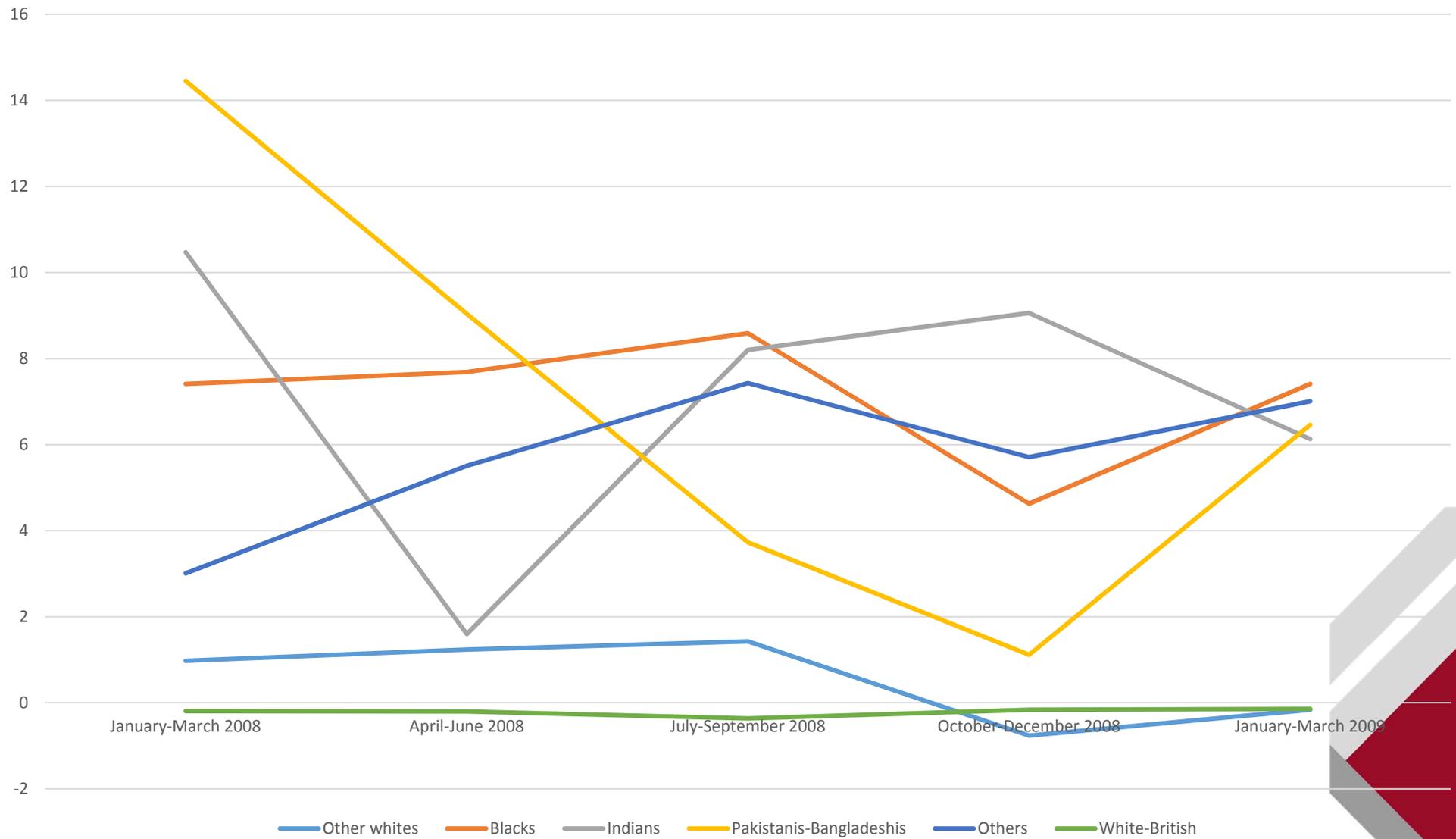




Table 3: Cox regression (survival analysis) for examining the shift from employment to self-employment.

	B	SE	Wald	Exp(B)
Ethnic penalty	0.02	.013	3.62	1.025
Ethnicity			58.99	
Other whites	0.20**	.078	6.76	1.224
Blacks	-0.75**	.258	8.47	.472
Indians	-1.05**	.281	13.92	.350
Pakistanis-Bangladeshis	0.61**	.163	14.19	1.849
Others	0.40**	.138	8.63	1.498
-2 Log Likelihood	Chi-Square 70.94 (df=6) p<0.001			

Estimated cumulative probability (survival) of staying on in employee status by ethnic group.

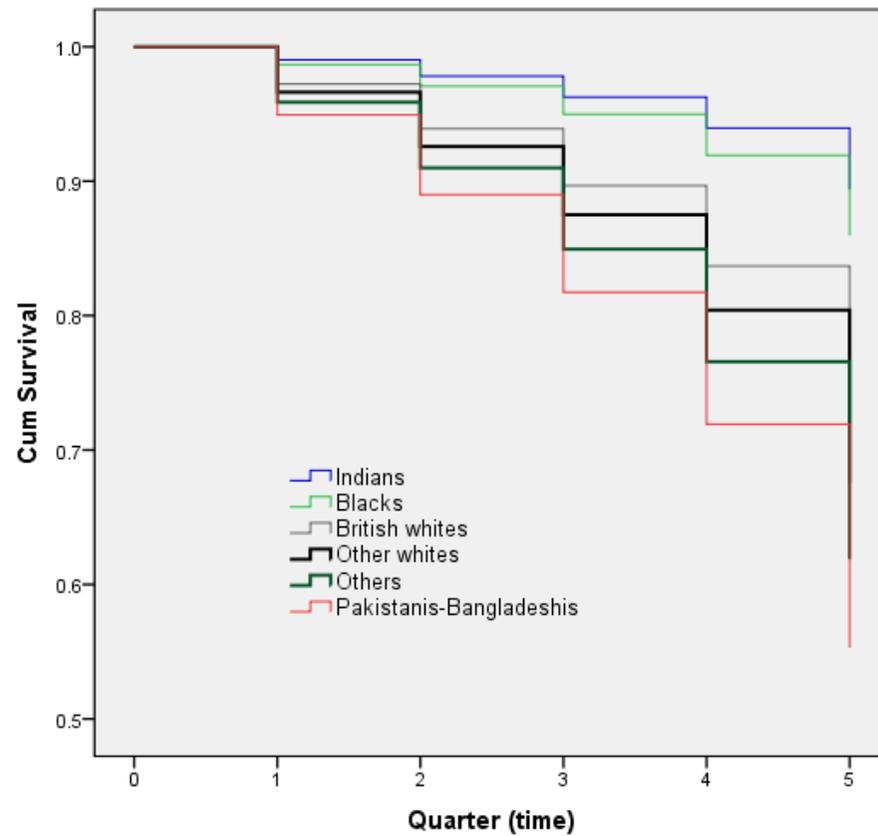


Table 4: Multivariate mixed effect model for the impact of self-employment on ethnic penalties.

Parameter	Estimate	Std. Error
Intercept	-0.28	0.02
Other whites	0.35**	0.08
Blacks	6.26**	0.16
Indians	6.17**	0.15
Pakistanis-Bangladeshis	4.76**	0.22
Others	5.99**	0.14
Self-employment	0.08	0.04
Other whites * self-employment	0.24	0.16
Blacks* self-employment	0.13	0.58
Indians * self-employment	-2.65**	0.65
Pakistanis-Bangladeshis * self-employment	-0.59	0.42
Others * self-employment	-2.19**	0.26
Level-2 variance	1.08**	0.025

** P < 0.01



Conclusions

- most non-white groups face a penalty in relation to unemployment
- not all minorities respond to unemployment in the same way
- some of these groups (e.g. Pakistanis/Bangladeshis and Others) have managed to reduce the initial net ethnic penalty by turning to self-employment during the five quarters of 2008-09 studied here.
- ethnic differences in relation to unemployment and self-employment can be attributed to differences in ethnic group behaviours and strategies

