Race Inequality in the Workforce: Analysing the state of play in the coronavirus economy
This paper discusses the labour market impacts of the coronavirus pandemic on BAME communities, through the lens of these job quality dimensions. The term BAME is used in this paper to consider the specific impacts in this crisis for workers from ethnic minority backgrounds. However, we recognise that as a term it falls short of reflecting the diversity of the range of communities and cultures represented in the UK, and that experiences in the labour market differ significantly for different groups and indeed for individuals.
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Foreword

As we enter a second phase of Covid-19; deaths, illnesses and another national lockdown, this report is extremely timely. As a result of the rise once again of this deadly disease and its effect on our society, many thousands of individuals are likely to lose their jobs and with it their ability to pay rents, mortgages, bills and adequately provide for their families. This new report that looks at the particular impact of Covid-19 on the labour market and the ramifications for BAME communities, which deserve serious consideration from political and business leaders, and from wider civic society.

Having collaborated with Carnegie UK Trust earlier this year on Race Inequality in the Workforce, our joint report with University College London, I am honoured to be asked to write this foreword for a team and a Trust that is committed to acknowledging and tackling social and racial injustice. Our previous collaboration laid bare ground-breaking data around zero-hour contracts, poor mental health and BAME communities, and shone a spotlight on a set of issues hitherto undocumented in such depth.

This new report builds upon that report by looking through the prism of Covid-19 and the racial disparities in the workplace, to unpack some of the most significant factors in regards to the disproportionate levels of deaths in BAME communities.

ONS data unequivocally highlights that BAME groups are five times more likely to catch Covid-19. This is an astonishing fact. This does not begin to ask the questions of who is more likely to die, or who will be more severely affected, but simply highlights who is more likely to catch the disease in the first place.

Focussing in on the labour market, evidence has shown that there are particular jobs in which people are more exposed to the disease, including employment in hospitals and care homes, and many public facing roles, such as security guards, bus drivers, office cleaners or, porters. Many of these jobs are low paid and involve precarious contracts. Crucially, BAME communities are over-represented in all these forms of employment. Overexposure, therefore, becomes a key determinant in whether a person catches the disease.

Beyond the issue of exposure to the disease itself, this report also points to existing systemic problems of race inequality in the labour market which mean that BAME individuals are more likely to suffer the consequences of the Covid-19 recession and economic crisis. The report’s conclusions and recommendations point to the need for a wider response that will address systemic race inequality which the pandemic has again exposed. Confronting this challenge is a call to action that we must not miss. Covid-19 is not a racist disease, but it has shone yet another light on areas in our society that are deeply racialised, including issues of low pay, barriers to progression in the labour market, and unequal voice and representation in the workplace.

Reforming the racial inequities within the labour market must be a priority for policymakers, alongside tackling other crucial issues impacting our BAME communities including overcrowded housing, another factor identified as a putting BAME communities at an additional risk to Covid-19. However, beyond each singular issue, there is a bigger goal at play. A holistic approach to tackle systemic race inequalities must be the goal. This report is an important part of that conversation.

Lord Simon Woolley
Director, Operation Black Vote
Introduction

In March 2020, Carnegie UK Trust published *Race Inequality in the Workforce*, a report that considered the links between ethnicity, precarious work and mental health. The report was a joint publication with University College London and Operation Black Vote, and used analysis of the longitudinal study Next Steps to show that young Black and Minority Ethnic (BAME) workers are more likely to be in precarious work than their White counterparts. The data also showed a link between precarious forms of work and poor mental health across all ethnic groups.

Shortly following the launch of the report, the national lockdown was announced in response to the coronavirus outbreak. In response to the economic crisis, the Trust has undertaken research to assess the future for ‘good work’ in the coronavirus economy. Within this broader ‘good work’ report we analysed which groups of workers have been most impacted by the crisis. One of these groups is BAME workers and in this paper, we aim to examine the impact of the coronavirus crisis on BAME workers in more detail, and to make specific recommendations about how existing inequalities can be redressed.

Issues of race inequality have received much overdue attention this year, following the death of George Floyd and subsequent widening of engagement with the #BlackLivesMatter movement. Understanding and awareness of systematic racism has begun to increase and organisations in a number of sectors have signalled commitment to become more diverse and inclusive. An additional 100 organisations signed up to the Race at Work Charter within six weeks of the #BlackLivesMatter protests in summer 2020.

In this context, it feels particularly important to consider the issues of race inequality in the labour market during the Covid-19 crisis and what this means for access to fair and good work.

To describe what we mean by ‘good work’, we use seven dimensions of job quality produced by the Carnegie UK Trust-RSA 2018 convened Measuring Job Quality Working Group, presented below:

![Diagram of job quality dimensions](image-url)
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The first section looks at the relationship between coronavirus and ethnicity, and how this interacts with work. The second section looks at sectoral trends in terms of where BAME workers are more likely to be employed, and what the implications are in this context. The third section considers the experience of BAME workers in having a voice and representation in the workplace during this period. At the end of the paper, we make some specific recommendations aimed to address persistent inequalities in the labour market. These are designed to complement the broader recommendations made in our report Good work for Wellbeing in the coronavirus economy, which is available at www.carnegieuktrust.org.uk

About us
At the Carnegie UK Trust, we seek to improve the wellbeing of people throughout the UK and Ireland, with a particular focus on those who are disadvantaged. We seek to change minds by influencing public policy and change lives through innovative practice and partnerships. One of our thematic strands is ‘Fulfilling work’. Our focus in this area recognises that vital aspects of personal, community and societal wellbeing, including income, sense of purpose, social connections and personal agency are all affected by work. Our experience of work can significantly improve wellbeing, but unfortunately this is not guaranteed and is not experienced equally by all, particularly given increases in job insecurity and the rise of in-work poverty rates during the past decade.
Coronavirus risks for BAME individuals in the workplace

People from a Black, Asian and Minority Ethnic background have been shown to be more vulnerable to contracting coronavirus and more likely to die as a result of contracting coronavirus. The ONS report that nose and throat test swab results from study participants between 8 June and 2 August 2020 show that all minority ethnic groups were more likely to test positive for coronavirus than those from a White background. Asian or Asian British study participants were shown to be most at risk, and were 4.8 times more likely to test positive than White individuals.\(^2\)

In terms of coronavirus deaths: ONS analysis continues to show that people from a Black ethnic background are at a greater risk of death involving Covid-19 than all other ethnic groups. The risk for Black males has been more than three times higher than White males and nearly two and a half times higher for Black females than White. Adjusting for socio-economic factors and geographical location partly explains the increased risk, but there remains twice the risk for Black males and around one and a half times for Black females. Significant differences also remain for Bangladeshi, Pakistani and Indian men.\(^3\)

There has been wide recognition in the media of these variations by ethnic group, and studies initiated to further understand the root causes for the varying probabilities linked to ethnicity.\(^4\) There have been an array of explanations suggested including socio-economic factors such as quality of housing, exposure to air pollution, or the prevalence of pre-existing health conditions such as obesity or diabetes amongst some minority ethnic groups.\(^5\) However there are also a number of labour market related factors which are important to analyse in view of the good work agenda.

Firstly, BAME workers are over-represented in key worker categories: 14% of key workers are from BAME backgrounds compared to a workforce average of 12%.\(^6\) Key workers have been on the frontline of the crisis throughout and are more likely to have face-to-face contact with members of the public, putting them at a higher risk of exposure to the virus. An additional factor is that key workers tend to be low paid. According to the Institute for Fiscal Studies, 33% of key workers earn £10 or less an hour, compared with 28% of workers in non-key sectors. Meanwhile the median key worker earned £12.26 per hour in 2019, 8% less than the £13.26 per hour earned by the median earner not in a key worker occupation.\(^7\) Workers in occupations with the highest number of Covid-19 deaths – such as care workers, taxi and cab drivers, security guards, and sales and retail assistants – are also more likely to come from a BAME background.\(^8\)

There has also been some evidence to suggest that within these key worker roles BAME individuals have been allocated to tasks that put them at additional exposure to coronavirus. For example, BAME nurses have described being allocated specifically to covid wards whilst White colleagues are allocated to working in safer areas of the hospital.\(^9\) In a separate study, more than half of BAME staff in NHS trusts in England reported feeling additional pressure to work on the coronavirus frontline; and out of 473 health workers who responded to the poll, 61% felt they had unequal access to personal protective equipment.\(^10\) More than 600 workers in health and social care in England and Wales were known to have died from causes involving Covid-19 up to 20 July 2020.\(^11\) It was reported in May that around 60% of the health and social care workers who had died at that point in time were from a BAME background.\(^12\)
Race Inequality in the Workforce

Sectoral Differences and Job Security

Aside from the additional risks to BAME individuals from the virus itself, there is evidence to suggest that BAME workers are facing a disproportionate labour market impact from the Covid-19 crisis.

Working in shut down sectors

BAME workers are more likely to work in sectors that were shut down during national lockdown and are likely to be continuing to face challenges, including the possibility of local lockdowns. For example, over a quarter (27%) of the workers in the passenger transport sector are from a BAME background, and 34% of vulnerable jobs in the accommodation and food sector are done by 16 to 24-year-old workers, 16% of whom are from a BAME background.

Although many businesses have been able to reopen, these businesses continue to be some of the most impacted by the crisis, and there are concerns that as the JRS closes and redundancies are made, BAME individuals will be disproportionately affected.

There are significant variations across industrial sectors. Catering and leisure were particularly hard hit in lockdown and continue to be at risk – job posting data showed a dramatic reduction in postings for customer service roles (60% decline), food preparation and service roles (75%), and hospitality and tourism roles (76%).

The Resolution Foundation estimated that there were 1.7 million self-employed workers facing major income losses because they work in the sectors most affected by lockdown, or were parents affected by school closures.

There was also concern for the wellbeing of some precarious workers in those sectors which continued to operate throughout lockdown. Concerns were raised by the Centre for Economic Policy Research (CEPR), the World Economic Forum and Fairwork at the University of Oxford, specifically in relation to gig economy workers and whether employers are being stringent enough in terms of protecting the health and wellbeing of these essential staff who are serving the rest of the population.

In the AppJobs survey, almost 70% of the workers surveyed said they were not satisfied with the support they had received from their companies during the pandemic.

Given this context, we are concerned that the over-representation of BAME groups in precarious work means that those from ethnic
minority backgrounds are at an increased risk of continuing to suffer negative labour market consequences as we move from crisis to recession. It is also common for precarious forms of work to increase during an economic crisis, and given existing evidence, there is a reasonable risk that BAME individuals are more likely to find themselves in these roles.

Unemployment

The unemployment rate for Black people is almost double in comparison to White people, and has been throughout the post-2008 period. Reports have shown that irrespective of educational attainment, those from a BAME background have to work harder to succeed in gaining interviews and being recruited. This indicates that there may be discrimination at play. In this context, there is concern that BAME workers may suffer disproportionate levels of redundancies, and there are some reports of this happening already. The Runnymede Trust has also highlighted that BAME households are less able to fall back on savings at times of financial difficulty.

Voice and Representation

Research carried out in workplaces during the pandemic has highlighted that BAME workers often feel uncomfortable speaking up about issues of unequal treatment. For example, a Channel 4 survey found that while more than 67% of respondents reported feeling unsafe at work during the Covid-19 outbreak, 50% said they did not feel able to speak up about safety in the workplace. In a separate survey by Unison in Scotland, Black workers were found to be more fearful of infection (84% of Black workers said this, compared to 77% of all other workers surveyed) and more concerned about access to PPE (half of Black workers said this, compared to 44% of all workers surveyed). Despite this, Black workers were less likely to raise a safety issue at work with their employers (two thirds of all workers had done so, compared to only half of Black workers) and they are also less likely to escalate it to senior management. Unison write that ‘this difference suggests something deters black workers from speaking out about those fears’. The study showed that Black workers are more likely to fear reprisals after making complaints and more likely to fear losing their job.

On the same theme, research conducted by TUC in early 2020 found that despite experiencing high levels of discrimination, BAME staff do not feel confident in reporting it, with almost half not reporting incidents. Respondents reported not being believed and in many cases being targeted for worse treatment if they did report the discrimination that they faced. Those in insecure work feared that work would not be offered if complaints were raised. The TUC reported that updates from frontline health and social care staff during lockdown reflected these findings. Although BAME staff reported unfair allocation of PPE and being allocated higher risk tasks, they were reluctant to report this.
Pay, underemployment and progression opportunities

Three years ago, the Race in the Workplace: McGregor Smith Review for the UK Government brought together evidence demonstrating that as well as being more likely to be unemployed, BAME individuals are also less likely to hold management positions and are more likely to be under-employed – that is, working less hours than they would like. BAME workers are more likely to be clustered in low paid work and struggle to find routes for progression or training. The report made a series of clear recommendations calling for action, and a review in 2018 showed that while some progress had been made, there is much more to do.

In the context of the pandemic and economic crisis, all workers are at an increased risk of unemployment, under-employment, pay stagnation and lack of progression. There is particular concern for those groups who already face disadvantage in the labour market, and there are specific risks for BAME workers as outlined in this paper. Therefore the recommendations of our Race Inequality in the Workforce report are especially relevant now. These include placing an imperative on employers to publish their ethnicity pay gap data. The recommendations also give clear practical steps on how employers can support the progression of all employees in their organisation.

A note on intersectionality

As reflected in our broader report Good Work in the Coronavirus Economy, there are other groups that have been particularly impacted by the coronavirus crisis. It is important to recognise where these vulnerabilities are compounded – for those BAME individuals who are also women, young people, disabled or in low paid work – they are particularly at risk of negative impacts on their working lives.

Recommendations

In our report Good Work for Wellbeing in the Coronavirus Economy we publish 32 recommendations for action. A number of these recommendations provide a base for further action to specifically address quality of work issues for BAME workers. In particular:

1. **A multi-year jobs plan**

The UK Government should build on what has already been achieved and commit to a multi-year focus on protecting jobs and improving job quality for people in work. As a key part of this plan, particular attention and focus must be given to the groups of workers most likely to be disproportionately affected by the crisis, including BAME workers.

2. **Put disadvantaged workers at the centre of a new good work plan**

The UK Government should set out a clear commitment and plan to work with organisations representing those who are most at risk of poor quality work, including BAME workers. The government should identify and implement effective, tailored responses to meet the needs of these groups.
3. A new, national system for measuring good work

As part of a reaffirmed commitment to good work, the UK Government should work with the Office for National Statistics (ONS) to complete the task of setting out a new measurement framework for job quality in the UK. This should build on the work of the Carnegie UK Trust and RSA Measuring Job Quality Working Group, as well as the new questions on progression and employee involvement in decision making recently added to the Labour Force Survey. The new system of measurement must be able to provide segmented data by ethnicity for each aspect of job quality.

4. Use points of leverage to support employers to deliver good work

The UK Government should use the unprecedented levels of reach that it currently has with employers, through the Job Retention Scheme; Job Support Scheme; Business Interruption Loan Scheme; Kick Start Scheme, and other interventions, to encourage employers to take action on key dimensions of good work. This must include reminding employers of their statutory obligations relating to equalities legislation and racial discrimination.

5. Employer organisation support for good work

A range of employer membership organisations, industry bodies, and campaign groups have done vital work connecting businesses to guidance and best practice to support their staff during the pandemic, often making large amounts of free resources available to non-members. We recommend that these organisations continue to emphasise guidance around good work practices in their communications to members to support a ‘job quality rich’ economic recovery. This should include reminding employers of their statutory obligations relating to equalities legislation and racial discrimination.

6. Equalities pay reporting

The UK Government should move forward with the implementation of ethnic minority pay gap reporting as a matter of urgency.

7. Continue to invest and innovate in supporting skills

Recognising the significant shift in skills that are needed in a labour market impacted by Covid-19, the UK Government should continue to build on the positive work to date in relation to the Kick Start Scheme, Adult Education, and the National Skills Fund and invest further to advance high quality training provision. This may be, for example, through the expansion of the National Retraining Scheme or through new initiatives like Personal Individual Learning Accounts. Within these interventions, specific attention should be paid to how to best support BAME young people, who are particularly vulnerable to being ‘left behind’ in the context of a labour market crisis.

8. A new approach to health at work

The UK Government should implement an urgent review of whether adequate resources and infrastructure are in place to help employers fulfil their duty of care towards their employees’ mental and physical health at work. Based on the outcome of this review, the Government should mandate and resource additional provision to ensure delivery of employers’ responsibilities. This will include ensuring that relevant health and safety and enforcement bodies and campaigns are adequately resourced to respond to the heightened risks facing workers during the pandemic, including through the delivery of a robust regime around ‘Covid-secure’ compliance and enforcement. Given the significant disparities in health impacts experienced by BAME workers to date in the Covid-19 crisis, it is imperative that this work is conducted in a robust way, which explores, identifies and addresses the specific concerns of different ethnic groups.
The UK Government should publish the conclusions from the consultation on curbing one-sided flexibility without further delay. The government should take forward the required actions based on the consultation response, making use of the forthcoming Employment Bill if required. This action should take account of the higher exposure to precarious work experienced by BAME workers. As part of the proposed national review of flexible and remote working, there should be a focus on whether the significant growth in remote working during the pandemic has resulted in any new problems in ‘one-sided flexibility’, and for which groups of workers this is most problematic. Specific consideration should be given as to whether BAME workers have experienced any additional disadvantages in remote working arrangements.

Alongside those proposals, we make the following, additional recommendations:

We welcome the establishment of the Employment and Enterprise sub-group as part of the Commission and recommend that further information should be published as soon as possible on: the focus of the sub-group’s work; timetable for delivery; an indication of the timeline they will follow; and any opportunities that there may be to engage with the work of the Commission.

We recommend that action is taken urgently to deliver on the proposals set out in other recent reports on race inequality in the workplace. In particular, the recommendations proposed by the McGregor Smith Review on Race in the Workplace report and the TUC Dying on the job – racism and risk at work report.
Endnotes


13 The House, *Explained: Which workers have been worst hit by coronavirus?*, 10 June, https://www.politicshome.com/thehouse/article/which-workers-have-been-worst-hit-by-coronavirus,


18 Resolution Foundation, *Unprecedented support for employees’ wages last week has been followed up by equally significant, and even more generous, support for the self-employed. But gaps remain*, 27 March 2020, https://www.resolutionfoundation.org/comment/unprecedented-support-for-employees-wages-last-week-has-been-followed-up-by-equally-significant-and-even-more-generous-support-for-the-self-employed-but-gaps-remain/, Accessed September 2020


The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

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November 2020