

RESPONSE TO WOMEN AND EQUALITIES COMMITTEE CORONAVIRUS INQUIRY: UNEQUAL IMPACT

April 2020

Introduction

At the Carnegie UK Trust, we seek to improve the lives and 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.

The current coronavirus crisis has significant implications for all aspects of our wellbeing and the effect of the virus on the labour market is profound. Having recently engaged in a significant piece of research exploring the connections between ethnicity, precarious work and mental health, we are keen to ensure that there is appropriate recognition of these issues; action taken to garner further data and understanding; and joined-up thinking across sectors and government to tackle race inequalities in the labour market and ensure these are not deepened by the current crisis.

Race Inequality in the Workplace: Key messages on Unemployment and Precarious Work

In March 2020, Carnegie UK Trust, Operation Black Vote and University College London published a report '[Race inequality in the workplace: Exploring connections between work, ethnicity and mental health](#)'. The report utilises data from [Next Steps](#), an extensive longitudinal cohort study, focused on the millennial generation in England, collecting data from more than 7,000 young people about many areas of their lives. Given the over-representation of ethnic minority groups in Next Steps, this data set is a particularly robust source for comparisons between ethnic groups.

The key findings of our Race inequality in the workplace report include that Black, Asian and Minority Ethnic (BAME) young adults continue to be at a greater risk of being unemployed than White young adults: BAME young adults are 58% more likely to be unemployed overall, and more specifically, whilst the White group have a 5.1% probability of being unemployed:

- The Other Ethnicity group have a 9.2% probability of being unemployed.
- The Pakistani group have a 9.1% probability of being unemployed.
- The Black African group have a 8.7% probability of being unemployed.
- Those of Mixed Heritage are 8.2% probability of being unemployed.

BAME groups are also more likely to be in some form of precarious work. Those in precarious work include those on zero-hours contracts, those who are shift workers and those who have a second job. The results show that BAME young adults are 47% more likely to have a zero hours contract than the white group (6.9 percentage points compared to 4.7 percentage points).

More specifically, those of Pakistani ethnicity are at a greater risk of being in precarious work. Pakistani young adults are more likely to be unemployed, working shifts, without a permanent contract and having a zero hours contract compared to White young adults.

Those who identify as Black African are also in a precarious position compared to the White individuals, having a greater risk of unemployment, shift work, and not having a permanent contract.

We also found significant links between employment status and poor mental health.

- Being unemployed, a shift worker or on a zero-hours contract are all associated with a significantly greater risk of having poor mental ill-health at age 25.
- Those who work shifts are 7 percentage points more likely to report mental ill health compared to those who are not shift workers, a 36% difference.
- Those who have a zero hours contract are 6 percentage points more likely to report mental ill health than those without a zero-hours contract, a 30% difference.

Precarious Work, Coronavirus and BAME workers

Those in precarious forms of work, by definition, are likely to be more vulnerable during times of personal or societal crisis.

Analysis produced by the House of Commons Library states that “workers who are low paid, on zero hour contracts, temporary employees and self-employed have been most negatively economically impacted by the coronavirus outbreak, as well as young workers, BAME workers, and women”.¹ A report by the TUC highlighted that many gig economy workers are facing reductions in working hours, being furloughed and or losing their jobs. Twenty percent of those classed as in ‘insecure work’ are elementary workers including kitchen assistants, security guards and farm workers; one in six (17 per cent) are in caring and leisure roles; and one in five (19 per cent) of those working in skilled trades.² In a survey completed by 1400 respondents using the AppJobs website, almost 70% of gig workers said they now have no income - over half of gig workers said they had lost their jobs and more than a quarter had seen their hours cut.³

There are significant variations across industrial sectors. Catering and leisure are particularly hard hit in lockdown – job posting data shows a dramatic reduction in postings for customer service roles (60% decline), food preparation and service roles (75%), and hospitality and tourism roles (76%).⁴ The Resolution Foundation estimate that there are 1.7 million self-employed workers who are likely to face major income losses because they work in the sectors most affected by the current lockdown, or are parents affected by school closures.⁵

1 House of Commons Library Briefing Paper, Number 8898, 20 April 2020: <https://commonslibrary.parliament.uk/research-briefings/cbp-8898/>. Online sources accessed during April 2020.

2 TUC: <https://www.tuc.org.uk/research-analysis/reports/insecure-work>

3 AppJobs: <https://www.appjobs.com/blog/coronavirus-effect-on-gig-economy>

4 Indeed: <https://www.hiringlab.org/uk/blog/2020/04/14/coronavirus-and-uk-job-postings/>

5 Resolution Foundation: <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/>

There is also concern for the wellbeing of some precarious workers in those sectors which are continuing to operate at present. For example, concerns have been 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.⁶ 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.⁷

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 suffering negative labour market consequences during the COVID-19 crisis, with the range of negative wellbeing implications that this brings.

In addition, within the context of our Race Inequality in the Workforce report we highlighted that there are embedded structural and institutional issues of race inequality in the UK. Some labour market specific examples include evidence of an ethnicity pay gap, a lack of diversity amongst senior roles and the fact that BAME job applicants have to send around 60% more CVs in order to get an interview.⁸ The Runnymede Trust, amongst others, has articulated some of the many implications this may have in the current crisis.⁹ A BMG poll for The Independent found that almost a third of all households had seen their finances cut as a result of lockdown measures, and showed that people from BAME households were almost twice as likely as White households to report having lost income and jobs.¹⁰

Given this context, it is important that due recognition is given to the potential for conscious or unconscious race discrimination to play a role in decisions that employers may take around furloughing and redundancies during the COVID-19 crisis, and we ask that government take active steps to mitigate these risks.

The Next Steps data that was used for the Race Inequality in the Workforce report was focussed exclusively on the millennial generation and the report described their experience of 'a quarter-life crisis'. The millennial generation faced a number of particular challenges as they entered the world of work: they were aged 18 at the start of the global financial crisis and confronted with higher than ever university fees and student loan debt, combined with the growing trend towards zero-hours or temporary contracts. As reported by the Resolution Foundation in their Growing Pains publication, many of this generation are over-qualified for their roles, have found routes of progression more difficult than previous generations, and have become stuck in low-pay jobs.¹¹ There is already recognition that similar patterns may emerge for the current generation of school-leavers and graduates¹², and given the context of embedded race inequalities, those from BAME backgrounds are particularly vulnerable. It is crucial that strategies begin

6 World Economic Forum: <https://www.weforum.org/agenda/2020/04/gig-workers-hardest-hit-coronavirus-pandemic/> and CEPR: <https://voxeu.org/article/covid-19-inequality-and-gig-economy-workers> and FairWork: <https://fair.work/fairwork-releases-report-on-platform-responses-to-covid-19/?lang=en>

7 AppJobs: <https://www.appjobs.com/blog/coronavirus-effect-on-gig-economy>

8 Centre for Social Investigation, Nuffield College, [<http://csi.nuff.ox.ac.uk/>], Are employers in Britain discriminating against ethnic minorities?

9 Runnymede Trust: <https://www.runnymedetrust.org/blog/coronavirus-will-increase-race-inequalities> and <https://www.theguardian.com/commentisfree/2020/apr/20/coronavirus-racial-inequality-uk-housing-employment-health-bame-covid-19>

10 The Independent Newspaper: <https://www.independent.co.uk/news/uk/politics/coronavirus-economic-effect-uk-ethnic-minorities-young-people-a9460511.html>

11 Resolution Foundation, Growing Pains: the impact of leaving education during a recession on earnings and employment, 2019

12 Guardian: <https://www.theguardian.com/education/2020/apr/10/recruitment-is-on-hold-the-students-graduating-into-the-covid-19-recession>

to be devised now to support young people to find a secure footing in the labour market following the current crisis and prevent them from being left behind.

Recommendations

In light of the points above, we have several recommendations for action:

- In order to allow for understanding and monitoring of race inequality issues in relation to employment and coronavirus, data on unemployment, furloughing and the claiming of benefits should be made available by ethnicity and published at regular, timely intervals, to ensure that inequalities in these areas are identified early and mitigating actions taken.
- The Job Retention Scheme main landing page should include information about employers' equalities duties on its homepage, reminding employers of their responsibilities and sources of support in the difficult decisions that they are making concerning employees at this time.
- Government departments should form a co-ordinated approach to tackle inter-related issues of race inequality during the COVID-19 crisis, including that there should be increased recognition of race inequalities in the work of the Work and Health unit. There must also be increased recognition of race inequalities in the labour market in the long-term, including that the ethnicity pay gap must be effectively addressed.
- Strategies must be devised now to support current school-leavers and graduates to find a secure footing in the labour market following the crisis and prevent them from being left behind. Strategies should acknowledge and tackle issues of race disparity in the labour market.
- In line with the recommendations in the [Good Work Plan](#) and as echoed in our Race Inequality in the Workforce report, the rights of self-employed workers must continue to be improved. We would particularly highlight the issue of adequate sick pay, which is crucial in the current context of the pandemic, both in terms of people's ability to afford basic necessities whilst being unwell, and also in ensuring that people are able to take time off rather than continue to work whilst carrying the virus. We would echo the Taylor Review recommendation that "The government should reform Statutory Sick Pay so that it is explicitly a basic employment right, comparable to the National Minimum Wage, for which all workers are eligible regardless of income from day 1. It should be payable by the employer and should be accrued on length of service, in a similar way to paid holiday currently. The government should ensure that there is good awareness of the right amongst workers and businesses."¹³