

DISCUSSION PAPER SERIES

IZA DP No. 15099

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Employment Quality for Men in the UK**

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**Ken Clark**

*University of Manchester and IZA*

**Nico Ochmann**

*University of Manchester*

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**IZA – Institute of Labor Economics**

Schaumburg-Lippe-Straße 5–9  
53113 Bonn, Germany

Phone: +49-228-3894-0  
Email: [publications@iza.org](mailto:publications@iza.org)

[www.iza.org](http://www.iza.org)

## ABSTRACT

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# Good Job, Bad Job, No Job? Ethnicity and Employment Quality for Men in the UK

Ethnic minority men find it harder to obtain good jobs in the UK labour market than White British men. Over time, while the very high unemployment rates experienced by some non-white ethnic groups have significantly declined and their share of good jobs has grown, their share of bad jobs has grown by more. Bad jobs have replaced no jobs for these groups with Pakistani, Bangladeshi, Black Caribbean, and Black African men doing worst. In economic downturns access to good jobs gets relatively harder for some non-white ethnic minority groups compared to the White British majority. The second (UK-born) generation fares better in access to good jobs compared to their foreign-born counterparts. In particular second-generation Bangladeshis and Black Africans experience a higher probability of being in good jobs than the previous generation.

**JEL Classification:** J62, J71, J81

**Keywords:** ethnic groups, job quality, business cycles, labour markets

**Corresponding author:**

Ken Clark

Centre on the Dynamics of Ethnicity & Department of Economics

University of Manchester

Oxford Rd

Manchester M13 9PL

United Kingdom

E-mail: [ken.clark@manchester.ac.uk](mailto:ken.clark@manchester.ac.uk)

# 1 Introduction

Access to high quality work is now viewed as an important goal of public policy in many advanced countries including the UK. While full employment was once seen as the overarching goal of macroeconomic and labour market policy, it has been increasingly recognised that multiple dimensions of the type of work people do also matter for their wellbeing. In addition to pay, often seen *the* measure of job quality, policymakers are concerned with a longer list of job attributes which can influence the disutility experienced during any hour of work including security, autonomy, prospects for advancement and promotion, the nature of the work environment and so on.

From the broader perspective of the aggregate economy, the quality of work that people do may reflect something about its underlying productivity. Jobs which reward a worker materially and psychologically may also be the jobs which boost aggregate output the most and are therefore valued by governments. The UK government has emphasised the importance of employment quality both intrinsically (Taylor et al., 2017) and as part of its ‘levelling up’ agenda to reduce regional disparities in economic outcomes. In a speech introducing this agenda in 2021, the UK Prime Minister emphasised the importance of growing “decent jobs”, “good jobs” and “high tech high wage jobs” as a policy objective<sup>1</sup>.

Alongside these concerns, in the UK it is well known that some ethnic minorities suffer penalties in the labour market relative to the majority White British population. This has been widely investigated using the standard measures of labour market success such as participation, employment and unemployment rates as well as earnings. How ethnicity interacts with other attributes of the employment contract, including job quality, is less commonly addressed and it is that gap that we seek to fill in this paper. Focusing on men, we examine the labour market situation of ethnic minority groups in the UK through the lenses of both job holding and job quality. Using data from the UK Labour Force Survey, we investigate the ethnic patterning of the distribution of workers between three labour market states: good jobs, bad jobs and unemployment (no job). Bad jobs are characterised by low pay, fewer than desired hours of work, temporary contracts and low-skilled solo self-employment and we estimate a statistical model which identifies the average partial effect of ethnicity given controls for demographic and other characteristics. Furthermore, we show how the ethnic patterning of job quality outcomes varies over the business cycle.

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<sup>1</sup> <https://www.gov.uk/government/speeches/the-prime-ministers-levelling-up-speech-15-july-2021>

The results suggest that, amongst men, there is considerable ethnic variation in access to good jobs in the UK. Over time the very high unemployment rates experienced by some non-white ethnic groups have declined substantially and their share of good jobs has grown, however their share of bad jobs has grown by more. Bad jobs have disproportionately replaced no jobs for these groups. Controlling for human capital and other characteristics leaves unexplained, statistically significant penalties in the likelihood of holding a good job for all groups compared to the White British. These penalties vary in size with the Black African, Black Caribbean, Pakistani and Bangladeshi groups faring worst and there are some differences between the first and second generation with UK-born workers facing lower barriers to good jobs than their first-generation counterparts. In particular Bangladeshis and Black Africans exhibit an intergenerational improvement in accessing good jobs. Finally we show that in economic downturns the probability of being in a good job falls for all groups but more so for some non-white ethnic groups than for the White British.

## 2 Background and Literature

The academic literature on ethnic gaps in employment and earnings in the UK labour market has grown over recent decades and finds considerable heterogeneity in outcomes between ethnic groups. Three key features of this literature are worth noting. First, while controlling for relevant observable characteristics reduces the raw gap in employment rates and pay between non-white workers and a suitable white comparator group, statistically and substantively significant gaps remain (e.g. Blackaby et al., 2002, 2005; Longhi et al., 2013; Manning and Rose, 2021; Clark and Shankley, 2020; Amadjarif et al., 2020). The existence of these gaps has been attributed to employer discrimination during the hiring process and employment period, the former being supported by experimental studies of labour markets in which employers are observed to behave differently towards prospective workers who are identical apart from their ethnicity (Riach and Rich, 2002; Heath and Cheung, 2006; Heath and Di Stasio, 2019). Recent work has also emphasised firm-specific wage premiums and the lack of access of some groups to more productive firms and jobs as important contributors to ethnic and immigrant differentials (Card, 2013; Dostie et al., 2020; Forth et al., 2021).

The second key finding is that there are significant differences between different minority groups, that is to say heterogeneity in outcomes within the non-white population. In general, men from the Indian and Chinese groups are often found to have

employment rates and pay which are similar to those of White or White British men while those from Black backgrounds and from the South Asian groups of Pakistanis and Bangladeshis perform significantly worse (Blackaby et al., 2002, 2005; Clark and Shankley, 2020; Clark and Drinkwater, 2009; Li and Heath, 2020).

The third key finding is that ethnic gaps tend to be persistent through time, and seemingly impervious to attempts by governments in the UK to ameliorate them (Manning and Rose, 2021; Kapadia et al., 2015). Policy measures at the national level which have attempted to address the labour market disadvantages of minority workers in the UK include the Ethnic Minority Employment Task Force (Department for Work and Pensions, 2004), the 2010 Equality Act, the McGregor-Smith Review (McGregor-Smith, 2017), the establishment of the Race Disparity Audit (Cabinet Office, 2017) and the Sewell Report (Commission on Race and Ethnic Disparities, 2021). While there has been little rigorous evaluation of these various policy developments, ethnic disadvantage in the labour market has been seemingly resistant to the attention of government (Clark and Shankley, 2020).

It is also important to distinguish between the experiences of men of the first and second (UK-born) generation. Algan et al. (2010) report significant intergenerational progress in wages for immigrants relative to UK natives after controlling for education, experience, time and regional fixed effects. However they find that there is no intergenerational progress in employment and both generations exhibit lower employment probabilities than their UK native counterparts. With regard to education, both first- and second-generation immigrants tend to be better educated than UK natives with little difference across generations. Dustmann and Theodoropoulos (2010) examine the strong educational attainment of ethnic minorities in the UK, where those from the second-generation outperform their parents and their White British peers. However, when looking at labour market outcome conditional on age and time effects, first- and second-generation ethnic minorities share similar employment probabilities albeit lower ones than the White British majority. Platt and Zuccotti (2021a, 2021b) show that second-generation ethnic minorities experience an advantage in educational outcome and a disadvantage in labour market outcomes over the White British majority. They do not consider first-generation ethnic minorities.

At the same time as the literature describing and analysing ethnic pay and employment gaps has been growing, a parallel programme of research has sought to broaden the definition of what counts as labour market success and has investigated how the quality of jobs varies over time and between workers. A variety of indicators of employment quality have suggested that the UK has witnessed increasing ‘precarity’ or

a rise in ‘non-standard’ forms of work in recent decades. Polarisation of work – a hollowing out of the middle of the earnings distribution – has been associated with increasing proportions of workers in relatively low (and high) paid employment (Goos and Manning, 2003; Salvatori, 2018). The proportion of solo self-employment in total employment has increased by roughly 4 percentage points from 1999 through 2019 with the proportion of self-employed with employees in total employment decreasing by roughly one percentage point over the same period (Cribb and Xu, 2020; Xu, 2020)<sup>2</sup>. In addition, zero hours contracts (ZHCs) in the UK are estimated to have increased from 143,000 in 2008 to 883,000 in 2017 according to the Office for National Statistics (Datta, Giupponi and Machin, 2019) and involuntary part-time employment has trended upwards (albeit with a cyclical component) since the mid-2000s (Office for National Statistics, 2019). The Taylor Review associates these trends with the UK’s labour market being more flexible than that of other developed countries (Taylor et al., 2017).

Given that some groups of ethnic minority workers in the UK are relatively low paid, it seems reasonable to ask whether they are also more likely to be found in low quality or precarious forms of employment. Such jobs are more likely to be located in the left tail of the wage distribution (Booth et al., 2002). However little academic research has focused on this question. Some studies have noted in passing some potential ethnicity effects. For example, Farina, Green and McVicar (2020) using data on men and women from 2001 to 2018 found that workers from Black and Other ethnic minorities had a higher probability of being employed on a Zero Hours Contract (ZHC) than white UK born workers. Similarly, Green and Livanos (2015) who investigate the regional distribution of ‘involuntary or non-standard employment’ (INE) (essentially part time and temporary work) find that white workers are around one-third less likely than ethnic minority workers to be in INE. By contrast, Advani et al. (2020) find that immigrants are disproportionately represented in the top 1%, top 0.1% and top 0.01% of the wage distribution in the UK.

Zwysen and Demireva (2020) is the only other paper to systematically investigate ethnicity and job quality in the UK. Using data from the Understanding Society study they construct latent-class-based measures of job quality from data on a variety of indicators of job quality including remuneration, pensions, autonomy, work-life balance and job security. They find that UK-born minority workers are less likely than similar white workers to have high quality jobs and that this is related to the geographical

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<sup>2</sup> A rise in solo self-employment among the self-employed can be observed across OECD countries (Boeri et al., 2020)

concentration of minorities in disadvantaged areas or ethnic clusters. Our study complements their work by explicitly including the likelihood of unemployment as an outcome and emphasising the impact of changing local employment conditions over a longer period of time and with a larger sample of workers.

### 3 Defining Good and Bad Jobs

There is no universal, commonly agreed definition of what constitutes a good job (Felstead et al., 2019). The quality of a job is something that will vary over time and space and between different workers. However, as noted above, researchers and policy makers increasingly acknowledge that analyses of the labour market which ignore wider job characteristics may be missing something that is valued by workers, has implications for their welfare and, potentially, for wider productivity. It is therefore important to consider what makes a job good (or bad).

International organisations have emphasised the importance of ‘decent work’, or a similar formulation, as a national policy goal. The OECD’s Job Quality Framework uses data on pay, labour market security and the quality of the working environment to measure and promote the creation of good jobs across developed countries (Cazes et al., 2015) while both the UN Sustainable Development Goals and the International Labour Organisation (ILO) place the same responsibility on the governments of countries in the developing world (Bescond and Chataignier, 2003). Decent work in this definition is seen as relatively well paid and safe with guarantees of social protection and workers’ rights. The European Union and G20 group of the world’s largest economies have also urged their members to act on employment quality and in some developed countries, explicit political commitments to the quality of employment have been made (European Commission, 2001; G20, 2015). In the UK the government-commissioned Taylor Review (Taylor et al., 2017) was at pains to emphasise non-pay job features and their value to workers. These features included the permanent or temporary nature of the job, involuntary constraints on hours of work, the opportunities to enhance human capital on-the-job, autonomy and work-life balance.

Academic research has also noted the need to go beyond pay and employment rates when considering labour market outcomes. For example, in an attempt to answer the question of ‘What makes a good job?’, Jencks et al. (1998) find that earnings levels correlate relatively poorly with measures of workers’ perceptions of the quality of their job such as whether they would recommend it to a friend. In their examination of



fourteen indicators of job quality, they do find that pay is the single most important, however its overall importance is less than half that of the thirteen non-monetary factors taken together. These include aspects like job security, autonomy, hours of work, how dangerous or hazardous the job is and so on.

In discrete choice experiments, Datta (2019) explicitly confronts the trade-off between pay and other aspects of job quality. He finds that workers are willing to pay for job security and that a majority prefer the kind of secure work associated with traditional employer-employee relationships. Any observed rise in more precarious work arrangements, such as that found in the US by Katz and Krueger (2019) or in Europe (Prosser, 2016), is therefore argued to potentially be to the detriment of worker's welfare, rather than reflecting a preference for this type of job. According to Katz and Krueger (2017), factors associated with technological change and rising inequality are likely to have contributed to the changing nature of work and to the rise in precarious work arrangements.

Given our concern to investigate the patterning of job quality by ethnicity over a long period of time, our approach here is guided in part by what data are available, but also by a judgment that of particular importance in the UK labour market are access to sufficient income and the security/precarity of employment. Job security is a feature of virtually all attempts to define a good job (Felstead et al., 2019). Datta (2019) notes how job security is the most valued non-pay characteristic for experimental subjects in both the UK and US with participants reporting a willingness to exchange very high proportions of salary for a permanent contract. Clark (2005) notes that job security is the highest ranked characteristic driving job satisfaction across a range of OECD countries. And the growth in solo self-employment in the UK has been associated with a decline in the security of employment, an increase in 'false self-employment' and the rise of the 'gig economy' (Tomlinson and Corlett, 2017; Henley, 2021).

With this in mind we develop a three-way classification of the labour force. Individuals can either be unemployed, in bad jobs or in good jobs. Unemployment is based on the usual ILO definition while bad jobs are defined on the basis of the following 4 types of employment.

- (1) *Low pay.* We consider low-paid jobs to be bad jobs. Specifically, we use a threshold for hourly wages of three-fifths of the male-year median wage. Three-fifths is a threshold frequently used by the UK government to determine relative "poverty lines" for household income (Department for Work and Pensions, 2020) and similar thresholds have been used in academic studies of low pay (e.g. Cappellari and Jenkins, 2008; Eurostat, 2015). It has been emphasised above

how job quality measures should go beyond pay, nevertheless, low pay represents a barrier to accessing sufficient income, can be scarring (Clark and Kanellopoulos, 2013; Cai et al., 2018) and therefore should be treated as a characteristic of low-quality employment. Unlike Goos and Manning (2007) and Felbo-Kolding et al. (2019), who ultimately define job quality purely in terms of pay, we go beyond this and consider other aspects of the job.

(2) *Involuntary part-time work.* While low hourly pay limits income so does an inability to work enough hours. Thus jobs which do not allow the employee to work enough hours are considered to be undesirable. This is emphasised in Taylor et al. (2017) and Green and Livanos (2015); the latter suggests that involuntary part-time working is a form of ‘hidden unemployment’ and should be distinguished from part-time work undertaken to provide flexibility to the worker.

(3) *Temporary work.* Non-permanent jobs are considered bad jobs as they fail to provide the job security which evidence suggests is valued by employees (Böckerman et al., 2011; Datta, 2019). Gregg and Gardiner (2015) suggest that job insecurity in the UK has grown amongst men and young people over recent decades. This is in line with the growth in zero-hours contracts (Koumenta and Williams, 2019).

(4) *Solo self-employment.* The fourth contributor to the bad jobs category is the solo self-employed, the percentage of whom in the labour force has been rising in recent decades (Xu, 2020). It is clear that not all solo self-employment is properly described as a bad job. Indeed Cribb and Xu (2020) show that job satisfaction may actually increase after taking up solo self-employment. We therefore, in a similar style to Tomlinson and Corlett (2017), exclude relatively highly-skilled workers in solo self-employment from the bad job category.

It should be noted that these four components of the bad job category are not completely mutually exclusive. It is, for example, possible to be involuntarily part-time and low paid. In the subsequent analysis where we adopt a three-way classification of labour market status a worker is classed as being in a bad job if at least one of these four categories apply. A worker is coded as being in a good job if they are employed but not in any of these four categories.

The flexibilization of the UK labour market, as well as being associated with a rise in non-standard employment, is also considered to have contributed to a secular decline in unemployment rates (Taylor et al., 2017). Official male unemployment rates fell from 13% in the early 90s to 4% just before the onset of the Covid-19 pandemic. To incorporate this into the analysis we also model the probability of being unemployed, using the standard ILO definition, alongside good jobs and bad jobs.

## 4 Econometric Models

Good job, bad job and no job are discrete, mutually exclusive outcomes and our focus is on the average differences between ethnic groups in these outcomes controlling for observable characteristics. A number of modelling approaches are feasible depending on the specific goals of the investigator. Our underlying motivation is that there are differences between the quality of a worker's experience depending on which of these three labour market states they inhabit. We consider a latent index of job quality which naturally suggests modelling the three outcomes as ordered with being unemployed the worst in terms of job quality and having a good job the best. The relevant econometric approach would therefore be to estimate an ordered discrete choice model such as an ordered probit or logit.

To the extent that this ordering does not hold in the data generation process the model will be mis-specified. A different approach would be to model the three states as unordered multinomial outcomes. We estimate such a model to test the robustness of our conclusions to this assumption. As a further robustness check, we also estimate a version of the ordered model where we attempt to correct for non-random selection into the labour force with a Heckman-type correction term in the estimating equation.

According to Wooldridge (2010) the ordered discrete choice framework specifies a latent variable regression for an individual  $i$  at time (quarter)  $t$ :

$$y_{it}^* = v_{it}'\beta + u_{it} \text{ with } u_{it}|v_{it} \sim \Lambda(0, \frac{\pi^2}{3})$$

where  $v$  is a generic vector of variables of interest and control variables (without a constant term). The choice of error distribution here (a standard logistic) motivates the ordered logit model while a normal error would lead to an ordered probit. We can think of the latent variable  $y^*$  as job quality and an ordering of our observed outcomes from highest to lowest: good jobs, bad jobs, and unemployment. In order to move from the single continuous latent variable outcome to the three discrete observed outcomes, we specify two unknown thresholds  $\delta_1$  and  $\delta_2$  which are estimated along with the vector  $\beta$

$$\begin{aligned} \text{Unemployment:} & \quad y_{it} = 1 \text{ if } y_{it}^* \leq \delta_1 \\ \text{Bad Job:} & \quad y_{it} = 2 \text{ if } \delta_1 < y_{it}^* \leq \delta_2 \\ \text{Good job:} & \quad y_{it} = 3 \text{ if } y_{it}^* > \delta_2 \end{aligned}$$

Two models are estimated, the first to investigate ethnic differences in the likelihood of each discrete outcome, controlling for other variables, the second to explore differences in outcome across the business cycle.

*Model 1:*  $y_{it}^* = x_{it}'\beta + u_{it}$ , where  $x' = (e \ : \ c)'$  with  $e$  being a vector of ethnicity indicators (reference category: White British): White Other, Mixed, Indian, Pakistani, Bangladeshi, Black Caribbean, Black African, and Chinese. The vector  $c$  contains the following controls: education (age completed full-time education), potential UK and foreign work experience in level and squared, binary foreign qualification, binary UK born<sup>3</sup>, categorical marital status (single as base category, married/partner in household, divorced/separated, and widowed), regional fixed effects, year and season (quarter of the year) fixed effects.

*Model 2:*  $y_{it}^* = z_{it}'\beta + u_{it}$ , where  $z' = (e \ u_r \ eu_r \ : \ c)'$  with  $u_r$  being regional unemployment and  $eu_r$  the interaction of the previously defined ethnicity vector with regional unemployment. The set of controls is defined as before.

To investigate differences between immigrant generations (between UK-born and overseas-born members of ethnic minority groups) we also estimate separate versions of models 1 and 2 for each generation.

## 5 Data and Variables

The data are from the quarterly UK Labour Force Survey (UKLFS) pooled over the time period from 1994-2019<sup>4</sup>. The UKLFS is a rotating panel of up to five consecutive quarters (Waves 1 through 5) for Great Britain and Northern Ireland. This ongoing quarterly survey of approximately 53,000 households and 126,000 individuals collects household and individual information on key labour market indicators (such as, unemployment, hours worked, and earnings), household and family characteristics, individual demographics, education and training. We use data from Waves 1 and 5 as these are the waves which include hourly pay information.

Our estimation sample is men, aged 25-64 living in the UK. While ethnic patterning in the quality of work for women is also an issue worth exploring, the complications posed by considerations of intersectionality and patterns of selectivity into work suggest that a different empirical framework would be required so we do not examine women here. We exclude full-time and part-time students who have not completed their education at the time of the survey. We do not censor income at the bottom as we also want to capture individuals working for less than the UK minimum

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<sup>3</sup> This binary variable is only included in our specifications if we pool first- and second-generation ethnic minorities.

<sup>4</sup> We do not adjust for the change from seasonal to calendar quarters in 2006.

wage, but we only include employed workers who report a positive wage except for the solo self-employed, for whom no hourly wage information is available.

As noted above, the bad job category includes four individual sub-categories: low-paid, solo self-employed, involuntary part-time, and temporary workers. Low-paid workers are defined as those who earn less than or equal to 60 percent of the median wage in the overall year-specific wage distribution for men. This definition reflects a relative inequality measure as opposed to an absolute measure below a fixed threshold and mimics the ILO's definition for relative poverty. The solo self-employed are individuals who work alone or with a partner but without employees. The solo self-employed are a heterogeneous group of workers and as noted above those in relatively highly paid forms of self-employment, such as professional workers, should not be included in the bad job category. Since there is no wage data available in the UKLFS on the self-employed, we cannot use wage to separate good from bad quality solo self-employment, so we use years of education instead. Anyone who is solo self-employed with school leaving age of 18 (roughly equivalent to A-level) or lower is defined as holding a bad job. This definition, while imperfect, is intended to leave solo self-employed professionals in the good job category. Based on the question of working full- or part-time, we define involuntary part-time workers as those who reply that they could not find a full-time job as opposed to those part-time workers who respond that they do not want full-time work. Temporary workers are those who report being on a non-permanent contract. There has also been considerable interest in the existence and perceived growth of 'zero hour contracts' in the UK however our data do not provide a consistent measure of this phenomenon over the time period studied. However many of those on zero hour contracts also fall into the other categories of bad jobs (Gregg and Gardiner, 2015; Koumenta and Williams, 2019). In fact, data from the years in which ZHCs are explicitly measured suggests that around 80% of workers classified as being on such a contract are captured by at least one of the other categories of bad job.

The unemployed are defined according to the International Labour Organization (ILO) classification and we define the good job category as all remaining workers in the labour force who are neither unemployed nor in bad jobs. These three categories define our discrete outcome variables for the statistical analysis.

The ethnic groups in our analysis are chosen to provide a consistent definition of ethnicity over a long span of time and to give us sufficiently large sample sizes to yield meaningful results. Ethnicity in the UKLFS is self-described by the respondent from a choice of categories. The list of categories has changed over time, becoming more detailed, however it is possible to find a consistent classification for the period considered here.

The White British<sup>5</sup> group born in the UK is the reference group throughout and the other groups divide into eight: White Other, Mixed, Indian, Pakistani, Bangladeshi, Black Caribbean, Black African, and Chinese. We exclude the Other category, which contains ‘Mixed Others’ and Arab minorities as it is small in size. The classification of ethnic groups used in the UK largely reflects patterns of post-colonial migration: a discussion of the nature of these groups and their characteristics can be found in Clark et al. (2019).

Binary variables reflecting this ethnic categorisation will measure the ethnicity gap relative to the White British in Model 1. For Model 2, we use information on the government region a person lives in during a given quarter of the year, so we can match the Office for National Statistics’ official regional unemployment data for men from the nine regions in England: London, Northeast, Northwest, Yorkshire/Humber, East Midlands, West Midlands, East of England, Southeast, Southwest, in addition to Wales, Scotland, and Northern Ireland. The idea of using the regional unemployment rate is to measure economic fluctuations and their variation over time and space. The unemployment rate tends to lag changes in economic activity however there is no consistent, disaggregated measure of output over this period and since we are focused on the labour market, unemployment is an appropriate indicator of the impact of economic activity on patterns of labour demand. Including the regional unemployment rate as an explanatory variable is similar in spirit to the “wage curve” literature (Blanchflower and Oswald, 1995) and has been used to investigate the hypercyclicity of ethnic minority unemployment in the UK by Heath and Li (2008). During this period the national UK male unemployment rate varied from 4.1% to 11.3%, whereas the minimum and maximum regional unemployment rates in the data are 2.5% and 16.5%.

To extend the analysis we further sub-divide our ethnic minority groups into two ‘generations’. The first-generation are foreign-born members of an ethnic minority group who potentially hold UK and non-UK human capital and various degrees of English language skills, which the UKLFS does not report. The second-generation were born and raised in the UK and therefore, in general, will have UK human capital and good English language proficiency. The UKLFS does not contain data on the country of birth of parents, so we use the data on whether an individual was born in the UK or not and the information on ethnicity to define first and second generation of ethnic minorities.

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<sup>5</sup> The reference category White British is not consistently reported throughout the sample period. In earlier years, only a White category exists combining White British and White Other. Thus, for those early questionnaires, we separate the two categories by conditioning the White category on UK born and non-UK born to approximate the White British and White Other categories.

Given this lack of data on parental country of birth, we cannot separate second-generation ethnic minorities from higher generations and refer to all individuals in this category as second generation.

Ethnic minorities in the UK are generally more educated but nonetheless less successful in the labour market than White British. For that reason, controlling for human capital draws a more accurate picture of the ethnicity gap in outcomes. Human capital is proxied by the age at which the respondent completed full-time education and potential labour market experience. This matches the approach of Algan et al. (2010). For individuals who report that they never attended school we assign the leaving age of 5. Those individuals who report no school-leaving age are coded as missing along with those who are still in education. Furthermore, for the first generation of ethnic minorities, we construct a foreign qualification binary variable equal to one if the qualification is non-UK, and zero if it is a UK qualification. Specifically, if a foreign-born person's arrival age is greater than or equal to the age completed full-time education, then we assume that their education is from abroad. On the other hand, if a foreign-born individual's arrival age is lower than the age completed full-time education, then we assume that the qualification was received in the UK. Arrival age is defined as age minus years since migration, which is equivalent to survey year minus arrival year. Since first-generation ethnic minorities may have obtained some of their work experience in their home country and in the UK, we distinguish between UK and foreign work experience. By definition, total potential work experience is equal to age minus age completed full-time education, and UK work experience is equal to total work experience for all UK-born individuals and foreign-born individuals with a UK qualification. For foreign-born individuals with a foreign qualification, years since migration is equivalent to UK work experience. Similarly, we define foreign work experience as total minus UK work experience if foreign-born, and set it equal to zero for UK born individuals. All observations with negative UK or foreign work experience are dropped from the sample.

We include binary variables reflecting marital status for single (base category), married/partner in household (HH), divorced (separated), and widowed because men with an ethnic minority background are more likely to be married than their British peers. Finally, we include 12 regional fixed effects, and 27 year fixed effects in addition to fixed effects for the four seasons.

## 6 Results

### 6.1 Descriptive Statistics

Table 1 provides a broad overview of the data by displaying descriptive statistics across the full sample and the whole period considered<sup>6</sup>. It confirms the heterogeneous labour market outcomes of different ethnic groups in the UK. In particular some non-white groups including the Pakistani, Bangladeshi, Black Caribbean and Black African groups exhibit substantially lower (higher) employment (unemployment) rates than the White British group. The Indian, Chinese, and White Other groups, on the other hand, have employment and unemployment rates which are broadly similar to the White British. It is worth noting that self-employment is particularly high for the Pakistani group and the Chinese also have a self-employment rate substantially higher than the White British. In general, these results confirm a well-known pattern from the academic literature and policy discourse (Clark and Shankley, 2020 provide a summary).

Turning to the components of our bad job measure, low-paid employment is particularly prevalent amongst Pakistani and Bangladeshi men and all other ethnic groups show a higher rate of involuntary part time work and holding temporary jobs than the White British. Solo self-employment is particularly a feature of the Pakistani experience. The high incidence of taxi driving as an occupation for Pakistani men has been noted in this context (Kalra, 2019). Overall, patterns of good job holding mirror the ethnic ordering of some of the other labour market outcomes. Around 75% of White British, White Other and Mixed ethnicity male workers hold good jobs with slightly higher proportions for the Indian and Chinese groups. Amongst the other non-white groups Black Africans are closest to the White British with 69% in good jobs. 67% of Black Caribbean workers are in good jobs compared to 61% of Pakistanis and 57% of Bangladeshis.

Table 1 also confirms that on average Britain's ethnic minority groups are somewhat younger than the White British and are, on the whole, better educated, albeit some of that education will have been obtained abroad and may not be directly transferable to the UK labour market. Reflecting patterns of immigration and the time period of the sample, there is some variation in the proportion of each group born in the UK. Fully three-quarters of the Mixed group and over half of the Black Caribbeans are UK-born compared to around a quarter of Indians and Pakistanis and 16% or less for

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<sup>6</sup> Equivalent tables for the first and second generation are in the Appendix.



the Chinese, Black African and Bangladeshis. Notably, non-white groups are much more likely to live in London.

While Table 1 pools the data across a long period of time, Figure 1 illustrates the evolution of the three categories of good job, bad job and no job against the year in which respondents were surveyed. The figure emphasises a number of features of how patterns and trends of job holding and job quality vary by ethnicity. First there is considerable ethnic variation in the proportion of the labour force in the three states. At the start of the period studied here, men from Pakistani, Bangladeshi, Black Caribbean and Black African groups had substantially higher unemployment rates – more than double – than the majority White British group. Second, the White British, White Other, Mixed, Indian and Chinese groups had relatively high proportions of good jobs at the start of the period and generally maintained these through time. Third, unemployment followed a common pattern for all the groups with a downward trend across the whole period interrupted by an upswing at the time of the Great Financial Crisis. For many of the non-white ethnic groups this upswing is more pronounced than for White British men.

The fourth notable trend in Figure 1 relates to how reductions in the unemployment rate over time were absorbed by the other two labour market states. With the whole labour force as the denominator, the proportion of good jobs increased for all groups over the period. However the proportion of bad jobs also increased and this is particularly noticeable for the Pakistani, Bangladeshi, Black Caribbean and Black African groups. For these groups, the reduction in the likelihood of unemployment was, to some extent, ‘replaced’ by increased employment in bad jobs. For example consider Bangladeshi men: the sample records an unemployment rate at the beginning of the sample period of around 27%. This fell to only 5% in the end of the period. However while the proportion of the Bangladeshi male labour force in good jobs remained unchanged, the proportion in bad jobs rose from 10% to 32%.

Overall there is some evidence of progress over time into good jobs for some groups, particularly those who, at the start of the period, were very unlikely to be in such employment. This is true of the Pakistani, Black Caribbean and Black African groups all of which had a share of good jobs as low as 60% in the early 1990s. However even at the end of the nearly three decades analysed here each of those groups still had a good job share which fell short of that of the White British group. Indeed, of the other groups only the Indians and Chinese had a higher share of good jobs than the White British by the end of the period.

Figure 2 presents a time series of the individual components of the bad jobs category expressed as a fraction of those in employment. Recall that the bad job component categories are not mutually exclusive. It suggests that for most groups the low pay and solo self-employment categories dominate with lower proportions in temporary work or involuntary part time work. Indeed, while there has been much interest in the growth of temporary or “precarious” work, the figure suggests that growth in temporary and involuntary part time jobs has been rather muted for most groups, at least as measured as a proportion of those in employment. This is consistent with the aggregate official data on temporary jobs. The exceptions to this might be the Pakistani, Bangladeshi and Black African groups where involuntary part time employment grew after the financial crisis and had not quite returned to previous levels at the end of our sample period. There is some evidence of reductions in low pay in the sample especially since around 2012. This may be due to increasing levels of the minimum wage, relative to average pay, in the UK over this period (Low Pay Commission, 2005).

It is also important to remember that the trends in these charts will be affected by the changing composition of the sample in terms of demographic and other characteristics. For example the rising levels of low pay amongst White Other workers after 2004 will reflect the influx of Eastern European migrants, many of whom will have moved into low paid jobs. It is of interest to know the extent to which any differences between the White British reference group and the other groups is due to differences in their composition, particularly in terms of those characteristics which might affect their employability and productivity in employment. The next section addresses this question.

## 6.2 Ethnicity Gap: Average Partial Effects

In Figure 3, we investigate whether some of the differences in outcomes between the White British and other groups can be explained by differences in human capital and other characteristics between groups. This is based on the estimation of Model 1 using an ordered logit approach<sup>7</sup>. The robustness of the results to alternative estimation approaches was also tested. We ran generalised ordered probit and multinomial logit (Long and Freese, 2014) models of the three labour market outcomes on the same vector of explanatory variables. We also estimated a sample selection corrected version of an ordered probit (Chiburis and Lokshin, 2007). The average partial effects of ethnicity on

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<sup>7</sup> Some parameter estimates are presented in the Appendix; in the text we focus on the average partial effect of ethnicity.

the probability of holding a good job from each of these models are presented in Table A3 in the Appendix. It is clear that there is a large degree of concordance between the estimates from the alternative models.

We report in Figure 3(a) estimates of the average partial effects (ethnicity penalty/premium) from the ordered logit for the entire sample period 1994-2019 conditional on the vector of control variables described above. The results are presented for a pooled sample of first and second generation (that is, UK born) ethnic minorities. The ethnicity gaps are all relative to White British and since the three outcome probabilities for each ethnic group sum to unity, the three average partial effects for each group must sum to zero. The partial effects are reported in proportions and 95% confidence intervals around the estimate of each ethnic gap are also shown. The figure also displays (as a small grey “x”) the raw differential between the White British and the respective group. This is equivalent to the average partial effect in a model controlling for only time fixed effects. Inclusion of the differential from the raw data gives some idea of how much of the raw gap is ‘explained’ by controlling for the respondents’ characteristics.

Figure 3(a) suggests that all ethnic groups have significantly higher predicted probabilities of a bad job or unemployment relative to the White British comparison group. The size of this effect varies substantially between groups however. The White Other and Chinese groups show only a very small outcome differential compared to the White British. The White Other group is heterogeneous and includes many Eastern Europeans arriving after 2004 as well as other immigrant groups. The Mixed and Indian groups, have a good job probability that is only moderately lower than their White British counterparts (-4.6 percentage points for the Mixed and -5.2 for the Indians). These three ethnic groups are also very similar in terms of bad job and unemployment outcomes.

By contrast the two Black groups – Black African and Black Caribbeans have a more substantial gap in the good job probability compared to the White British. Across the whole sample this is -6.9 percentage points for the Black Caribbeans and -16.1 for the Black Africans. However the disadvantage compared to the British ethnic majority is most pronounced for Pakistanis and Bangladeshis. They are by far less likely to hold good jobs than their British counterparts. This is a substantial gap: Pakistani (Bangladeshi) men had a probability of holding a good job 19.5 (21.8) percentage points lower than similar White British men.

The effect of controlling for demographic and other characteristics varies by ethnic group. Most notably while the Indian and Chinese groups have a likelihood of

holding a good job which exceeds that of the White British in the raw data, once we hold characteristics constant they exhibit a significantly negative penalty and are more likely than the White British to be unemployed or in a bad job. This sign reversal reflects the fact that the Indian and Chinese groups are better qualified on average than the White British (Table 1). We might therefore expect them to have better access to good jobs. However, amongst equally qualified workers, Indian men experience a penalty in access to good jobs which may reflect unobserved heterogeneity or discrimination in the labour market. An increased penalty once we control for characteristics is also a feature of the Pakistani and Black African groups although these groups had a lower probability of holding a good job in the raw data too. The opposite case of a smaller penalty in the regression-based estimates is observed for the Black Caribbeans.

In Figure 3(b) we separate the foreign and UK-born generations of ethnic minorities. This is to investigate whether the distinctive unobserved characteristics of the second generation, particularly the quality of their UK-based education and higher average English language proficiency improve their likelihood of securing a good job. Comparing the panels of Figure 3(b), it is clear that the average partial effects are much more closely clustered around zero for the second generation compared to the first. UK born members of ethnic minority groups have a smaller (albeit not zero) penalty in access to good jobs. Since the regressions control for years of education, this reduced penalty may reflect language ability or higher levels of familiarity with or assimilation into the institutions and practices of the UK labour market. It might also reflect lower discrimination against this group. The closure of the gap between generations is particularly pronounced for members of the Bangladeshi and Black African groups.

### 6.3 Good Jobs and the Business Cycle

Figure 4 examines the extent to which the likelihood of holding a good job changes across the business cycle<sup>8</sup>. We focus on the good job category: results for the bad job outcome are available in the Appendix. The estimates are based on Model 2 above and Figure 4(a) shows the predicted probability of holding a good job by ethnic group for both generations of ethnic minorities against regional male unemployment rates which we use as the indicator of economic activity (the business cycle). The predicted probabilities are calculated at the sample means of the same set of control variables as

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<sup>8</sup> While our data exhibits cross section and time series variation in regional unemployment rates, we control for regional fixed effects to argue that their estimated coefficients only reflect time series variation.

above. Note that the trajectory for White British is the same in all figures to provide a comparison.

For all groups, including the White British, higher regional unemployment rates are associated with a lower probability of holding a good job. The other ethnic groups, as in the analysis above, divide broadly in two. Compared to the White British, the White Other, Mixed, Indian and Chinese groups show little if any significant difference in their likelihood of being in a good job as the labour market situation deteriorates. For the two Black groups and the Pakistani and Bangladeshi groups, however, their experiences diverge as the unemployment rate rises.

When unemployment is low, around the levels associated with close to 'full employment' (4 percent), only the Pakistanis and Bangladeshis do significantly worse than comparable White British workers. All other ethnic minorities hold good jobs at about the same proportion as the White British group. However, across the entire range of regional unemployment rates, larger differences in outcomes become apparent.

For the Pakistani, Bangladeshi, Black African and Black Caribbean groups the extent to which higher unemployment rates are associated with lower probabilities of holding a good job is greater than for the White British. The implication is that at higher rates of unemployment significant gaps in the probability of a good job appear. For example at a regional unemployment rate of 8 per cent, the probability of a good job would be around 78% for White British workers compared to 55% for Pakistani and Bangladeshi workers, 70% for Black Caribbean workers and 58% for Black Africans. Higher unemployment rates would see an even larger discrepancy in the proportions holding a good job between the White British (and some other groups) and these four non-white minorities.

Figures 4(b) and 4(c) look at the probability of holding a good job for the foreign and UK born generations of ethnic minorities separately. There is some evidence that, in common with the preceding analysis, some second generation ethnic minority individuals fare better than their first generation counterparts in accessing good jobs. This is particularly the case for the Bangladeshi and Black African groups. For example at a regional unemployment rate of 10%, the predicted probability of a first generation Bangladeshi worker being in a good job is 40% compared to 58% for the second generation. The equivalent figures for Black Africans are 41% and 58%.

## 7 Conclusion

With governments and international organisations increasingly paying attention to the quality and not just the quantity of work that individuals undertake, this paper provides further evidence of how the labour market outcomes of ethnic minority men differ from those of White British men in the UK. We show that there is considerable ethnic diversity in the likelihood of achieving a positive labour market outcome - a good job - with the Black Caribbean, Black African, Pakistani and Bangladeshi groups the most likely to end up in temporary, involuntary part-time, low paid or solo self-employment even after accounting for human capital differences between groups. Furthermore the same groups are more likely to face a reduced probability of holding a good job when the economy worsens suggesting that recessions have disproportionate effects on the quality of labour market outcomes of non-white workers in the UK.

Although temporarily interrupted by the financial crisis, there has been a long-term decline in unemployment rates in the UK and the unemployment differentials between white and non-white workers have narrowed. However employment levels in good jobs have not grown concomitantly and some ethnic groups have seen unemployment 'replaced' by poor quality jobs. While this may be argued to represent an improvement - a bad job is better than no job - it does not represent equality with the majority White British community and is an important dimension of ethnic disadvantage which should not be overlooked.

The flexibilization of the British labour market has not been race-neutral and the disproportionate numbers of non-white workers in poor quality employment will have implications for the welfare of different groups in society. Policymakers are increasingly less interested in employment for its own sake; rather they judge jobs by their productivity and the subsequent contribution to national income, or to their effects on the individual through the effect of job characteristics on welfare. Perceptions that labour markets are unfair will be stronger where some groups are prevented from achieving the same level of wellbeing through their employment for no apparent good reason. Claims that more flexible labour markets are beneficial need to be tested against the reality of the racial patterning of job quality.

Equally, recessions are not race-neutral. Higher levels of economic activity disproportionately benefit the White British, Indians and Chinese compared to the other large non-white groups. Whilst not perfectly predictable, downturns in economic activity in the UK are a regular occurrence and we can be confident that in slumps certain non-

white groups will pay a higher price. Labour market policy and wider social policy measures designed to provide a buffer against the reductions in job quality that recessions induce will therefore have role to play in ameliorating racial inequality.

A note of optimism from our results relates to the improved access to good jobs (even during recessions) of the second generation of ethnic minority groups. This should be caveated by noting that while penalties are reduced substantially for some groups, they do not disappear and that the improvement is not uniform across all groups. Further unpacking of the reasons behind this apparent improvement would be useful in determining the precise causal processes at work and therefore where policy might most usefully be directed.

More generally, expanding the list of labour market outcomes of interest to researchers to include job quality provides additional insights into the nature of work and its interactions with productivity and wellbeing. There remains no consensus in the literature on how to definitively classify good jobs versus bad jobs however future work on this question should adequately account for how ethnicity is associated with employment quality outcomes.

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**Table 1: Descriptive statistics: both generations**

	White British	White Other	Mixed	Indian	Pakistani	Bangladeshi	Black Caribbean	Black African	Chinese
Employment Rate	82.1	84.2	78.1	84.6	75.8	72.6	73.0	76.3	82.7
% Unemployed	4.8	5.1	8.7	5.4	10.2	12.6	13.2	12.5	5.6
Self-Employment Rate	18.8	21.1	16.3	19.4	35.1	21.7	16.0	13.2	24.8
Mean Real Wage	15.8	17.0	16.4	16.6	12.8	10.5	13.4	13.4	17.2
% Low Paid	14.1	18.9	14.7	19.3	34.8	55.4	18.2	24.2	21.5
% Involuntary Part- Time	1.5	2.4	3.3	2.9	7.5	15.3	3.4	6.3	3.2
% Temporary Jobs	2.8	5.4	4.6	4.9	3.7	4.3	3.9	8.6	5.7
% Solo Self- Employment	14.1	16.3	13.4	12.0	27.1	13.7	14.3	10.8	10.5
% Good Jobs	75.2	73.9	72.9	77.8	61.0	56.6	66.9	68.9	76.7
% Bad Jobs	20.0	21.0	18.4	16.7	28.8	30.8	19.9	18.6	17.7
Age	44.8	41.8	39.6	41.8	39.9	39.4	43.4	40.6	41.3
Age Left Education	17.2	19.1	18.4	19.9	18.8	18.2	17.2	20.8	20.2
% UK Born	100.0	17.6	74.5	23.8	25.5	12.9	55.1	13.3	15.6
% Foreign Qualification	0.3	62.7	14.0	48.0	46.9	53.0	25.4	69.8	51.5
% London	7.2	30.5	27.5	36.6	19.1	50.9	48.1	54.8	31.4
Working Age	972046	55045	3253	23042	13343	4511	9075	9633	3516

*Notes:* The definition of the variables in Table 1 is as follows:

Employment rate: the percentage of those in the male population aged 25-64 that is in total employment (employed and self-employed).

Unemployment rate: the percentage of those in the labour force (unemployment, bad jobs, good jobs) that is unemployed.

Self-employment rate: the percentage of those in total employment that is self-employed (both with and without employees).

Real Wage: mean real hourly wage at 2014 constant pounds.

Percentage of low paid workers: the percentage below or equal to 0.6 of the median real hourly wage of all workers with a positive wage.

Percentage of involuntary part-time workers: the percentage of those in total employment that are involuntary part-time workers.

Percentage of temporary workers: the percentage of those in total employment that have non-permanent jobs.

Percentage of solo self-employed: the percentage of those in total employment that is solo self-employed.

Percentage of good jobs: the percentage of those in the labour force that is in good jobs.

Percentage of bad jobs: the percentage of those in the labour force that is in bad jobs.

Mean age: the mean age in the population of 25-64 aged men.

Age-left-education: the age left full-time education dropping part-time and full-time students.

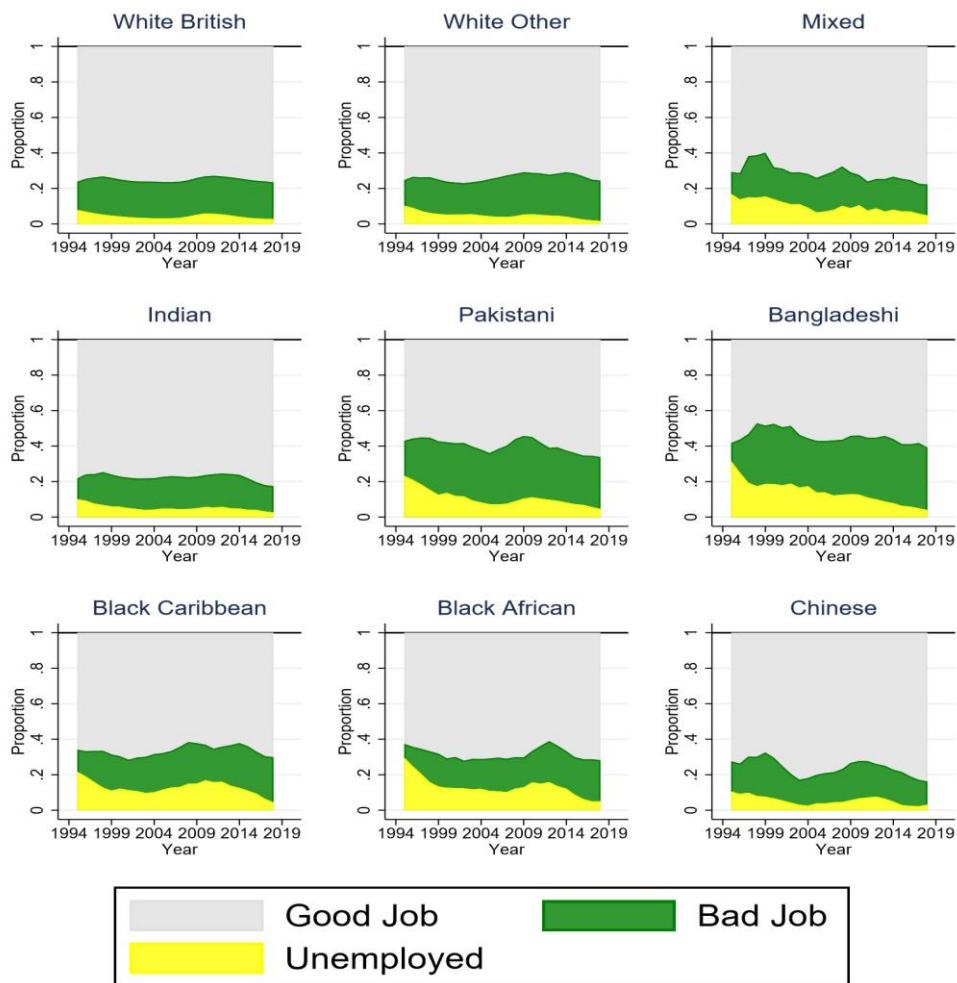
Percentage of UK-born: the percentage of the male population aged 25-64 that is born in the UK.

Percentage of foreign qualification: the percentage of male population aged 25-64 that holds a foreign qualification.

Percentage of London: the percentage of the respective ethnic group in the sample that lives in London.

Note that the bad job components are not mutually exclusive however unemployment, bad jobs, and good jobs are mutually exclusive and collectively make up the labour force.

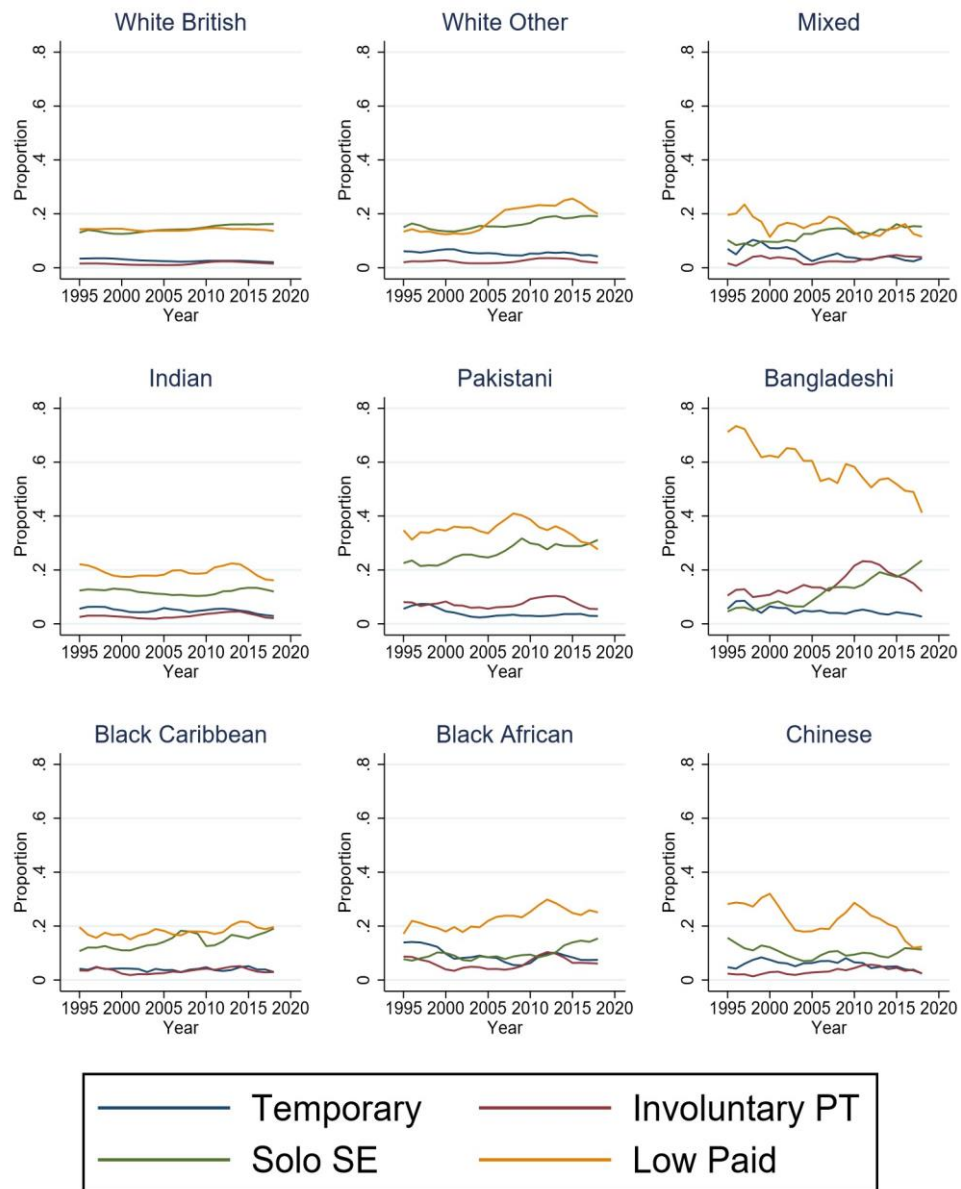
Figure 1: The evolution of employment quality: both generations



Note: The sample is White British and both generations of ethnic minority men in the labour force aged 25-64 drawn from the Quarterly UK Labour Force Survey 1994-2019, Waves 1 and 5. The series have been smoothed using a three period moving average due to small samples of some groups in individual calendar years.



Figure 2: Components of bad job category by ethnic group, 1994-2019



Note: The sample is as in Figure 1. Definitions of bad job categories as Table 1.

Figure 3a: Average partial effects of ethnicity on probabilities of job quality outcomes: both generations

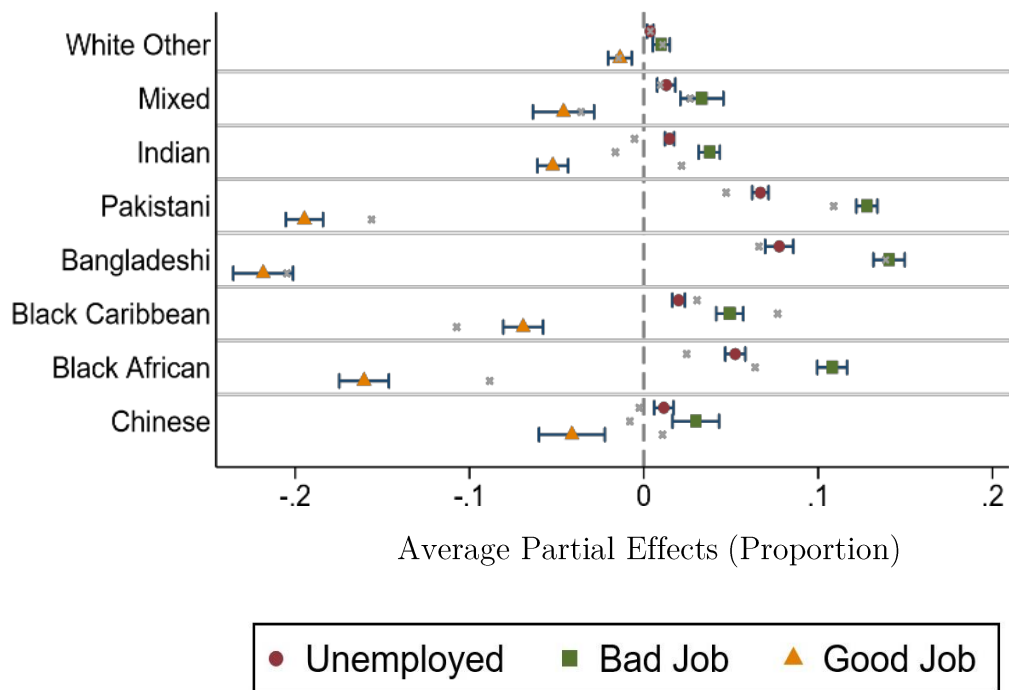
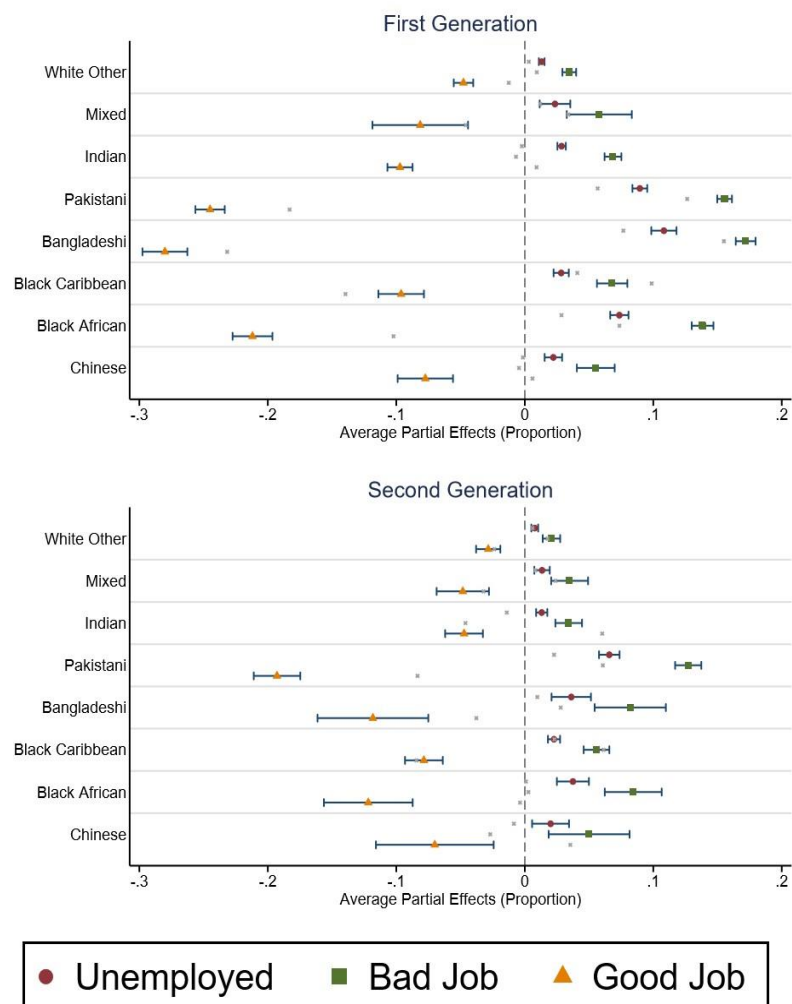


Figure 3b: Average partial effects of ethnicity on probabilities of job quality outcomes



Note: Sample as in Figure 1. The estimates are based on Model 1: ordered logit conditional on education, potential UK work experience, potential foreign work experience, marital status, foreign qualification, regional fixed effects, year and seasonal fixed effects. The specification for the sample with both generations includes a UK born indicator. 95 percent confidence intervals are shown and the “x” is the ethnic difference with White British men in the raw data. Data: Quarterly UK Labour Force Survey 1994-2019, Waves 1 and 5.

Figure 4a: Regional unemployment and the probability of a good job – both generations

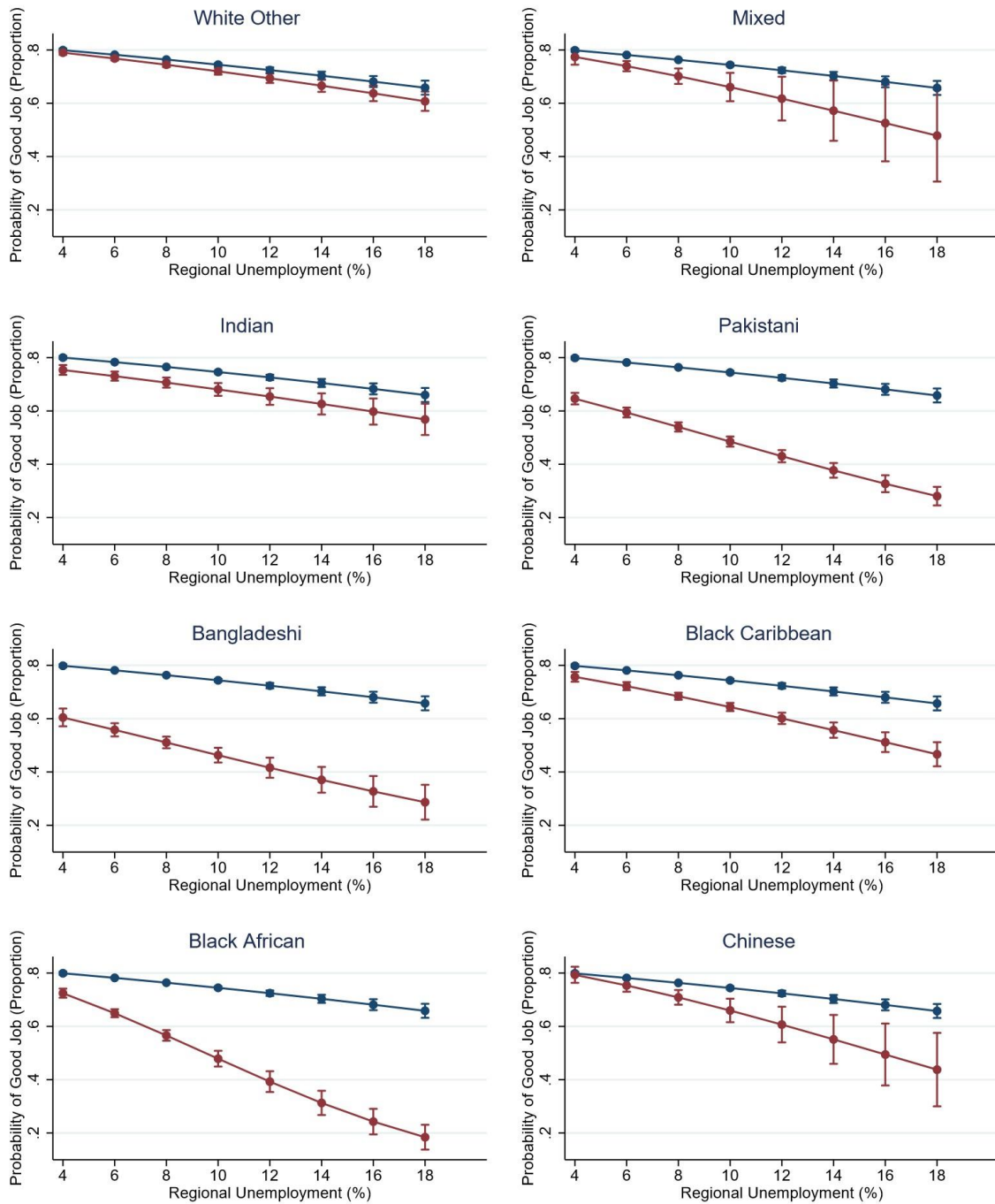


Figure 4b: Regional unemployment and the probability of a good job – first generation

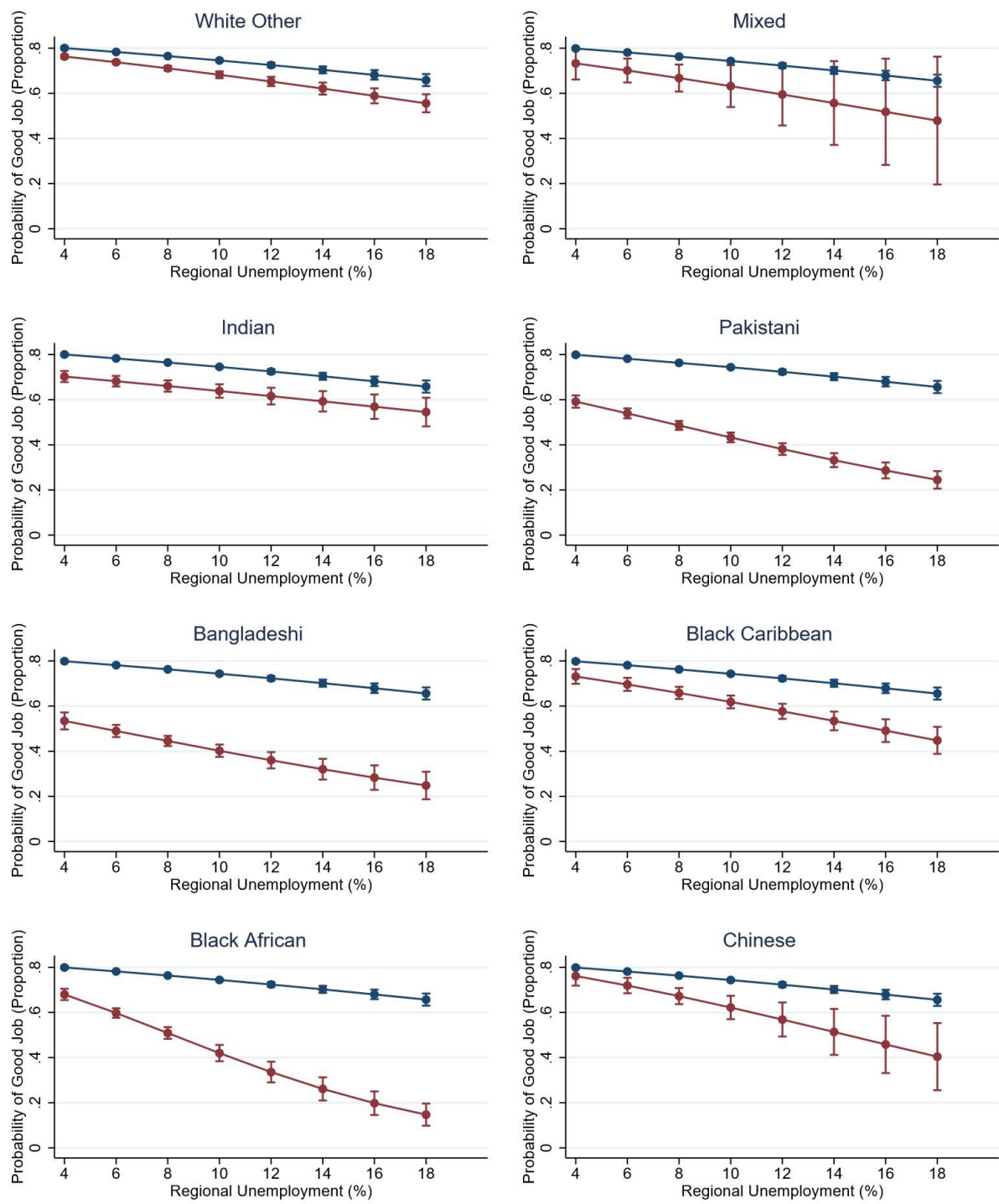
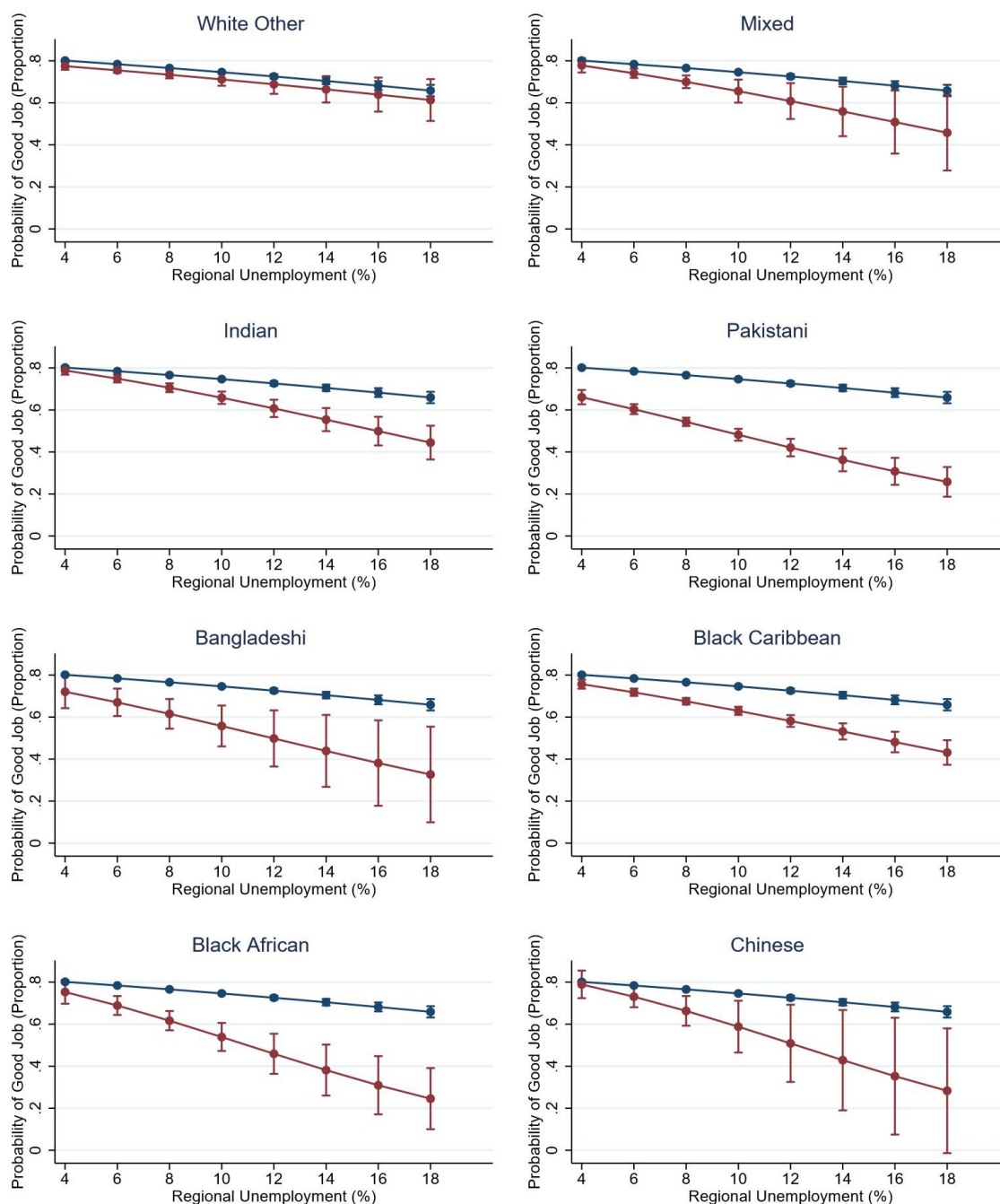


Figure 4c: Regional unemployment and the probability of a good job – second generation



*Note:* Sample is restricted to White British and ethnic minority men in the labour force aged 25-64. Base category: White British. All figures are based on Model 2: ordered logit with ethnicity, regional unemployment for men, and their interaction conditional on education, potential UK work experience, potential foreign work experience, marital status, foreign qualification, regional fixed effects, year and seasonal fixed effects. The specification for the sample with both generations includes a

UK born indicator. Standard errors are clustered at the region/season level. Data: Quarterly UK Labour Force Survey 1994-2019, Waves 1 and 5.

## APPENDIX – Additional Results



**Table A.1: Descriptive statistics: first generation**

	White British	White Other	Mixed	Indian	Pakistani	Bangladeshi	Black Caribbean	Black African	Chinese
Employment Rate	82.1	85.1	77.7	83.4	73.8	71.0	68.0	75.4	81.7
% Unemployed	4.8	5.2	9.3	5.3	10.4	13.3	14.1	12.8	5.4
Self-Employment Rate	18.8	21.2	14.6	20.3	38.0	23.0	16.7	13.0	26.3
Mean Real Wage	15.8	17.0	16.3	16.3	12.1	9.7	12.3	13.1	17.0
% Low Paid	14.1	20.0	17.9	21.2	40.1	61.3	22.1	25.7	23.3
% Involuntary Part- Time	1.5	2.5	3.3	3.2	8.2	17.0	4.1	6.6	3.4
% Temporary Jobs	2.8	5.8	5.7	5.3	3.7	4.4	4.1	8.9	6.0
% Solo Self- Employment	14.1	16.5	11.3	12.6	29.5	14.3	14.5	10.6	10.7
% Good Jobs	75.2	74.0	71.8	76.5	58.2	54.0	63.8	67.6	76.1
% Bad Jobs	20.0	20.8	18.9	18.2	31.4	32.7	22.0	19.5	18.5
Mean Age	44.8	40.9	41.7	44.1	42.1	40.4	49.1	41.1	42.3
Age Left Education	17.2	19.4	19.3	19.9	18.6	18.0	16.9	20.9	20.2
% UK Born	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% Foreign Qualification	0.3	76.6	54.1	62.9	62.7	60.7	56.1	80.4	61.0
% London	7.2	34.0	37.2	38.7	20.4	51.5	50.6	53.7	31.9
Working Age	972046	45345	829	17544	9941	3931	4068	8347	2967

See note to Table 1.

**Table A.2: Descriptive statistics: second generation**

	White British	White Other	Mixed	Indian	Pakistani	Bangladesh i	Black Caribbean	Black African	Chinese
Employment Rate	82.1	80.1	78.3	88.5	81.6	84.0	77.2	82.4	88.0
% Unemployed	4.8	4.8	8.5	5.9	9.7	8.3	12.6	10.2	6.8
Self-Employment Rate	18.8	20.5	16.9	16.5	27.2	14.4	15.6	14.5	17.6
Mean Real Wage	15.8	17.0	16.4	17.3	14.4	14.3	14.2	15.9	18.3
% Low Paid	14.1	14.4	13.5	13.4	22.3	25.4	15.5	14.2	14.2
% Involuntary Part-Time	1.5	1.7	3.3	2.2	5.7	5.5	2.9	4.7	2.5
% Temporary Jobs	2.8	3.3	4.2	3.6	3.8	3.9	3.8	7.0	4.1
% Solo Self- Employment	14.1	15.7	14.1	10.2	20.8	10.1	14.1	11.6	9.3
% Good Jobs	75.2	73.3	73.2	81.8	68.4	72.7	69.1	76.6	79.5
% Bad Jobs	20.0	21.9	18.3	12.3	21.9	19.0	18.4	13.2	13.7
Mean Age	44.8	45.9	38.9	34.5	33.7	32.2	38.7	37.1	35.5
Age Left Education	17.2	17.5	18.1	19.9	19.2	19.1	17.5	20.4	20.4
% UK Born	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% Foreign Qualification	0.3	0.4	0.4	0.9	1.6	1.4	0.8	2.3	0.5
% London	7.2	14.1	24.3	30.0	15.2	46.9	46.1	62.4	28.5
Working Age	972046	9696	2422	5491	3398	580	5000	1283	548

See note to Table 1.

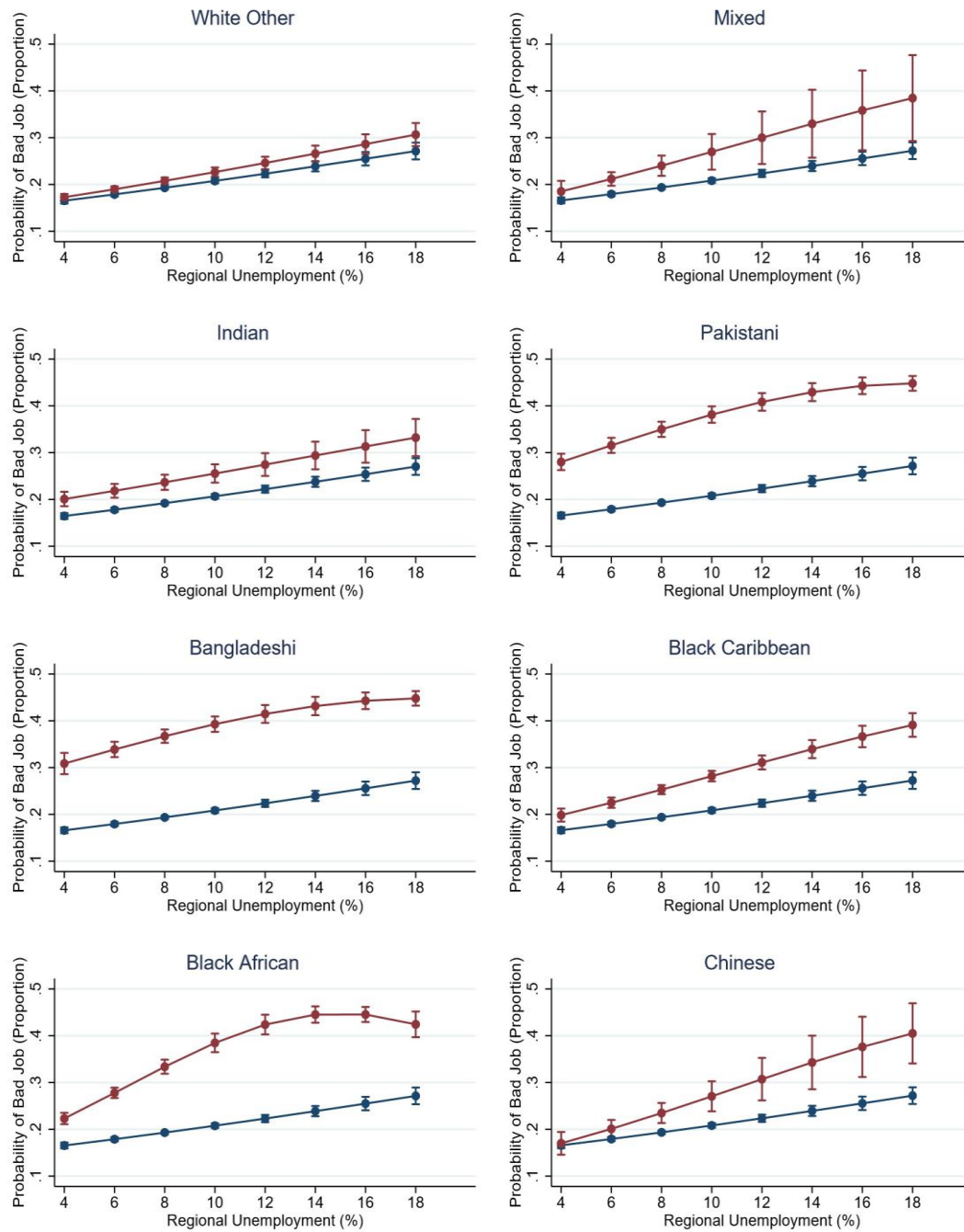
**Table A.3: Average partial effects for good job outcome: both generations**

	(1) Ordered Logit	(2) Ordered Probit H.C.	(3) Multinomial Logit	(4) Generalized Ordered Logit
White Other	-0.014*** (0.003)	-0.015*** (0.003)	-0.010*** (0.003)	-0.012*** (0.003)
Mixed	-0.046*** (0.009)	-0.043*** (0.008)	-0.036*** (0.008)	-0.036*** (0.008)
India	-0.052*** (0.004)	-0.048*** (0.004)	-0.047*** (0.004)	-0.047*** (0.004)
Pakistani	-0.195*** (0.005)	-0.170*** (0.006)	-0.196*** (0.006)	-0.190*** (0.005)
Bangladeshi	-0.218*** (0.009)	-0.194*** (0.009)	-0.218*** (0.009)	-0.209*** (0.009)
Black Caribbean	-0.069*** (0.006)	-0.072*** (0.005)	-0.041*** (0.005)	-0.053*** (0.005)
Black African	-0.161*** (0.007)	-0.157*** (0.007)	-0.131*** (0.007)	-0.141*** (0.007)
Chinese	-0.041*** (0.010)	-0.041*** (0.009)	-0.036*** (0.010)	-0.037*** (0.010)
Age Left Education	0.040*** (0.000)	0.034*** (0.000)	0.041*** (0.000)	0.040*** (0.000)
UK Experience	-0.001*** (0.000)	-0.000*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Foreign Experience	-0.001** (0.001)	-0.001** (0.001)	-0.002** (0.001)	-0.001** (0.001)
Born in the UK	0.036*** (0.004)	0.036*** (0.004)	0.040*** (0.004)	0.038*** (0.004)
Married/Partner in HH	0.118*** (0.001)	0.106*** (0.002)	0.108*** (0.001)	0.108*** (0.001)
Divorced	0.032*** (0.002)	0.026*** (0.002)	0.030*** (0.002)	0.031*** (0.002)
Widowed	0.049*** (0.005)	0.053*** (0.005)	0.045*** (0.005)	0.049*** (0.005)
Foreign Qualification	-0.033*** (0.005)	-0.022*** (0.004)	-0.038*** (0.005)	-0.035*** (0.005)
Observations	936866	1083634	936866	936866

*Note:* Sample as in Figure 1. All models are conditional on education, potential UK work experience, potential foreign work experience, marital status, foreign qualification, UK born status, regional fixed effects, year and seasonal fixed effects.

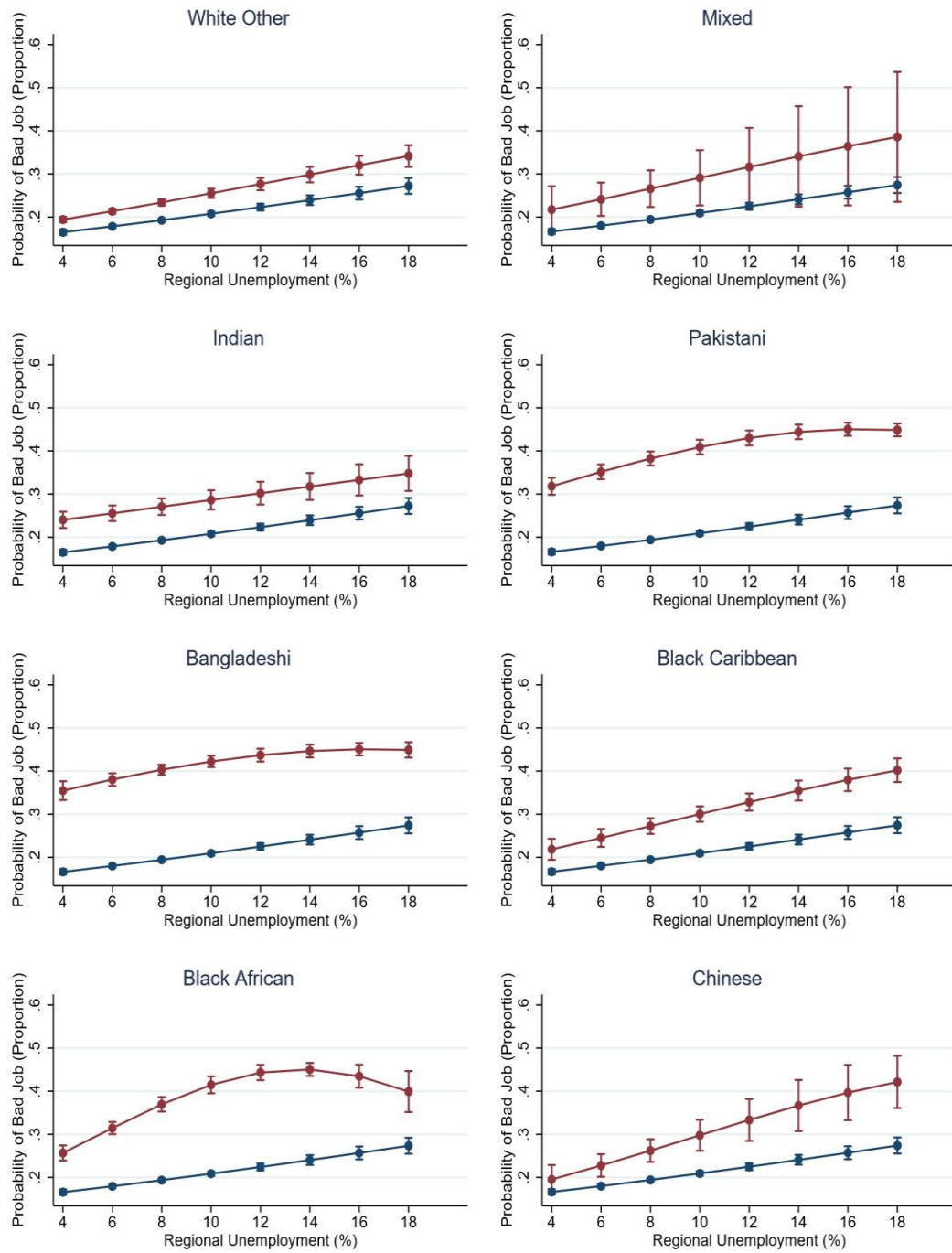
Column (2) includes ordered probit with Heckman correction (H.C.) and the following additional identifying variable in the selection equation: the number of dependent children in a given household under the age of 19 coded in four binary categories with zero children being the reference category, whereas one child, two children, and three plus children form the other categories. Standard errors are in parentheses. (\*\*\*) significant at the 1 percent level, (\*) significant at the 10 percent level. Data: Quarterly UK Labour Force Survey 1994-2019, Waves 1 and 5.

Figure A1: Regional unemployment and the probability of a bad job – both generations



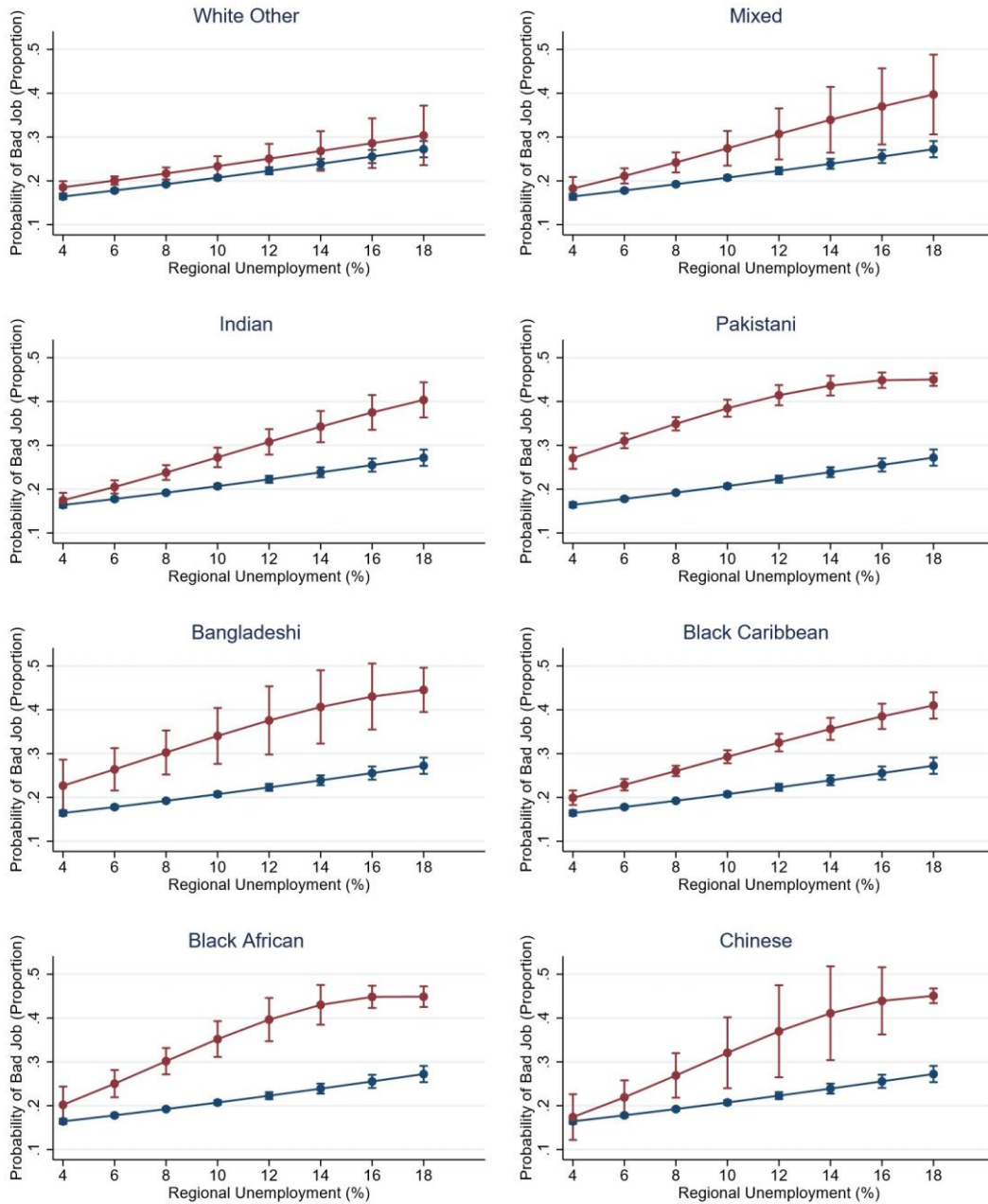
See note to Figure 4.

Figure A2: Regional unemployment and the probability of a bad job – first generation



See note to Figure 4.

Figure A3: Regional unemployment and the probability of a bad job – second generation



See note to Figure 4.