SUPPORTING ETHNIC MINORITY YOUNG PEOPLE FROM EDUCATION INTO WORK

What’s the issue?
Considerable improvements in educational attainment among ethnic minority groups – particularly Black African and Bangladeshi students – have not been matched by sustained progress in labour market outcomes. The twin challenges are unemployment and over-qualification. Local authorities are well placed to address these challenges and boost local growth.

This paper puts forward a set of recommendations for local authorities designed to support education-to-work transitions for ethnic minority youth, drawing on examples of best practice in Bristol, Nottingham and Tower Hamlets.

Ways forward

• Local authorities should lead on transition initiatives because they are well placed to co-ordinate others and offer a more accountable, more targeted and more sensitive approach.

• Local authorities can make progress in three areas: encouraging employers to recruit a more diverse workforce (demand side); working with employers and young people to broker opportunities (co-ordination); and providing tailored support for ethnic minority young people (supply side).

• Local authorities should be transparent about the representativeness of their own workforces and run their own internal placement schemes for young people looking for work, targeting ethnic minority communities where there is a local need. Their planning and commissioning powers mean they can require employers to recruit apprenticeships from disadvantaged groups and to increase transparency about the diversity of their workforces.

• Local authorities should set up local employer and apprenticeship hubs to connect young people to local employment opportunities and co-ordinate apprenticeship placements, with targets for the proportion of ethnic minority apprenticeship starts reflecting the demographic composition of the area.

• Tailored schemes designed to support disadvantaged youth into the labour market should be driven by data which should be gathered on participants by ethnicity and employment outcomes.

• Local authorities should support providers to work with ethnic minority graduates as they make the transition from university to work.

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BACKGROUND

Ethnic minority young people remain disadvantaged in the UK labour market. Despite some improvements in the past two decades, these inequalities have continued through the recession and have failed to respond to the considerable improvement in the educational outcomes of most ethnic minority groups.

Local efforts for supporting ethnic minority education-to-work transitions have three key advantages over national efforts: they are more accountable, are better informed by local demographics, and are more sensitive to local employers. This report focuses on facilitating education-to-work transitions for ethnic minority groups across three key areas: working with employers (demand side), brokering job opportunities (co-ordination), and providing tailored employment support for young people (supply side).

To support our analysis, we interviewed key stakeholders in three local authorities — Bristol, Nottingham and Tower Hamlets. We chose our three case studies to capture a range of different demographic, education and labour market characteristics (for more details, see Appendix 1). We considered specific barriers facing ethnic minority young people in each area and explored and analysed the local authorities’ initiatives to support education-to-work transitions for ethnic minority young people.

Given the current Government’s commitment to increasing ethnic minority employment by 20 per cent by 2020, we argue that local authorities are in a strong position to take a bolder approach to tackling local ethnic disadvantage (Cameron, 2015). We suggest that they should be confident about setting ambitious goals to ensure that levels of employment reflect the ethnic composition of the local area. We recommend incorporating ethnic minority specific targets into mainstream efforts to tackle youth unemployment and promote economic regeneration, and we propose options to help local authorities meet these targets, including apprenticeship hubs, greater workforce transparency, procurement strategies, and targeted mentoring programmes.

Introduction

Transitions to work

There have been considerable improvements in education outcomes among young people from a number of ethnic minority groups. In England, in 2005/06 only 33.6 per cent of Black pupils achieved five or more A*–Cs (including English and maths) at GCSE; in 2012/13 the figure grew to 58.1 per cent. Similarly, in 2005/06 39 per cent of Bangladeshi pupils received five or more A*–Cs (including English and maths), rising to 64 per cent in 2012/13. Attainment for White pupils increased but at a slower rate (from 44.4 per cent to 60.2 per cent five A*–Cs including English and maths), and both Black African and Bangladeshi pupils received better results than White pupils in 2012/13, reversing historic inequalities. Other groups such as Indian and Chinese pupils have consistently outperformed the average in the past decade (DfE, 2010; DfE, 2015). In higher education, all ethnic minority groups (other than Black Caribbean) are on average more likely to have degrees than the combined White group (Brynin and Longhi, 2015).

While gaps in educational attainment have narrowed considerably and in some cases reversed, this has not been matched by a similar shift in employment outcomes. Although there was some convergence in unemployment levels up until around 2008, progress has stalled since then, particularly for young people: the UK unemployment rate for ethnic minority young people (aged 16–24) was 28.6 per cent in 2014, compared with 15.5 per cent for White young people — similar to the gap in 2009 (a 29.8 per cent unemployment rate for ethnic minority young people versus 18.1 per cent for White young people). In 2014 unemployment rates were particularly high for young Black people (36 per cent) and young Pakistani/Bangladeshi people (31.4 per cent) (DWP, 2015). At the same time, those ethnic minority young people in work are more likely to be paid below the Living Wage (Brynin and Longhi, 2015).
These trends are prevalent across local authorities, both in London and elsewhere. Tower Hamlets, for example, has an ethnic minority population share of more than 50 per cent and educational outcomes for ethnic minority groups — particularly Asian groups — are now higher than average. Yet Tower Hamlets still suffers from some of the widest unemployment rates between ethnic groups. With a 12 percentage point gap between the adult unemployment rate of ethnic minority and White groups it remains one of the most unequal places in the country (ONS, 2013; Finney and Lymperopoulou, 2014).

In fact, we argue in this paper that there are two categories of challenges for ethnic minority young people: unemployment and underemployment. The former is a particular challenge for ethnic minority school leavers with lower levels of education; the latter is a particular challenge for ethnic minority employees with higher levels of education.

**Unemployment:** Ethnic minority youth (defined here as 16- to 30-year-olds) with low levels of education are considerably more likely to be unemployed than White youth with similar education levels: they have an unemployment rate of 20.2 per cent compared with 14.9 per cent for White groups (excluding those in full-time education). While there is also a gap for higher educated groups, the percentage of highly educated ethnic minority youth who are unemployed is relatively low: 8.4 per cent compared with 3.6 per cent for White youth (ONS, 2015a).

Despite the considerable unemployment gap, the evidence suggests that ethnic minority young people are facing considerable barriers in accessing mainstream programmes aimed at tackling youth employment and promoting social mobility. For example, although the numbers of ethnic minority young people applying for apprenticeships has increased, numbers are still low compared with the overall population (Skills Funding Agency/BIS, 2015). Moreover, 26 per cent of applicants were from ethnic minority backgrounds despite only 9.5 per cent getting apprenticeships (Khan, 2015).

**Underemployment:** Ethnic minority employees with A-levels or degrees are far more likely to be overqualified than White employees. 41 per cent of Black African graduates, 39 per cent of Bangladeshi graduates, 36 per cent of Pakistani graduates, 36 per cent of Chinese graduates and 32 per cent of Indian graduates are overqualified, compared with 25 per cent of White graduates (Brynin and Longhi, 2015). This is similarly the case for A-level holders, as Table 1 shows. In short, ethnic minority A-Level holders and graduates are significantly more likely to be overqualified for the jobs they are doing.

Table 1: Percentage of each ethnic group overqualified

<table>
<thead>
<tr>
<th>Ethnic group</th>
<th>Graduates (%)</th>
<th>A-level holders (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>24.6</td>
<td>30.0</td>
</tr>
<tr>
<td>Black Caribbean</td>
<td>28.4</td>
<td>29.1</td>
</tr>
<tr>
<td>Black African</td>
<td>40.8</td>
<td>42.6</td>
</tr>
<tr>
<td>Black ‘other’</td>
<td>30.8</td>
<td>53.3</td>
</tr>
<tr>
<td>Indian</td>
<td>31.7</td>
<td>31.7</td>
</tr>
<tr>
<td>Pakistani</td>
<td>35.8</td>
<td>38.5</td>
</tr>
<tr>
<td>Bangladeshi</td>
<td>39.0</td>
<td>38.6</td>
</tr>
<tr>
<td>Chinese</td>
<td>36.3</td>
<td>37.1</td>
</tr>
<tr>
<td>Asian ‘other’</td>
<td>36.2</td>
<td>32.2</td>
</tr>
<tr>
<td>‘Other’</td>
<td>33.4</td>
<td>36.5</td>
</tr>
</tbody>
</table>

Source: Brynin and Longhi (2015)
A similar picture emerges when looking at the rising employment levels of Pakistani and Bangladeshi women. Levels of economic inactivity among Pakistani and Bangladeshi women have slowly decreased over the past decade (DWP, 2015). Education, alongside shifting gender norms within households, smaller families, and the impact of the recession on household finances, has played a lead role (Economist, 2012). However, the evidence suggests educated ethnic minority women entering the labour market are doing jobs well below their qualification level. One study using 1992–2010 Labour Force Survey data found that 37.7 per cent of Black African women, 36.4 per cent of Pakistani/Bangladeshi women and 28.7 per cent of Indian women with higher level qualifications worked in non-graduate jobs, compared with 24 per cent of White UK-born women (Rafferty, 2012).

These findings on overqualification may in part be due to the persistent challenges facing ethnic minority groups in higher education. While ethnic minority groups are more likely to receive degrees than White groups, there are reasons to think that these degrees are more likely to be perceived as unattractive by employers. First, ethnic minority graduates are less likely to attend Russell Group institutions. This is partly because they tend to apply for over-subscribed courses, but disparities remain even when oversubscription is taken into account (Boliver, 2015). Second, while at university, ethnic minority students tend to then underperform compared with their White counterparts – although patterns vary according to institution (Richardson, 2015).

The transition from education-to-work is a challenge for young people from all ethnicities. Barriers in the labour market are not just faced by ethnic minority young people and their impact varies depending on location, gender, and other key demographic factors. As we have illustrated, different ethnic groups face considerably different employment outcomes, with Indian and Chinese groups experiencing only slightly higher unemployment rates than White groups (in fact, research from Demos (2015) shows that men from Chinese and Indian backgrounds are nearly twice as likely to be in higher managerial positions than White British men). However, the evidence here suggests that ethnic minority groups, including those with qualifications, face disadvantages with respect to both unemployment and underemployment. Without targeted action to support the education-to-work transition of disadvantaged ethnic minority young people, the gap in employment outcomes between ethnic groups is unlikely to narrow.

There is of course a moral case for addressing ethnic inequalities and countering discrimination. But there is also a case for supporting transitions based on the aim of boosting productivity and promoting local economic regeneration. The UK is currently facing a sustained productivity problem (Dolphin and Hatfield, 2015) but the skills and qualifications of a large number of employees are not being used. The Chartered Institute of Personnel and Development (CIPD) estimates that more than 50 per cent of graduates are in non-graduate jobs (CIPD, 2015).

This is why some local authorities have built the need to tackle ethnic disadvantage among young people into broader plans for economic regeneration. For example, Bristol City Council has signalled that addressing ethnic inequalities is a key component of its Learning City initiative which is implementing the key recommendations of its recent Skills & Education Commission (Bristol City Council, 2014). There is a strong case for other local authorities to similarly prioritise ethnic minority education-to-work transitions as a central element of their local growth strategies.

**National v local policy**

Over the past two decades, national policy on ethnic inequalities has shifted considerably. The focus under the Labour Government was on national programmes targeted at unemployed ethnic minority people. Local authorities were contracted to deliver programmes and subject to guidelines, targets and directives. But a National Audit Office (NAO) study in 2008 assessed that ‘the Department’s strategy for targeting additional support on ethnic minority communities has lacked continuity’ and that ‘this has had an adverse impact on the effectiveness of the efforts by Jobcentre Plus to reduce ethnic minority unemployment’ (NAO, 2008).
For example, Ethnic Minority Outreach (EMO) was a DWP-run scheme that called for bids for projects to support ethnic minority unemployed people into work. The initiative ran from 2002 to 2006 and brought more than 13,000 people into work at a total cost of £31.5 million. A Policy Studies Institute evaluation for DWP in 2005 found that the initiative helped ethnic minority groups – particularly Indian and Pakistani women – gain a greater understanding of labour market opportunities and helped ethnic minority people towards the labour market (Barnes et al., 2005). But despite Jobcentre Plus (JCP) and other involved organisations claiming that more time was needed for the scheme to have real impact, EMO was discontinued in 2006 and folded into the Deprived Areas Fund (NAO, 2008).

Under the Coalition Government, the DWP took a different approach, for example stating in response to ethnic minority employment figures that ‘the diversity of this country means we need an approach that focuses on individual jobseekers, rather than simply defining people’s needs by their ethnicity’ (Stevens, 2014). At the national level, there have been few programmes directly targeted at ethnic minority individuals. Some options exist: Work Programme providers and JCP can apply to commission targeted provision under the Flexible Support Fund. Funding for education-to-work provision is also available through the DWP Innovation Fund. However such provision appears to be limited or taking place on a small scale (Riley, 2014).

Before the 2015 general election, the Conservative Party pledged to increase ethnic minority employment by 20 per cent by 2020. The pledge has yet to be backed up by a strategy or policy agenda, and some have criticised the target on the basis that this aggregate increase in employment will be a natural consequence of demographic change (Khan, 2015). However, the target is an acknowledgement of the persistence of ethnic disadvantage. Moreover, in the context of more devolved policy-making, it provides a benchmark for local authorities and can help focus mainstream local initiatives on the specific challenges affecting ethnic minority youth.

This is important in the context of considerable momentum towards further devolution of employment and skills policy, as well as initiatives such as the Growth Deals with Local Enterprise Partnerships and the City Deals. While these localisation efforts are piecemeal and incomplete, local authorities currently do have the space to develop more localised employment strategies and many are delivering successful programmes (Rolfe et al., 2015).

The case for going local
While the current Government’s efforts – including the national targets and the funding for targeted work under the Flexible Support Fund – are encouraging, clearly far more needs to be done to support education-to-work transitions for ethnic minority youth. The current approach of the Government – focused on devolving power and work that is controlled and delivered locally – suggests that one promising way forward is through local policy-making.

There are three specific advantages of local approaches to ethnic minority education-to-work transitions, in comparison with national efforts:

First, local actors are more likely to be anchored in local realities. Ethnic inequalities in employment vary considerably across the UK. According to a study of local authorities in England and Wales, gaps in employment between ethnic minority and White British people are significant in some urban centres – including Hackney, Sheffield, Oldham, Birmingham, Lambeth, Bradford, Tower Hamlets and Rotherham. The highest inequalities for Black groups are in deprived urban areas in London and northern England as well as parts of Wales (including Rhondda and Newport), while the greatest inequalities for Asian groups are in areas with considerable Asian populations and certain rural areas such as Richmondshire (Finney and Lymeropoulou, 2014). There are also major geographical differences in the levels of ‘occupational segregation’ or clustering in particular jobs according to ethnicity: for each ethnic group, occupational segregation tends to be lower in areas (such as London) with a population that has a greater presence of people from that ethnicity (Catney and Sabater, 2015).
A recent study by the Joseph Rowntree Foundation suggests that these differences can be explained by a wide range of factors. For some areas, the key explanation is public service delivery – such as the varying quality of education and careers support. In other areas, the issues will be structural, linked to levels of social segregation, migration levels, the structure of the local labour market, the history of migration in the area, and levels of ethnic clustering (Lalani et al., 2014).

Within local areas, the issues affecting ethnic minority groups will therefore vary significantly. Aggregate national data and analysis will inevitably flatten out these differences; in some areas, particular ethnic groups that are prioritised nationally have average or above average outcomes. Directing support and services from the local level allows for far greater flexibility and targeting based on local demographic and employment data. Detailed local data on trends broken down by areas and ethnic groups will be critical.

Second, local efforts and targets are likely to be more effective than national strategies because they can be more closely monitored and therefore more easily held to account. The fact that they are on a smaller scale means that they are closer to the communities they serve – including to ethnic minority groups themselves, who often lack representation at the national level but tend to be better represented locally.

Third, local actors are likely to have closer links to local employers and a better understanding of where young people need support than national policy-makers (Rolfe et al., 2015). This makes them better placed to broker opportunities for young people and feed back employer needs to local education providers (and avoid duplicating existing provision).

It is important to recognise that there are limits to local efforts to supporting ethnic minority education-to-work transitions. Local policy should be reinforced nationally, for example through national targets, equalities legislation (such as the 2010 Equality Act), setting a positive example through promoting greater diversity in Whitehall, and implementing funding arrangements through JCP.

At the same time, there is no guarantee that local initiatives will work simply by virtue of them ‘being local’. There is a danger that they simply replicate the mistakes that the national government has made, such as by running short-term pilots that lack continuity. Moreover, local authorities are facing severely limited resources and the devolution process is still very patchy.

Which local actors are best placed to deliver local initiatives to support ethnic minority education-to-work transitions? One option is to focus on JCP, given that it is a key point of interface for people looking for work, but the service is designed to deliver a standardised service and has limited capacity to offer bespoke provision focused on specific barriers facing ethnic minority youth. While some JCP programmes focused on ethnic minority people have been effective, JCP customers have highlighted weaknesses such as limited time with staff and standard, untailored provision, and ethnic minority customers appear more likely to prefer a greater degree of face-to-face contact (Marangozov et al., 2010). Moreover, in the short term there is unlikely to be scope for JCP centres to offer more locally tailored services. Similarly, the Work Programme would not be best placed to lead on this work, as its focus on long-term unemployed people on out-of-work benefits is too narrow and not in line with the requirements of an education-to-work transition programme, which should include young people leaving the education system who are at risk of becoming NEET (Not in Education, Employment, or Training) and should address the quality as well as the level of youth employment.

Instead, we argue that local (or combined) authorities should be at the centre of local initiatives to support ethnic minority education-to-work transitions. Local authorities are well placed to be at the core of this delivery because they can play a key co-ordinating role with other local actors, including employment support organisations, charities, community groups, education providers, local businesses, JCP and local enterprise partnerships (Davies and Raikes, 2014; Rolfe et al., 2015).
IPPR have previously advocated a distinct long-term learning and earning track for young people to support education-to-work transitions, combining a youth allowance for 18- to 24-year-olds to replace out-of-work benefits and a youth guarantee to offer young people either education and vocational training or intensive support through a personal advisor to help them into work (with an offer of paid work experience or a paid traineeship if the young person is not learning or earning after six months). Local authorities would, in the long run, lead on providing the youth guarantee, with devolution staged so that London and England’s eight ‘core cities’ begin the local-level implementation (Cooke, 2013). These proposals align with our argument that local authorities should take a lead role in supporting ethnic minority education-to-work transitions. In this paper we focus on what local authorities can deliver under the current system.

We identify specific barriers facing ethnic minority young people in the labour market and profile pioneering and cost-effective schemes in some local authorities that are a model for successful ethnic minority education-to-work transitions.

**Barriers to improving employment outcomes**

Based on our interviews with providers and policy-makers in each of our case study local authorities, we have identified three barriers to improving employment outcomes for ethnic minority young people.

**Employer attitude (‘demand’ side)**

Interviewees referenced the attitudes of some employers as an important demand side barrier. Discrimination and prejudice (both conscious and unconscious) play a role – leading to a vicious cycle whereby ethnic minority young people face considerable obstacles to entering work and as a result feel like some opportunities are ‘not for them’. This is supported by a wealth of experimental data showing racial discrimination by employers and recruitment agencies. For example, in 2009 the DWP commissioned a study using 3,000 applications to employers with job vacancies. The applications contained similar skills, qualifications and work experience but the candidates had different names (such as Nazia Mahmood, Mariam Namagembe and Alison Taylor). Ethnic minority candidates had to send nearly double the number of applications as White candidates before receiving a positive response (Wood et al., 2009).

**Connecting to opportunities (‘co-ordination’)**

In some cases connections between ethnic minority young people and local employers are weak. Social networks can be a valuable resource in seeking employment (McCabe et al., 2013). But some of our interviewees claimed that some ethnic minority young people, including those with good qualifications, feel disconnected from opportunities in the labour market. One interviewee noted that some young people tend to ‘go with the crowd’ when looking for work, rather than seek opportunities that match their skills and interests. The fact that some sectors are not very diverse reinforces perceptions that jobs are ‘not for them’. One interviewee noted that ‘what young people see when they either look at a company’s website or go on an employer visit is mainly white faces. This can lead to the young person wondering whether they will fit in’.

Our interviewees’ concerns are in line with other research on ethnicity and the labour market. Only 1 in 13 management positions are held by ethnic minority employees, despite 1 in 10 employees being from ethnic minority backgrounds (Race for Opportunity, 2014). This reflects concerns about a lack of ethnic minority role models. While ethnic minority people tend to have a greater ethnic mix in their friendship circles than White British people (Finney et al., 2015), research indicates that ethnic minority people’s social networks secure lower level jobs when compared to other methods, particularly in the case of Pakistani and Bangladeshi people (Battu et al., 2011).
Interviewees also highlighted problems relating to (geographical) mobility. For example, in Bristol the perception that job opportunities are not available for ethnic minority young people is reinforced by the fact that Bristol is known as a ‘city of villages’. South Bristol tends to be White working class, central/east Bristol is ethnically diverse with high levels of poverty, and north Bristol is White and affluent. People tend not to travel far and tend not to interact with others from different parts of the city. As a result, opportunities in one part of the city do not filter through elsewhere.

Confidence, skills and awareness (‘supply’ side)

On the supply side are issues of confidence, skills and awareness of labour market opportunities. Ethnic minority people generally have high educational and employment aspirations (Race for Opportunity, 2010; Strand, 2007). But sustained labour market discrimination can foster lower levels of self-confidence (Bhavnani, 2006). One psychological study involving ethnic minority young people in the UK found a relationship between perceived discrimination and low self-esteem (Cassidy et al., 2005). Some interviewees also noted that ethnic minority young people lack effective role models in key professions, which can help to undermine confidence. This is supported by data suggesting that ethnic minority people are disproportionately more likely to believe that role models are important for their career aspirations (Race for Opportunity, 2010). Other interviewees criticised schools for fostering low aspirations and giving poor information and guidance.

Certain ethnic minority young people may face additional supply side barriers. For example, newly arrived migrants from non-English speaking countries tend to face greater language barriers. Low-income families from Pakistani and Bangladeshi backgrounds may face specific childcare barriers, due to larger than average families and limited access to culturally sensitive childcare (Aston et al., 2007, Tackey et al., 2006).

Local practice: models of intervention

In this section, we outline how local authorities can develop a targeted approach to ethnic minority education-to-work transitions and make three sets of policy recommendations, designed to address the barriers identified above.

Our recommendations are geared towards both those with lower educational qualifications (who are more likely to face unemployment than White groups) and those with higher educational qualifications, such as A-level holders and graduates (who face higher rates of over-qualification than White employees).

How local authorities can target provision

As things stand, few local authorities operate targeted schemes and many of the initiatives we discussed in our interviews did not place a particular focus on ethnic minority groups. But where the evidence suggests a clear need to address significant imbalances in the labour market outcomes of local ethnic minority groups, we recommend that local authorities develop a targeted approach to ethnic minority young people as part of their local growth strategies. A targeted approach is particularly appropriate when ethnic minority young people are less likely than average to engage or sign up to jobseeking support or other work related programmes — perhaps due to feeling that certain occupations or sectors are ‘not for them’ or where there is clear evidence of discrimination. Crucially, any targeted approach should be data-driven and sensitive to local factors such as the levels of disadvantage of ethnic minority groups, the scale of ethnic inequalities and the nature of the local labour market.
There is a risk that some local employers, including local authorities themselves, will be concerned about the legality of targeted intervention. The 2010 Equality Act is clear that ‘positive discrimination’ is against the law, but it does allow for a range of initiatives to take place under the sphere of ‘positive action’. Service providers may take positive action in order to support groups with ‘protected characteristics’ (such as ethnic minority groups) to either address a disadvantage, meet particular needs, or support participation in an activity in instances where participation of that group is disproportionately low. As long as the means are proportionate, employers can take action to address ethnic minority groups facing disadvantage or under-representation in the workforce (Jarrett, 2011; Government Equalities Office, 2010).

Targeted measures can range from provision focused entirely on certain ethnic groups to the distribution of leaflets to particular communities to alert them to a relevant scheme. The following list includes the main positive action options open to employers. These are also directly relevant for local authorities intending to support ethnic minority education-to-work transitions.

- **Training for specific groups**
  - Under the Equality Act, pre-entry or in-service training can be offered to address under-representation of specific ethnic minority groups. For example, the PATRA scheme in Nottingham provides traineeships for ethnic minority groups within the council.

- **Targeted recruitment drives**
  - Where there is under-representation of a particular ethnic group, employers can attempt to encourage people from this group to apply. This may involve promoting opportunities through targeted leafleting and advertising through community groups, as well as through explicitly encouraging applications from under-represented groups in the programme’s promotional material.

- **‘Specific needs’ provision**
  - The Equality Act allows for provision to address the specific needs of ethnic minority groups – for example, English language classes for newly arrived migrants.

- **Setting targets**
  - Where there is a case for it, employers can include targets for ethnic minority groups as part of their recruitment strategies. (Similarly, local authorities can include ethnic minority targets as part of wider education-to-work programmes.) In practice, targets can be implemented by regularly monitoring ethnic minority take-up and using one or more of the above means to boost numbers for under-represented groups. It is important to note, however, that targets cannot be achieved by favouring ethnic minority candidates over others in the application stage, as this would amount to positive discrimination. (Technically, according to the Equality Act, an under-represented ethnic minority candidate could be selected over a White candidate in a ‘tie-break’ situation where both candidates are equally qualified, but firms tend to avoid using this mechanism for fear of incorrectly assessing candidates as equally qualified and facing legal action from the rejected candidate (Fouzder, 2014)).

As part of our policy on targeting, and given the Government’s own 2020 target for ethnic minority employment, we recommend that all local authorities set a general target for ethnic minority youth employment (or number of NEETs) in their areas, alongside additional targets for specific ethnic minority groups where appropriate. Guidelines should also be introduced to measure the quality of employment, including targets on over-qualification levels and proportions in low pay. These targets should be tailored to the local area and should not simply rely on natural demographic trends.
The strategies for supporting ethnic minority education-to-work transitions outlined below are based on our case studies, mirroring each of the three barriers (demand side, co-ordination and supply side) outlined earlier. The first set of recommendations looks at how to encourage employers to recruit a more diverse workforce (demand side); the second looks at how to better co-ordinate employers and young people to broker opportunities (co-ordination); and the third looks at how to support ethnic minority young people (supply side).

The recommendations and examples of best practice are designed as a menu of options for local authorities to support progress towards these local labour market targets.

**Demand side**

From our interviews, local authorities identified discrimination in the local labour market as one of the hardest barriers for local policy-makers to directly influence. But as major employers (despite cuts, around 2.3 million people are employed in local government), local authorities can play an important role in leading by example. In particular, we recommend four things.

First, in order to lead by example to other local employers, **local authorities should ensure transparency about the representativeness of their own workforces**. Nottingham City Council publishes yearly performance data, including statistics on the demographic breakdown of its workforce, and who gets promotions and who takes redundancy. It also sets equality objectives on a four-year basis, including targets for workforce representativeness. We recommend that all local authorities publish annual data on their workforces on their websites, including breakdowns by staff group and seniority, and that this is compared against local population data based on the 2011 census. If necessary, regular targets should be set to improve workforce representativeness compared to the local population. This data should take account both of the ethnic composition and the skills available in the local area.

Second, where resources are available, local authorities are well positioned to manage internal placements for young local residents. We recommend that, in areas where there are high levels of youth unemployment, local authorities also run their own internal placement schemes. Schemes should be targeted depending on local employment data (e.g. measures to determine who is most at risk of being NEET), and should be specifically aimed at ethnic minority communities where the local employment data suggests this is needed.

Nottingham City Council runs two such schemes. One is an apprenticeship scheme targeted at young city residents furthest from the jobs market (including certain ethnic minority groups, young offenders, disabled people and care leavers); 41 per cent of the 2014/15 intake is ethnic minority. The second scheme is run by the provider PATRA incorporating ACDA. The ethnic minority-only scheme lasts for one year and up to 50 PATRA trainees are at the council at any one time. Trainees are placed in a range of roles including administration, horticulture, cleaning, customer service, finance and catering. In 2014/15, 77 per cent of PATRA trainees and 76 per cent of apprentices went into full employment after completing their placements (with 70 per cent finding employment in the council).

Third, local authorities can also encourage good practice in the wider business community by conducting local CV experiments to test the level of employer and agency discrimination. Experiments could be modelled on the 2009 DWP experiment (see above) to determine differences in responses from employers based on CVs with different names but with similar experience levels and qualifications. These tests should be used to engage local employers and recruitment agencies to improve their procedures and address specific issues with recruitment practices.

Fourth, as argued in Learner Drivers (Raikes, 2015) **all local authorities should use their planning and commissioning powers to require employers to recruit apprenticeships from disadvantaged groups**, as spearheaded by Nottingham City Council. In particular, where there are high numbers of disadvantaged ethnic minority youth or where ethnic minority take-up of apprenticeships is low, local authorities should use their procurement strategies to target ethnic minority groups. This can be done by ensuring that service providers with local authority contracts and developers seeking planning permission include targets for certain proportions of local ethnic minority young people as part of their apprenticeship recruitment and include transparency commitments on the ethnic make-up of their workforces.
Co-ordination

Interviewees in all three areas emphasised the importance of partnership work between the local authority and education providers, local employers, and employment service providers. Strategies should focus both on major employers and local small and medium-sized enterprises (SMEs) who often do not have the capacity to manage the administration of work placements. The local authority can play a role in facilitating relationships to broker placements for young people with local employers and provide support to SMEs with the administrative burden of recruitment.

This co-ordination work could be done through local employer hubs to connect young people to local employment opportunities. All three local authorities we spoke to run or were planning to set up initiatives of this sort. Nottingham City Council’s employer hub provides impartial advice, brokerage, and financial incentives for employers. The employer hub secured 725 placements in the 2014/15 period, approximately 25 per cent of which went to ethnic minority people. Tower Hamlets runs Skillsmatch, which aims to build bridges between employers in the Canary Wharf area and Tower Hamlets residents. Skillsmatch is billed as both a ‘comprehensive recruitment service’ for employers and as a training and coaching service for residents providing courses, CV advice, and mock interviews. Bristol City Council is also planning to set up a similar engagement hub in its Enterprise Zone, to help SMEs with work placements by providing administration, co-ordination, monitoring and feedback support.

As argued in Learner Drivers (Raikes, 2015) we also support local apprenticeship hubs (as in Nottingham) run by combined authorities (or in their absence local authorities working within local enterprise partnership (LEP) geographies) joining forces with other key actors such as Jobcentre Plus, the National Apprenticeship Service, the Skills Funding Agency, LEPs and trade unions. For areas with high numbers of ethnic minority young people not in employment, education and training and with low numbers of ethnic minority apprenticeships, we recommend setting annual targets for the proportion of ethnic minority apprenticeship starts to reflect the demographic composition of the local area. These apprenticeship hubs could be pooled together with employer hubs, as has now been done by Nottingham City Council under the banner of Nottingham City Council jobs hub (in partnership with DWP) to avoid duplication.

Some local authorities have the resources to provide financial incentives to secure work placements. We recommend that, depending on local employment data, these schemes should include targets for young people from ethnic minority communities. For example, The Nottingham Jobs Fund, a scheme targeted at unemployed Nottingham city residents, was set up in 2011 with an initial sum of £1.5 million. It offered to match employer contributions for 240 work placements over a three-year period. In July 2015, after supporting more than 850 placements, the fund was extended with a further £850,000 contribution. The fund was initially targeted at young people and included a 15 per cent ethnic minority target, though this target is no longer used as the proportion of ethnic minority participants is now well above 15 per cent.5

As we emphasised in the introduction, initiatives should not just be targeted at young people with low educational qualifications; schemes that focus on ethnic minority graduates will help to boost productivity. Nottingham City Council offers a graduate grant to local employers to subsidise graduate employee salaries (along the lines of the Nottingham Jobs Fund). The main purpose of the grant is to boost graduate retention in Nottingham, but it also provides a way of facilitating education-to-work transitions. We recommend that, where there are high numbers of ethnic minority graduates from local universities, local authorities work with universities to implement a similar graduate grant with an ethnic minority target, to support local graduate retention, productivity and university-to-work transitions.

Local authorities should also encourage education providers, and universities in particular, to engage in partnership work with employers to facilitate opportunities for their graduates. At the University of West England, the careers service runs a graduate futures programme to support students to secure a job through work placements, training, and networking opportunities. The programme is targeted at students with a widening participation profile, which includes a specific focus on ethnic minority groups. Where local employment data suggests a need, career development schemes at universities could be targeted specifically at ethnic minority groups.
Some interviewees noted that devolving further powers would provide more leverage for local authorities to support co-ordination work. For example, as argued in Learner Drivers (Raikes, 2015), **apprenticeship delivery could be more targeted if the apprenticeship grant for employers was devolved to the local or combined authority level**, and concerns about the fragmentation and poor quality of careers education, information, advice and guidance (CEIAG) could be addressed by granting combined authorities, LEPs, or local authorities a statutory responsibility over CEIAG. These greater powers could be used to target training and delivery according to local need. For example in Bristol the bus company FirstGroup is struggling to recruit bus drivers locally. Further devolved powers would make it easier to respond quickly by providing tailored skills training for local young people (e.g. support with getting driving licences). Interviewees highlighted that greater powers could also allow local authorities to invest more in English language skills where there is a high proportion of non-English speaking, newly arrived migrants.

**Supply side**

Our interviewees identified a number of local initiatives that are designed to develop skills and build confidence among disadvantaged young people to support the education-to-work transition (normally with support or involvement from the local authority). These tailored schemes typically provide long-term one-to-one support with mentors to raise aspirations and provide a personal link to the labour market.

One such scheme with a particularly strong track record is ThinkForward, targeted at schools in Tower Hamlets, Islington and Hackney. The scheme grew out of a pilot initiated by Tower Hamlets Council in 2009–2011. It uses a data-driven approach that targets pupils most at risk of becoming NEET. While the scheme does not specifically target ethnic minority groups, given the make-up of the local school populations the proportion of ethnic minority participants is high (ranging from 24.3 per cent in George Greens school to 80.4 per cent in Swanlea school, according to the latest breakdown).

The ThinkForward programme works through external experts (or coaches), who work one-to-one with pupils on careers guidance, support with application-writing, facilitation of work placements, mentoring opportunities, and emotional support such as anger management and confidence-building. Coaches are placed in school full-time and work with Year 9–11 pupils (10 per year group). Young people receive support for two further years to help with the education-to-work transition. ThinkForward also provides employment opportunities through its relationship with private equity firms and with local employers such as the East London Business Alliance and Tower Hamlets Housing. A University of Warwick evaluation of the original pilot scheme found that only 2.8 per cent of participants in the 2009/10 cohort were NEET in October 2010. This percentage is slightly higher than the percentage for the entire school cohorts, but this is a positive outcome given the participants were initially selected as being at risk of NEET (Maguire and White, 2012).

While uniformity is undesirable and all these schemes should be tailored to the local labour market and target group, from our discussions with interviewees it is clear that there are some key principles that would benefit everyone.

- **Applying a data-driven approach**
  - ThinkForward’s programme uses local data provided by schools to identify the pupils most at risk of NEET, targeting on the basis of criteria such as educational attainment, family history of unemployment, and whether pupils are careleavers or caregivers. This use of data – combined with qualitative discussions with school teachers – ensures that the programme targets those pupils most in need. ThinkForward also evaluates outcomes by looking at behaviour, attendance and attainment at 16. To identify progress in soft skills, it uses biannual pupil surveys to measure a set of seven work readiness capabilities. **We recommend that such a data-driven approach is used to identify target groups as well as to evaluate progress throughout the course of the mentoring process.**
• Providing support beyond school

  – Interviewees emphasised the importance of working with young people outside of the school environment as well as in school. But it is after leaving school when support is often most needed. Schemes should track pupils most at risk as they leave school, in order to support them as they look for work or go into further education or training.

• Matching mentors with young people

  – Mentors can serve as valuable role models for young people lacking relevant social networks in the business world. There is some evidence that pairing ethnic minority young people to mentors from similar ethnic backgrounds can help to raise self-confidence (Froy and Pyne, 2011). These schemes can help to challenge the perceptions of some ethnic minority young people that certain occupations are ‘not for them’.

• Offering services to ethnic minority graduates

  – Few of the service providers we interviewed worked with ethnic minority graduates as they made the transition from university to work. Given the significant challenge of over-qualification among ethnic minority graduates, there is a clear case for local authorities to support provision targeted at these groups as well. The nature of the support would need to be different – probably more of a focus on application writing, building networks, providing sound career advice and interview training – but would still be of value for ethnic minority graduates lacking the work experience and social networks to help them find jobs matching their skill level.

• Evaluation

  – One interviewee highlighted that in their local authority there was ‘a proliferation of initiatives [to support education-to-work transitions] that weren’t all properly joined up and not properly evaluated’. In Tower Hamlets, ThinkForward worked with the council to identify at least 200 different services for young people in the borough, many of which were unknown to the young people themselves, and now signposts young people to these local services. Local authorities should play a key co-ordinating role in identifying and organising which services young people are able to access locally to support them into work. In terms of evaluation, local authorities should ensure that all providers receiving local authority funding for education-to-work provision give ethnic breakdowns of both participant numbers and the percentages that go on to employment, in order to provide a comparison with the overall profile of the area. To effectively evaluate a programme’s success, local authorities should also ask providers to collect longitudinal data on employment outcomes of programme alumni, including length of time in work, job level, and degree of workplace progression.

Conclusions

In this Solutions paper we have developed a set of recommendations for local authorities for supporting education-to-work transitions, drawing on examples of best practice in three case studies.

Despite the substantial improvement in education outcomes across different ethnic minority groups in the past two decades, there has been only limited progress in labour market outcomes. Unemployment is still high among ethnic minority youth – particularly among Black and Pakistani/Bangladeshi young people. Moreover, even good educational qualifications are often not enough to secure good employment outcomes for ethnic minority people, as levels of over-qualification are disproportionately high. Our research suggests that specific barriers face ethnic minority young people making the education-to-work transition – from employer discrimination to a lack of role models.
We have argued for local government to lead the way in supporting the education-to-work transitions for ethnic minority groups. There are three main advantages of local initiatives over national ones: they tend to be more accountable, more targeted to local demographics, and more sensitive to local employers. Local authorities should lead on local efforts to support ethnic minority education-to-work transitions because they are well placed to co-ordinate other local actors.

Our recommendations for local authorities comprise three areas: encouraging employers to recruit a more diverse workforce (demand side); working with employers and young people to broker opportunities (co-ordination); and providing tailored support to ethnic minority young people (supply side). They include proposals to increase transparency about the ethnic composition of the local authority workforce and to encourage local contractors to do the same; to set up employer/apprenticeship hubs with ethnic minority targets; and to support targeted provision for ethnic minority graduates looking to find work.

In this paper we have profiled initiatives targeted at young people in general, at groups that may contain disproportionately high numbers of people from ethnic minority backgrounds, or at ethnic minority young people exclusively. Mainstream and targeted schemes are not mutually exclusive and the best approach should be adopted depending on the particular barriers in the local labour market and the make-up of the workforce. In particular, where employment data indicates that certain ethnic minority groups face clear disadvantages in the local labour market, targeted action should be taken.

A number of the recommendations we have made in this paper involve limited costs – including our recommendations on greater transparency about workforce diversity; using procurement to encourage employers to shift recruitment practices; and requiring existing education-to-work providers to adopt data driven evaluations with ethnic breakdowns in return for local authority support. Where there are costs involved – for example with respect to the employer/apprenticeship hubs, the internal placement schemes, and the tailored education-to-work support for ethnic minority graduates – there is a clear economic case for local authorities to invest in these schemes as part of a wider strategy to support growth, boost productivity and increase graduate retention, in line with the approach of our three case studies.

The Government’s 20 per cent employment target by 2020 for ethnic minority people is a welcome sign that ethnic inequalities will be prioritised over the course of this Parliament. Local authorities now have an opportunity to take up the mantle for supporting ethnic minority education-to-work transitions as a core element of their own local economic plans.
Appendix 1: Local authority profiles

Tower Hamlets
Tower Hamlets is one of the most diverse local authorities in the country, with a long history of migration. 54.9 per cent of the population are from ethnic minority backgrounds, and Bangladeshi people comprise the largest ethnic group (32 per cent) (ONS, 2013). Tower Hamlets has a young population and a higher unemployment rate than Britain as a whole (8.9 per cent), but its rate of economic activity is in line with the national average (77.7 per cent). The proportion of NVQ4 (and above) holders is higher than the national average (44.2 per cent) (ONS, 2015b). The percentage of students achieving 5+ A*–Cs is higher than the English average (69.2 per cent). Compared with the local authority average, there is well above average educational attainment for Asian and Chinese students and average educational attainment for Black students (DfE, 2015). However, ethnic inequality in the labour market is very high: there is a 12 percentage point gap between the unemployment rate for White people and the unemployment rate for ethnic minority people, one of the largest gaps in England and Wales (ONS, 2011).

Nottingham
28.6 per cent of Nottingham’s population is ethnic minority – the most common non-White ethnic groups are Pakistani (5.5 per cent) and mixed White and Black Caribbean (4 per cent) (ONS, 2013). Nottingham’s unemployment rate is relatively high (9.9 per cent) and its economic activity rate is below the national average (70.6 per cent). The proportion of NVQ4 (and above) holders is lower than the national average (30.8 per cent) (ONS, 2015b). The percentage of students achieving 5+ A*–Cs is well below the English average (50.9 per cent). Compared with the local authority average, there is slightly above average educational attainment for Asian students and average educational attainment for Black students (DfE, 2015). There is a 7 percentage point gap between the ethnic minority and White unemployment rate, larger than in most local authorities in England and Wales (ONS, 2011).

Bristol
Bristol has the smallest ethnic minority share of the population of our three case study local authorities (16 per cent). The most common non-White ethnic group is Black African (2.8 per cent) (ONS, 2013). The unemployment rate in Bristol is 6.8 per cent, approximately in line with the national average, and the rate of economic activity is quite high (79.2 per cent). The proportion of NVQ4 (and above) holders is high (45.6 per cent) (ONS, 2015b). GCSE results are roughly in line with the average in England and compared with the local authority average there is average educational attainment for Asian groups and below average educational attainment for Black groups (DfE, 2015). Moreover, there is an 8 percentage point gap between the ethnic minority and White employment rate – as with the other two case studies, this is higher than most local authorities in England and Wales (ONS, 2011).

In sum, Tower Hamlets is a local authority with a very high Bangladeshi population share, very strong educational outcomes for ethnic minority pupils, and yet significant employment inequalities between ethnic groups. Nottingham, by contrast, has a smaller ethnic minority share and average educational outcomes for ethnic minority pupils, alongside relatively large employment inequalities. Bristol, on the other hand, has quite a small ethnic minority share alongside relatively small ethnic inequalities in education and relatively large inequalities in the labour market.
Notes

1 Unless stated otherwise this paper uses the term ethnic minority to refer to members of non-White communities.

2 Unemployment fell from 25 per cent to 10 per cent between 1991 and 2011 for Pakistani men and from 26 per cent to 11 per cent for Bangladeshi men (aged 25 to 49). But large gaps remain – 2011 census data still indicated higher unemployment rates (and lower rates of labour market participation) for Black Caribbean, Black African, Pakistani and Bangladeshi groups, compared with the White group (Nazroo and Kapadia, 2013).

3 This is elaborated upon in an explanatory note: ‘The extent to which it is proportionate to take positive action measures which may result in people not having the relevant characteristic being treated less favourably will depend, among other things, on the seriousness of the relevant disadvantage, the extremity of need or under-representation and the availability of other means of countering them. This provision will need to be interpreted in accordance with European law which limits the extent to which the kind of action it permits will be allowed’ (Jarrett, 2011).

4 This categorisation is based on a typology outlined by the provider PATRA Inc ACTA, see http://patraeastmidlands.co.uk/about

References


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