Recessions increase racial prejudice and inequality in the UK

Press release from the London School of Economics and Political Science

Tuesday 11 March 2014

Periods of high unemployment in the UK see more people admitting to being racially prejudiced and ethnic minorities disproportionately suffering in the job market, according to new research from the London School of Economics and Political Science (LSE) [1].

The study looks at changes in self-reported racial prejudice over 27 years [2] and finds the proportion of people who said they were at least a ‘little prejudiced’ towards those from other races increased slightly whenever the economy took a turn for the worse.

The researchers found a particularly big increase in self-reported prejudice during recessions among the highly-educated. In particular, full-time employed, middle-aged White men, the group most likely to be employers or managers in the workplace, show the largest increase in self-reported prejudice.

In general, highly-educated individuals are less likely to express racial prejudice than other sections of the population. Nevertheless, the research highlights how a four percentage point increase in the unemployment rate - as was seen in the recent Great Recession – matches a 16 percentage point increase in the proportion of educated, employed White men who admitted to some racial prejudice. This is after controlling for variables such as age, education, income and gender.

For White females, the most significant increase in self-reported racial prejudice during recessions is also for the highly-educated that are full-time employed and aged 35-64. Researchers estimated a four percentage-point increase in unemployment increases this group’s racial prejudice by eight percentage points.

Dr Grace Lordan, the paper’s co-author and lecturer in health economics at LSE, commented:

“During a recession people who are normally in secure, well-paid jobs suddenly find their position under threat. Our study suggests that this increased insecurity may turn into an increase in prejudice towards ‘others’ who could be perceived as competitors.”

The research suggests this growth in racial prejudice may translate into greater inequality for ethnic minorities. Regional employment and wage data for native-born British workers show non-White individuals disproportionately suffer in terms of lower wages and poorer job prospects during recessions.

For example, based on labour force data over the past 20 years [3], the researchers estimated that when the rate of unemployment increases by four percentage points, the already existing wage gap between highly-educated Black and White men increases by about 10 per cent.

Likewise, a four percentage point rise in the overall unemployment rate leads to highly-skilled Black men being five percentage points more likely to be unemployed than highly-skilled White men.

Dr Lordan argues policy makers need to take note of this link between recessions and racial inequality,
“As well as lowering the standards of living and wellbeing generally, recessions disproportionately harm Black and other ethnic minority communities, who are less likely to be employed or fairly paid at the baseline.

“Policy makers need to be mindful of how recessions can disproportionately penalise minority individuals and should develop policies to avoid these harmful effects in the future.”

ENDS

Notes to Editors:

[2] Levels of self-reported racial prejudice are based on findings of British Social Attitudes Survey from 1983-2010.


The report authors are Dr David W Johnston and Dr Grace Lordan.

Dr David W Johnston is an associate professor at the Centre of Health Economics at Monash University, Australia. Dr Grace Lordan is a lecturer in the Department of Social Policy at the London School of Economics and Political Science. For more information contact Dr Lordan, email: g.lordan@lse.ac.uk.