United Nations Department of Economic and Social Affairs Division for Social Policy and Development

Employment Opportunities: Do Race and Ethnicity <u>Matter?</u>

Social Development Brief #3

An important step towards meeting the 2030 Agenda's aspiration of leaving no one behind is to identify who is being left behind and from what. Hoping to contribute to this discussion, the recently released Report on the World Social Situation 2016 (United Nations, 2016) examines group-based inequalities, with the focus being mainly on the disadvantages faced by youth, older persons, persons with disabilities, racial and ethnic minorities and migrants. The report's analysis shows that disparities in access to education, health care, infrastructure and employment as well as inequalities in political participation are pervasive and symptomatic of the exclusion of members of these groups.

Regarding employment opportunities, the report shows that the share of ethnic and racial minority workers in skilled -managerial, professional and technical- occupations is lower than that of workers in the majority or dominant ethnic group in a majority of countries with data. Differences in education certainly explain some of these disparities. For some groups, namely indigenous peoples and some ethnic minorities, employment opportunities are also curtailed by spatial disadvantages, as they live more often in rural, remote areas characterized by poor infrastructure and little access to off-farm work.

However, most of the occupational differences observed persist once the effect of education and other socio-demographic characteristics are accounted for. By way of example, the results of a logistic regression model shown in figure 1 indicate that, adjusting for differences in education, age and place of residence, racial and indigenous/nonindigenous occupational gaps remain significant in seven of the eight countries included. Odds ratios below 1 indicate a lower likelihood of holding a skilled job relative to that of white, non-indigenous workers.

Race has a strong effect on occupation, particularly in South Africa, where formal discrimination and denial of opportunities during the apartheid era has left a legacy or racially-embedded inequalities. The relative odds of working in skilled jobs are more than 80 per cent lower for persons of African descent as compared with Whites with equivalent levels of education in this country. Racial inequalities in occupation are also large in some of the Latin American countries shown, namely Brazil, Ecuador and El Salvador, but are much smaller in Cuba and non-significant in Costa Rica, where members of the Afro-descendant minority work as often as the white majority in management and professional positions.¹ Data show that the Afro-descendant minority suffers from occupational disadvantages in the two developed countries included in the analysis as well – that is Canada and, in particular, the United States.

Figure 1. Logistic regression coefficients of the effect of race on working in a skilled, non-manual jobⁱⁱ in selected countries



Note: The logistic regression model controls for race (coefficients shown) and also for age group, educational level and place of residence (urban, rural) as defined by each country. The coefficients shown are odds ratios; they represent the multiplicative change in the odds of holding a skilled job for persons of African descent or of mixed race with respect to white people. ***p<0.01.

Source: UN (2016), table III.1.

Indigenous status also has a strong negative effect on occupation in the countries shown, developed and developing. In Ecuador, the odds of working in a skilled job are more than 70 per cent lower for members of indigenous communities than for the non-indigenous, even when controlling for place of residence and education –the odds ratio of indigenous to non-indigenous is 0.30. In Brazil, however, the indigenous occupational disadvantage is not significant, suggesting that place of residence and exclusion from education are key factors in the observed indigenous/non-indigenous gap in occupational status in this case.

¹ In contrast to persons of African descent in other countries included in the table, most Costa Ricans of African descent do not trace their lineage to slaves but are primarily the descendants of immigrants from the English-speaking Caribbean that travelled to work as labourers on railway lines and Plantations (Andrews, 2004).

^{III} Defined as managerial, professional, technical and clerical occupations (International Standard Classification of Occupations 2008 groups 1, 2, 3 and 4). Clerical occupations include mainly insurance and real estate agents, secretaries and other office employees, clerks, bankers and cashiers. These are non-manual jobs that require some secondary education and training and are frequently performed away from home.

Figure 2. Logistic regression coefficients of the effect of indigenous status on working in a skilled, non-manual job in selected countries



Note: The logistic regression model controls for indigenous status (coefficients shown) and also for age group, educational level and place of residence (urban, rural) as defined by each country. *p<0.05; ***p<0.01.

Source: UN (2016), table III.1.

In sum, the labour market continues to make socially-driven distinctions based on race and ethnicity that should have no bearing on job opportunities or workers' competencies or skills. The report provides additional evidence of the disadvantages faced by other groups, namely persons with disabilities, youth and migrants, in accessing decent and productive jobs. Given that employment is the most effective means of reducing poverty as well as a key foundation of social inclusion and personal dignity, addressing these inequalities is key to meet the Agenda 2030's central pledge to ensure that no one will be left behind.

Although these inequalities have more than one cause, discrimination continues to play a key role in holding these groups back. The report acknowledges that ending discrimination and removing other obstacles that hinder the capacity of disadvantaged groups to participate in society are long-term goals. Beyond investing in human capital, it requires changing norms and institutions that have deep historical roots. However, failure to create the conditions for the participation and empowerment of those who are disadvantaged comes with high costs.

References

Andrews, George R. (2004). Afro-Latin America, 1800-2000. Oxford University Press.

United Nations (2016). Report on the World Social Situation 2016. Leaving no one behind: the imperative of inclusive development. Sales No. E.16.IV.1. The Social Development Brief is issued by the Division for Social Policy and Development (DSPD), in DESA. This brief was written by Marta Roig, in DSPD, under the supervision of Wenyan Yang. The views expressed are those of the author and do not necessarily reflect those of the United Nations. The Report on the World Social Situation 2016 is available at: http://bit.ly/RWSS2016 For more information, contact: roig@un.org. The brief was designed by Gabrielle Sferra.



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