Both Ethnic and Religious: Explaining Employment Penalties Across 14 Ethno-Religious Groups in the United Kingdom

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This article uses the case of the probability of being in employment among different ethno-religious groups in Britain over a period of 12 years (2002–2013) to illustrate how different degrees of labor market penalty in the United Kingdom are highly associated with the different processes of racialization they undergo in the United Kingdom. It is argued that what matters in producing the observed inequalities in the United Kingdom is the inescapable centrality of "color" (mainly blackness) and "culture" (particularly being Muslim) and the way different Muslim and black groups have been racialized. The findings of this study leave little doubt that there is a black and a Muslim penalty in the labor market, but at the same time it suggest that these penalties are not fixed but tend to vary in extent and nature.

Keywords: ethno-religious penalties, black penalties, Muslim penalties, United Kingdom, labor market.

INTRODUCTION

Despite the considerable literature on ethnic inequalities and to a lesser extent religious differences in the United Kingdom's labor market, the debate is still far from being concluded. Some new studies have pointed out that the evidence in relation to religious discrimination, including Muslims, has been somewhat inflated or exaggerated, and that internal factors, additionally to the external and structural factors, play a significant role in determining the disadvantaged position of some groups (Macey and Carling 2010). Moreover, most of the studies that have examined the ethnic and religious inequalities in the United Kingdom have not provided a convincing explanation of the ethnic and religious differences that remained after controlling for the other explanatory variables used in those studies. In fact, most of these studies have speculated about what might be the reason for the remaining ethnic and religious differences, with the majority of them agreeing that part of these differences is a result of discrimination (on racial, ethnic, and religious grounds).

Some commentators have also raised the problem of the heavy interconnection between ethnicity and religion among some groups such as Pakistanis and Bangladeshis (Platt 2011). In these cases, it is almost impossible to disentangle the effect of ethnicity from the effect of religion. For example, it is not clear whether the element in the underperformance of Pakistanis in education and the labor market is due to discrimination on the grounds of ethnicity, religion, or both. In fact, some have even argued that the underperformance of this group has little, if at all, to do with, say, Islamophobia (Malik 2005) or a particular penalty that Muslims face above

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and beyond any other group in the United Kingdom (Macey and Carling 2010). Many have also questioned the existence of discrimination against Muslims because Muslim Indians fare better than Muslim Pakistanis and Bangladeshis (Brown 2000; Macey and Carling 2010; Malik 2005), leading them to argue that the source for disadvantage lies elsewhere (e.g., class differences) and not within religious discrimination.

All of this leaves us with some unanswered questions. Do Muslim groups face a "Muslim penalty" in the U.K. labor market? Is the religious penalty consistent across all the Muslim groups regardless of ethnicity? Do other ethno-religious groups also face a "penalty" due to their race or religion? And if not, then how can we explain the persistence of inequalities between various groups and across generations?

The aim of this article is to answer the above questions drawing on new evidence from the U.K. Labour Force Survey. We argue that there are no "ethnic penalties" *per se* in the United Kingdom. What has been previously labeled as ethnic penalties (Berthoud 2000) is in fact a proxy for racial and Muslim penalties resulting from color and cultural racism (Khattab 2009; Modood 2005). All Muslim groups face this penalty regardless of ethnicity, but also all black groups face a racial "black penalty" regardless of religion. A group that faces both racial (black) and religious (Muslim) penalties (e.g., black Muslims) will face the harshest penalty and will be the most disadvantaged.

We will examine this argument by revisiting the question of ethnic and religious penalties in employment and go beyond the existing literature by using more up to date data (Labour Force Survey LFS 2002–2013) that are large enough to analyze all groups, including relatively small ethno-religious groups such as white Muslims, black Muslims, and black Christians, in addition to the more heavily studied groups such as Bangladeshis, Pakistanis, and Indians. Additionally, we include more explanatory factors compared to previous studies, which allows us to address some of the pitfalls of previous studies and improve our inferences.

The article is organized in four sections following the introduction. The literature review and some theoretical considerations are discussed and followed by the data and methods. The findings of the study will be presented in the next section, with the discussion and some conclusions presented in the closing section of the article.

RACE, CULTURE, AND THE RISE OF A DISCOURSE OF RACIALIZED ISLAM

In contemporary social interactions between people, among the most prominent and immediate features of their identities that they bring into these interactions are their physical appearance (color and other biological differences) and their culture, especially when it plays a significant role in their lives through clothing, language, and other social practices. Their color is the most visible, whereas their culture is only visible in certain situations, certain ways, and in relation to certain members of their group; for example, a black man and a white Muslim woman who wears the *hijab*. The black man does not need to say what his race is; equally, the Muslim woman does not need to say that she is a Muslim. This information is provided by the man's color and the woman's dress. Assuming now that the same white Muslim woman does not wear the *hijab*, will she be identified and treated as a Muslim, and risk facing discrimination on the grounds of her religion? This question can be highly debatable, but there is growing evidence that Muslims in Europe and the United States have been culturally racialized, to the extent that it is difficult to separate the impact of practicing Islam, appearing Muslim, or simply being a Muslim by birth, family, or community (Meer and Modood 2009).

In the United Kingdom, groups of people who are not white are deemed to be ethnic minorities.[1] Some of these groups are defined by color (primarily blacks); others are marked by national origin (e.g., Pakistanis and Chinese). Muslim immigrants belong to different races and ethnicities (including blacks, Asians, Arabs, Turks, whites, and others). Some scholars have argued that the rise of Islamophobia and the racialization of Muslims indicate an extension from biological racism to cultural racism, but on the way it connects race with Islam. For example, as Rana argues:

> Without a doubt, the diversity of the Islamic world in terms of nationality, language, ethnicity, culture, and other markers of difference, would negate popular notions of racism against Muslims as a singular racial group. Yet, current practices of racial profiling in the War on Terror perpetuate a logic that demands the ability to define what a Muslim looks like from appearance and visual cues. This is not based purely on superficial cultural markers such as religious practice, clothing, language, and identification. A notion of race is at work in the profiling of Muslims. (2007:149)

The above quotation indicates that Muslims have been racialized using not only cultural traits but also connecting them to physical traits. This means that the source of the hostile attitudes against Muslims can be understood as cultural and color racism (Modood 2005). According to this logic, it is quite possible that some Muslim groups, such as white Muslims, would be discriminated against in the labor market due to their Muslim background and the way their culture is perceived by majority group employers similarly to the case of Romanian immigrants in the United Kingdom (Fox, Moroşanu, and Szilassy 2012) due to their real or perceived culture. Fox and colleagues (2012) have pointed out that Hungarian and Romanian immigrants, although matching the nominal category of "white," have been racialized differently. The former were viewed favorably by the state's immigration policy compared to the latter. In relation to the older migrations to the United Kingdom, Khattab (2009) has argued that being white seems to have helped some groups convert their qualifications into fortunate labor market outcomes (e.g., Jews, people with no religion, and the Irish[2]); however, white Muslims with similar qualifications to the latter groups failed to reach the same occupational status. Khattab and Johnston (2013) concluded that their religion (cultural background) was more salient than their whiteness. This suggests that religious and even color groups are not fixed categories, but are dynamic, shifting and highly influenced by the way these categories are defined and perceived by the hegemonic culture and by their status within the class system (Carter and Fenton 2010; Fenton 1999; Yaish 2001).

Saperstein and Penner (2012) have illustrated this idea in the United States, arguing that the racial categories in connection to the economic inequalities in the United States are fluid and change over time. These categories are not only a determinant of economic inequalities, but also an outcome of these inequalities in that economic differences may sometimes reinforce racial categories, while members of minority racial groups may come to be recognized or perceived by others as having a different racial category as a result of a transformation in relation to their social and economic circumstances. Thus, some black people might be able to minimize the negative impact of belonging a disadvantaged racial group (e.g., blacks in the United States) if they are socially and economically successful. Using the same logic, it can be argued that some white groups can face structural barriers if their real or perceived cultures are not seen as compatible with the hegemonic culture (Fox, Moroşanu, and Szilassy 2012; Khattab 2009; Khattab and Johnston 2013).

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[1]An alternative, related conceptualization of ethnicity in the United Kingdom defines ethnic minorities as those who are not "white British" and so on this conception the Irish and Polish persons, for example, would be ethnic minorities, as probably also would be Jews (in the eyes of some, Jews are not unambiguously white).

[2]It is worth noting that historically, Irish migrants in the United Kingdom were very disadvantaged and faced severe discrimination (2000).

In the case of Muslims these categories have been interlinked as Muslims are ethnically very diverse in the United Kingdom (Peach 2006). For example, white Muslims, including a growing group of white British Muslims, belong to the majority group in terms of their ethnicity (being white). However, in terms of their faith, they belong to the Muslim community. White Muslim men and women, especially British converts and those born to ethnically and religiously mixed families, might have a strong British identity and they, in theory at least, should be treated as any other white British person. However, things can become slightly more complex when these white Muslim men and women embrace an Islamic way of life (e.g., wearing the *hijab* for women or having a beard for men), which can influence their presence within the public sphere. In these cases, it is likely that their religio-cultural identity (being Muslims) will have a greater impact on the way in which they are perceived and treated (e.g., by majority employers), than their ethno-racial identity. Another example is black Muslims. Ethnically (or racially), they belong to a group that historically has been disadvantaged and discriminated against in Britain (Blackaby et al. 1994; Daley 1998). At the same time, they belong to a faith group that is facing greater anti-group (anti-Muslim) attitudes within the public space (Allen 2005). Thus, in this study we expect all Muslim groups to face a penalty regardless of their ethnicities or racial categories. Moreover, while all black groups are likely to face a penalty due to their racial category as it still matters in the U.K. context (Macey and Carling 2010), it is the black Muslim group that encounters the harshest penalty. Next we briefly discuss the literature on ethno-religious inequalities in the United Kingdom.

Other Determinants of Employment Opportunities

Factors other than the representation of these groups within the public sphere are also at play in determining the extent and the dynamics of the penalty facing many ethno-religious groups. Some previous studies have focused on social and economic marginalization through residential segregation and spatial clustering within the urban areas. For example, Simpson et al. (2006) have found some significant regional differences in the employment circumstances of ethnic minorities. They have also found that compared with unmixed white areas, living in diverse neighborhoods has a negative impact on the employment circumstances for all ethnic minorities in these areas (see also Clark and Drinkwater 2002).

Other studies have highlighted the role of acculturation and assimilation in changing the nature and extent of employment penalties facing first-generation migrants and their descendants in the host society. Several studies have suggested that the length of stay since migration very often plays an important role in improving the employment circumstances of first-generation ethnic minorities. The key mechanisms through which the length of stay may affect migrants' economic status are linguistic competence, job experience, and cultural knowledge acquisition, which in turn can contribute to enhancing human capital (Clark and Lindley 2009; Portes and Zhou 2001).

There is no doubt that human capital, especially education, plays a very important role in determining the labor market outcomes among all workers and not only migrants or ethno-religious minorities. However, since migrants (and minorities) in general possess lower levels of human capital and education than majority groups (Duleep and Regets 1999; Mincer 1958), they are more likely to be disadvantaged in the labor market. Their labor market disadvantages mean that very often they tend to cluster in secondary labor market jobs (e.g., unstable, temporary, low-paid, and physically demanding jobs) (Bailey and Waldinger 1991; Gordon 1995; King 1974), which in turn can deteriorate their employment circumstances even further.

Ethno-Religious Categories as a Refined Measure

The above discussion paves the way to combining ethnic (or racial) categories in conjunction with religious categories in order to form more internally homogenized categories. These

categories allow us to disentangle the effects of phenotypic differences from culturally-based discrepancies when, for instance, measuring labor market outcomes. For example, the combination of the two aspects was found to be very helpful in exploring differences within the Indian ethnic group or within the entire South Asian group (Brown 2000). Thus, this approach can help yield more accurate results and conclusions when analyzing labor market outcomes within aggregated ethnic groups (e.g., blacks) or religious groups (e.g., Muslims). For the latter this approach can help us, for example, explore whether there is an overarching "Muslim penalty" (Longhi, Nicoletti, and Platt 2013).

Using information on the self-assigned religious affiliation and ethnic background, in this study we were able to define 14 ethno-religious groups. These groups will be used in the analysis to examine penalties associated with physical appearance and penalties that might stem from cultural racism. However, given what we have said above, there is a question of to what extent the differences that might be found are the result of external forces (e.g., racialization and discrimination) within groups' different behaviors and alternative strategies, or both? For example, if two ethnic groups, after having controlled for characteristics such as qualifications and geographic location, are found to have quite different levels of unemployment, how can we tell that the difference is due to the fact that one group has fewer alternative strategies to unemployment or that there is more discrimination against it? This problem particularly arises with "ethnic penalty" studies, which typically do not have data on either of these contingencies but nevertheless believe that most of whatever cannot be explained by variables contained in the data is likely to be discrimination (and not due to alternative strategies). This study is no exception; it faces the same challenge. However, the specific categorization we have applied here can slightly improve our ability to distinguish cases where the differences are a result of differential treatment. For example, if the various religious black groups experience different rates of unemployment, but all of them have higher rates than the majority white Christian group, this might indicate influences other than the alternative strategies. If it turns out that black Muslims have even a higher rate than the other black Christians, this will support our argument about the nature of expected penalty. There is no reason to suggest that black Christians have a different (and more efficient) set of alternative strategies and arrangements to deal with unemployment than those available to black Muslims.

Additionally, in this study we utilize the equations of the regression analysis to derive a measure of ethno-religious penalty (more details in the methods section) based on the predicted probabilities of being employed for each group. The penalty measure will be compared for different sets of groups on the basis of their skin color (ethnicity or racial background), religious affiliation, or regional similarities. Any differences that might be found will be further scrutinized by examining their consistency across the various comparisons.

A REVIEW OF THE EMPIRICAL LITERATURE ON ETHNO-RELIGIOUS INEQUALITIES

The vast majority of studies on labor market inequalities in the United Kingdom has emphasized ethnic differences and as such talked about ethnic penalties. Li and Heath define ethnic penalties in employment as "the net unemployment rates of the different ethnic minorities when compared with those of members of the white British majority population at a similar stage of the life cycle and with similar qualifications" (2008:280). In other words, the ethnic penalties are the unexplained residuals (as the ethnic coefficients) after controlling for some relevant explanatory variables in a statistical model, mainly regression of some kind. In the context of this study, the black and Muslim penalties are defined in the same way.

The literature on ethnic inequalities can briefly be summarized as follows: this literature generally ranks Indians and Chinese above Pakistanis, Bangladeshis, and black Africans in terms of their labor market outcomes and socioeconomic attainment (Heath and McMahon 2005; Heath,

McMahon, and Roberts 1999; Modood et al. 1997). Caribbean blacks are just above Pakistanis and Bangladeshis. The latter groups are more likely to experience long-term unemployment, are underrepresented within the professional and managerial positions, and have fewer chances of socioeconomic mobility than Indians (Platt 2005; see also Modood et al. 1997:138–43).

However, religion was not incorporated into quantitative research until the pioneering study of Brown (2000). Since then a number of studies have addressed the question of religious differences in the U.K. labor market using different data and focusing on different aspects of the labor market. The empirical evidence in relation to the religious inequalities and the "Muslim penalty" in particular is not solid or conclusive. A number of studies have precisely pointed out that Muslims tend to encounter a "Muslim penalty" in the U.K. labor market (Clark and Drinkwater 2007; Heath and Martin 2013; Lindley 2002). For example, Clark and Drinkwater (2007) have linked the disadvantage of Bangladeshis and Pakistanis in the United Kingdom and their religion. They argued that "being Muslim was associated with poorer employment outcomes for many ethnic groups and that this penalty was greater for women" (Clark and Drinkwater 2007:45). However, other studies and scholars have argued that the existence of a Muslim penalty is questionable. For example, Mirza, Senthilkumaran, and Ja'far (2007) have argued that the source for the employment inequalities between the religious groups is their socioeconomic background. In their words:

> There is little evidence to suggest a significant *direct* causal link between religion and employment discrimination. Looking at the employment statistics of all groups, it seems that socio-economic background and educational achievement exert a primary effect. (2007:68, emphasis in original)

Likewise, Joppke (2009) has rejected the claim that Islam is the reason for the employment disadvantage Pakistanis and Bangladeshis face in the United Kingdom. In discussing the labor market outcomes of Bangladeshis and Pakistanis, he suggested that "being 'Muslim' cannot be the cause of the disadvantage that Pakistanis and Bangladeshis face. Instead, it is more likely that their relative disadvantage is due to a combination of demographic and social-structural factors" (Joppke 2009:459). Similar claims have also been raised more recently by Macey and Carling (2010), but in relation to the treatment of Muslims under the anti-terror laws. They argue that there is no evidence that Muslims have been targeted by the police through the use of stop and search more than other groups. In fact, they point out following Malik (2005) that the stop and search has been predominantly directed at black people and not Asian people.

This leads us to conclude that the question of whether there is a Muslim penalty or not, or more generally, whether there is a causal link between disadvantage and religious affiliation or not, is still an open and a debatable question. This article will not only help answer this question, but also help explain why religion *per se* does not matter so much as the racialization of certain groups on the grounds of color and culture as discussed earlier. In the next section we provide information on the data and variables that have been used in this study.

DATA AND METHODS

To study the impact of ethnicity and religion on the risk of unemployment in Britain—as a measure of labor market performance—during the last decade, we pooled the April–June quarter of the Labour Force Survey for each year in the period 2002–2013. The decision has been made to use the data starting from 2002 in conjunction with our previous work that used the 2001 Census data (Khattab 2009). The year 2002 closely follows two important events: the May–June ethnic disturbances in the north of England and the 9/11 attacks in the United States. Any possible impacts of these events will probably start appearing sometime after they happened.

Table 1: Classification of ethno-religious categories

Christian White British (CWB)	Muslim Indian (MI)	Jews White British (JWB)
Christian White Irish (CWI)	Muslim Pakistani (MP)	Hindu Indian (HI)
Christian Black Caribbean (CBC)	Muslim Bangladeshi (MB)	Sikh Indian (SI)
Christian Black African (CBA)	Muslim White (MW)	No Religion White British
Other White British (OWB)	Muslim Black (MBL)	(NRWB)

The initial sample contained over a million records, but since we have restricted the analysis to people aged 19–65 the final sample has dropped to 755,791 records, still a sufficiently large sample. The Labour Force Survey (LFS) is a quarterly sample survey of households living at private addresses in Great Britain. Its main purpose is to provide detailed information on the U.K. labor market, but the LFS additionally collects detailed background information on respondents such as ethnicity, religion, date of arrival in the United Kingdom, age, nationality, and more. In what follows we describe the variables included in the analysis. The statistical description of these variables is presented in Table 1.

Dependent Variable

Our dependent variable has been measured using the LFS question on economic activity, re-coded into two categories: unemployed people (0) and people in employment, both self-employed and employees (1). Those who are economically inactive have been excluded from the analysis. Excluding the economically inactive persons does not have any significant selection bias.[3]

Independent Variables

Ethno-Religious Background
In this study we use our well-established typology of the ethno-religious classification in the United Kingdom (Khattab 2009; Shah, Dwyer, and Modood 2010). As shown in our previous published work, the typology captures the two main dimensions associated with minorities in Britain: visibility (skin color) and cultural differences (religious affiliation). This typology was derived from combining the available information on each person's ethnicity and religion. The categories included in the typology do not reflect religiosity but they do, nevertheless, indicate differences in both religion/culture and ethnicity (skin color). For example, Muslim Indians and Hindu Indians differ in terms of religion/culture, but not in skin color, as both are South Asians. Similarly, the two categories of Christian black African and Christian white Irish differ in skin color, but not religion. The final list of 14 major ethno-religious groups used in this study is presented in Table 1.

Educational Qualifications
These have been recoded into three categories; low and high tertiary (1), low and high secondary (2), and those without any qualification (3). The latter group has been used as the

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[3]We checked that by running a new analysis. We found that the estimates from the binary logistic regression model are not different from those obtained from a multinomial logistic model, which has also included the economically inactive people in the analysis. This analysis is presented in Appendix 1. However, the literature points out that a better estimation for the selection bias would be the Heckman test, but unfortunately we are not familiar with that. Although our test in Appendix 1 did not show any concerning pattern, the sample selection still might have affected the estimations.

reference.[4] Table 2 shows that the Jewish group has the highest proportion of people holding tertiary qualifications (low and high: 51 percent), followed by Hindu Indians (47 percent), Christian black Africans (45 percent), and Christian Irish (37 percent). The lowest proportion is among Muslim Bangladeshis (18 percent), Muslim Pakistanis, and black Muslims (24 percent each). The Christian white British group is only slightly better off, with 29 percent of people holding tertiary qualifications (low and high).

Length of Stay in the United Kingdom

We have derived this variable using the questions on the year of migration, country of birth, and age. Then we recoded the outcome into three categories: (1) 0 to 9 years since migration, (2) 10 + years since migration, and (3) U.K. born. This variable is a proxy[5] for a number of important influences such as the effect of language fluency plus U.K.-based education and qualifications versus overseas qualifications. As Table 2 shows, a large proportion of some groups fall within the first category of 0–9 years since migration, particularly Christian white other (48 percent), Christian black Africans (43 percent), and black Muslims (41 percent).

Age

Age was used as a continuous variable. The lowest age average is among the Muslim groups, and particularly among Muslim Bangladeshis. The highest age average is among the major white groups.

Age^2

Age^2 was used since the effect of age is unlikely to be linear.

Marital Status

This variable was coded into currently married (or live with a partner), single, and divorced or separated. Marriage rates were highest among the Muslim, Hindu, and Sikh adults and lowest in the two black Christian groups and the no religion group.

Sex

This variable was included as one of the independent variables in multivariate analysis. We coded men as 1 and women as 0. Black Caribbean Christians have the lowest proportion of men (38 percent) and no religion whites have the highest proportion (54 percent). It is worth noting that an earlier analysis in which we ran separate analyses for men and women yielded similar results in relation to the direction and magnitude of the factors' impact in relation to men and women.

Year of Survey

This variable has been included in all models as a dummy variable to control for cohort differences and over time changes but will not be presented in tables.

Region of Residence

Coded into inner London (reference), outer London, and the rest of the United Kingdom. Table 2 shows that most of the ethno-religious groups are overconcentrated in inner and outer London, whereas only 6 percent of the majority group can be found in London.

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[4]We had to combine categories together (e.g., low and high tertiary) due to small numbers in some of the groups.

[5]This variable could not be used in conjunction with generation since the correlation between them was over .90, which suggests that both are likely to be measuring the same thing.

Table 2: Independent variables by ethno-religious background (%)

	CWI	CWO	CBC	CBA	JWB	HI	SI	MI	MP	MB	MW	MBL	NRW	CWB
Gender														
Male	45	46	38	43	49	50	49	50	49	49	46	53	54	45
Female	55	54	62	57	51	50	51	50	51	51	54	47	46	55
Length of stay														
0–9 years	16	48	7	43	1	29	10	16	18	21	34	41	0	0
10 + years	73	20	33	43	6	47	43	49	45	58	40	40	2	2
U.K. born	11	32	60	14	93	24	46	35	37	21	26	19	98	98
Region of residence														
Inner London	13	12	27	28	13	8	4	10	5	44	23	29	3	2
Outer London	19	14	27	28	35	35	24	17	13	12	29	29	5	4
Rest of United Kingdom	68	74	47	44	52	58	72	73	82	43	47	42	92	94
Marital status														
Single	31	33	52	38	26	23	23	20	20	20	22	28	45	26
Widowed/separated	16	13	17	19	13	7	10	8	10	10	14	16	13	15
Married	53	55	31	43	61	70	67	72	70	69	63	55	41	59
Qualifications														
High and low tertiary	37	31	29	45	51	47	31	30	24	18	23	24	34	29
High and low secondary	45	57	60	48	42	43	51	49	49	50	52	53	56	58
No qualification	17	11	11	7	7	10	18	21	27	32	24	23	10	13
Occupational class														
Managerial/professional	50	38	38	43	64	55	35	40	28	23	32	32	43	41
Intermediate occupations	20	21	23	16	25	20	24	23	32	23	26	19	22	23
Manual occupations	30	41	39	40	11	26	41	37	40	53	42	49	36	36
Age														
Age (average)	45	40	41	37	44	39	39	38	36	34	37	36	38	44
N	2767	24399	5145	6209	2109	6577	3805	1927	8894	3165	1793	2026	129906	429371

Occupational Class

This variable has been used to take the overconcentration of some ethno-religious groups in manual occupations into account. The variable has been recoded into three categories: (1) managerial and professional occupations, (2) intermediate occupations, and (3) skilled and unskilled manual occupations. Table 2 shows that some Muslim groups and Christian white other are significantly overconcentrated within the manual occupations whereas Jews, Hindu Indians, and white Irish Christians are overconcentrated within the managerial and professional occupations.

Interaction Terms

Since the impact of some independent variables such as education and length of stay might vary between gender and ethno-religious groups, we have run a few different models with interaction terms between the ethno-religious background (and gender) on the one hand and qualifications (and generation) on the other hand. In Table 3 we only present the interaction terms that were statistically significant.

Measuring the Ethno-Religious Penalty in Employment

In order to explore the ethno-religious differences and illustrate how color (ethnicity/race) and culture (religious affiliation) are major forces at play here, we derived a measure of ethno-religious penalty by calculating the difference in the predicted probability of being in employment using the equation used to produce Model 2 in Table 3 (Carmichael and Woods 2000). The equation has been utilized twice; in the first round (presented as Model 2 in Table 3) with controlling for the ethno-religious background and all of the other independent variables (personal and human capital circumstances). We used this equation to calculate the predicted probability of being employed for each person, given ethno-religious background and personal attributes. In the second round, we applied the same equation but without taking the ethno-religious background into account in order to calculate the predicted probability of being in employment for each person given only his or her personal and human capital circumstances. The difference between these two equations is the ethno-religious employment penalty that is not explained by the individual and human capital factors included in Model 2. This penalty is likely to reflect structural barriers and differences in employment opportunities that are highly associated with discrimination (Carmichael and Woods 2000).

Unemployment Trends

Unemployment for the 14 ethno-religious groups analyzed here over the 12 years is depicted separately for males and females in Figure 1. There are two interesting observations that can be highlighted in this figure. Firstly, the six groups with the highest rates of unemployment among both men and women are Muslims and blacks, with black Muslims experiencing the highest rate of unemployment (for men and women). The second observation is in relation to the within-groups gender differences. These differences are greater within most of the nonwhite groups except for Christian black Africans and black Muslims. The gender difference (between men and women) is exceptionally high among Muslim Pakistanis, Muslim Bangladeshis, and Caribbean black Christians. While this difference is in favor of men among Muslim Pakistanis and Bangladeshis, in the case of Caribbean black Christians, the unemployment rate among women is actually lower than that among men, similarl to white Muslim and Sikh Indians.

It is quite hard *not* to see the color and cultural lines that run through the unemployment distribution as it is presented in the figure. It suggests that the groups are being sorted along the unemployment rate scale according to how dark they are (real or perceived darkness) and how compatible their culture is. However, to establish that the risk of unemployment or (as we will

Table 3: Binary logistic regression of being employed, by ethno-religious groups, LFS 2002–2013

	Model 1	Model 2	Model 3	Model 4	Model 5
Age		1.08**	1.08**	1.08**	1.08**
Age^2		1.00**	1.00**	1.00**	1.00**
Gender (male)		.85**	.71*	.85**	.85**
Marital, base = Single					
Divorced/separated		.94*	.94*	.95	.94
Married		1.92**	1.92**	1.92**	1.92**
Length of stay, base = United Kingdom					
0–9 years		.95	.95	.91	.69*
10 + years		.93	.93	.91*	.73**
Region, base = Inner London					
Outer London		1.07	1.07	1.07	1.07
Rest of United Kingdom		1.12*	1.12*	1.12*	1.13*
Education, base = No qualification					
High and low tertiary		1.89**	1.85**	1.78**	1.90**
High and low secondary		1.40**	1.20**	1.37**	1.41**
Occupational class, base = Manual					
Professional and managerial		2.14**	2.15**	2.13**	2.14**
Intermediate occupations		1.81**	1.83**	1.81**	1.81**
Ethno-religious background, base = Christian white-British					
Christian white Irish	.94	1.04	1.03	.69	1.41
Christian white other	.76**	.96	.96	1.24	.82*
Christian black Caribbean	.33**	.48**	.48**	.61*	.43**
Christian black African	.30**	.42**	.41**	.56*	.57**
Jewish white British	1.46*	1.27	1.28	2.30	1.29
Hindu Indian	.59**	.57**	.57**	1.01	.59**
Sikh Indian	.55**	.63**	.63**	.88	.51**
Muslim Indian	.44**	.57**	.58**	1.62	.47**
Muslim Pakistani	.28**	.43**	.43**	.68*	.39**
Muslim Bangladeshi	.25**	.49**	.50**	.57*	.72
Muslim white	.35**	.54**	.54**	.62	.51*
Muslim black	.17**	.38**	.38**	.62	.32**
No religion white British	.61**	.78**	.78**	.60**	.78**

Table 3: (Continued)

	Model 1	Model 2	Model 3	Model 4	Model 5
Interaction: gender x education					
Men x high and low tertiary			1.01		
Men x high and low secondary			1.31**		
Interaction: ethno-religious background x education					
CWO x high and low tertiary				.58**	
HI x high and low tertiary				.50*	
MI x high and low secondary				.25*	
MP x high and low tertiary				.63*	
MP x high and low secondary				.56**	
NRWB x high and low tertiary				1.54**	
NRWB x high and low secondary				1.31**	
Interaction: ethno-religious background x length of stay					
CWO x 0–9 years					1.76**
CBC x 0–9 years					2.39*
CBC x 10 + years					1.69**
SI x 0–9 years					3.00**
SI x 10 + years					1.73*
MP x 10 + years					1.59**
MBL x 10 + years					1.98*
Constant	22.87	1.97	2.18	2.03	1.96
Cox and Snell	.006	.019	.019	.019	.019
Chi^2	3064.04**	8289.31**	8337.98**	8413.06**	8350.84**

$N = 439,032$; *$p < .05$; **$p < .01$.

be analyzing here) the chances of being employed are associated with processes of color and cultural racialization, we need to eliminate other explanations. The following analysis allows us to control for a number of factors that might cause the above differences, and hence explain them.

Multivariate Statistical Analysis

Table 3 presents the results of five binary logistic regression models with being employed versus unemployed as the dependent variable. In the first model we include the ethno-religious background as the only independent variable and the year of survey as a control variable (the latter variable has been included in all models). In Model Two we have included all the other independent variables without interaction terms. In Model 3 we have included an interaction term between gender and qualification. In Model 4 we included an interaction term between the ethno-religious background and qualification and in the last model we included an interaction term between the ethno-religious background and length of stay.

Turning to the results from the first model, Table 3 shows that except for British Jews and Christian Irish, all the other groups are significantly less likely to be employed than the majority Christian white British. While Christian Irish are as likely as the majority group to be employed, British Jews are the only group that is significantly more likely to be employed than the majority group. The three groups with the lowest odds-ratios of employment are Muslims (blacks, Bangladeshis, and Pakistanis: .17, .25 and .28, respectively) with the two black Christian groups falling just slightly above them with .30 and .33 for Africans and Caribbean blacks, respectively. The three Indian groups have slightly higher odds-ratios than the other nonwhite groups, but they are lagging behind the other white groups (Christian white other and no religion white British). However, there are some interesting differences between the three Indian groups with Hindus having higher odds-ratios than the Muslims (.59 and .44, respectively), whereas Sikh Indians fall between them with odds-ratios of .55.

The results of the first model suggest a significant employment penalty for most of the ethno-religious groups. Furthermore, the results show that this penalty varies immensely across the groups with black Muslims facing the harshest penalty and British Jews being the most advantaged. However, these differences might be a result of differences in their individual and human capital characteristics and/or different employment opportunities (e.g., discrimination in the labor market). In order for us to examine whether these differences result from differences in personal circumstances, we control for these individual factors in Model 2.

The results of Model 2 confirm that part of the initial differences found in Model 1 can be attributed to differences in personal circumstances and human capital. With one exception only, all of the initial odds-ratios have increased, narrowing the gap between the ethno-religious minorities and the majority Christian white British to the extent that this difference has become insignificant in relation to Christian white other. Moreover, British Jews are no longer advantaged, suggesting that their initial advantage over the majority group resulted from their higher human capital, regional concentration, and occupational clustering (see Johnston, Khattab, and Manley 2015).

Furthermore, controlling for these factors has not only narrowed the minorities-majority gap, but also the differences between the ethno-religious minorities. For example, Hindu Indians and Muslim Indians have the same odds-ratios (.57) and the two black Christian groups are very similar to Muslim Pakistanis and Bangladeshis. Except for white Muslims and "no religion" British whites, all of the other white groups have odds of being employed that are similar to those of the majority group.

The other independent variables in Model 2 appear to operate in the expected direction. Age increases the odds of being in employment; men versus women and divorced/separated people versus single people are less likely to be employed but married people are more likely than single people to be so. Although the odds of those who have spent 0–9 years and those who have spent 10 + years in the United Kingdom since migration have slightly lower odds than those born in the United Kingdom (.95 and .93, respectively), these results are not statistically significant. Living in outer London and especially in regions other than inner London seems to increase the odds of employment. This might be an outcome of the very high concentration of minorities within

London, which intensifies the competition over jobs between migrants and other minorities in inner London. Holding a tertiary or a secondary qualification (high or low) versus no qualification significantly increases the odds of being employed. Likewise, attaining an occupation within the managerial and professional category or within the category of intermediate occupations seems to significantly increase the odds of being employed relative to manual occupations. This suggests that workers in lower classes are more vulnerable than their counterparts in the upper classes, as has been demonstrated in many previous studies (Erikson and Goldthorpe 1992).

In Model 3 we included an interaction term between sex and education. The results of this model show that men holding secondary qualifications have better chances of employment than those without any qualification. However, women seem to preserve their advantage over men within each level of education. Furthermore, we have included an interaction term between the ethno-religious background and education in order to examine whether the impact of education on the likelihood of being employed varies across the ethno-religious groups. The results of this analysis, which are presented in Model 4, show that only no religion white British increase their chances of employment by obtaining secondary and postsecondary qualifications. Other ethno-religious groups do actually receive lower value for their secondary and postsecondary (tertiary) education, particularly Christian white Irish, Hindu Indians, Muslim Indians, and Muslim Pakistanis. The finding in relation to the lower value of education among Christian white British is in line with some recent evidence on the overqualifications of Eastern European migrants in the United Kingdom (Johnston, Khattab, and Manley 2015).

The last model in Table 3 presents the results of an interaction term between the ethno-religious groups and the length of stay in the United Kingdom. The main effect of the length of stay operates in the expected direction. People who have migrated to the United Kingdom are less likely to be employed than those born in the United Kingdom. Furthermore, the odds-ratios of those lived in the United Kingdom between 0–9 years since migration are slightly lower than the odds-ratios of those who have lived in the country for $10+$ years (.69 and .73, respectively).

Unexpectedly though, the interaction term shows that members of some ethno-religious groups who have migrated to the United Kingdom are more likely to be employed than their group's members who were born in the United Kingdom. This result is most evident among Christian white other, Caribbean black Christians, Sikh Indians, Muslim Pakistanis, and black Muslims. It is possible that those minority members who were born in the United Kingdom have higher employment expectations (e.g., in terms of occupational rank and pay) and therefore do not accept any job and at times prefer to be unemployed over accepting any job, especially if the pay and the required qualification is below what they would normally expect given their human capital. Migrants might be aware of their relative disadvantages in the labor market, including language difficulties and human capital deficit, which makes them lower their initial expectations and accept any job. Equally, some migrants might have moved to the United Kingdom after securing a job, and if they lose it or their contract comes to an end they leave the United Kingdom.

Looking at the magnitude of the coefficients associated with the main effect of the ethno-religious background in Model 5, we can clearly see that there are major differences between the groups. The results provide a strong sense that these differences are associated with color and culture (religion). For example, most of the nonwhite groups face a significant penalty in employment, and out of these groups, some Muslim groups face the harshest penalty. In order to explore these differences further, we present the measure of ethnic penalty (discussed earlier) using Figures 2 to 6. In each figure we compare the difference in the predicted probabilities of being in employment among the majority Christian white British to that among a number of groups sharing the same culture or religious affiliation, same color or the same ethnicity, or geography (e.g., South Asians). It is worth noting here that we have examined the statistical significance of the between-group differences (averaged for the entire period 2002–2013) using the ANOVA procedure. The overall F statistics was statistically significant and *post hoc* tests for

Figure 1
Unemployment* rate by ethno-religious background and sex
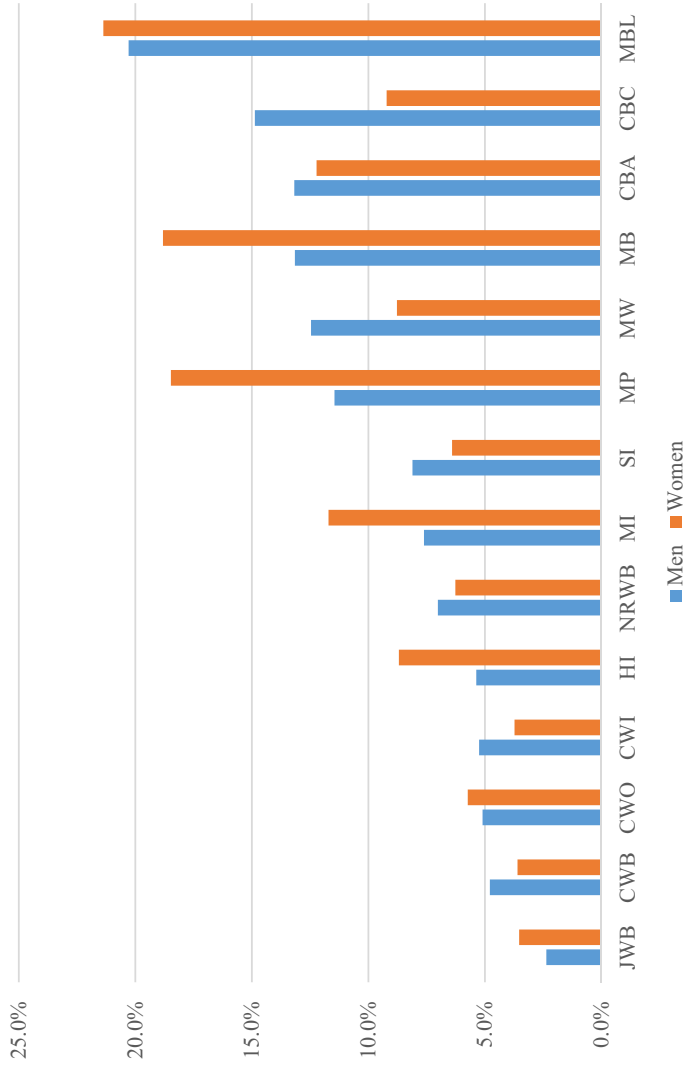
*Of the economically active (economically inactive people are excluded).
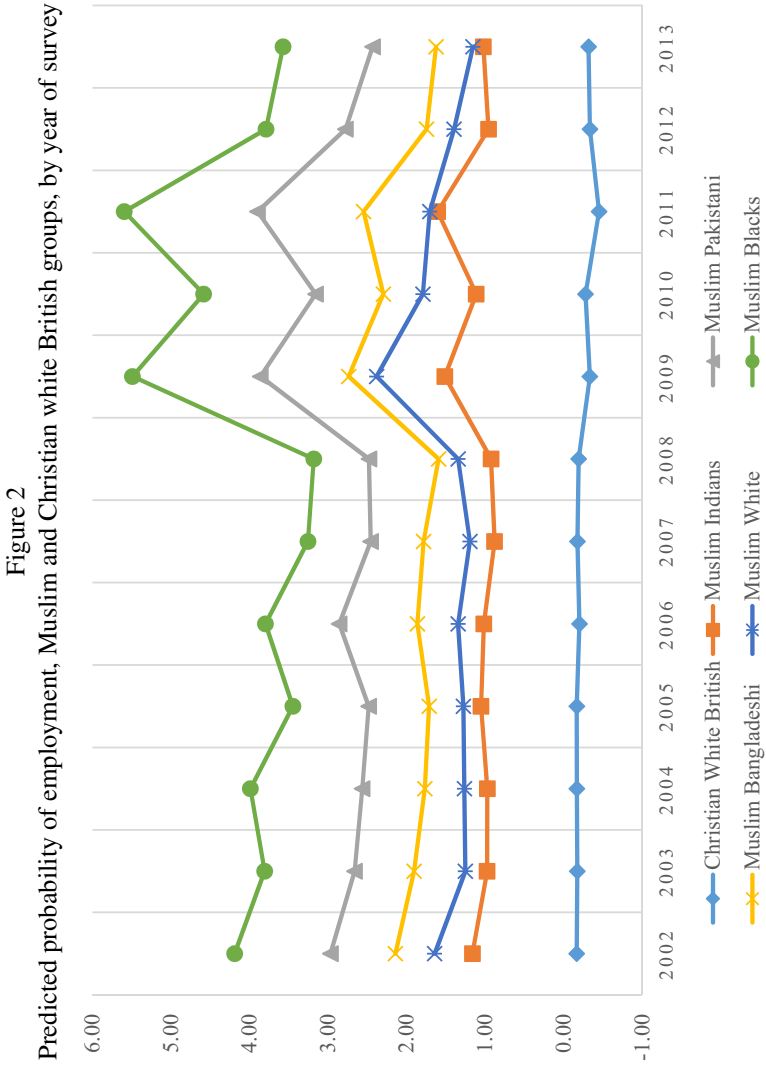
Figure 2

Predicted probability of employment, Muslim and Christian white British groups, by year of survey

Note: The between-group mean differences across the period are statistically significant.

Figure 3
Predicted probability of employment, black and Christian white British groups,
by year of survey
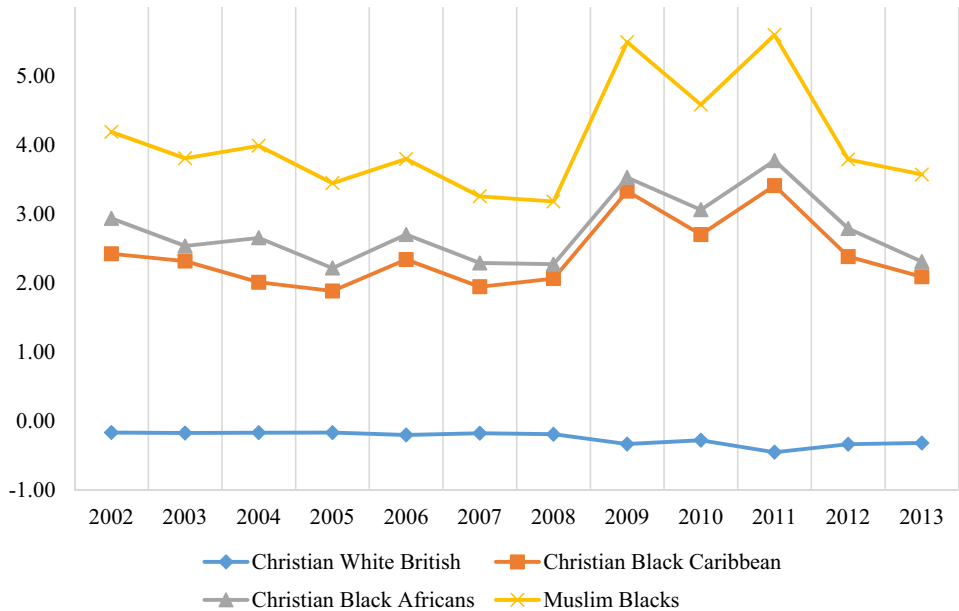
Note: The between-group mean differences across the period are statistically significant.

the multiple comparisons has shown that all of the differences were statistically significant. These results are not shown here due to space constraints, but will be made available upon request.

Figure 2 shows that all Muslim groups seem to face a penalty. However, of these groups, black Muslim have the largest ethno-religious penalty followed by Pakistanis. Muslim Indians face the lowest penalty, even compared to white Muslims, whereas Bangladeshis fall somewhere between Indian and white Muslims on the one hand and black Muslim and Pakistanis on the other hand. While this penalty was stable between 2002 and 2008, it has been exacerbated between 2008 and 2010, most likely as a result of the economic recession. However, from 2011 onwards there seems to be a decline in the penalty for all of the Muslim groups.

In Figure 3 we reach the same conclusion in relation to black Muslims. All of the three black groups face a penalty, but black Muslims seem to experience the toughest one. Moreover, the penalty facing black Muslims has even worsened more rapidly during the recession between 2008 and 2011.

Figure 4 compares the probability of being in employment among the South Asian groups to those among Christian white British. Hindu, Sikh, and, to lesser extent, Muslim Indians share the same pattern more or less. They seem to experience a lower penalty than Bangladeshis and Pakistanis. The latter two groups not only have a greater penalty across the period, but this penalty has been intensified even further during the recession.

However, looking closely at the three Indians groups shows that Muslim Indians tend to have a slightly higher penalty than the other two groups. It also shows that this penalty has increased more dramatically during the recession. Given that the other two disadvantaged groups are Muslim too, it is inevitable to conclude that South Asian Muslims face a greater penalty than the other South Asian groups.

Figure 5 presents the ethno-religious penalty among the white groups across the different religions. Of all the white groups, white Muslims and no religion white British seem to face a

Figure 4
Predicted probability of employment, South Asian and Christian white British groups, by year of survey
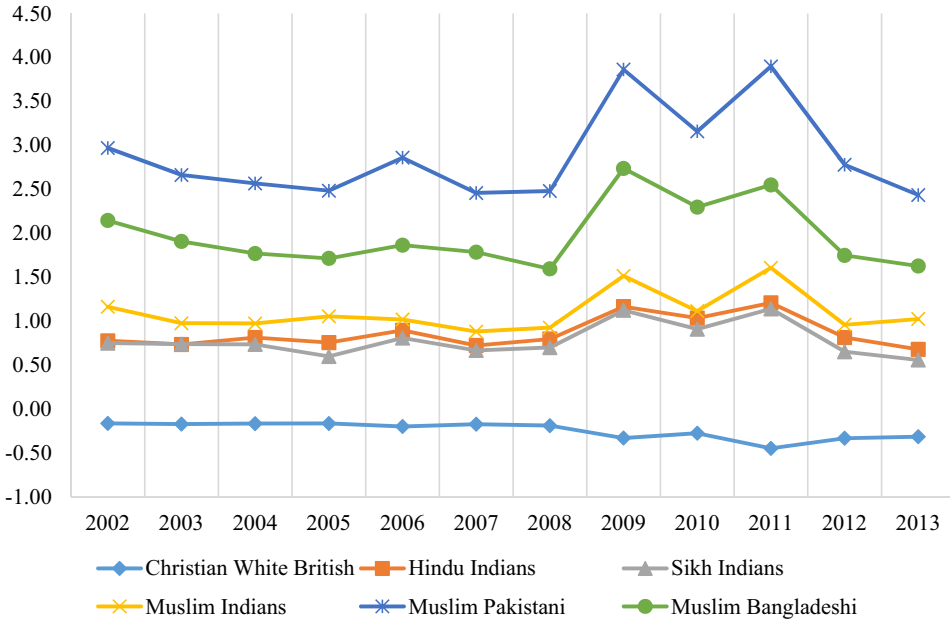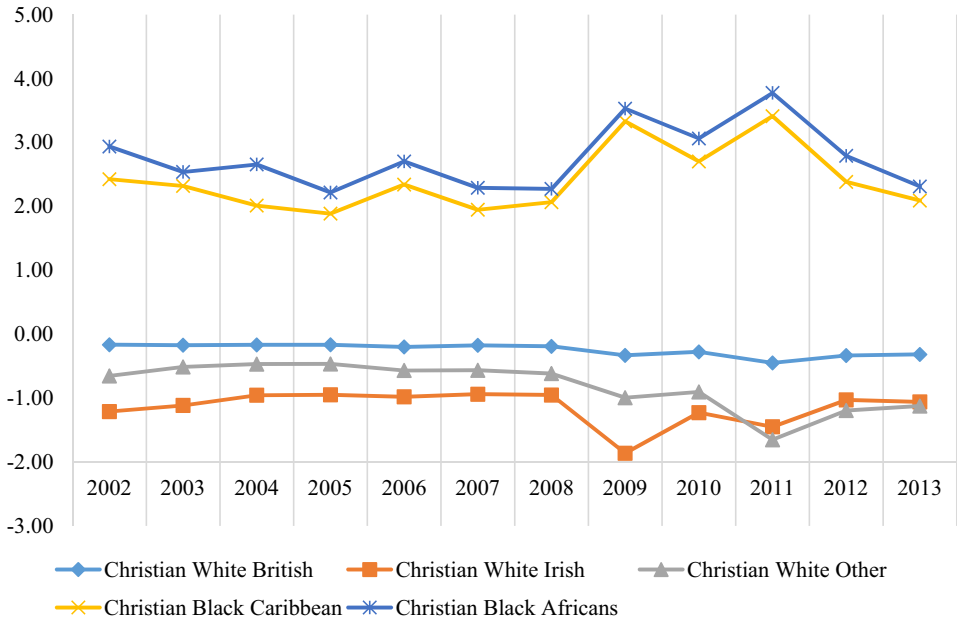

Note: The between-group mean differences across the the period are statistically significant.

Figure 5
Predicted probability of employment, white groups, by year of survey
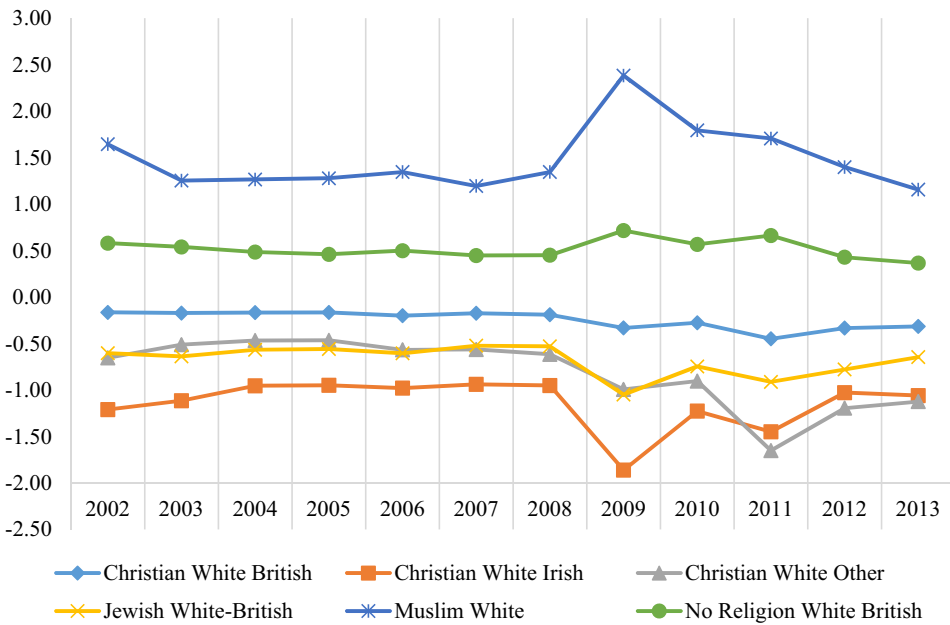
Note: The between-group mean differences across the period are statistically significant.

Figure 6
Predicted probability of employment, Christian groups, by year of survey

Note: The between-group mean differences across the period are statistically significant.

penalty. However, this penalty is larger among white Muslims, and it becomes even higher during the recession between 2008 and 2010. None of the other white groups seem to face any penalty.

In Figure 6 we can see an illustration of the black penalty. Of all of the Christian groups, only Caribbean and African black Christians face an exclusive penalty that none of the other Christian groups appear to experience. This suggests that blacks in the United Kingdom are likely to face some difficulties in finding jobs that are not due to their human capital, place of residence, or other personal circumstances.

The figures have clearly demonstrated that the labor market differences between the various groups are highly linked to their color as distinctive racial groups and to their (perceived) faith or religion. In the next section we discuss some of these findings and their theoretical implications.

DISCUSSION AND CONCLUSIONS

In this article we argued that ethnic penalties in the U.K. labor market are a proxy for other forms of penalties and that using the term "ethnicity" or "ethnic penalties" does not provide a good understanding of the dynamic of inequality or its nature. In fact, using the term "ethnicity" in the way it has been institutionally used in the United Kingdom would mask the real forces at play here.

The data presented here clearly show that there are significant differences between the groups studied in relation to their ability to improve their employment. These differences cannot be explained by qualifications, length of stay in the United Kingdom, place of residence, occupational segmentation (occupational class), age, or marital status. All of these factors have been controlled for; therefore, the observed significant differences have to be associated with factors other than those used in the analysis.

Thus, we argue that the explanation for these differences and for the differential penalties lies within the different racialization processes that these groups have undergone in the United Kingdom. For example, this study has shown, as hypothesized, that all nonwhite groups face a penalty that is likely to be associated with their visibility (skin color), confirming some previous studies in relation to the color and racial discrimination in the United Kingdom (Blackaby et al. 1994; Daley 1998; Macey and Carling 2010). Of the nonwhite groups, Muslims faced a greater penalty, with black Muslims facing the highest penalty. This supports the conclusions of some previous studies in relation to the existence of a "Muslim penalty" in the U.K. labor market (Heath and Martin 2013; Khattab 2009; Lindley 2002). However, not all the Muslim groups, and not all the black, groups face the same level of penalty. For example, white Muslims face a penalty that was greater than that among Muslim Indians, but lower than the penalty facing the other Muslim groups. Additionally, in the comparison between the white groups, white Muslims stood out as almost the only group that faced a substantial penalty. It is worth noting though that no religion white British also face a penalty, but it is relatively low and surely lower than that facing white Muslims.

This finding is very interesting. As a white group, white Muslims (and even to a greater extent no religion white British) should not face any penalty. Do they pay the "cost of not being Christian" as pointed out by Model and Lin (2002)? Have they been perceived as less "culturally" white as in the case of Romanian immigrants in the United Kingdom (Fox, Moroşanu, and Szilassy 2012). While the data presented here do not provide a solid answer for these questions, the overall evidence so far suggests that the observed employment penalty against these groups might indeed be based on religio-cultural grounds.

Furthermore, the findings presented here reveal that the penalty many groups face in the United Kingdom is of a hierarchal nature. This hierarchy seems to be highly determined by the color (ethnic/racial) and religion (culture). For example, when we looked at Christian groups only, black Christians were the only group to face a significant penalty. But when we examined the black groups, all of them seem to face a penalty, with black Muslims appearing to face the severest penalty.

If you are a Muslim in the United Kingdom, you are likely to face a penalty regardless of your color or geography. If you are a Christian in the United Kingdom, you are not likely to face any penalties unless you are black. If you are white you will also be protected unless you are a Muslim or to a lesser extent atheist (have no religion). The penalty will peak if you are a Muslim and black. However, because the different ethnic Muslim groups experience different levels of penalties and the different Christian groups experience different penalties, this might suggest that the racial or religious group boundaries (or membership) *per se* are the sole determining factor driving the observed inequalities (penalties). Otherwise, we would have seen that all Muslim groups face the same level of penalties and that all nonwhite groups (particularly blacks) experience similar penalties. This lends support to the argument that religious or even color groups are not fixed categories, but are dynamic, shifting, and highly influenced by the way these categories are defined and perceived by the hegemonic culture and by their status within the class system (see also Fenton 1999; Saperstein and Penner 2012; Yaish 2001). However, this finding might also be explained by the ways through which different groups respond to events like unemployment. Some groups might try to minimize the risk of unemployment by turning to self-employment (Modood and Khattab 2015), accepting part-time jobs, or taking jobs that are not commensurate with their real qualifications (Johnston, Khattab, and Manley 2015). Other groups might accept the status of unemployment, while looking for a new job. It is possible that all Muslim groups, for example, face the same penalty level (or discrimination) but some of them respond differently.

If the argument of shifting racial and ethnic categories is true, then the question that one should be asking is how and under what conditions this might occur. No doubt that answering these questions will make a significant contribution to our understanding of the relationship between inequality and racial and cultural racialization in the United Kingdom and in other countries.

Future research will help answer such questions by looking at longitudinal data, but for the time being, this study concludes that what matters in producing the observed inequalities in the United Kingdom is the inescapable centrality of color (mainly blackness) and ethno-religiousness or ethno-religious racialization (particularly being Muslim) and the way different Muslim groups and black groups have been racialized.

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SUPPORTING INFORMATION

Additional supporting information may be found in the online version of this article at the publisher's website:

Appendix S1. A Comparison of Employment Estimates Obtained from Multinomial and Binary Logistic Models