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## **Discrimination against ethnic minorities in Britain: why did racial discrimination increase from 2010 to 2015?**

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**ABSTRACT:** *This paper investigates the extent to which ethnic minorities face discrimination in the British labour market. It uses data from 'Labour Force Survey' and 'British Social Attitudes' surveys, from 1983 to 2014. Several kinds of discrimination are assessed – including the chance of finding paid work, and wage-rates for employees. This paper considers how far Britain's labour force is 'meritocratic' (i.e. unprejudiced). This paper considers the possibility suggested by Charteris-Black (2006) that Conservative governments may have increased racial prejudice; empirical evidence from 1979 to 1997, and from 2010 to 2015, are used to assess this question.*

**Keywords:** *Britain, discrimination, labour market, racial prejudice*

### **I. INTRODUCTION**

Racial discrimination is inequitable and inefficient. Economists generally advocate 'meritocracy': employment decisions should ensure the most appropriate (talented) person will get each job. If an orchestra refused to hire ethnic minority musicians, the choice of performers would be restricted – hence a prejudiced orchestra would tend to give lower quality performances. Prejudice is a form of 'externality': one person's prejudice affects others, without compensation. Externality indicates market failure, and may justify government intervention. Race discrimination harms customers, shareholders, and ethnic minority workers.

This paper assesses the extent to which some groups of people experience discrimination according to their ethnic or religious background. Previous research indicates that in Britain, people in ethnic minorities tend to earn less than white people, controlling for factors such as education (Thwaites, 2014). These earnings differentials may arise from wage differences between employees doing the same job (McNabb & Psacharopoulos, 1981); or from ethnic minorities being kept in less-skilled, and hence lower-paid, jobs (Stewart, 1983: 540); or from greater unemployment among ethnic minorities (Nord & Ting, 1994: 978).

According to many neoclassical economists, we do not need anti-discrimination laws because market forces will drive out prejudice – firms refusing to hire ethnic minority workers will not hire the cheapest labour, and hence lose market share to non-discriminating firms (until no discrimination remains). However, more recent economic analysis emphasise labour market imperfections, and suggest government intervention is needed. Some of these ideas are discussed in this paper, but there is insufficient space to report all relevant literature. The remainder of the paper is divided into a literature review; then explanation of data & methods; followed by results (evidence of inequality; evidence of racial prejudice; and possible reasons for increasing racism).

### **II. LITERATURE REVIEW**

Neoclassical economic theory includes the 'efficient markets hypothesis', which implies free markets work efficiently. In this view racial discrimination, if it occurs, is temporary (Rodgers, 2006: 45). If some firms use racial discrimination whilst others do not, a non-discriminating firm can cut labour costs by hiring ethnic minorities; firms refusing to hire ethnic minorities must pay higher wages. Non-discriminating firms undercut discriminating firms; rational consumers buy from cheaper firms, until all discriminating firms are forced out of business (Mason, 1999: 294).

Several schools of economic thought reject neoclassical economics, and describe theories which predict discrimination. Harford (2010: 177) distinguishes between "rational racism" and "taste-based discrimination" (bigotry). Rational and irrational discrimination both harm society, by preventing meritocracy; rational racism seems harder to prevent, because it may be in a firm's interests to

discriminate. One type of ‘rational’ racism is employees discriminating against immigrants (this discrimination may not be limited to people with a different skin colour). Immigration in the UK in the 1950s is thought to have caused unemployment (Rhodes & Braham, 1981: 382), ignoring benefits from immigration. Workers could interpret high unemployment as excess supply of labour: “in difficult times, public attitudes to migration harden, as migrants are increasingly seen as competing with native workers for limited jobs and public resources” (Marangozov, 2014).

The previous paragraph described ‘rational’ reasons why discrimination may happen; but perhaps humans are only rational up to a point. The ‘bounded rationality’ approach claims people don’t have enough information to make optimal choices, so they use rules-of-thumb. Employers may use skin colour as a proxy for education, if black workers are less educated because they underinvest in education in response to lower wages, or due to “premarket discrimination” from unequal access to education (Haagsma, 1998: 341). Such behaviour by employers is a form of ‘statistical discrimination’: it may harm people in an ethnic minority if that minority has low education levels, because employers may use it to decide which job applications to assess. Statistical discrimination can be understood from an experiment by Fryer, Goeree & Holt (2005), which randomly split students into ‘employers’, ‘green’ workers, and ‘purple’ workers. In stage 1, each worker decided whether to buy ‘education’. Stage 2 was a dice throw, loaded in favour of educated workers. Stage 3 was the hiring decision – each employer had two pieces of information on each worker: their test result (related to their education), and whether they were ‘green’ or ‘purple’. The three stages were repeated 20 times; the computer program revealed previous average test scores and hiring rates for greens & purples. Employers gained by hiring educated workers, or lost by hiring uneducated workers; workers were paid if they were hired. In round 1, employers looked only at test results when deciding who to hire. From round 2, employers had evidence – by chance, more greens than purples gambled on education in round 1. Employers found greens more likely to invest in education, so they hired more greens than purples. With information on hiring, greens kept investing in education – whereas purples did not. Greens were generally more educated; purples abandoned hope of being hired, and stopped paying for education. When this spiral set in, colour-blind employers would earn less than employers choosing workers by colour.

Irrational or ‘taste-based’ discrimination – which Harford (2010) called bigotry – may prevent some employers from hiring ethnic minorities. Gary Becker claimed that some people have a ‘taste for discrimination’; such preferences could apply to managers or customers. In ‘principal/agent’ theory (Maskin & Tirole, 1990), objectives of a ‘principal’ (e.g. shareholders) are often different to those of an ‘agent’ (e.g. manager); prejudice by managers may prevent firms from hiring the best staff, damaging the interests of shareholders. According to Holzer & Ihlanfeldt (1998: 835), Becker’s approach suggests that racial discrimination may persist for a long time.

In Schelling’s (1971) ‘chessboard model’ analysis, “A very small preference not to have too many people unlike you in the neighbourhood, or even merely a preference for some people like you in the neighbourhood [...] could lead to such very drastic [...] results that look very much like extreme separation”. Schelling implied that segregation isn’t evidence of hatred: all it takes is a mild preference for a person not to feel ‘outnumbered’. But segregation seems almost inevitable, and the consequences are severe. Ethnic groups locating in different parts of a city such as London may have implications for the labour market: commuting from Brixton (with a large Black/Afro-Caribbean community) to an area with more jobs takes time and money for employees; and firms may prefer to hire people living near the workplace, to reduce lateness from traffic delays. To distinguish effects of supply from demand in labour markets, Holzer controlled for the distance from each person’s home to where a job was available; he found evidence of prejudice among employers (Rodgers, 2006: 84).

There are other possible reasons for wage inequalities between groups. Ichino (1998: 304-5) discusses ‘asymmetric information’: workers are less familiar than employers with employment laws, and firms may find it profitable to pay less to some groups of employees. Discrimination may also reduce the chance of some groups being hired; faced with discrimination, some people may give up on job searching. Heslin, Bell & Fletcher (2012: 840) define ‘discouraged workers’ as people “who want to work but have ceased looking because of labor market-related reasons such as discrimination”. Unemployment may lead discouraged workers to seek post-school education (Bradley & Lenton, 2007: 303). But Harford (2010: 177) suggests victims of discrimination may give up on education: “Why bother to get a degree or work experience if you are young, gifted and black? Employers won’t even notice.” Taylor & Rampino (2014: 664) found that in periods of high unemployment, British children with less-educated parents reduce their aspirations, and education performance tends to worsen. Discrimination hurts ethnic minorities directly, by denying them opportunities; and indirectly, by sapping their incentive to aim high. ‘Rational’ and ‘bigoted’ racists reduce incentives for black students to become qualified – rational racism is self-perpetuating: bigotry deals a further blow, by reducing the chance of employment and discouraging education.

Moving from theory to evidence, racial prejudice has been reported in Britain (Simister, 2000), including universities (Simister, 2011). Communities and Local Government (2010: 11-12) found “some historic challenges remain, such as the continuing ‘ethnic penalties’ faced by particular groups in the labour market – in other words a worse outcome which cannot be explained by education levels, age or where a person lives. There are complicated causes for these challenges which vary greatly between individuals but may include direct and indirect discrimination”. Clancy (2012) studied 2,000 UK adults, and found about one-third of them “admitted regularly making comments or being involved in discussions which could be considered racist”. The ‘*British Election Study*’ surveys (Butler & Stokes, 1974) investigated dislike of immigration from 1963 to 1970: they asked “*Do you think that too many immigrants have been let into this country or not?*” (wording varied slightly between surveys). Attitudes to immigration were linked to prejudice: a quarter of the people interviewed felt strongly enough to go beyond the ‘closed’ question – commenting on their hostility to immigration of ‘coloured’ people (Butler & Stokes, 1974: 303).

Researchers have carried out experiments where equally-suitable people applied for advertised jobs: Guryan & Charles (2013) refer to this method as ‘callback studies’. At least a third of private-sector employers discriminated against Caribbean, or Asian, applicants – or

both. This continued since the 1960s (Modood, 1997: 144): “Objective tests suggest that the proportion of white people who are likely to carry out the most basic acts of discrimination has been stable at about a third for several decades” (Modood, 1997: 132). Research on attitudes of managers reported in Rodgers (2006: 61-90) show prejudice against black & ethnic minority job applicants. Bertrand & Mullainathan (2004) performed an experiment in USA, obtaining 5,000 CVs based on real documents. They graded some CVs as high-quality, others as lower-quality. They then randomly assigned a person’s name to each CV: some CVs had distinctively black names, other CVs were given white names (based on a survey of people’s perception of names), and sent CVs to over 1000 adverts in the ‘Boston Globe’ and ‘Chicago Times’. Any difference in employers’ responses to the CV could only be attributed to the applicant’s name: job applications from people with (apparently) white names got 50% more invitations to interview. “Discrimination in the workforce continues to exist in Britain, where certain groups – for example, women, disabled people, and ethnic minority groups – are underrepresented or underpaid” (Thwaites, 2014).

Summarising previous evidence, Guryan & Charles (2013: F424) claim economists have shown that discrimination occurs (i.e. rejected the neoclassical analysis discussed above); hence, “it was natural to begin to ask how discrimination affects wages [...] Is discrimination in markets better described as taste-based discrimination, or as statistical discrimination?”

Since World War 2, immigration helped the UK economy grow; but by the 1960s, there was hostility to immigration (Butler & Stokes, 1974: 303). UK governments tried to reduce such hostility: controlling immigration, but trying to protect migrants already in UK (Solomos, 1989: 35). The 1965 and 1968 Race Relations Acts were intended to provide fairness for ethnic minorities (Wainwright, 1979: 46), but did not have sufficient measures to enforce equal treatment (Solomos, 1989: 36). The 1976 Race Relations Act established the Commission for Racial Equality (CRE) to enforce anti-discrimination legislation (Wainwright, 1979: 46); but losing cases in Judicial Review in 1982 & 1984 created a legal minefield for CRE, and neutralised the 1976 Race Relations Act (McCrudden, Smith & Brown, 1991: 284). Laws since 1984 include the Race Relations (Amendment) Act 2000; the Equality Act, 2006; and the Equality Act 2010. Aston et al. (2006: 172) state “Those experiencing unfair discrimination are generally unlikely to protest, as discriminators are often supported by processes and institutional cultures which perpetuate inappropriate behaviours. The literature suggests that many of those who experience unfair discrimination will not do anything in response. Some will seek advice, but if this fails, very few will pursue a resolution. Those who do pursue grievances, either internally or through the Employment Tribunals Service, often perceive a significant risk to their current employment status and future career prospects.”

Blinder et al. (2013: 851) claim extreme anti-immigration views in BNP and UKIP parties are seen as unacceptable by many Britons, but the Conservative party is generally seen as acceptable. Could Conservatives make racism seem acceptable? Charteris-Black (2006: 564) reports that before 2003, only extreme right-wing parties such as the British National Party announced their hostility to immigration in their manifesto, but in 2005 the Conservative party also began to focus on immigration because “Poor performance by the Conservative Party in the previous two elections meant that it could no longer rely on traditional Conservative policies”. Even before 2005, the Conservative party had a reputation for racism, such as Enoch Powell’s “Rivers of blood” speech (Charteris-Black, 2006: 566), and Conservative party members wearing ‘Hang Nelson Mandela’ t-shirts (Dorey, 2007: 145). In 1964, a Conservative candidate was associated with the slogan ‘If you want a nigger neighbour, vote Liberal or Labour’ (Hansen, 2000: 132).

Text analysis suggests associations between ‘immigrant’ and ‘illegal immigrant’, and between ‘illegal immigrant’ and ‘terrorist’ in speeches in 2005 by the then Conservative Party leader Michael Howard (Charteris-Black, 2006: 574). Before the 2010 general election, the Conservative Party committed itself to dramatic reductions in migration into UK (NatCen, 2014). The Conservative/Liberal Democrat administration from 2010 to 2015 limited options for foreign students in UK, and their employment options in Britain on graduation; imposed new restrictions on people looking to bring family members into UK; and changed labour migration rules to limit the number of work permits issued to non-EEA workers looking to migrate to Britain (NatCen, 2014). An organisation hired by the Home Office sent emails and text messages to many migrants who were in UK lawfully, telling them they should leave immediately (Webber, 2014: 88). In 2013, the Home Office hired vans to drive around six London boroughs, with billboards which read “Here illegally? Go home or face arrest” – in response, Liberty commissioned similar vans with the message “Stirring up tension and division in the UK illegally? Home office, think again” (Cooper & Perkins, 2015: 25). Webber (2014: 86) claimed “The coalition government appears determined to introduce legislation which will both accelerate the curtailment of foreigners’ rights to healthcare and rented accommodation while implicating those who work in the health sector and those who provide housing to act as extensions of the UK’s border police – with criminal sanctions for private landlords who house undocumented migrants”. Hence the coalition government from 2010 to 2015, which was dominated by the Conservative Party, appears to have been hostile to ethnic minorities.

### III. DATA AND METHODS

This paper uses data from ‘*British Social Attitudes*’ surveys (NatCen, 2014), which sample thousands of people each year since 1983 – sampling designed to be representative of the British population aged 18 or over in private households (excluding north of the Caledonian Canal, to reduce costs). Since 1993, the BSA sampling frame is the ‘Postcode Address File’. BSA use multi-stage sampling (postcode sectors selected systematically; three equal-sized strata chosen in each sub-region; 26 addresses selected in each sector or group of sectors). The interviewer chose a respondent using a computer-generated random selection procedure. This paper uses all BSA surveys available (at the time of writing): from 1983 to 2013. For this paper, BSA respondents are classified as ‘managers’ if their job is ‘Employer - large organisation’, ‘Manager - large organisation’, ‘Employer - small organisation’, ‘Manager - small organisation’ or ‘Farmer - employer/manager’.

This paper also uses data from the ‘*Labour Force Survey*’ (LFS) carried out by the UK government; quarterly surveys are available from 1992; annual LFS surveys are also used, from 1984 to 1991. We use all LFS surveys from 1984 to the most recent data available at the time of writing: October-December 2014. LFS includes people who are unemployed; and people not seeking paid work, such as housewives /househusbands. For this paper, respondents under 16 and people from Northern Ireland are excluded from analysis (BSA exclude Northern Ireland). LFS surveys include very large samples, as shown in Table 1. Ethnicity is ‘self-reported’: BSA and LFS interviewees were asked which ethnic group they belong to. In some surveys, more detailed ethnic groups are reported – for example, some LFS surveys distinguish between ‘black African’ and ‘black Caribbean’ and ‘other black’ (for this paper, they are combined into ‘black Afro/Caribbean’). Table 1 reports the sample-size of ethnic groups. The remainder of this paper simplifies ethnicity to just three categories: white; Asian (comprising Indian, Pakistani, Bangladeshi, Chinese and other Asian) and black Afro-Caribbean. Categories ‘mixed race’ and ‘other ethnic group’ are not used in charts in this paper.

Race prejudice is assessed using the BSA question ‘Self-rated prejudice’ (on page 99 of the CAPI questionnaire for BSA 2013):

- “How would you describe yourself ... READ OUT ...
- 1 ... as very prejudiced against people of other races,
  - 2 a little prejudiced,
  - 3 or, not prejudiced at all?
  - 7 Other (WRITE IN)
  - 8 (Don't know)
  - 9 (Refusal)”

For this paper, answer 1 is given a score of 1; answer 2, a score of 0.3; and answer 3, a score of zero (other answers are excluded from analysis). This ‘self-rated prejudice’ score is used for Charts 5 and 6.

**Table 1: number of people interviewed, by ethnic group**

ethnic group	survey	
	BSA	LFS
white	74,545	8,932,364
mixed race	550	44,744
Indian	1,073	154,298
Pakistani	583	92,335
Bangladeshi	176	30,611
Chinese	214	29,818
other Asian	439	45,011
black Afro/Caribbean	1,752	152,417
other ethnic group	337	60,830
Total	79,669	9,542,428

*Source: BSA and LFS (authors’ analysis).*

Guryan & Charles (2013: F422) describe problems with using econometric analysis to study possible effects of ethnicity on wages: “it is virtually impossible to be sure that the precise set of controls have been included to make subjects from different groups exactly comparable. Without knowing that workers, buyers or sellers from the different groups are truly comparable, there is no way to be sure that differences in wages, prices or sales are due to discrimination rather than unobserved heterogeneity”. This paper mainly uses graphs rather than regression analysis. For this paper, weighting is not used for BSA or LFS.

#### IV. RESULTS

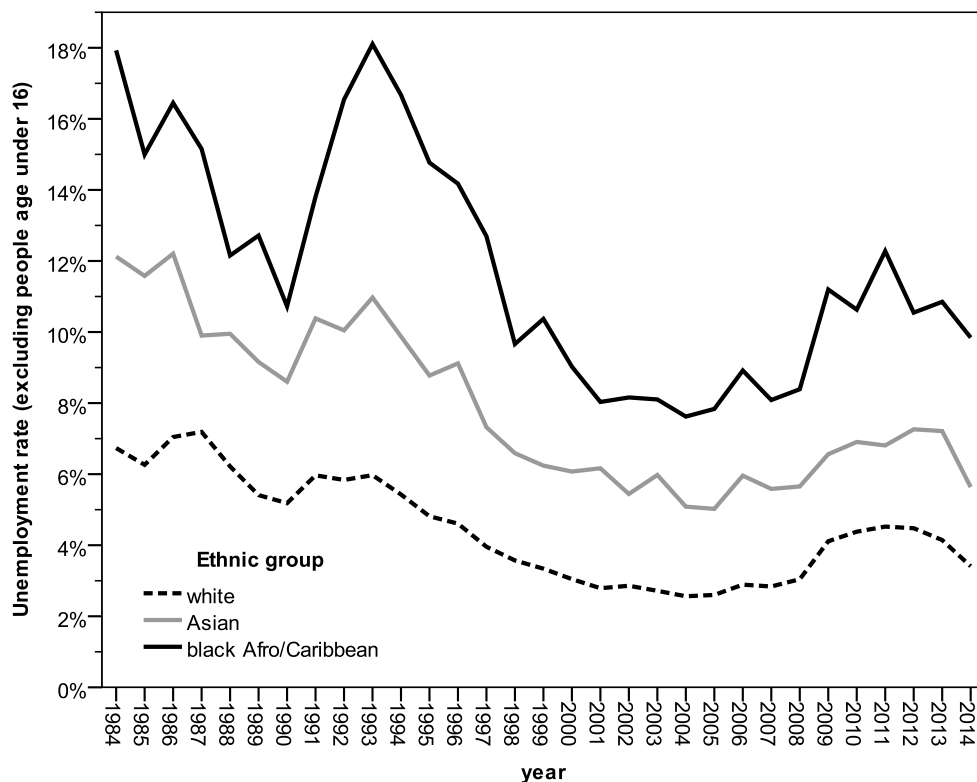
Are ‘managers’ rational, as neoclassical economists claim? BSA ask “How would you describe yourself ... as very prejudiced against people of other races, a little prejudiced, or, not prejudiced at all?” Combining BSA surveys from 1983 to 2013, 3% of managers were ‘very prejudiced’ and 32% ‘a little prejudiced’ (Figure 5 shows variation over time). NeoClassical economists might interpret this as ‘statistical discrimination’, but other evidence suggests bigotry: BSA surveys ask “Do you think that most white people in Britain would mind or not mind if one of their close relatives were to marry a person of Asian origin? [...] And you personally? Would you mind or not mind?” In 2013, 11% of white managers said they would ‘Mind a lot’, and an additional 14% would ‘Mind a little’. Similar proportions apply to a question on marrying someone with a ‘West Indian’ background.

**Table 2: opinions on job vacancies, by ethnicity**

Agreement or disagreement with the statement: “There just aren’t enough vacancies for everyone at the moment”		Ethnicity	
		white	ethnic minority
	Agree strongly	40 %	34 %
	Agree	44 %	40 %
	Neither agree nor disagree	7 %	15 %
	Disagree	10 %	12 %
	Disagree strongly	2 %	0 %
Total		100 %	100 %

Source: BSA 2013 (authors’ analysis; 561 cases).

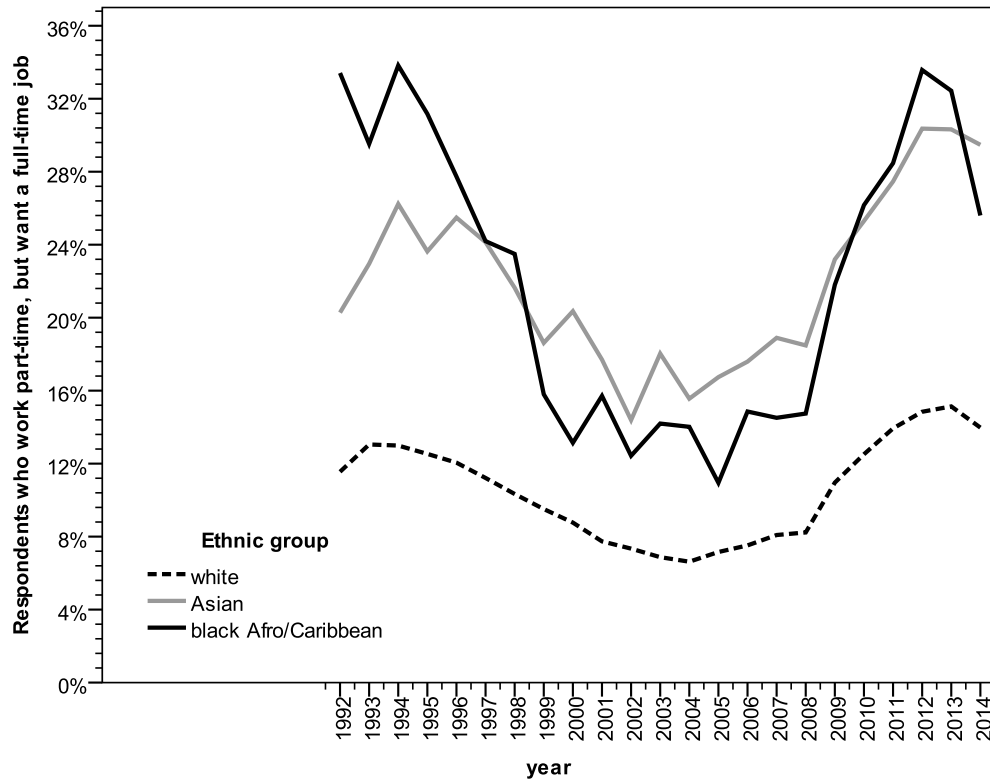
Perhaps there are not enough jobs in Britain. Table 2 reports views from BSA on the British labour market in 2013: about 80% of respondents ‘agree’ or ‘strongly agree’ that there aren’t enough vacancies for everyone. If some people must be unemployed, is unemployment distributed equally between ethnic groups? Figure 1 attempts to clarify this issue.

**Figure 1: unemployment over time, by ethnic group**

Source: LFS (authors’ analysis).

Figure 1 shows unemployment among three ethnic groups from 1984 to 2014. There is a clear pattern: in this period, whites have much less risk of unemployment than people in ethnic minorities. Another lesson from Figure 1 is that unemployment was generally higher before 1997 and from about 2008, for each ethnic group. Since about 2008, the gap between whites and ethnic minorities may have increased – perhaps associated with the global financial crisis begun by USA sub-prime housing: it isn’t clear how much of the apparent increased discrimination against ethnic minorities is due to Conservative-dominated governments (before 1997 or from 2010).

**Figure 2: people unable to obtain a full-time job over time, by ethnicity**



*Source: LFS (authors' analysis)*

LFS surveys from 1992 include attitudes of part-time employees to obtaining full-time jobs, shown in Figure 2. To make Figure 2 comparable to Figure 1, the horizontal scale is adjusted to leave the left-hand-side blank. Figure 2 indicates ethnic minorities tend to be more likely (than the white majority) to be trapped in part-time work. Many people choose part-time jobs; but Figure 2 shows that among part-time employees, many prefer full-time jobs. Being trapped in a part-time job was less common under Labour governments from 1997 to 2010 for all ethnic groups; but there are much bigger risks for ethnic minorities during Conservative governments up to 1997, and in the Conservative-dominated coalition government from 2010 to 2015.

**Figure 3: type of contract over time, by ethnicity**

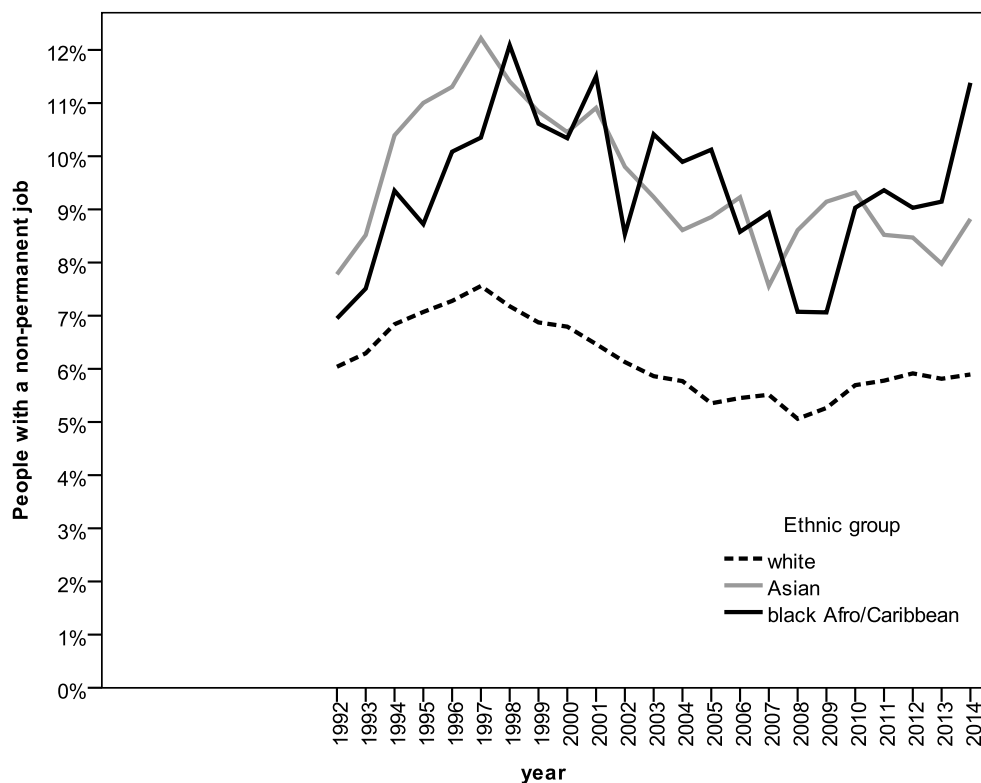
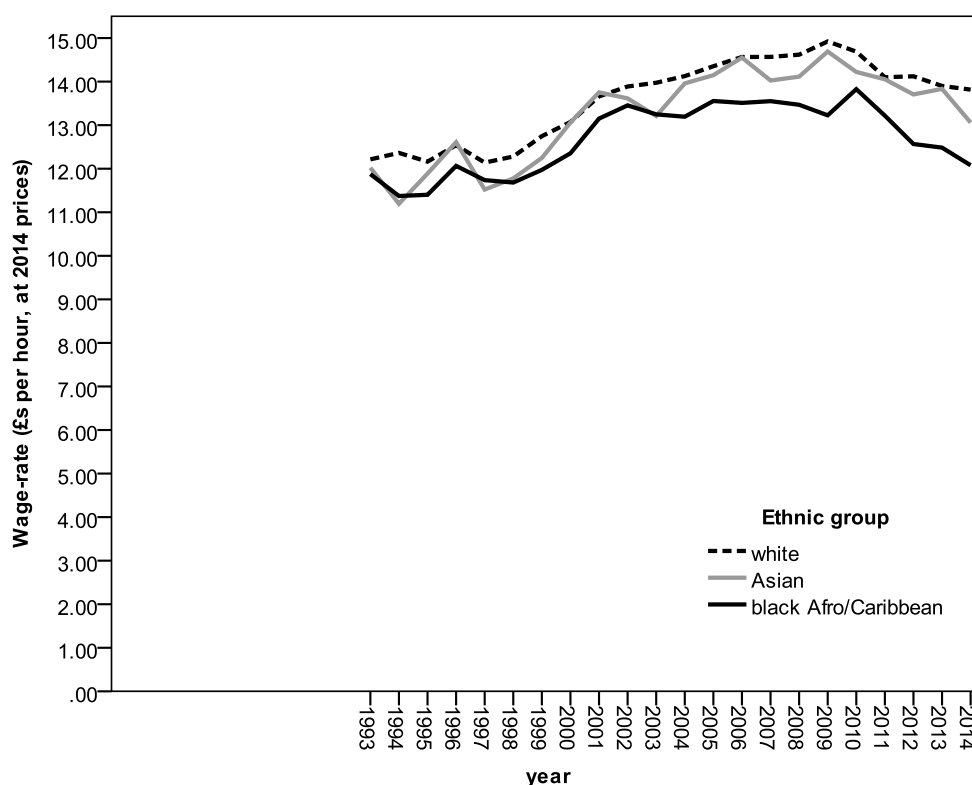


Figure 3 shows the fraction of employed people with a 'permanent' contract (as opposed to a fixed-term contract, zero-hour contract, work for agencies, etc.). Ethnic minorities are more likely to be in non-permanent contracts. Non-permanent contracts have disadvantages – for example, if seeking a mortgage. There was a tendency for non-permanent contracts to become more common during Conservative-controlled periods (before 1997, and from 2010); this tendency was reversed in Labour governments from 1997 to 2010. This pattern applies to all ethnic groups, but there is a striking increase for ethnic minorities from 1992 to 1997, and from 2013 to 2014: racial inequality increased when Conservatives were in government.

Figure 4: wages by year and ethnicity



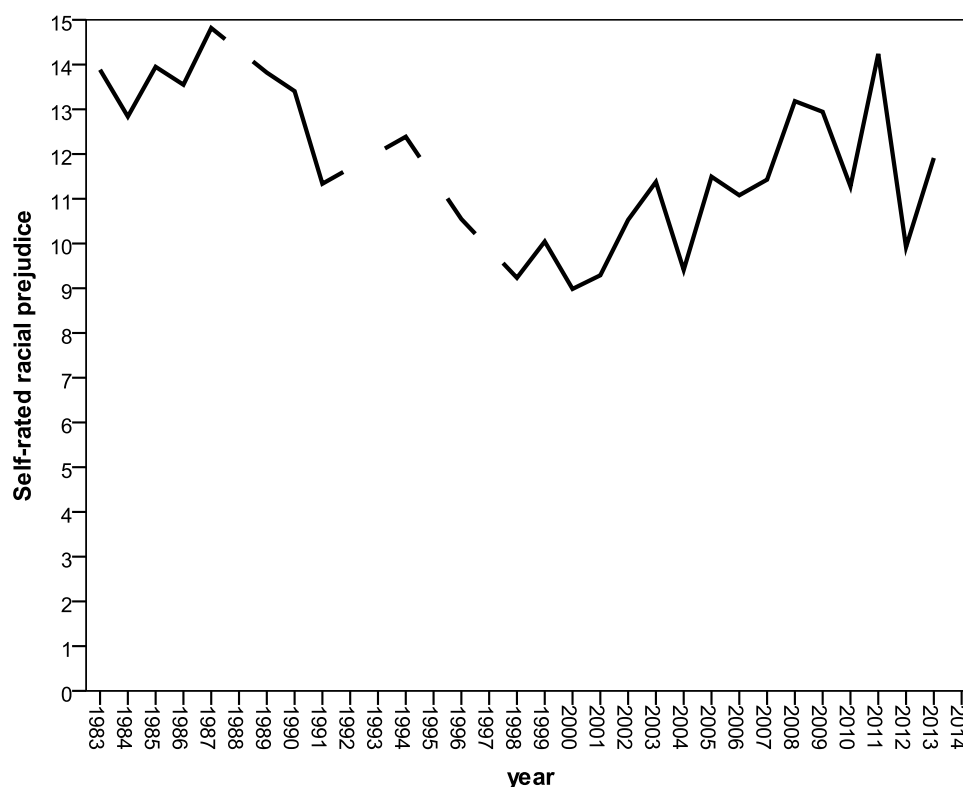
Source: LFS (authors' analysis)

Figure 4 applies only to employed people. Incomes are not in LFS surveys before 1993; Figure 4 suggests increasing racial inequality from 1993 to 1997. Since 2010, incomes may have fallen due to austerity imposed by the coalition government. Wages of whites fell to some extent; but Asian and black wages fell faster. Similar patterns are shown in Figure 1 (unemployment), Figure 2 (inability to find full-time jobs), and Figure 3 (insecure contracts) – hence, these four charts suggest increasing racial prejudice from 2010 to 2015.

Figure 5 considers the possibility that increased racial prejudice may explain increased racial disadvantage since 2010. BSA samples are much smaller than LFS (see Table 1), which explains the lack of a smooth curve in Figure 5. This question wasn't asked in some years (shown by a broken line – in 1988, for example). There may be a tendency for more people to describe themselves as being racially prejudiced before 1997, and in later years (from 2010, perhaps); but many factors could influence prejudice, such as the 2008 global financial crisis.



**Figure 5: self-rated racial prejudice over time, by job type**



*Source: BSA (authors' analysis)*

Figure 5 may seem to show increased racism since 2010, as a reason for increased racial disadvantage in Figures 1 to 4. But why is there more racism in some years? Charteris-Black (2006) claims racist statements by Conservative politicians make some people consider racism acceptable. This may be more likely when Conservatives are in government (1979 to 1997; and 2010 to 2015).

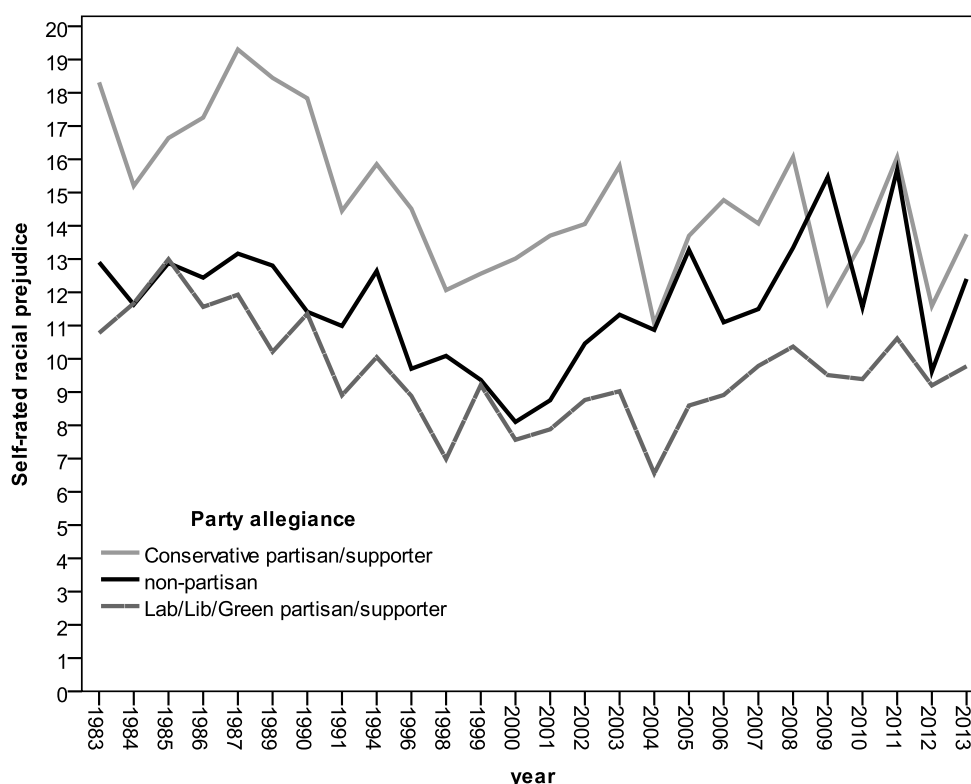
**Table 3: self-rated racial prejudice, by respondents' political views.**

Political allegiance from BSA data	Respondent's self-rated prejudice			Total
	not prejudiced	little prejudiced	very prejudiced	
Conservative partisan	56%	39%	4.3%	100%
Conservative sympathiser	61%	36%	3.3%	100%
Conservative residual identifier	65%	32%	3.3%	100%
Labour partisan	73%	25%	2.4%	100%
Labour sympathiser	71%	27%	1.8%	100%
Labour residual identifier	75%	23%	2.3%	100%
Lib Dem partisan	73%	25%	2.1%	100%
Lib Dem sympathiser	73%	25%	1.9%	100%
Lib Dem residual identifier	69%	29%	1.8%	100%
Green partisan	77%	21%	1.8%	100%
Green sympathiser	80%	18%	2.4%	100%
Green residual identifier	74%	24%	2.0%	100%
Other party	61%	31%	7.8%	100%
None	68%	28%	3.6%	100%
Other / Don't Know / Refusal	71%	27%	2.2%	100%

*Source: BSA 1983 to 2013 (authors' analysis; 54,207 cases)*

Table 3 and Figure 6 show racial prejudice by respondents' political views – a 'derived variable' in BSA surveys. Table 3 shows Conservative partisans as most racist, and Green Party sympathisers least racist, in the 'not prejudiced' column (from 1983 to 2013). Figure 6 shows changes in prejudice over time; each row of Table 3 could be shown as a line in Figure 6, but this chart would be confusing – so each line in Figure 6 combines rows in Table 3 (combined by the authors).

**Figure 6: self-rated racial prejudice over time, by political view**



*Source: BSA (authors' analysis)*

Figure 6 is complicated, even after combining voters into just three groups – a larger sample might give clearer results. In Figure 6, Conservative party partisans/supporters tend to be fairly consistent from 1983 to 2013, with a racism score about 15. Partisans & supporters of other mainstream parties (Labour, Liberal Democrat, and Green) are fairly consistent over time, with a lower racism score of about 9. But the 'non-partisan' category tends to be more racist since about 2000: racism may have increased because the Conservative party became more outspoken about immigration being a problem (perhaps non-partisan voters consider racism acceptable when the Conservative party was in government before 1997, and from 2010).

If a mainstream political party seems racist, this encourages racism among the general population: "the reputations of parties can be a contextual trigger of norm-motivated behavior; thus, we expect the impact of the message to depend on the reputation of the messenger. A message backed by a mainstream party should further reassure voters that discrimination is socially acceptable in this context; thus, opposition to Islamic schools should increase with Conservative party endorsement" (Blinder et al., 2013: 848).

## V. DISCUSSION

Evidence in this paper suggests all ethnic groups suffered from austerity under the 2010-15 UK coalition government: Figures 1 to 4 suggest most people were worse off by 2015 than in 2010. Meager (2014) wrote "the recovery since 2010 has been snail-like. It took six years for GDP to (just) get back to its pre-recession level; after the 1980s and 1990s recessions, it took only 3-4 years".

In addition, Figures 1 to 4 show that race discrimination increased since 2010; this may be a result of the increased racial prejudice shown in Figures 5 and 6. Many factors affect labour market outcomes; future research is needed, before we can be confident that increased racial prejudice led to more racial inequality.

What will future governments do about race discrimination? One option is to do nothing: this would be a considerable improvement on the Conservative/Liberal Democrat coalition government from 2010 to 2015. Most economists encourage governments to prevent discrimination. UK governments were more successful from 1997 to 2010: "recent immigration has raised the GDP per head of the nonmigrant population by about 0.15 per cent per annum in real terms (over the ten years to the end of 2006)" (Home Office, 2008: 8).

Economic analysis suggests reducing racism will increase economic growth, and hence voters' support. But even if preventing racism didn't bring votes or raise incomes, ending racism would still be appropriate.

## VI. Acknowledgements

UK data from the Labour Force Survey, collected by the Office for National Statistics, is Crown Copyright. British Social Attitudes data are provided by NatCen (2014). These datasets are made available through the UK Data Archive, and used by permission. None of these organisations bear responsibility for analysis or interpretation of data reported here.

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