

**Equality and
Human Rights
Commission**

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Formal Inquiry into Race Discrimination in the Construction Industry

Interim Report

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Introduction

On 3 December 2008 the Commission announced that it would be launching an Inquiry¹ into Race Discrimination in the Construction Industry in Britain. That Inquiry was launched on 30 January 2009 and this is its Interim Report. It explains the work done so far and the emerging findings from Phase 1 of the Inquiry and outlines what we intend to do in Phase 2 of the Inquiry between April and July 2009.

We hope this report will prompt those involved in or associated with the construction industry, who have not already done so, to contribute their views and experiences to the Inquiry.

What is our Inquiry about?

The construction industry is a significant contributor to the British economy. In 2008, 1 in 12 people employed in the UK worked in the construction industry.² Despite the current economic climate there is a continuing need for the industry to ensure it is attracting the best candidates from diverse backgrounds. Even in the current economic climate ConstructionSkills – the organisation responsible for tackling the skills and productivity needs of the industry – has identified that there will be a demand for skilled workers to join the construction industry at an average rate of 37,000 per year between 2009 and 2013.

Despite the substantial efforts made by ConstructionSkills and industry partners, there are still significantly fewer non-white ethnic minority workers in the construction industry compared to the workforce as a whole. The 2008 Construction Statistics Annual³ compiled by the Department for Business, Industry and Regulatory Reform (BERR) shows that for the first quarter of 2008 only 3.3 per cent of those employed or self-employed in the construction industry were from non-white ethnic minorities.

The central question for the Inquiry is: **why is there an under-representation of non-white ethnic minority workers in the construction industry?**

¹ This is an Inquiry under section 16 of the Equality Act 2006.

² Source: Royal Holloway calculations based on Labour Force Survey 2008.

³ ONS: Construction Statistics Annual 2008 Table 12.7.

The scope of the Inquiry

The Inquiry's terms of reference are:

1. To inquire into barriers to the entry of and retention of non-white ethnic minority workers (which includes employees and self-employed contractors) in the construction industry.
2. To identify examples of good practice in encouraging ethnic diversity in the construction industry and the benefits derived from such good practice by the firms and workers involved.
3. To assess and analyse the differential impact of job losses in the construction industry.
4. To make such recommendations as are appropriate.

When we talk about 'workers in the construction industry', we mean anyone working in the industry, including in the trades, crafts and professions, and those in technical and administrative roles. 'Workers' are employees, self-employees and sub-contractors.

For the purposes of this Inquiry we are focusing solely on non-white ethnic minorities. As such, this term will be used throughout this Interim Report. This means that the Inquiry is **not** looking at the recruitment of white ethnic minority workers in the construction industry or migrant workers from European Union accession countries.⁴

⁴ Royal Holloway secondary analysis of Labour Force statistics suggests that non-UK white ethnic minority groups are, if anything, over-represented in the construction workforce compared to the workforce as a whole.

Phase 1 of the Inquiry

The Inquiry was launched on 30 January 2009. We have set ourselves a target of producing the final report of the Inquiry in July 2009. In Phase 1 (from the launch until the end of March 2009) we concentrated on identifying key themes to examine in Phase 2. To do this we carried out three specific pieces of work:

Research:

The Inquiry Team has commissioned Equality Research and Consulting Limited (EQRC), part of Royal Holloway, University of London, to undertake:

- a thematic review of existing literature on racial diversity in the construction industry in England, Scotland and Wales
- analysis of national statistics datasets to try and get a clearer statistical picture of the ethnic diversity of the construction industry over time
- analysis of existing labour market databases to see what they show about retention and redundancy rates in the construction industry.

We will be publishing EQRC's report, including the statistical analysis, as a stand-alone research report in May 2009.

Call for Evidence:

In February we launched a Call for Evidence. This consisted of question forms seeking the views and experiences of those in or associated with the construction industry. There were five tailored forms, each aimed at different types of organisations and individuals, including:

- those working in or training for the construction industry, or considering doing so
- those who have left or decided not to join the industry
- those providing training or advising on careers in the industry
- construction businesses, and
- those supporting the workforce or the industry.

The Phase 1 Call for Evidence closed on 24 March 2009. We have had responses from most of the targeted audiences. The Inquiry Team are following up responses with face-to-face interviews where the evidence provided suggests that they may be a source of further information.

Stakeholder meetings:

The Inquiry Team have held meetings with key stakeholders to discuss the Inquiry aims and to identify how they can best contribute to the Inquiry. Amongst others, meetings have taken place with BERR's Construction Sector Unit, ConstructionSkills, the Union of Construction, Allied Trades and Technicians (UCATT) and the Union UNITE.

What we have found so far

Our evidence-gathering aims to answer the central question for the Inquiry: why is there an under-representation of non-white ethnic minority workers in the construction industry?

The following are the emerging themes from our evidence-gathering and research to date:

Negative perceptions and lack of knowledge about the construction industry

These themes were common to a majority of the Call for Evidence responses we received, our meetings with stakeholders and the research review. The suggestion is that the perceived image of the industry is one of white men on a building site and that this acts to discourage women and non-white men from considering a career in the industry, and that:

- the perceived image reflects a lack of awareness about the different types of roles and the range of opportunities available within the construction industry. This is exacerbated by an absence of role models in the industry for non-white ethnic minorities.
- the industry is not perceived as a prestigious industry to join. We want to examine the extent to which there is any difference in this perception across white workers and non-white ethnic minority workers in Phase 2 of the Inquiry.

Getting into the industry is tough if you don't have contacts

A second common theme was the industry's recruitment practices. The suggestion is that recruitment practices prevalent in the industry may be a significant factor in explaining the under-representation of non-white ethnic minority workers:

- much recruitment is done by word of mouth which means that people who do not have established networks in the (overwhelmingly white) industry may find it harder to enter.
- there is evidence to suggest that although plenty of students from diverse ethnic backgrounds are undertaking training courses, ultimately they are not entering the industry. This may be another aspect of the 'word of mouth' recruitment practices still prevalent, with finding placements being dependent on knowing someone already in the industry.
- there is some evidence that the use of 'approved lists' of preferred contractors in the procurement process means that it may also be difficult for non-white ethnic minority-owned businesses to obtain contracts in the industry.

Training needs to be better and more relevant

Both the research and a number of our Call for Evidence responses from those involved in training and skills suggest that sometimes training needs to be better and more relevant:

- Some research suggests that attempts to make teaching less academic and more practical may inadvertently lead to the traditional industry culture being mirrored in the classroom, making the training less attractive for some non-white ethnic minority and female students.
- There is some evidence to suggest that gaining access to traditional apprenticeships or to work placements within programme-led apprenticeships may be more difficult for non-white ethnic minorities. In Phase 2, we will explore the extent and nature of any disadvantage.
- Other research reports that some higher education students (particularly architecture students) have raised concerns about the lack of value placed on non-Western approaches.

Less favourable treatment on grounds of race

Some non-white ethnic minority respondents to our Call for Evidence reflected research findings in reporting a feeling that they are discriminated against:

- both our Call for Evidence responses and research suggest some non-white ethnic minority workers in the industry feel that they have to work harder and prove themselves to be better than white colleagues in order to progress.
- research from as recently as 2007 suggests express racism is still present in the industry (for example in the form of racist ‘banter’) and we have received some evidence of incidents of racism of this kind.
- some evidence suggests that those workers from non-white ethnic minority groups who are in the industry are concentrated in low skilled or less well-paid jobs.

Regional variations

The statistical analysis indicates that there are regional differences in terms of the number of non-white ethnic minority people training for or working in the industry. There may also be regional differences in the potential barriers to working in the industry. Figures from London (in 2007) indicate 17.8 per cent non-white ethnic minority representation in the industry, whilst figures from other parts of the UK, for example the North West, indicate much lower percentages compared to the overall non-white ethnic minority workforce in those regions. A question for Phase 2 of the Inquiry is whether this reflects the positive impact of initiatives to increase diversity in the industry taken in the context of the Olympics and other London-based initiatives or merely reflects the higher ethnic diversity of London and still marks a relative regional under-representation.

Evidence of good practice

There are a number of initiatives aimed at increasing the representation of non-white ethnic minorities across the industry and examples of good practice. Phase 2 of our Inquiry will examine some of this good practice in more detail. We will be looking at what makes an initiative successful.

What happens next?

Phase 2 of the evidence-gathering for the Inquiry runs from April to the end of May. We are going to use that period to:

- test the validity of the emerging findings we have
- fill the gaps in the evidence which we currently have
- analyse the evidence and draw conclusions, and
- discuss possible recommendations with stakeholders.

We want to test some of the suggestions which emerged in Phase 1 by:

- examining whether more non-white ethnic minority workers than white workers consider that the industry is not a prestigious industry to join.
- examining the emerging evidence that while non-white ethnic minority workers are not under-represented on industry-relevant training courses⁵ a substantial number are lost to the industry because they can't get placements or find work.
- assessing the extent to which that difficulty in finding placements or work is due to the prevalence of word of mouth or other recruitment systems which depend on having existing contacts within the industry.
- assessing whether there is evidence of less favourable treatment based on race, and if so whether this is through overt racism or more subtle forms, such as a requirement to conform to the dominant culture or having to work 'twice as hard' to prove yourself.

How will we gather further evidence?

We are going to gather further evidence by:

- carrying out research to test whether lack of awareness and/or an adverse perception of the industry contributes to the under-representation of non-white ethnic minority workers in the industry.
- sending questionnaires to specific types of organisations where there is a gap in evidence from those organisations.
- exploring case studies from organisations which demonstrate examples of good practice.
- conducting evidence-gathering interviews with key witnesses.

5 See *Royal Holloway Thematic Review*, forthcoming.

How can you help?

We are keen to ensure that we hear views from as broad a range of witnesses as possible.

We want to know whether you think the emerging findings of the Inquiry are consistent with your experience of the construction industry.

Do you agree with our emerging findings or do you think that we are missing important factors contributing to the current under-representation of non-white ethnic minority workers in the construction industry?

The bulk of the responses to our Call for Evidence were from those either working in or training for the industry and those providing training. We have yet to receive any responses from people who used to work in the industry or decided not to pursue a career in the industry. We are particularly interested in hearing from these groups.

While the Phase 1 Call for Evidence has closed, we would welcome hearing from anybody who still wishes to submit a Call for Evidence. The Call for Evidence questionnaires (which are tailored to different witnesses) are available at: www.equalityhumanrights.com/constructioninquiry

Alternatively, if you would prefer to give your evidence face-to-face or over the telephone then please contact us at: raceandconstruction@equalityhumanrights.com or on 0161 829 8413.

(Details of our confidentiality policy relating to this inquiry can be found on our website under Call for Evidence forms at: www.equalityhumanrights.com/constructioninquiry.)

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