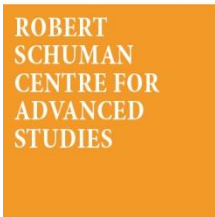




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Robert Schuman Centre for Advanced Studies  
Global Governance Programme

Affirmative action policies to remedy ethnic minority  
disadvantage in the labour market

Anthony Heath



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## **Abstract**

Throughout Western Europe the children of immigrants continue to experience major ethnic penalties in the labour market in comparison with their peers from the majority group. Direct and indirect racial discrimination are undoubtedly part of the explanation for these penalties, but there are a range of other contributory factors too. Policy responses therefore need to be diverse in order to address the different barriers. The paper then reviews policies such as anti-discrimination measures, affirmative action policies specifying quotas, affirmative action policies specifying targets, and a legally-imposed duty to promote equality. Evidence of the effectiveness of the different sorts of policy is briefly summarized and the paper concludes with recommendations to stakeholders.

## **Keywords:**

Ethnic penalty, racial discrimination, antidiscrimination legislation, affirmative action, government procurement.





## **Background**

Ethnic disadvantage in the labour market persists right across Europe. There are to be sure variations between ethnic groups, between countries, and between the different stages of the recruitment or promotion (or redundancy) process. But a wide range of studies have all found that ethnic minorities typically have poorer chances of securing jobs, and hence have higher unemployment rates, than do their peers from the majority group of the same age, qualifications and experience. Particularly important is the fact that this disadvantage applies to the second generation and is not simply a temporary disadvantage experienced by recent migrants. Many new migrants will be disadvantaged for understandable reasons because of their lack of language skills or foreign qualifications. In the second generation, however, the evidence is that virtually all these native-born children of migrants will be fluent in the language of the country of residence, and will have domestic rather than foreign qualifications, often at quite a high level. But despite this the second generation experience what can be termed 'ethnic penalties' in the labour market, just like their parents. That is to say, they are less likely to secure employment or promotion than their majority-group peers with similar qualifications.

To illustrate the nature of the problem, Table 1 summarizes the ethnic penalties experienced by different second-generation ethnic groups in a range of Western countries with respect to unemployment. The figures in the table show how much higher the estimated ethnic minority unemployment rate is compared with that of their majority-group peers of the same age with similar qualifications.

**Table 1: Estimated “ethnic penalties” in unemployment rates for native-born offspring of immigrants compared with offspring of native-born (percentage point differences)**

Country	Ethnic group	Ethnic penalty: men	Ethnic penalty: women
Australia	Italian	-2.4*	-0.8
	Chinese	-1.4	-0.1
	Lebanese	+4.0*	+4.3*
Austria	Turkish	+1.6	-
	Ex-Yugoslav	+0.5	+6.3*
Belgium	Moroccan	+13.9*	+8.6*
	Turkish	+21.6*	+20.0*
	Italian	+2.6*	+4.0*
Britain	Irish	+1.6	-0.5
	Indian	+2.5*	+6.1*
	Caribbean	+5.5*	+4.9*
	Pakistani	+8.8*	+9.0*
Canada	Italian	+0.3	+0.7
	Irish	-0.2	0.0
	Chinese	-0.6	+0.4
	Indian	+0.1	+0.1
	Caribbean	+2.9*	+2.8*
	African	+0.3	+1.1
France	Sub-Saharan African	+1.8*	+12.9*
	North African	+16.9*	+9.8*
Germany	Turkish	+4.5*	+3.8*
	Ex-Yugoslav	+1.3	+2.1
Netherlands	Moroccan	+8.8*	+6.5*
	Turkish	+5.6*	+3.5*
	Surinamese	+9.1*	+1.2
Norway	Pakistani	+3.1*	+8.3*
	Turkish	+3.6*	+5.2*
	Indian	+9.1*	+1.3*
Sweden	African	+9.0*	+6.5*
	Asian	+3.9*	1.6*
USA	Mexican	+2.2*	+4.1*
	Black	+5.9*	+8.8*

Source : Heath, Liebig and Simon (2013) on the basis of data by Heath and Cheung (2007) and Hermansen (2009).

Note: \* indicates that the difference is statistically significant. Percentage point differences are estimated from logistic regression models setting the unemployment of the majority group to 5%.

As we can see from Table 1, the second generation typically have unemployment rates several points higher than those of their majority-group peers, and in some cases the disadvantage reaches 10 points or more. This level of excess unemployment represents a major economic loss to Western economies, as well as being a source of injustice. It is also likely to have highly adverse psychological and social knock-on consequences for the individuals affected, with perhaps wider implications for social cohesion.

In order to develop appropriate policy proposals, we need to have a good understanding of the barriers that second-generation minorities face, and the reasons for their persisting disadvantage. Discrimination is clearly one barrier, and field experiments have all shown significant rates of direct discrimination against minorities, including the second generation. In these field experiments

applications are made by matched applicants from the majority group and one or more minorities for actual job openings. One can then monitor the call-back rates, and a typical finding is that minority applicants have to make twice as many applications before obtaining a positive response as do majority-group applicants. (For a review see Heath et al 2013).

In addition to direct discrimination, indirect discrimination can also be a major factor. Indirect discrimination occurs when rules and practices which are apparently neutral may nonetheless have the effect of disproportionately affecting minorities (or indeed other vulnerable groups such as women, or the disabled). In the case of the labour market, for example, employers' use of 'word of mouth' recruitment practices may well have the effect of disadvantaging minorities, even though the practice might have been a long-standing one, developed before there were significant number of minority applicants, and intended simply to recruit, in a cost-effective manner, reliable workers who could be vouched for by existing employees. In other words, discrimination does not necessarily involve racial prejudice or an intentional desire to prefer candidates from the majority group.

Other potential mechanisms which might account for ethnic penalties may arise from characteristics of the ethnic groups themselves rather than from the actions of employers. For example, minorities might lack knowledge about appropriate job opportunities, which are particularly important when recruitment is by word of mouth. There could also perhaps be differences in aspirations and expectations, or what in Northern Ireland is called 'the chill factor'. That is to say, minorities may simply not apply for jobs with certain employers because they anticipate a hostile reception or rejection. This may be particularly relevant for Muslims, Hindus or Sikhs who may fear that employers (or fellow-employees) will dislike them because of their religion or will not accommodate their wishes to practice their religion. All of these mechanisms may contribute to the existence and size of the ethnic penalties. Policy responses will accordingly need to address a number of different barriers.

### **Possible policy responses**

There is a wide variety of policy responses which may be helpful for tackling discrimination and ethnic penalties. Policies can be directed primarily at employers in order to change their recruitment and hiring practices, or they can be aimed at the applicants in order to give them the 'know how' about applying for jobs or for allaying their concerns about a hostile reception. Policies may also be directed towards the education of minorities, in order to equip them with the right skills and credentials for labour market success, and thus helping them to compensate for other sorts of barriers which they might face. We can also distinguish between policies which are directly targeted at minorities and which single them out for help or special treatment, and policies which are aimed at for example particular areas where minorities may be geographically concentrated but where the policies themselves are designed to help everyone in the area equally, including the non-minorities.

All of these different sorts of policies may have a part to play, but in this paper we focus on the ones that are aimed at employers and which are most directly targeted at overcoming direct and indirect discrimination. Here too we can distinguish several different main sorts of policy which have been attempted in different parts of the world.

### ***Anti-discrimination policies***

First of all we have antidiscrimination policies. These have been established throughout the European Union following Racial Equality Directive 2000/43/EC, which implements the principle of equal treatment between persons irrespective of racial or ethnic origin. This complements other directives on gender and age, disability, religion and sexual orientation. Similar anti-discrimination policies are present in many other OECD countries which have histories of immigration, sometimes having been

passed at much earlier dates – such as Australia’s Racial Discrimination Act of 1975, the Canadian Human Rights Act of 1977, and Title VII of the Civil Rights Act of 1964 in the United States.

While it is too early to say how effective the more recent European legislation following the Racial Equality Directive is proving, the evidence from countries such as Britain, Australia or Canada which have much longer histories of anti-discrimination legislation is that, while very important symbolically, these measures have not proved effective in eliminating discrimination. Recent field experiments in all three countries show clear evidence of continuing discrimination on the grounds of race or ethnicity. The changing design of the studies over time makes it difficult to state categorically that discrimination legislation has made no difference at all, but the legislation has certainly failed as yet to eliminate discrimination.

There are several understandable reasons why discrimination legislation may not be effective. First of all, the onus is on the complainant to come forward. Some complainants simply may be unaware that they were discriminated against in the first place (since they do not know who the other applicants were). Even if they suspect that they were discriminated against, they may not know what the formal steps necessary to make a complaint are. In addition, making a complaint is not a trivial operation, and may involve considerable time and effort, sometimes without much in the way of help from legal experts. Many potential complainants may therefore decide not to proceed. There is certainly a huge disparity between the number of people who say they have experienced discrimination and the numbers pursuing legal redress, and there is another huge disparity between the number of complaints made and those which end up in court. For example, the Swedish Equality Ombudsman has received a little more than 900 complaints on the grounds of ethnic origin or religion since its creation in 2009 and only 10 resulted in lawsuits (ECRI 2012).

In addition the penalties imposed on companies if a case is proved tend to be rather small. This again may lead complainants to think that the struggle is not worth it. It may also mean that employers may think it is easier to maintain their existing (potentially discriminatory) practices rather than to reform themselves.

### ***Affirmative action policies specifying quotas***

In contrast to anti-discrimination policies, which focus on redress for individual experiences of unfair treatment, affirmative action policies typically focus on affecting aggregate outcomes. Quotas specifying the proportion of places that must be offered to members of a particular ‘protected’ group are perhaps the most famous (or notorious) examples of affirmative action. They have for example been used in India to overcome the long-standing disadvantages which the lower castes, particularly the groups formerly known as ‘untouchables’ endured in traditional Indian society. Thus the quotas are designed to ensure that a certain proportion (15% - broadly in line with their proportion in the population) of government posts are reserved for candidates from the ‘scheduled castes’ (a list of the protected castes listed in a schedule to the Constitution of 1950). (There are also additional quotas for the Scheduled Tribes and for Other Backward Classes.) These quotas have been highly controversial in India, leading to major protests on the part of groups who would not benefit from the quota. There are also some doubts about whether they work, in the sense that there have been some reports that in some areas the quotas have not actually been filled. In addition, students of the quota system note that it is often the ‘creamy layers’ of the scheduled groups who obtain the positions rather than the most disadvantaged. Thus within each caste, some members may already have achieved better educational qualifications and it tends to be these individuals, rather than the most deprived, who are likely to be selected. Hence highly-educated members of the scheduled castes may in practice receive preferential treatment relative to less-educated members of ‘forward’ castes.

Quotas are not likely to be politically feasible in Europe, at least on any large scale, although we should note that they have actually been used. In the case of the Police Service of Northern Ireland a temporary 50:50 quota specifying that trainee police officers should be drawn half and half from the

Catholic and Protestant communities was established in order to address the severe under-representation of Catholics in the Police Service. In 2001 the Royal Ulster Constabulary, the forerunner of the PSNI, was drawn overwhelmingly (92%) from the Protestant community, raising a huge question mark about its legitimacy in the eyes of the Catholic community, which made up slightly less than half the total population. While some critics held that the 50:50 quota constituted 'positive discrimination', the Northern Ireland Human Rights Commission cited international human rights law to show that special measures to secure minority participation were in accordance with human rights standards and did not in law constitute 'discrimination'. At any rate, there was no legal challenge to the measures, which did appear to make a considerable difference to the composition of the Police Service. However, the measure was discontinued in 2011 after the Conservative/Liberal Democrat coalition took over government of the UK from the Labour Party.

Quotas have typically been used in India (and elsewhere) for government posts (and in higher education), and in many developing countries with a small public sector this may therefore at best affect only a very small proportion of the workforce. Furthermore, there is accumulating evidence from field experiments in developed western countries that the impact of discrimination (and ethnic minority under-representation) is generally rather lower in the public sector than it is in the private sector. The primary task in the west therefore is to develop policies addressing ethnic disadvantage in private-sector firms. This is where other forms of affirmative action policies which involve targets rather than quotas may be worthwhile.

### ***Affirmative action programmes involving targets***

It is important to distinguish between a target, which is indicative, and a quota, which is compulsory. Whereas a fixed quota generally requires the preferential treatment of the group concerned – at least so long as it is under-represented – a target does not necessarily imply preferential treatment. Targets are consistent with a meritocratic, equal opportunity framework

One of the most comprehensive, and successful, affirmative action programmes involving targets rather than quotas is the Fair Employment Programme in Northern Ireland. The Northern Ireland programme is a remarkable and innovative one which uses legal enforcement measures to ensure that both communities in Northern Ireland (Roman Catholics and Protestants) secure 'fair participation' in employment. The programme includes detailed monitoring of the religion of employees in public and private sector concerns and requires the composition of the firm's workforce to be compared with a realistic benchmark. It requires employers to undertake remedial action where comparison with the benchmark suggests that fair participation is not evident. Agreements are concluded between the regulatory agency (The Equality Commission for Northern Ireland) and employers specifying what affirmative action measures are to be undertaken.

These affirmative action agreements usually require concerns to introduce changes in the way in which they conduct their personnel functions, particularly by formalizing procedures for advertising, hiring, promotion and dismissal. Additional measures may include the use of advertising specifically targeted at the under-represented group, the use of statements in advertisements particularly welcoming applications from the under-represented group, and the adoption of specified numerical targets which concerns commit themselves to achieving in order to reduce under-representation. No reverse discrimination or quotas are permitted or can be required by the ECNI.

Key features of the NI programme are:

- a concern with outcomes and not solely with process;
- the annual monitoring of concerns' composition and the publication of these returns identifying individual concerns by name;

- a definition of fair employment which takes account of the availability of suitably qualified personnel in the relevant geographical area (not simply the overall share in the population as with the Indian quotas);
- the use of agreements (most often voluntary ones) to achieve compliance and redress under-representation; and
- the development of action plans to remove the under-representation;
- The use of compliance reviews by the Equality Commission, with the possibility of the imposition of legal sanctions.

The Northern Ireland approach is radically different from the legal approach to inequality of opportunity in the rest of the UK, in being much more proactive in requiring changes in employment practices where there is evidence of under-representation of a particular community. The Northern Ireland approach also applies to *all* concerns (above a certain size) irrespective of whether they are in the public or private sectors, and does not rely on quotas or reverse discrimination. The approach may therefore have important implications for other jurisdictions such as the European Union (EU) which are considering how to tackle issues of employment inequality in the context of ethnic inequalities in the labour market. (For further details and evidence of the effectiveness of this programme see Muttarak et al (2013)).

A similar, although more restricted, version of this type of affirmative action programme involving attempts to remedy under-representation of specific groups is the American Federal Contract Compliance Program. This program specifically applies to private sector firms which wish to bid for federal contracts. The under-represented groups on which the program focuses are primarily ethnic minorities and women (American Indian or Alaskan Native, Asian or Pacific Islander, Black, and Hispanic individuals are considered minorities for purposes of the program).

A key feature of the program is that each contracting agency in the Executive Branch of government must include the equal opportunity clause in each of its non-exempt government contracts. The equal opportunity clause requires that the contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, colour, religion, sex or national origin. This clause makes equal employment opportunity and affirmative action integral elements of a contractor's agreement with the government. Failure to comply with the non-discrimination or affirmative action provisions therefore constitutes a violation of the contract. A contractor in violation may have its contract cancelled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for future government contracts. These sanctions have been used, albeit very rarely.

As in the Northern Ireland programme, the numerical goals for a contractor are established based on the availability of qualified applicants in the job market or qualified candidates in the employer's work force. Numerical goals do not create set-asides or quotas for specific groups, nor are they designed to achieve proportional representation or equal results. Rather, the target-setting process is used to focus and monitor the effectiveness of affirmative action efforts to prevent discrimination. Moreover, the regulations do not allow the regulatory body to penalize contractors for not meeting the targets. As with the Northern Ireland programme, the regulations specifically prohibit quotas and preferential hiring and promotions under the guise of affirmative action numerical targets. In other words, positive discrimination in the selection decision is prohibited. Again, as with the Northern Ireland programme (which was in fact partly modelled on the earlier American program), the American program involves monitoring of the composition of the workforce, compliance reviews by the regulatory agency, and the possibility of imposing sanctions. There have also been examples in the UK where local government bodies, such as Transport for London, have used their procurement activities to build fair employment into the contractual duties of the contractor. Evaluations of the American program indicate that it has been successful in securing greater employment of minorities

and women in the federal contractor firms (Leonard 1984, 1990; Holzer and Neumark 2000; Kalev et al 2006, Kalev and Dobbin 2006.)

A somewhat similar Canadian program also exists. Monitoring under the Canadian Equal Employment Opportunities Act is mandatory for federally-regulated private sector employers with 100 employees or more, federal public sector companies and federal contractors (contracts of over \$200,000 CAN\$). Every year, companies under the program must provide a report consisting of a quantitative section on recruitment, dismissals, promotions, salary ranges and professional occupations for each designated group, and a qualitative section illustrating the measures taken to improve the situation of the designated groups within the company and the results of these initiatives. (For further details and an evaluation see Jain and Lawler 2004, Jain et al 2010).

The effectiveness of the Canadian program, as with the Northern Ireland and US programmes, depends on the monitoring and reporting systems. As with these other programmes a main concern is not only that processes should be fair in their conception, but – more importantly – in their outcomes. Statistical information is therefore required at every stage of the implementation of the policies. In other words, monitoring recruitment, promotion, access to training, wage differentials, occupational segregation and terminations is essential in order to identify which processes have to be revised to achieve greater equality. The involvement of the managers and agents in monitoring may also help to develop their awareness of direct and indirect discrimination.

All of these examples combine the goals of improving the representation of protected groups with meritocratic criteria. And by focussing on outcomes rather than procedures, they are also in principle able to deal with cases of indirect discrimination where apparently neutral and procedures may nonetheless have the effect of disadvantaging particular groups.

### ***Duty to promote equality***

Another type of policy imposes on employers a duty to promote equality. Policies of this sort have been used in Britain (for public sector bodies only) and the Netherlands for example. These programmes however typically do not involve monitoring by equality bodies or the imposition of sanctions if equality is not promoted. Instead they place the onus on firms or public sector organizations to monitor themselves and to undertake appropriate remedial action. They can be thought of as attempts to encourage firms to change their own culture and working practices rather than to impose formal requirements on them.

For example in the Netherlands an affirmative action program of this sort was in place from 1994 until 2003 (for a discussion, see OECD 2008). The core of the policy was that individual companies should register the number of minorities whom they employed and publish this information, the aim being to secure proportional representation on the basis of the size and composition of the regional population.

This policy proved to be unpopular with employers who complained about the administrative burdens in complying with it. Although there were no sanctions for non-compliance, a growing number of companies nevertheless responded to the obligations with half or more of Dutch companies with more than 35 employees giving information about the number of minorities among their employees. Fewer companies formulated quantitative objectives or published plans to promote employment of minorities in high-skilled occupations. Evaluations suggested that, by 2003, there had been a significant improvement in the labour market position of immigrants and their children, although it was unclear whether this was attributable to the policy or to the overall favourable economic situation in the Netherlands that had occurred in parallel. According to employers, the policy boosted their awareness of the difficulties minorities experienced in the Dutch labour market, but they denied that the policy had actually contributed to increased hiring of minorities or better career prospects for them within the company. The government decided not to extend the act beyond 1

January 2004, partly because of a desire to deregulate and decrease the administrative burden on employers,

### ***Improving HR practices***

While this does not come under the heading of affirmative action, a possibility which might bring some benefits to minorities is that of improving recruitment and other personnel practices. In a sense this kind of reform is intended to modify the kinds of apparently 'neutral' policy which nonetheless constitute indirect discrimination.

However, we should be cautious here. Some things that go under the name of 'best practice' such as having official diversity policy documents and diversity training run the risk of being 'empty shells' (as Hoque and Noon (2004) have described them) and may well amount to little more than 'ticking boxes' rather than changing actual practice. We need to have a good evidence base for evaluating which kinds of HR practice are likely to constitute indirect discrimination and which kinds avoid this trap.

### **Recommendations**

The empirical evidence suggests that there are policies which can be effective in reducing minority under-representation. However, experience also suggests that there will be considerable opposition to such policies and that government commitment to introducing or maintaining such policies is quite variable. It is perhaps no accident that the two most effective western programmes – the American Federal Contract Compliance program and the Northern Ireland Fair Employment programme – were both introduced after major unrest by groups which had long histories of discrimination. On the other hand, it would be deplorable to wait until the 'new second generation' in western countries have experienced equally long histories of exclusion and unrest before tackling the barriers which they face.

Anti-discrimination legislation is important, but is unlikely to make a great deal of practical difference so long as it remains difficult for complainants to bring cases to court and so long as sanctions on employers remain rather small. The need here then is not to introduce new legislation but to improve the operation of the existing legislation. **Our first recommendation therefore is for national equality bodies to improve the usability of anti-discrimination legislation by potential complainants.** This might be done by simplifying procedures, by providing help with the process, or by publicising the availability of this route, perhaps in cooperation with trade unions or indeed in cooperation with employer organizations themselves. For example, firms could be encouraged to include simple procedures for remedying complaints of discrimination in their equal opportunities policy statements and practices if they do not do so already.

On their own, however, individual pursuit of redress through legal procedures is unlikely to be sufficient. Of the various affirmative action policies which we have considered, it is unlikely that quotas will be politically acceptable, or are even desired by minorities themselves. Except in extreme circumstances, there can be little prospect of implementing in Europe policies such as quotas which are likely to entail positive discrimination in favour of the disadvantaged groups. Politically realistic programmes will be ones that are fully consistent with the standard meritocratic principles which western countries adhere to. It is also worth noting that recent survey research has indicated that minorities themselves aspire to equality of opportunity, not preferential treatment (Heath et al 2013).

A more promising alternative might be policies modelled on the Northern Ireland Fair Employment programme. It is clear that affirmative action programmes like this, which use targets rather than quotas and which take account of reasonable benchmarks rather than population proportions, but which also involve monitoring and compliance reviews, can be effective. However, these programmes may impose, or are believed to impose, considerable burdens on firms because of the requirement to



monitor the ethnic composition of firms. They also impose burdens on government because of the requirement to fund equality bodies adequately so that they can carry out compliance reviews. An effective programme of the sort used successfully in Northern Ireland is not cheap, although almost certainly it was excellent ‘value for money’ given the important role that it played, alongside political initiatives, in ending ‘the troubles’ which rocked Northern Ireland for three decades.

Exactly how burdensome such monitoring exercises are for firms is unclear. There is some anecdotal evidence that many large firms with professional HR departments are well equipped to carry out this kind of monitoring. The problem is likely to be greater in small and medium-sized enterprises (SMEs), which also appear to be the ones where issues of discrimination are more likely to be found. The use of equality clauses in government procurement has proved effective in practice, and may prove more acceptable than the all-encompassing Northern Ireland scheme. **Our second recommendation therefore is that governments should encourage public bodies to use their procurement functions to secure fair representation within private-sector contractors.**

It is sometimes heard in policy circles that equality clauses in government contracts are inconsistent with EU contracting requirements. Legal opinion is clear that there is no such inconsistency, but the EU should do more to clarify that equality clauses in contracts are in fact permissible. **Our third recommendation therefore is that the EU should clarify for national governments what sorts of equality conditions in government procurement contracts are consistent with EU law.**

Compliance reviews have been crucial features of the effective American and Northern Ireland programmes. These do not necessarily have to be carried out by expensive regulatory bodies. Indeed, American third sector organisations played a large role in Northern Ireland putting pressure on American businesses which had operations in Northern Ireland to subscribe to fair employment principles (see for example the MacBride principles named after the Irish Nobel Laureate Seán MacBride, a founding member of Amnesty International). **Our fourth recommendation is to encourage voluntary organisations to take on the role of holding business to account, perhaps by using freedom of information requests to obtain information about firms’ composition – or the absence of such information – in order to ‘name and shame’ businesses where minorities are under-represented.** Given the growing consumer power of the minority populations of western countries, a reputation for fair employment could come to matter more and more for firms.

Weaker legislation which simply places a duty on firms to promote equality may have some symbolic value, but there is a risk that it will simply generate ‘empty shells’, giving the illusion that the problem has been dealt with. On the other hand voluntary action by business leaders or organizations to promote equality could have a role, especially if such firms could demonstrate that business success is compatible with fair employment. **Our fifth recommendation therefore is that business organisations should take a lead in promoting fair employment within leading companies.**

Moreover, professionalized HR functions may be valuable for private sector firms in their own right. Professional and business associations could be proactive in helping SMEs to move towards more professional recruitment practices, reducing the reliance on, for example, word of mouth recruitment. **Our sixth recommendation is for HR professional associations to scrutinize their guidance to check for practices that might constitute indirect discrimination.**

It might also help to persuade business leaders if there were evidence that diversity and fair employment bring net business benefits rather than costs. While the case for tackling discrimination is at heart one of social justice, there are also grounds for thinking that a diverse managerial team or workforce may contribute to having a dynamic and expanding business. **Our final recommendation is therefore to academic researchers and funding agencies to undertake research on the business case for diversity,** and more generally on the effectiveness of the range of fair employment programmes.

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