



**UKREN Comments in contribution to the preparation of the National Action Plan on Inclusion 2008-11.**

**Background**

We welcome the focus of the NAP on equalities as one of its priority objectives. It is both timely and important to highlight the progress and remaining challenges faced by people because of a particular ground, such as their race or ethnic origin, religion or belief, sexual orientation, disability or age. In the case of black and minority ethnic communities, it is all the more important as recent research into poverty and ethnicity shows that black and minority ethnic communities experience higher rates of poverty than their white counterparts.<sup>1</sup>

Black and minority ethnic communities experience poverty and exclusion in many areas ranging including education, health, housing, employment, political participation, criminal justice and access to goods and services. The ENAR Shadow Report on the Situation of Racism<sup>2</sup> provides an account of this inequality in the above areas. It shows for instance that black and minority ethnic people are more likely to be unemployed, almost more than twice as likely to live in substandard homes, and have poorer health. They are also more likely to be homeless and are overrepresented in prisons and more generally throughout every stage of the criminal justice system. In addition, it is important to highlight the conditions faced by specific groups as a result of their status, such as migrant workers, undocumented migrants and asylum-seekers.

**1. Mainstreaming and targeted initiatives**

We note that in the previous NAP, combating discrimination is one of the 5 key priority objectives. We welcome the fact that equalities will be included as a priority objective in the next NAP as well, however, we are keen to ensure that issues affecting ethnic minorities and poverty are covered throughout the NAP, rather than just in isolation in the section on 'equalities'. The other priority objectives are highly relevant to ethnic minorities. This is particularly the case for access to services, where institutional discrimination has been proven to impede on the appropriate delivery of services for ethnic minorities. It is also relevant to other areas, such as child poverty for instance,

<sup>1</sup> L. Platt *Poverty and Ethnicity in the UK*. (Bristol: Joseph Rowntree Foundation, 2007)

<sup>2</sup> S. Isal & K. Halasz *Racism in the United Kingdom ENAR Shadow Report 2006*. (Brussels: ENAR, 2007) available to download from <http://www.runnymedetrust.org/uploads/projects/europe/FINAL%20SR%202006.pdf>

where it was found that a shocking 74% of Bangladeshi children live in poverty<sup>3</sup>. Programmes and strategies that are devised to tackle child poverty should therefore take into account the situation of the most vulnerable groups, such as ethnic minority children.

⇒ Issues and concerns of black and minority ethnic communities should be **addressed in all the NAP sections** (child poverty, access to services and active inclusion, as well as specifically in the section equality).

## 2. Link between Social Exclusion and Discrimination

We are keen to see a reaffirmation in the NAP that poverty and social exclusion of black and minority ethnic communities are also caused by structural inequalities. It is impossible in our view to understand social exclusion of black and minority ethnic individuals without looking at their disadvantaged position in the UK. Only by explaining how particular disadvantages obstruct the social inclusion of black and minority ethnic communities and how discrimination factors in the explanation, will it be possible to devise effective targeted strategies to tackle social exclusion and poverty.

In particular, we want the NAP to acknowledge the **indirect discrimination** that a policy can cause for disadvantaged groups. For instance, the lack of quality sites for Roma and Travellers adversely impacts their health and education prospects. Their lack of access to quality sites might explain why they suffer more from ill-health, but discrimination might explain why they cannot access those sites adequately. Similarly, a housing policy that works to the detriment of larger families, for instance, will affect disproportionately some ethnic minority families such as Bangladeshi or Pakistani families. Here, “ethnicity” is a causal explanation in a more indirect sense. Compare this form of disadvantage to the concept of *indirect discrimination* which – when practiced by public bodies – is illegal under the Race Relations (Amendment) Act.

⇒ It is therefore crucial that an **equality impact-assessment is carried out for any anti-poverty policy.**

There is, in fact, an even more direct way that ethnicity may play a role in social exclusion above and beyond any poverty-based explanation, namely outright discrimination or racism. While this is arguably less common today for both legal and business reasons, we shouldn't discount this possibility entirely.

For instance, in work poverty among black and minority ethnic groups is partly a result of in work discrimination with black and minority ethnic workers facing barriers to promotion, access to training and secure contracts. Labour Market segregation and segmentation continues to be a major challenge for black and minority ethnic workers across the labour market and particularly in the private sector. A recent TUC<sup>4</sup> report highlighted that even in the public sector there are few black and minority ethnic

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<sup>3</sup> L. Platt *Poverty and Ethnicity in the UK*. (Bristol: Joseph Rowntree Foundation, 2007)

<sup>4</sup> TUC *Ten Years After – Black workers in employment 1997-2007* (London: TUC, 2007) p14

workers at senior levels in the civil service and other public authorities and that black and minority ethnic workers are virtually non-existent at the senior levels of private sector companies and corporations.

⇒ It is therefore crucial to ensure **effective implementation of anti-discrimination legislation.**

### **3. Entry into employment should not be the end of policy**

It seems that the Government's main strategy to tackle poverty has been to get more people into employment. However, recent research has highlighted that, given the low incomes of most Bangladeshi, Pakistani and Black-African households (nearly 60%, 40% and 30%, respectively, of the national average), getting them into employment will not necessarily lift them out of poverty,<sup>5</sup> and the strategy therefore fails in its objective, particularly for black and minority ethnic communities.

This example reflects a general trend for government policy to focus primarily on employment and labour market inclusion as the antidote to social exclusion for black and minority ethnic communities. The 'welfare to work' approach has proven particularly problematic given the problem of low value social and economic jobs which have been generated across the manufacturing and service sector which have been acknowledged as increasing the vulnerability of some groups, rather than contributing to their welfare.<sup>6</sup> Insecure employment contracts, demands for flexibility from the workforce in accordance with employer needs, and the evasion of minimum wage and health and safety requirements in some sectors might well have contributed to a worsening of the situation for groups like people of BME background, rather than an improvement. Lucinda Platt, in her study on 'Poverty and ethnicity in the UK'<sup>7</sup> in 2007, reported that an 'ethnic penalty' measuring the disadvantage experienced by black and minority ethnic people applied both to the chances of being in a job and the rate of pay.

Further, whilst we must await the outcome of proper studies into the new situation, there is concern amongst organisations working with migrants that government regulations governing immigration status and the right to enter into employment is having an adverse effect on the position of both migrant workers and BME people. Given the recent date of the introduction of increased penalties directed against employers found to be employing people whose status does not allow them to work, most of what is known at the present time is anecdotal in nature. However there are real reasons to be concerned that the increased sensitivity of employers to the fact that an error in interpreting the status of a worker could result in the imposition of heavy civil penalties is producing a risk avoidance response, with large numbers of people considered to be 'foreign' being refused employment opportunities.

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<sup>5</sup> O. Kahn, 'Poverty and Ethnicity: from social reality to policy-making', *Runnymede's Quarterly Bulletin* no 350 (June 2007) p. 3

<sup>6</sup> TUC, *Hard Work, Hidden Lives: The full report of the Commission on Vulnerable Employment.* (TUC: 2008) available from <http://www.vulnerableworkers.org.uk/cove-report/full-report/>

<sup>7</sup> L. Platt *Poverty and Ethnicity in the UK.* (Bristol: Joseph Rowntree Foundation, 2007)

Increasingly, it is important to consider other areas of the economy that might affect the social inclusion of black and minority ethnic communities, such as financial inclusion for instance. Interestingly there has been one case where government has admitted to potential discrimination in other areas which can lead to exclusion, that is the area of loans to businesses. A recent survey found evidence of barriers if not discrimination for black and minority ethnic firms who apply for credit and other forms of finance. As summarised on the then-DTI's website, the survey findings included:

- Ethnic minority-owned businesses pay higher bank loan charges than White-owned businesses, on average;
- The gap between the amounts of business finance sought and the amounts agreed is significantly greater for Black African and Pakistani-owned businesses;
- Black African and Black Caribbean-owned businesses are much more likely than Indian, Pakistani and White-owned businesses, to be rejected for loans outright;
- Black African and Black Caribbean owned businesses are significantly more likely to feel discouraged from applying for finance than Indian, Pakistani and White-owned businesses.

Crucially, the survey found that many of these discrepancies can be explained by standard business risk factors and financial relationships (for example, the age of businesses and how much collateral businesses can offer against a loan, as well their financial track records). However, it concludes that these do not fully explain the differences, particularly with regard to the margins paid on loans, and gaps in financing.<sup>8</sup>

In June 2007 the Government announced a taskforce to look into this issue, but it may also be worth investigating the extent to which black and minority ethnic groups face discrimination in other forms of credit, including mortgages and small loans.

- ⇒ The NAP should include information on this and other initiatives taken by government to investigate **how discrimination might lead to social exclusion in areas outside of the labour market.**

#### 4. More and better data

We need more data on how different ethnic minorities are affected by poverty. Whilst research is quite comprehensive in some areas (i.e. employment), there are still some real gaps in data collection and ethnic monitoring in other areas (i.e. criminal justice, health).

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<sup>8</sup> Department of Trade and Industry, 'New Ethnic Minority Business Task Force launched by DTI' 19 June 2007. The survey, 'Finance For Small And Medium-Sized Enterprises: Comparisons of Ethnic Minority And White-Owned Businesses' is available at: <http://www.dti.gov.uk/files/file39925.pdf> . This survey follows indicative earlier work, drew on a smaller sample size, conducted in 2004.

We also need better disaggregated data: although we know that overall, ethnic minorities suffer more from poverty than their white counterparts, there are large variations within the ethnic minority categories. For instance, Chinese pupils are outperform any other group in school, whilst Roma, Gypsy and Traveller pupils as well as Black Caribbean pupils have the lowest attainment levels at GCSEs. It is therefore urgent to ensure proper data collection to ensure appropriate analysis of the situation of ethnic minorities and poverty.

⇒ **More and better data is needed** to understand better how poverty and social exclusion affects specific communities. Data needs to be developed in areas where it is still incomplete and flawed, such as health and criminal justice.

## 5. Lack of policy coherence

The social exclusion and poverty of migrant communities is often directly related to their legal status. In particular undocumented migrants and asylum seekers are facing restricted access to services, which increases their vulnerability and potential for employment exploitation. This applies even when the immigration authorities have acknowledged that there is no real prospect of removing many of the people concerned from the UK.

As mentioned in the section on employment, the effects of anti-poverty policies are in danger of being cancelled by restrictions imposed on migrants and asylum-seekers on their immigration status. Many experts on labour migration anticipate an increase in discrimination arising from the reinforced obligations placed on employers to check the immigration status of members of their workforce. The sheer complexity of immigration regulation means that their implications are seldom understood in their entirety by either the employer or the migrant worker. In these circumstances the impact of employer liability is likely to ripple out beyond the core of unquestionably non-eligible individuals to include many people whose status is ambiguous and imperfectly understood by any of the principle parties.

In the realm of key public services there are similar concerns that increased expectations on the part of the government of checks on immigration status will lead to restricted access on the part of some black and minority ethnic groups. A health impact assessment carried out by Newham Primary Care Trust in 2006 signalled concerns that the introduction of checks on immigration status in GP practices and primary care services could seriously upset strategic plans to erode health inequalities in the borough. Concerns of this nature have been taken up by other PCTs and health professionals, with these being reported on the website of the health charity Medact.

⇒ There is therefore a need for **policy coherence** on the part of the government in these various areas.

## APPENDIX

### How are black and minority ethnic communities affected by poverty and social exclusion?

Below are some examples and statistics highlighting the ways that black and minority ethnic communities are affected by poverty and social exclusion.

#### Employment

- Only 61% of ethnic minorities are employed, compared with 76% of white people
- Bangladeshi women have the lowest employment rate of all groups, with just 26% being employed.
- About a quarter of ethnic minorities are employed in the distribution or hotel and restaurants industry sectors compared with under a fifth of white people.
- 12% of ethnic minority people are unemployed, compared with only 5% of whites.
- Indian unemployment is the lowest of all ethnic minority groups at 7%.
- Pakistani women are the group most likely to be unemployed, with an unemployment rate of 25%.
- Source: <http://www.emetaskforce.gov.uk/keys.asp> (accessed 29 April 2008)

#### Education

Despite the gradual decrease in the educational achievement gap between various black and minority ethnic pupil groups and their White British counterparts, underachievement continues to affect pupils from specific minority ethnic backgrounds to a greater extent than other pupils and in particular boys of Black Caribbean heritage. At present, although Chinese, Indian and mixed Asian and White children outperform their White British counterparts at key stages 1, 2 and 4, Pakistani and Bangladeshi pupils *underachieve* in comparison to national figures at these key stages, and Black children consistently underachieve at **all** key stages.

- For example, in 2007 49.1% of Black Caribbean pupils, 55.6% of African pupils and 53% of all Pakistani pupils achieved 5 A\*-C GCSE passes compared to an overall national average at this level of 59.3% of all pupils<sup>9</sup>.
- The gap for Bangladeshi pupils at 58.4% of all pupils from this group, is much smaller and indeed closer to the average figure, although both younger Pakistani and Bangladeshi pupils attain an overall reading level that is less than the national average at age 7<sup>10</sup>.
- There is evidence to suggest that below average performance for specific groups, namely those of Pakistani, Bangladeshi, Black Caribbean and Black

<sup>9</sup> These figures drop to 32.7% of all Black Caribbean pupils, 40.72% of all Black African pupils and 36.8% of all Pakistani pupils compared to a 45.4% national average when the 5 GCSEs gained include English and Maths

<sup>10</sup> **Department for Children, Schools and Families** (2007) *National Curriculum Assessment, GCSE & Equivalent Attainment & Post-16 Attainment by Pupil Characteristics in England 2006/07*, SFR 38/2007, London: DCSF

<http://www.dfes.gov.uk/rsgateway/DB/SFR/s000759/SFR38-2007.pdf>

African heritage and those from Black and White Other groups, occurs as early as the Foundation stage (children aged 3-5)<sup>11</sup>.

- Furthermore the gap between girls and boys remains large in some minority groups, with Black Caribbean males the most likely to underachieve.
- At the age of 10-11 (key stage 2) only a third of children from Irish Traveller and Gypsy/Roma backgrounds achieve the expected level in English subject tests compared to at least three quarters of all pupils nationally.

At the level of higher education black and minority ethnic students from lower income families are more likely to choose local lower performing universities than their White British and more affluent counterparts. There are only 20 higher education institutions in which the black and minority ethnic student population numbers approximately 40% of all students yet there are 53 universities in which black and minority ethnic students comprise less than 5% of the whole student body.

## Health

The Equality Review highlights that there is an important link between poor health and other factors, such as employment, education achievement, or even housing. It also stresses that health is an example of an area where equality arises out of the failure of institutions to cater for the different needs of the British population.

Research is available to show that Black and minority ethnic communities tend to have poorer health than the general population. However, there is still insufficient data on this subject and further and better monitoring is therefore needed – as highlighted earlier in this submission.

Life expectancy for Roma and Traveller women is up to 12 years lower than for the average female population (10 years lower for Roma and Traveller men).

## Housing

Most of Britain's ethnic minority population live in the major cities, particularly the inner-city areas. In 2006, 8% of all households in England were black and minority ethnic, and they are nearly twice as likely as White households to live in substandard homes, as defined by general unfitness or the need for modernisation.<sup>12</sup>

An estimated 526,000 households in England are classified as overcrowded – about 2.5% of all households. By region, London has the highest overall rate of overcrowding (6.6%). Compared to only 2% among White households, 11% of black and minority ethnic households are overcrowded, a proportion only slightly lower than that of the mid-1990s when it stood at 13%. The Bangladeshi community is most likely to

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<sup>11</sup> Department for Education & Skills (2006) *National Curriculum Assessment, GCSE & Equivalent Attainment & Post-16 Attainment by Pupil Characteristics in England 2005/6*, London: DfES  
<http://www.dfes.gov.uk/rsgateway/DB/SFR/s000693/SFR46-2006.pdf>

<sup>12</sup> Department for Communities and Local Government, *Improving Opportunity, Strengthening Society* (London: DCLG, 2006), <http://www.communities.gov.uk/documents/communities/pdf/160560>, accessed 06 May 2008

experience overcrowding (40%), followed by the Pakistani (20%) and Black African households (15%).<sup>13</sup>

Compared to their proportion in the overall population, black and minority ethnic households are around three times more likely to experience homelessness, with Black African and Black Caribbean families being the most vulnerable.<sup>14</sup>

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<sup>13</sup> Department for Communities and Local Government, *Race Equality in Public Services*, <http://www.communities.gov.uk/documents/communities/pdf/452664>, accessed 06 May 2008

<sup>14</sup> Department for Communities and Local Government, *Improving Opportunity, Strengthening Society* (London: DCLG, 2006), <http://www.communities.gov.uk/documents/communities/pdf/160560>, accessed 06 May 2008