

ROTA response to ‘Tackling Child Poverty and Improving Life Chances: Consulting on a New Approach’

1. Introduction

We welcome this government’s commitment to tackling child poverty, and in particular finding long-term solutions through addressing its root causes. Certain groups of Black, Asian and minority ethnic (BAME) children and young people are overrepresented among the most disadvantaged socio-economic groups in our society, facing greatest health inequalities, poorest educational outcomes and so on. The link between ethnicity and socio-economic disadvantage is not straight forward. Higher poverty rates among BAME groups are not simply related to the higher proportions of families which we know are at higher risk of poverty. Researchⁱ has shown there is an ‘ethnic penalty’ associated with poverty. That is, measurable factors which we know are linked to differences in poverty risks – such as employment status and family structure – alone cannot explain ethnic differences in poverty. There are additional, ‘unexplained’ differences, which are linked to ethnicity. The ‘ethnic penalty’ must be identified as one of the root causes of poverty within the child poverty strategy if it is to benefit *all* children and young people.

Given the current and future demographic profile of the UK, coupled with the moral case, it makes economic and legal sense to seek understanding of the ethnic penalty through this child poverty strategy. There is significant economic potential in addressing the inequalities which prevent many from BAME communities from accessing equality of opportunity and fulfilling their economic potential. Not enough consideration has been given to understanding and responding to this inequality, or to the recent reviews by Frank Field MP and Graham Allen MPⁱⁱ, in the current strategy.

In this brief response we describe the subtle distinctions in the nature of poverty experienced by different ethnic groups. Due to capacity limitations, we are unable to respond to all the questions posed in the consultation document. Yet we felt it important to highlight the implications of this important strategy for different ethnic groups, since consideration of these will be critical to the success of the strategy.

As a social policy and research organisation with specialist expertise in relation to the aspirations and needs of BAME children and young people, we would welcome the opportunity to work closer with government in developing its child poverty strategy further in the future.

Overall recommendation: The ethnic penalty must be identified as one of the root causes of poverty within government's child poverty strategy.

2. Methodology for this response

ROTA is a social policy and research organisation that focuses on issues impacting on Black, Asian and minority ethnic (BAME) communities. Our policy priorities are health, education and criminal justice. We are a membership organisation with over 20 years of experience. We host four networks – MiNet, the Transformative Justice Forum, the Female Voice in Violence Coalition and the Winning the Race Coalition, with a combined membership of over 3,500 organisations and individualsⁱⁱⁱ.

This response is based on evidence gathered through our bi-annual consultation with members of our networks. During our bi-annual consultation we contact BAME organisations via email, telephone, outreach interviews and focus groups over a four month period. In addition, this response is based on findings from our varied research projects, which consistently identify poverty as a key concern of BAME communities and the need for increased support from the BAME voluntary sector to effectively address it and its root causes. Examples of our research include:

- MiNet's ongoing work on the impact of the recession on London's BAME communities and voluntary and community sector. MiNet is due to launch its latest report on the recession in March 2011^{iv}.
- ROTA's Female Voice in Violence (FVV) project, which is exploring the impact of serious youth and gang violence on women and girls^v.
- ROTA's 2006 – 2009 youth-led research project, Building Bridges, which looked at serious group offending^{vi}.
- ROTA 2005 – 2007 research on homelessness^{vii}.
- ROTA's 2006 – 2008 Restoring Relationships Project and current Transformative Justice Project, which explore and promote the use of restorative justice as a means of addressing hate crime against London's BAME communities^{viii}.

3. Comments

3.1 The 'ethnic penalty' associated with poverty

All BAME groups have higher rates of child poverty than the majority.^{ix} The BAME population makes up 12 per cent of the whole population and 15 per cent of children, but 25 per cent of children who are in poverty^x. That equates to approximately 750,000 children^{xi}. Child poverty differs widely across BAME groups. With a fifth of children in poverty overall, black Caribbean and Indian children have rates of poverty of 26 and 27 per cent rising to 35 per cent for black African children. Over half of Pakistani and Bangladeshi children in England are in poverty^{xii}.

The recession is also disproportionately impacting on BAME groups, exacerbating these already high levels of poverty^{xiii}.

People of Indian origin are more likely to have low household income than white people, despite the fact that a low proportion of Indians earn low hourly wages and have higher than average educational attainments. Pakistani and Bangladeshi adults are much less likely than average to have a current account or home contents insurance. Asian and Black households are also several times more likely than white British households to live in overcrowded or substandard homes^{xiv}.

The proportion of adults who lack formal savings varies widely by ethnicity with^{xv}:

- 35% of white people lacking formal savings
- 51% of Indian people lacking formal savings
- 73% of Pakistani/Bangladeshi people lacking formal savings
- 51% of black people lacking formal savings.

People in routine occupations^{xvi} typically have only a fifth the wealth of higher professionals, and White British households have median wealth 15 times that of Bangladeshi households, which can only partly be explained by the younger age profile of the latter group.

When contrasted with their educational outcomes the Chinese population's wealth levels are strikingly low, because they perform extremely well in education compared with some other BAME groups^{xvii}.

The poverty of BAME groups is not just a result of higher numbers of families at risk of poverty, with risk associated with factors such as age structures, educational attainments, lone parents or large families. These risk factors also differ across groups.

Thus, for example, children in white couple parent families have a 14 per cent risk of being in poverty, but Bangladeshi children in couple parent families have a 66 per cent risk. Similarly, white children in a one or two child family have a 17 per cent chance of poverty but Pakistani children in a small family have a 49 per cent chance of being poor.

And while risks of being poor are high for all children in lone parent families, they are even higher for some groups than others. For example, 36 per cent of white children in such families are in poverty but 46 per cent of black African children in lone parent families are poor.

The poverty experienced by BAME groups is also more persistent, particularly for Pakistani, Bangladeshi, black Caribbean, black African and mixed ethnicity families; while Indian, Pakistani, Bangladeshi and mixed ethnicity families with young children are more likely to fall into poverty than their white counterparts^{xviii}.

All of the above indicates that children from BAME groups have a diverse experience of poverty and that its causes vary by group. Issues potentially contributing to differences in poverty across groups include: employment rates, hours of work and pay, non-take-up of benefits and credits, numbers of adults in employment relative to dependants within the household, and lack of additional 'buffers' such as savings, sources of credit or alternative incomes. However, given the

differences in experience of poverty across ethnic groups these factors are likely to vary in importance depending on the group.

Risk factors for poverty such as living in a lone parent family, living in a family with a disabled member and living in a workless family vary in their distributions across children from different ethnic groups. This suggests that policies to address these risk factors will tend to reduce the poverty differences between certain BAME groups and the majority. Some groups will be more affected by certain policy in certain areas. For example, black Caribbean children are likely to benefit from policies to reduce lone parent poverty, while Pakistani children are likely to benefit from policies to reduce poverty in households with a disabled person.

However, the poverty risks associated with family and household circumstances also vary between groups. Risks for any given family circumstances tend to be higher for children from BAME communities; and in some cases, such as the risks of poverty among Bangladeshi children living in a working family, they are much higher. Therefore, tackling poverty of BAME children will also involve understanding and paying attention to the causes of these greater risks for apparently similar circumstances.

Addressing differentials across these areas will contribute to reducing children's ethnic poverty penalties.

Recommendations:

- The child poverty strategy and its implementation plan must consider ethnicity explicitly to enable the impact of policies across and within groups to be evaluated and to ensure that certain groups are not left behind.
- In developing indicators to measure progress against the child poverty strategy, it will be important to consider how different indicators tell different stories across ethnic groups.
- Learning from National Equality Panel^{xix} and EHRC's triennial review^{xx} should be used to identify risk factors for child poverty related to ethnicity and to target resources and interventions effectively.

Appropriate policy responses to these greater risks require detailed investigation of the patterns of poverty by ethnic group.

The evidence shows stark disparities in relation to gender, disability, and ethnicity, which in many cases result from the inequalities in education and employment outcomes described elsewhere in this Report.

3.2 The Frank Field and Graham Allen reviews

We welcome the emphasis being placed, as a result of the Frank Field and Graham Allen reviews on the 'Foundation Years' and on 'Early Intervention'. In particular, we welcome Frank Field's acknowledgement of the need for a shift in focus "towards providing high quality, integrated services aimed at supporting parents and improving the abilities of our poorest children during the period when it is most effective to do so".

We were deeply concerned, given the evidence included above, however, with the limited reference to the nature of poverty experienced by BAME communities in both reviews and, as such, the risk that these recommendations will leave poorer BAME groups behind.

It is crucial that BAME communities and their organisations are involved in the development and delivery of services that will emerge from these recommendations. There is much evidence of the barriers that BAME communities face in accessing services across a range of areas relevant to child poverty. Indeed a 2007 report^{xxi} on Sure Start found that while good practice existed, overall, Sure Start was failing to benefit disadvantaged BAME communities.

Indeed, BAME organisations often play a unique and vital role in opening up mainstream services to BAME communities, and this role should be supported in the child poverty strategy through recommendations around the retention of grant funding and inclusive commissioning processes.

It is also critical that equality considerations are central to the ‘measures of “service quality” recommended by Frank Field. Service quality should be focused on, and success should be monitored in terms of, addressing inequalities by socio-economic group, but also, for reasons argued above, by characteristics protected under the Equality Act 2010.

We welcome the areas covered by the Child Poverty Strategy, namely 1. Early intervention and the ‘Foundation Years;’ 2. Employment and skills; 3. Financial support; 4. Devolving power. The omission of Frank Field’s recommendations relating to education are, however, is a huge mistake and demonstrates the need for linking policy direction in order to achieve maximum gains.

Recommendation: BAME communities and their organisations must be engaged in the development and delivery of services that emerge as a result of this child poverty strategy.

3.3 Public spending cuts and other areas of reform undermine aims of this strategy

This strategy identifies a range of reforms in other policy areas, such as in education and welfare, which, it considers will complement efforts to reduce child poverty. Our analyses, however, identifies risks that many of the reforms being rushed through currently will further exacerbate disadvantage. Our recent response to the White Paper, The Importance of Teaching, for example, considers the risks that the expansion of free-schools and academies could lead to ethnic and socio-economic segregation within schools systems with considerable gaps in the quality of service provision available to different groups and of the pupil premium failing to benefit those at greatest risk of educational disadvantage^{xxii}. While we agree that welfare dependency, where it exists, needs to be tackled, we are concerned that the welfare reforms will push families further into poverty. The need for income transfer to particularly vulnerable families, to ameliorate the detrimental effects poverty can have, remains, alongside the need for approaches which support families into work, which improve educational outcomes for disadvantaged groups and which tackle health inequalities and so on.

We are also concerned that the scale of the public spending cuts, which are disproportionately impacting on BAME communities and those facing socio-economic disadvantage will prevent government’s success in meeting the aims of its child poverty strategy.

The interim findings from our ongoing work with MiNet^{xxiii} on the effects of the recession on BAME communities are already highlighting the detrimental impact of cuts on the welfare of children and young people. Early indications from research with supplementary schools and other BAME voluntary organisations are that, among the groups most likely to be affected by cuts to children's services are children excluded from, or at risk of exclusion, from school. The exclusion rate is disproportionately high for children from black Caribbean and Gypsy, Roma and Traveller families^{xxiv}. Also likely to be affected are children from newly arrived communities, whose families have an urgent need for help accessing health, welfare and education services and older children and teenagers with social and welfare issues, at risk from isolation.

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ⁱ Platt, L., Institute for Social and Economic Research, University of Essex (2009) *Ethnicity and child poverty, Research Report No 576*. Department for Work and Pensions.

ⁱⁱ Field, F. (2010) *The Foundation Years: preventing poor children from becoming poor adults. The report of the Independent Review on Poverty and Life Chances*. HM Government; Allen, G., MP (2011) *Early Intervention: The Next Steps. An Independent Report to Her Majesty's Government*. HM Government.

ⁱⁱⁱ To find out more about ROTA please visit www.rota.org.uk.

^{iv} MiNet (2009) *The Economic Downturn and the Black, Asian and minority ethnic (BAME) third sector*. London: ROTA. The report from Phase 2 of MiNet's work on the recession is due to be launched in March 2011.

^v More information about this project is available on the projects pages of ROTA's website at http://www.rota.org.uk/pages/FVV_BBP.aspx. The final report from Phase 1 of FVV can be obtained by contacting ryan@rota.org.uk. The final report from Phase 2 will be available from the 22 March.

^{vi} More information about this project is available on the projects pages of ROTA's website at http://www.rota.org.uk/pages/FVV_BBP.aspx. The final report will be available from the end of February from the publications pages of ROTA's website at www.rota.org.uk.

^{vii} ROTA (2007) *The visible and hidden dimensions of London's homelessness: A Black, Asian and minority ethnic account*.

^{viii} To find out more about these projects please visit <http://www.rota.org.uk/pages/TJP.aspx> and <http://www.rota.org.uk/pages/RRP.aspx> respectively.

^{ix} Platt, L., Institute for Social and Economic Research, University of Essex (2009) *Ethnicity and child poverty, Research Report No 576*. Department for Work and Pensions.

^x Platt, L., Institute for Social and Economic Research, University of Essex (2009) *Ethnicity and child poverty, Research Report No 576*. Department for Work and Pensions.

^{xi} Sharma, N. (2007) *It Doesn't Happen Here: The reality of child poverty in the UK*. Ilford: Barnardo's

^{xii} Platt, L., Institute for Social and Economic Research, University of Essex (2009) *Ethnicity and child poverty, Research Report No 576*. Department for Work and Pensions.

^{xiii} For example see 'EHRC & GEO (December 2009) *Monitoring update on the impact of the recession on various demographic groups*'; 'MiNet (2009) *The Economic Downturn and the Black, Asian and minority ethnic (BAME) third sector*. London: ROTA.'; and 'Trust for London (2010) *London's Poverty Profile*.

^{xiv} EHRC (2010) *How Fair is Britain. The first Triennial Review*.

^{xv} Family Resource Survey 2007/08.

^{xvi} Routine occupation include routine sales and service occupations, production, technical, operative and agricultural occupations where employees are regulated by a basic labour contract.

^{xvii} Wealth and Assets Survey 2006/08.

^{xviii} Platt, L., Institute for Social and Economic Research, University of Essex (2009) *Ethnicity and child poverty, Research Report No 576*. Department for Work and Pensions.

^{xix} National Equality Panel (2010) *An Anatomy of Inequality in the UK: Report of the National Equality Panel*. Government Equalities Office.

^{xx} EHRC (2010) *How Fair is Britain. The first Triennial Review*.

^{xxi} Craig, C. Centre for Social Inclusion and Social Justice (2007) *National Evaluation Report. Sure Start and Minority Ethnic Populations*. Department for Education and Skills.

^{xxii} For example see 'ROTA (2010) *Briefing on the Importance of Teaching* available at <http://www.rota.org.uk//Downloads/Briefing%20the%20importance%20of%20teaching.pdf> which considers how educational reforms risk exacerbating educational inequalities faced by certain BAME communities.

^{xxiii} MiNet is a regional network in London including 3,000 BAME organisations. MiNet is an independent network which has been hosted by ROTA since 2002. To find out more please visit the MiNet's pages on ROTA's website at www.rota.org.uk.

^{xxiv} Department for Children, Schools and Families (2009) *Statistical First Release in England and Fixed Period from Exclusion Appeals in England. DCSF National Statistics. 2007/2008*.