

POVERTY AND ETHNICITY: KEY MESSAGES FOR SCOTLAND

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Overall poverty is higher among ethnic minority groups than within the majority white population. The Joseph Rowntree Foundation (JRF) has conducted a major research programme which seeks to understand this and suggest solutions. This Viewpoint considers this research through the lens of Scottish policy and practice and makes recommendations about how to tackle poverty among all ethnic groups across Scotland.

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Background

Scotland has a rapidly changing policy and legislative landscape. The Scottish government is refreshing its overarching economic policy and developing a raft of new measures which aim to tackle poverty and inequality, including a new fairness strategy for 2016. It is also refreshing its approach to promoting race equality. Meanwhile, forthcoming newly devolved powers in the Scotland Bill (following on from the Smith Commission), could give the Scottish parliament new levers with which to address poverty, including poverty among ethnic minority groups, in Scotland.

The publication of the Joseph Rowntree Foundation's (JRF) poverty and ethnicity research comes at a timely moment. This four-year, UK-wide programme seeks to understand the links between ethnicity and poverty and to suggest solutions which will tackle poverty across all ethnicities. The next stage of the Poverty and Ethnicity Programme will involve piloting a number of practical demonstration projects across the UK, including Scotland. These will test out the solutions suggested by the research programme.

Overall, people from minority ethnic groups are more likely to be in poverty than the majority white population.¹ Yet there has been little focus on this within anti-poverty policies. This paper looks at the research through the lens of Scottish policy and draws out aspects which are relevant for Scotland. Each section is followed by recommendations. These highlight solutions, which are within currently devolved areas of responsibility, where the Scottish government and other stakeholders can take action to tackle poverty across all ethnicities. It also considers how newly devolved powers could be used in future. The action plan section pulls together some key recommendations into a plan to tackle in-work poverty across all ethnicities in Scotland.

This paper draws on the following reports from JRF's poverty and ethnicity programme (all published by the Joseph Rowntree Foundation and available at www.jrf.org.uk):

Brynin, M. and Longhi, S. (2015) The effect of occupation on poverty among ethnic minority groups; Catney, G. and Sabater, A. (2015) Ethnic minority disadvantage in the labour market; Finney, N., Kapadia, D. and Peters, S. (2015) How are poverty, ethnicity and social networks related?; Fisher, P. and Nandi, A. (2015) Poverty across ethnic groups through recession and austerity; Holtom, H. Bottrill, I. and Watkins, J. (2013) Poverty and ethnicity in Wales; Hudson, M., Netto, G., Sosenko, F., Noon, M., de Lima, P., Gilchrist, A. and Kamenou-Aigbekaen, N. (2013)

In-work poverty, ethnicity and workplace cultures; Hughes, C. (2015) Ethnicity, poverty and youth labour market transitions; Irwin, J., McAreavey, R. and Murphy, N.(2014) Economic and social mobility among ethnic minority communities in Northern Ireland; Khan, O., Ahmet, A. and Watkins, J. (2014) Poverty and ethnicity: Balancing caring and earning for British Caribbean, Pakistani and Somali people; Lalani, M., Metcalf, H., Tufekci, L., Corley, A., Rolfe, H. and George, A. (2014) How place influences employment outcomes for ethnic minorities; McCabe, A. Gilchrist, A. Harris, K, Afridi, A. Kyprianou, P. (2013) Making the links: poverty, ethnicity and social networks; Wallace, A., McAreavey, R. and Atkin, K. (2013) Poverty and ethnicity in Northern Ireland.

Key points

- Poverty is higher among ethnic minority groups than within the majority white population, but there is a lot of variation within and between groups and geographical areas.
- Ethnicity and other factors including, but not exclusively, gender, disability, ill health and class, all affect poverty.
- Despite the clear overlap between the aims of the equalities and anti-poverty policy agendas there is a lack of integration between them.
- Discrimination limits opportunities in a variety of situations.
- Place has a key role in employment outcomes; local action and knowledge is important.
- Differences in educational qualifications across different ethnic groups do not explain the greater risk of poverty for some ethnic minority groups.
- People from ethnic minority communities with good qualifications face greater barriers to finding work which matches their qualifications, compared with the majority white population.
- Clustering in low-paid work is a significant factor in explaining greater in-work poverty among some ethnic minority groups.

- The most significant factor in determining opportunities for progression in work was the employee's relationship with their line manager.
- Lack of affordable, flexible childcare was a key barrier to work for low-income families across all ethnicities.
- Lack of knowledge and information about childcare or support for carers was an important factor in low take-up among some ethnic minority groups.
- There was a lack of inclusive services (both childcare and other care services) which took into account cultural and religious differences.
- Social isolation and a lack of friends are strongly related to a high risk of poverty across all ethnicities.
- Ethnic monitoring in the public sector (at both a local and national level) as well as by private sector employers is patchy, hampering efforts to tackle ethnic minority poverty.
- Forthcoming devolution of powers to Scotland could provide the Scottish government, local authorities and others with important new levers with which to tackle poverty and inequality across all ethnicities.

Recommendations

- The Fair Work Convention should develop a programme to promote equal participation and opportunities for all, including those from ethnic minority communities who are at a disadvantage in the labour market.
- The Scottish government, care sector employers, trades unions, Skills Development Scotland and other stakeholders should implement a plan to improve pay, conditions and opportunities for progression for care workers (including a specific focus on equal opportunities for ethnic minority women).
- The Scottish government and partners should develop a programme of awareness-raising for employers and employees, highlighting employment rights.
- Trade Unions, employers and the Scottish Government promote and strengthen opportunities for individuals from ethnic minority communities to seek union representation to challenge racism and discrimination at work.
- Employers should improve recruitment and progression for ethnic minority communities who are overrepresented in low paid work, by:
 - ensuring that vacancies, opportunities for training and progression are always advertised via open recruitment rather than word of mouth;
 - strengthening ethnic monitoring of recruitment and progression;
 - proactively using monitoring data to improve policy and practice;
 - promoting targeted ‘working to learn’ approaches;
 - ongoing training to challenge racism, discrimination and stereotyping;
 - initiating positive action schemes where there is persistent underrepresentation.
 - The Scottish government, local authorities and other public bodies should use procurement to promote recruitment and progression into better paid, high skill employment for people from ethnic minority groups who are at risk of low-pay traps.
- The Scottish government should make investment conditional upon employers taking action to improve recruitment and progression for people from ethnic minority communities, where they are underrepresented.
- The Fair Work Convention should set up a monitoring and evaluation system to assess the success of the statutory guidance in promoting fair work across all ethnicities.
- The Scottish government and partners should set up an advice service to help organisations tendering for contracts. This would provide advice about how to best meet procurement guidance requirements, including promoting equality for ethnic minority communities.

- Careers advice services should be designed to pro-actively challenge stereotypes (linked to both ethnicity and gender) and encourage young people into training and jobs linked to better pay and prospects.
- Skills Development Scotland should set and monitor targets to increase the number of people from ethnic minority backgrounds who:
 - start and complete Modern Apprenticeships;
 - successfully move into good quality, sustainable employment following completion of their apprenticeship.
- Devolved employability schemes should:
 - support people to enter the best possible quality of work in terms of pay, security, sufficient hours and progression;
 - be designed to take into account local labour market conditions;
 - offer a variety of opportunities including high skill, well-paid jobs for those with appropriate qualification and skills;
 - include measures to tackle the low wage traps which affect some ethnic minority groups disproportionately.
- The Scottish government and partners should prioritise support for asylum seekers to maintain and improve skills, through education (including ESOL), training and volunteering opportunities.
- Employability services should include services which are tailored to address the specific barriers which refugees face.
- The Scottish government should set out a timetable to deliver greater provision of affordable and flexible childcare.
- The Scottish government should improve the quality of childcare (including improvements to staff pay, conditions and opportunities for career development).
- Childcare providers should design their services to be inclusive for parents and children from all ethnicities.

Introduction

After a period of significant falls in the number of people living in poverty since the 1990s, progress has stagnated (DWP, 2015). This research into the links between poverty and ethnicity shows that poverty is higher among ethnic minority groups than within the majority white population. It also reveals that racism and discrimination continue to limit the opportunities of many people.

The lack of real progress in reducing the number of people living in poverty reflects the impact of a range of factors including changes in the labour market and tax and benefit changes which have had a disproportionate impact on people living in poverty (Browne and Elming, 2015). In recent years, rises in employment have been balanced by a fall in earnings, meaning that in the UK more than half of people in poverty now live in working households (Belfield *et al.*, 2015). At the same time we are also seeing high levels of racism (Barnard, 2014).

In addition, the current UK government's commitment to introduce further austerity measures, including £12 billion worth of cuts to social security provision, is predicted to outweigh improvements in take-home pay arising from tax changes and a rise in the minimum wage, exacerbating current trends. In this context, the need for robust and comprehensive policies which tackle poverty and inequality across all ethnicities has never been more urgent.

Poverty and ethnicity in Scotland

In 2013/14, 730,000 people in Scotland – 14 per cent – were living in relative poverty (before housing costs), a slight fall on the previous year's figures. After housing costs were taken into account, 940,000 people in Scotland – 19 per cent – were living in poverty in 2013/14 (Scottish Government, 2015d).

Over the longer term, from 2004/05 to 2009/10 the number of people in poverty remained at 17 per cent before beginning to fall in 2010/11. However, this was due in part to a fall in median income rather than any material improvement in people's lives (Scottish Government, 2014a). The 2013/14 figures do show some improvement with median income rising again (Scottish Government, 2015d).

However, the risk of being in poverty varies considerably across ethnicities. At the time of the Census in 2011 there were just under 5.3 million people living in Scotland. Four and a half million of them (84 per cent) described themselves as White Scottish and 8 per cent as White: Other British. Other (non-British)

White groups made up a further 4 per cent – White: Polish (61,000), White: Irish (54,000), White: Gypsy/Traveller (4,000) and Other White (102,000). Of the remaining 4 per cent, those who described their ethnicity as Pakistani (49,000 people) were the largest group, followed by Chinese (34,000 people). There were roughly equal numbers of people who recorded their ethnicity as Indian and African (33,000 and 30,000 respectively). Other ethnic groups were much smaller, with the Bangladeshi (4,000), Caribbean (3,000) and Black (2,000) groups being of similar size (Scottish Government, 2015a).

Twenty five per cent of people from (non-white) ethnic minority groups were in relative poverty (before housing costs) compared with 14 per cent from the White British group over the period 2011/12 – 2013/14. After housing costs, the situation was even starker, with more than a third – 36 per cent of (non-white) ethnic minority people in poverty compared with 17 per cent of the White British group. However, as figures 1 and 2 demonstrate there are also considerable differences between groups.² (Scottish Government, 2015e).

Figure 1: Percentage of people in relative poverty (before housing costs) by ethnic group: Scotland 2011/12 to 2013/14

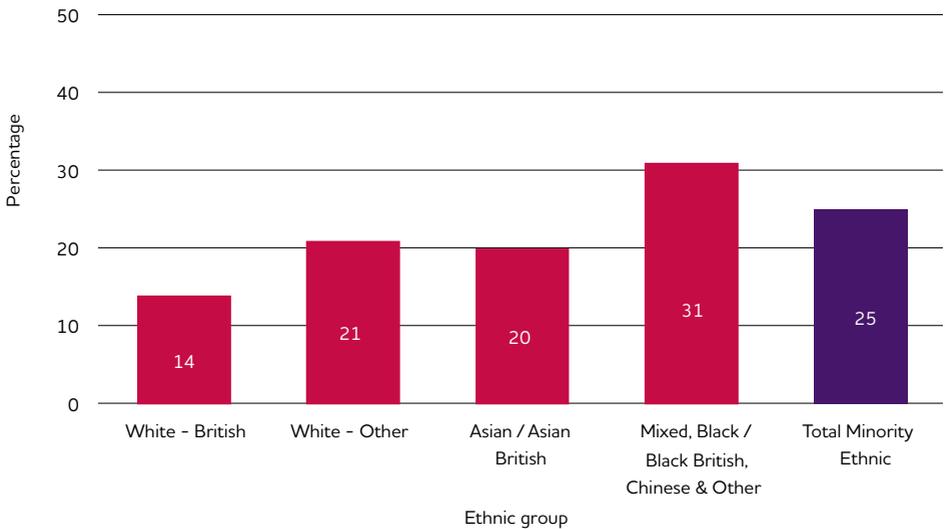
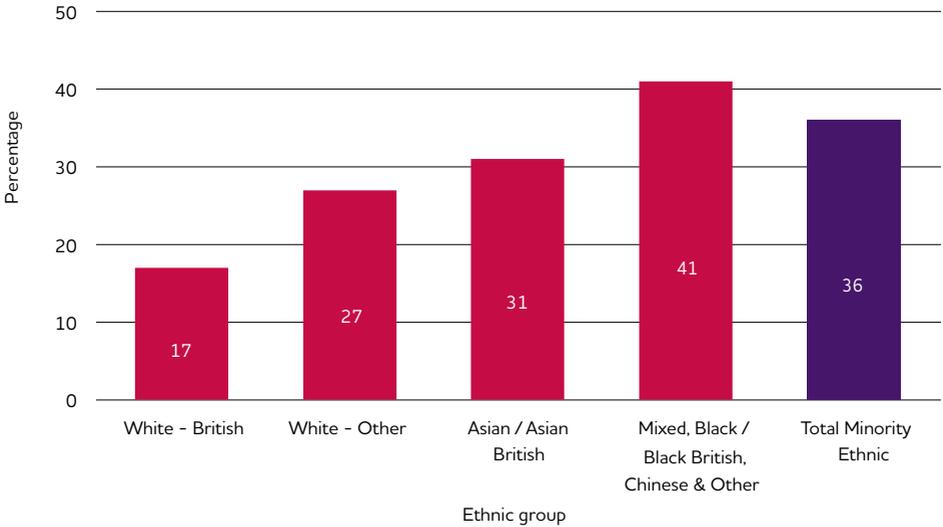


Figure 2: Percentage of people in relative poverty (after housing costs) by ethnic group: Scotland 2011/12 to 2013/14



Note: Figures 1 and 2 are derived from UK-wide statistics which use different classifications from the Scottish Census. Here the category White British includes the Scottish Census category White Scottish.

While these figures show striking differences between groups it is important to keep in mind that they are averages. Other UK research shows there is also much variation within ethnic groups, with some having much greater degrees of economic inequality among members than others (Platt, 2011).

Furthermore, UK-wide analysis by the National Equality Panel found that over the last 40 years the growth in income inequality across the UK is mainly attributable to growing gaps within groups rather than between them, so that to achieve a more equal society we need to narrow the gaps both between and within groups (Hills *et al.*, 2010).

It is also important to consider the current economic context. UK research by Fisher and Nandi (2015) tracked the impact of the recession and austerity since 2008 across ethnicities. They found that average incomes fell across all ethnicities (except for Pakistanis), with the largest falls being for Chinese (30 per cent), and Black

African, Indian and Other White (10 per cent). In contrast, among the white majority incomes fell by 3-4 per cent.

In addition, of course, ethnicity is not the only factor linked to an increased risk of being in poverty: poverty is linked in complex ways to several factors including, but not exclusively, gender, disability and ill-health and class. Because of the complex interaction of these factors, any comprehensive anti-poverty policy must take into account not just ethnicity but the whole range of these factors.

Policy context in Scotland

The Scottish government has introduced two overarching approaches to tackling poverty since 2007: *Achieving Our Potential* (Scottish Government, 2008a) which is a broad based anti-poverty strategy and the *Scottish Child Poverty Strategy* (Scottish Government, 2011a; 2014c) which ministers had to produce under The Child Poverty Act 2010.

Targets to address poverty and inequality are embedded in a number of Scottish government strategies. *Achieving Our Potential* has a target 'to increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017' (the Solidarity Purpose Target). *Scotland Performs* (www.gov.scot/About/Performance/scotPerforms), the progress report on the National Performance Framework, (Scottish Government, 2011b) has a target to 'decrease the proportion of individuals living in poverty'.

Although the detail of the framework in *Achieving Our Potential* remains current, the document itself is not. The Scottish government is conducting a national conversation, 'A Fairer Scotland' to seek views on updating its approach to tackling poverty and inequality. The First Minister has also appointed an independent adviser on poverty and inequality, as part of this work.

The other key strategy, the *Scottish Child Poverty Strategy*, is structured around three key outcomes: pockets – maximising financial resources of families on low incomes; prospects – improved life chances of children in poverty; and places – children from low-income households living in well designed, sustainable places.

The government also has a number of policies promoting equality, such as the *Race Equality Statement* (Scottish Government, 2008b) and *New Scots: Integrating Refugees in Scotland's Communities 2014 – 2017* (Scottish Government, 2013a). The Scottish government is also updating its Race Equality Statement.

However, policy to tackle inequality across a range of equalities strands, including ethnic inequality, is not well integrated into policy to tackle poverty or socio-economic inequality (Jarvis and Gardner, 2009). Strategies which focus on reducing inequality based on protected characteristics including ethnicity are critical to meeting legal duties under the Equality Act and to promoting social cohesion. But as the figures above demonstrate, they are also key to tackling poverty and income inequality across all ethnicities.

Recommendation

- The Scottish government's current refresh of anti-poverty and inequality policy should include a new focus on integrating measures to tackle poverty across all ethnicities.

Legal context

This research studied looks in detail at the policy and practice of a range of public and private employers. Under the 2010 Equality Act, it is unlawful for any employer to discriminate against a job applicant or worker on the grounds of their race (defined as including colour, nationality and ethnic or national origins). The Act also places a general duty on listed public bodies to eliminate unlawful discrimination, advance equality of opportunity and foster good community relations.

These bodies must also conduct an assessment of the impacts of their relevant policies and practices and take account of these assessments.

Listed public bodies include, for example, the Scottish government, Skills Development Scotland, local authorities, NHS Scotland and many more.

Thus, public bodies have a duty to not only to eliminate unlawful discrimination, but also proactively promote equality of opportunity and good relations. In pursuit of these objectives the Act requires public bodies to monitor by racial group their staffing, recruitment, promotion and training and to publish monitoring data annually. Public bodies must make use of this data to assess and improve their policy and practice.

In addition, where a body considers that people from an ethnic minority group are disadvantaged because of their ethnicity, have needs that are different from people not in that group, or where their participation is disproportionately low, positive action measures are permissible. This includes action to enable or encourage them

to overcome or minimise that disadvantage, to meet those needs, or enable or encourage them to participate.

An employer can set targets to increase the number of employees from an underrepresented ethnic minority group and take steps, including positive action steps, to help meet those targets. However, while positive action is lawful, positive discrimination is not: the same employer could not introduce quotas into their recruitment process .

Devolution

The Smith Commission proposed newly devolved powers across a number of areas including extended powers over taxation, equalities legislation, social security provision and employability. In contrast, the draft clauses set out in the UK government's Command Paper (HM Government, 2015) appear to restrict these proposals in various ways (Scottish Government, 2015c) as does the subsequent Scotland Bill being debated at Westminster.

Nevertheless, extended powers do create opportunities for the Scottish parliament to develop legislation to better tackle poverty and inequality for people on low incomes across all ethnicities. There are three areas in particular which are of relevance for the research discussed in this report – social security, employability and equalities legislation.

The Scotland Bill includes additional powers over disability and carers benefits, administrative powers over aspects of Universal Credit delivery, the creation of new benefits in devolved areas and the topping up of reserved benefits. The Welfare Reform and Work Bill is likely to further constrain these newly devolved powers (for example, through the benefit cap). Ongoing cuts to the overall UK social security budget will also have a proportional impact on the devolved budgets for new social security powers.

The Bill will devolve responsibility for the Work Programme to the Scottish government while maintaining the current sanctioning regime, which underpins both referrals to, and the policing of, the Work Programme by the Department for Work and Pensions (DWP). This would undoubtedly constrain the opportunities to develop a significantly different approach. But even in these circumstances devolution provides the opportunity to legislate for a model which is better able to meet the needs of people across all ethnicities.

The Scotland Bill sets out powers which would enable the Scottish parliament to legislate for a socio-economic duty to be imposed on public bodies. This could require local authorities to take into consideration socio-economic inequality when making strategic decisions. A number of commentators have criticised the proposals as not well thought out, given the complexity of equality law in the devolved context. However, if these issues can be resolved new powers could support the development of a more robust anti-poverty approach at a local level.

The implications of these newly devolved powers, and recommendations for each, are discussed in more detail below.

Recommendation

- Whatever the extent of newly devolved social security powers, the Scottish parliament, Scottish government, local authorities and other key stakeholders should implement legislation, policy and practice which makes full use of these powers to tackle poverty across all ethnicities.

Poverty, ethnicity and the labour market

While there were a number of crosscutting themes in the research, it is worth noting at the outset that in every one of the qualitative projects reviewed, participants identified the impact of racism and discrimination as being an issue in limiting their opportunities to access jobs and services. Participants described incidents where, as a result of discrimination, they failed to find work appropriate to their skills, were passed over for promotion to better paid work and where service providers failed to take account of their cultural and religious preferences.

This confirms much other research that has highlighted the role of racism, whether direct or indirect, in limiting access to employment opportunities, education and other services. For example, a DWP, UK-wide study (which included Glasgow) found that someone from an ethnic minority background had to submit 16 job applications for every offer of an interview compared with just 9 for white candidates (Wood *et al.*, 2009).

Unemployment

Although employment is not a guaranteed route out of poverty, a lack of paid employment remains associated with much higher risks of being in poverty, not least because of the extremely low levels of welfare benefit entitlements. Analysis of the 2011 Census shows that participation in the labour market varies significantly

by ethnicity in Scotland. For instance, 86 per cent of White Polish people were in employment compared with 58 per cent of Pakistani people and just 45 per cent of White Gypsy /Travelers. 62 per cent of White Scottish were in work, just below the average for all ethnicities at 63 per cent (Scottish Government, 2015a) (see Table 1).

Table 1: Percentage of people in employment by ethnic group: Scotland 2011

Ethnic group	% in employment
White: Polish	86
Caribbean or Black	70
Indian	70
African	70
White: Other White	68
Mixed or Multiple	66
Bangladeshi	65
White: Other British	64
All	63
Other ethnic group	63
White: Scottish	62
White: Irish	62
Other Asian	60
Pakistani	58
White: Gypsy/Traveller	49
Chinese*	47
Arab*	45

*These groups have particularly high numbers of students, which affects their economic activity rates.

Labour market structure

Recent JRF research has shown how the UK labour market is becoming increasingly characterised by low-paid, part-time and insecure employment. Projections show a labour market becoming increasingly polarised between low-paid, low-skilled employment on the one hand and high-skilled, high-paid jobs on the other, making

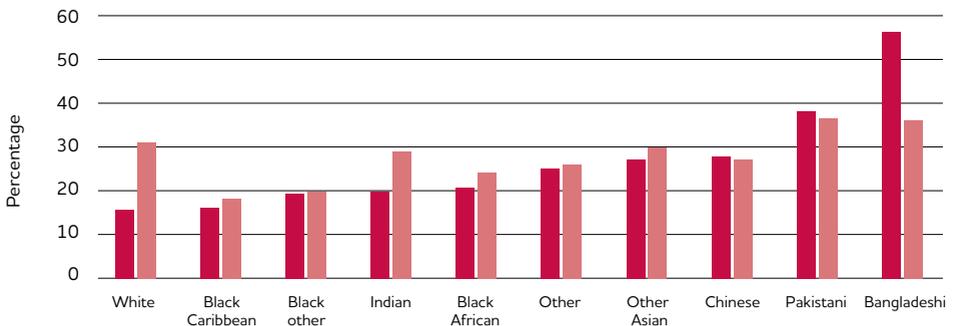
the case for policies which promote progression and skills development across all ethnicities especially important (Schmuecker, 2014).

Similar changes to the structure of the labour market (with some important differences) are also taking place in Scotland. In 2012/13, 52 per cent of working-age adults in poverty were in work (before housing costs) (Scottish Government, 2014a). In 2013 there were 244,000 underemployed people in Scotland (working, but wanting more hours of work), 56,000 more than in 2008 (Scottish Government and STUC, 2014). In 2012 approximately 18 per cent of employees (around 418,000) earned less than the Living Wage (Scottish Government and STUC, 2013).

Previous UK research has shown that different poverty levels between ethnic groups are not simply because of varying characteristics such as family size or type. Although these characteristics do affect levels of poverty, on their own they did not account for higher rates of poverty amongst ethnic minorities (Palmer and Kenway, 2007). However, one important factor in explaining the link between poverty and ethnicity is the fact that some ethnic minority communities are over-represented in low-paid work.

UK-wide analysis conducted by Brynin and Longhi (2015) found that people from ethnic minorities were more likely to be paid below the Living Wage than majority white employees. They also examined what proportion of men and women were paid under the Living Wage in each ethnic group and found very different results for different ethnicities (see Figure 3).

Figure 3: Percentage employees below living wage, by ethnic group (1993 to 2012)



Brynin and Longhi's (2015) research revealed that the wage gap was small within occupations but large across different kinds of jobs. In other words, although there was evidence that some groups were disproportionately more likely to be low paid across all occupations, the biggest driver of wage inequality is that people from some ethnic groups are significantly clustered into lower paying types of jobs.

Statistics for Scotland show a similar pattern. Table 2 shows the percentage of each ethnic group that work in the lowest paid (elementary) occupations (Scottish Government, 2015a), demonstrating that some, but not all, ethnic minority groups are significantly over-represented in these types of jobs.

Table 2: Percentage of each ethnic group that work in the lowest paid (elementary) occupations: Scotland 2011

Ethnic group	% employed in elementary occupations
White: Polish	35
White: Gypsy/Traveller	20
African	18
Other Asian	17
White: Other	17
Caribbean or Black	12
All	12
Other Ethnic Group	11
White: Scottish	11
Mixed or Multiple	11
Indian	9
White: Irish	8
White: Other British	8
Pakistani	8

The statistics also show various ethnic minority communities clustered in particular professions. For example, 50 per cent of Pakistani, 31 per cent of Polish and Gypsy/Traveller and 30 per cent of Indian people work in hotels and restaurants.

Meanwhile, 37 per cent of African and Irish, 36 per cent of Caribbean/Black and 35 per cent of White Other people work in public administration, education and health. These figures chime with the research findings above: people from some ethnic minority groups in Scotland are more likely to work in low-paying jobs and so potentially face greater levels of poverty compared with the majority white employees.

The role of place

In Scotland ethnic minority groups are significantly clustered in the large cities, in Glasgow (where 12 per cent of the population are from an ethnic minority group), in Edinburgh and Aberdeen (8 per cent) and in Dundee (6 per cent). While there are relatively small numbers of people outside these areas, research has shown that over time people are dispersing to more diverse locations. In fact, over the period 2001–11 every local authority in Scotland became more ethnically diverse (Simpson, 2014).

The research of Lalani et al (2014) in Glasgow, Leicester and Luton, investigated the role of place and local labour market conditions on poverty among different ethnic groups. They found that place was a significant influence: particular industries concentrated in different areas combined with migration history, people's networks and clustering in particular types of jobs to cause wide variations in employment outcomes. A recent Scottish government (2015a) report also found that local labour market conditions could be impacting on the types of jobs which (non white) ethnic minority people are doing: in particular, higher numbers in (low-paid) service roles being linked to greater numbers living in Scotland's large cities.

Lalani et al (2014) identified that the needs of smaller populations may be overlooked by local authorities. This is particularly pertinent to Scotland where there are small numbers of ethnic minority people in remote areas. Research in Scotland has identified how the situation of these groups can be also be worsened by the higher costs of living which people on low incomes living in rural areas face, compared with those living in urban areas (de Lima *et al.*, 2011 and Hirsch *et al.*, 2013).). Examples include the higher costs of public transport across the long distances which people have to travel to access services or get to work, and the cost of oil based heating where there is a lack of cheaper alternatives. Smaller ethnic minority communities in rural locations therefore risk being doubly disadvantaged – by the failure to take account of their specific needs and by the additional costs of poverty in rural areas.

The research demonstrated the need for mainstream and targeted interventions at both a national and local level. Monitoring by ethnicity (which Lalani et al identified as patchy) nationally and locally and good local knowledge is therefore critical. Another key message was the need for both public and private sector employers to work with ethnic minority communities and voluntary sector groups to develop solutions.

There are a number of local authorities such as Renfrewshire, Fife, Dundee and the Poverty Leadership Panel in Glasgow which already have local anti-poverty strategies. However there are others who are less proactive and there is a lack of consistency across Scotland as a whole.

The forthcoming devolved powers over equalities described above could promote better engagement and consistency nationally. In the current economic climate, where local authorities face ongoing financial challenges, a legal duty to consider decisions in the light of their impact on inequality could encourage them to give tackling inequality a greater priority. Legislation cannot guarantee a more robust approach, but it could be a useful additional tool, in conjunction with other measures described in this paper, to support action to tackle poverty at a local level.

Recommendations

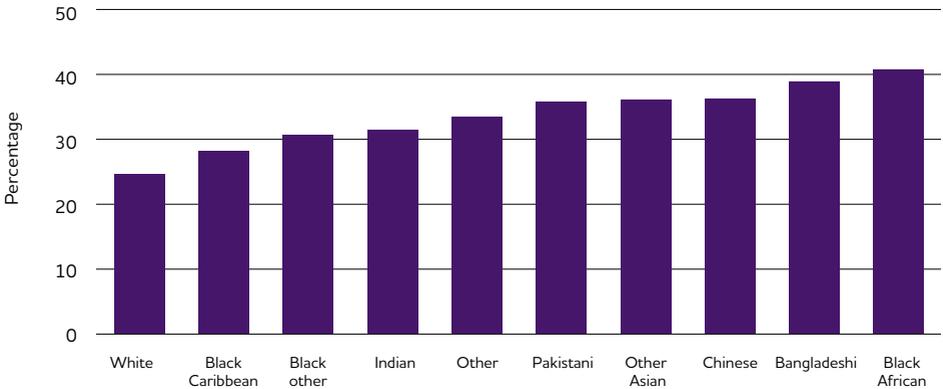
- Strategic action to tackle poverty across all ethnicities requires co-ordinated mainstream and targeted interventions at both a national and local level.
- Public and private sector employers should work with local ethnic minority communities and voluntary sector groups to develop solutions to tackle poverty among all ethnicities at a local level.
- Adequate funding and support should be made available to enable local ethnic minority groups and organisations to take part in developing solutions.
- Local and national ethnic monitoring should be improved so that local knowledge and strategic action is better informed and can be evaluated and improved.
- The Scottish parliament and Scottish government should make use of newly devolved powers over equalities legislation to encourage and support local authorities to take a strategic approach to tackling poverty at a local level.

Education, careers advice and employability

Although lower qualifications for people in some ethnic groups is an important factor in lower pay, research carried out by Brynin and Longhi (2015) showed that lower pay can't be fully explained by a lack of qualifications. It found that very

significant numbers of people across the whole population are overqualified for their jobs, and are lower paid than their qualification levels would lead them to expect. This was true for people with A-levels and for graduates. This situation was much worse for people from many ethnic minority groups. Overall, a quarter of all graduates were overqualified for their jobs, but this was higher for all ethnic minority groups than for the white majority. There was also significant variation between groups, as shown in Figure 4. It was clear that education was a much less effective route to better paying jobs and out of poverty for many ethnic minority people than is the case overall.

Figure 4: Percentage of graduates in the UK in each ethnic group who are overqualified for their jobs (2009 to 2012)



Data on the level of qualifications achieved by school leavers in Scotland in 2012/13 shows similar disparities, with Chinese pupils being the highest achievers, all other Asian and mixed or multiple ethnic groupings achieving around average levels and White Scottish pupils performing the worst (cited in Scottish Government, 2015b). However, as the Wood Commission (Scottish Government, 2014b) shows, young people from ethnic minority groups are more likely to be unemployed and enter a narrower range of career pathways compared with the rest of the population.

This evidence shows that action to tackle poverty across different ethnic groups must go beyond supply side measures which focus on the competencies of

individual job applicants, such as their qualifications. Demand side issues, the structure of the labour market, including the impact of racism and discrimination must also be addressed, as discussed in more detail below.

At the same time, the research also suggests that for some young people from ethnic minority groups, including those from migrant and Pakistani communities, a lack of wider contacts outside their immediate family and friends can limit career choices (Lalani *et al.*, 2014). Parents of recent migrants may lack knowledge of how education affects career outcomes and what career paths are available. In these circumstances the role of teachers, careers staff and other sources of advice is critically important in filling the gaps in knowledge and encouraging young people from all backgrounds to fulfil their potential. Improved knowledge about educational and career options would improve outcomes across all ethnicities and is particularly important for young people from low-income, disadvantaged and ethnic minority backgrounds (Hughes, 2015).

The Wood Commission's (Scottish Government, 2014b) emphasis on good quality careers advice for all young people, particularly those from low-income backgrounds and some ethnic minority groups, is to be welcomed. This careers advice should take account of the research outlined here and be designed to pro-actively challenge stereotypes and encourage young people into training and jobs linked to better pay and prospects. The Commission's recommendation to set a target to increase the number of people from ethnic minority backgrounds who start and complete Modern Apprenticeships, with regular reporting on progress towards this goal, is also welcome. In addition, challenging targets should be set to increase the numbers who achieve successful career progression (including improved pay levels) over a sustained period after completion of their Modern Apprenticeships, again with regular monitoring and reporting.

The research showed that recent migrants who have low levels of proficiency in English face major barriers to accessing better paid and skilled work. The provision of ESOL (English for speakers of other languages) courses is a fundamental prerequisite for ensuring that recent migrants who have low levels of English can enter into better paid and skilled employment. Earlier research into refugee and asylum seekers' experiences of integration in Scotland (Mulvey, 2013) shows how for asylum seekers in particular this issue is compounded by current UK policy which denies them the right to work while their application for asylum is being processed, meaning their skills, CVs and confidence are undermined by enforced unemployment. In these circumstances, adequate support for asylum seekers to

maintain and improve their skills, through education (including ESOL), training and volunteering opportunities is vitally important. Likewise, employability services, tailored to address the specific barriers which refugees face, is critical to tackling poverty among refugees.

Although at the moment Jobcentre Plus services are governed by the UK parliament, many local authorities and third sector organisations are actively engaged in other aspects of employability services. These stakeholders, alongside the Scottish government, should ensure that their policies and practice meet the needs of young people and adults across all ethnicities and should collect and analyse suitable monitoring data to check this is the case.

In future the devolution of the Work Programme (and Work Choice) will give the Scottish parliament opportunities to embed good practice in these programmes. Significantly, it could provide the opportunity to develop a scheme which is more responsive to local labour market conditions and incorporate many of the recommendations on employability made elsewhere in this paper. It could, for example, include a programme to provide placements in high skilled, better paid sectors for young, well qualified individuals, with specific targets for under-represented ethnic communities.

Recommendations

- Careers advice services, including advice within schools, should be designed to pro-actively challenge stereotypes (linked to both ethnicity and gender) and encourage young people into training and jobs linked to better pay and prospects.
- Skills Development Scotland (SDS) should set targets to increase the number of people from ethnic minority backgrounds who start and complete Modern Apprenticeships, with regular reporting on progress – as recommended by the Wood Commission.
- SDS should set targets to increase the number of people from ethnic minority backgrounds who, having completed Modern Apprenticeships, achieve career progression, including improved levels of pay, over a sustained period, with regular reporting on progress.
- The Scottish government and partners should prioritise adequate support for asylum seekers to maintain and improve their skills, through education (including ESOL), training and volunteering opportunities.
- Employability services should include targeted services which are tailored to address the specific barriers which refugees face.

- Employment support and advice services should develop specific interventions for those who are already qualified but find it difficult to get jobs which use (and reward) their skills.
- Devolved employability schemes should:
 - support people to enter the best possible quality of work in terms of pay, security, sufficient hours and progression options;
 - be designed to take into account local labour market conditions;
 - offer a variety of opportunities including high skill opportunities in well-paid jobs for those with appropriate qualifications and skills
 - have policy and practice in place to tackle the low-wage traps which affect some ethnic minority groups disproportionately.
- Employability providers should collect, analyse and make publicly available data so they can monitor how far their services are meeting the needs of young people and adults across all ethnicities.

Recruitment and progression in work

Hudson et al (2013) researched work poverty, ethnicity and workplace cultures in four locations: two in Scotland and two in England, (covering urban and semi rural in both locations) in nine workplaces, four in Scotland, covering both the public and private sector.

Some, mainly public sector organisations, had good recruitment policies. For example, one NHS Board had a positive policy aimed at increasing the numbers of ethnic minority employees, which had led to a more diverse workforce. However, private sector recruitment was more problematic. For example, some employers, instead of advertising posts externally, asked existing employees to suggest family and friends, using informal networks to reinforce clustering within low-paid jobs.

Hudson et al (2013) showed that there are a number of barriers which trap people across all ethnicities in low-paid work and prevent progression. Many of these barriers particularly affect people from ethnic minority groups and migrant workers. Some organisations, mainly public sector ones, had policies which actively promoted progression. However even then, formal policy could be undermined by informal workplace culture and networks which excluded ethnic minority employees, for example keeping them out of loop about opportunities for training.

The most significant factor in determining opportunities for progression was the employee's relationship with their line manager. Those who had progressed within

their careers often cited the importance of a supportive line manager, alerting them to and encouraging them to take up training and promotion opportunities, and mentoring and providing helpful feedback. However, many low-paid workers across all ethnicities felt that this support was lacking. For ethnic minority employees this was sometimes compounded by management prejudice, stereotyping and discriminatory informal practices which excluded them from opportunities for progression. Unequal treatment was often hidden and under-reported because workplace culture meant people were reluctant to complain to management or unions.

Promoting Fair Work in Scotland

The research demonstrates the need for policy and practice which focuses on challenging discrimination as well as supporting individuals to develop their employability. Although employment law and the minimum wage remain matters for the UK government there are nevertheless a number of other levers which the Scottish government can use to challenge poor practice.

The Scottish government's creation of the Fair Work Convention, which includes measures to promote the Living Wage and other initiatives aimed at tackling low incomes across all ethnicities, is a welcome development. It also includes welcome initiatives aimed at promoting equal participation and opportunities for women. The research shows that a similar approach is needed to address the disadvantage that some ethnic minority people (including many women from ethnic minority backgrounds) face in the labour market.

The research points to the need for employers to take a strategic approach to improve recruitment and progression for all low-paid workers including those from ethnic minority communities (Hudson *et al.*, 2013). This includes strengthening ethnic monitoring of both recruitment and progression, promoting 'working to learn' approaches and training to challenge racism, discrimination and stereotyping. Support for these measures could be developed as part of the work of the Fair Work Convention.

PATH (Scotland), a voluntary sector organisation, and NHS Lothian both operate positive action schemes which aim to address the disproportionately low level of ethnic minority employees in their sectors. PATH offers ethnic minority people placements which combine work and training opportunities in housing, and this helps candidates get, and do better in, interviews in the sector. NHS Lothian aims to address low numbers of ethnic minority senior nursing staff through a scheme

which offers training, work shadowing and placements. Employers and policy-makers could look to these schemes to learn from their experiences and adopt similar approaches.

Evidence on the role of line managers also suggests the need to promote and strengthen opportunities for individuals to seek union representation in supporting them to challenge racism and discrimination. Greater trade union engagement would also support good practice with regard to pay and conditions for low-paid employees across all ethnicities.

The Scottish government could also support low-paid employees across all ethnicities by fostering a culture in which exploitative employment practices are not tolerated. This could include raising awareness among both employees and employers of employment rights, including the right to a minimum wage.

Investment and procurement

The increasing use of outsourcing for public services provides an important opportunity. Macfarlane (2014) shows how targeted recruitment and training opportunities in public contracts can help to address poverty and inequality. Using good practice case studies, including in Glasgow, Macfarlane's study shows how this can be done, while complying with European Union procurement rules. These measures could also be specifically targeted at ethnic minority groups who are particularly at risk of low-pay traps.

The Scottish government has recently issued guidance for contractors under the Procurement Reform (Scotland) Act 2014 (Scottish Government, 2015g). This gives guidance to public bodies on how to evaluate fair work practices when selecting tenderers and awarding contracts and includes the following examples of issues which contractors should consider:

'...a fair and equal pay policy that includes a commitment to supporting the Living Wage, including, for example being a Living Wage Accredited Employer; clear managerial responsibility to nurture talent and help individuals fulfil their potential, including for example, a strong commitment to Modern Apprenticeships and the development of Scotland's young workforce; promoting equality of opportunity and developing a workforce which reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability; support for learning and development; stability of employment and hours of work, and avoiding exploitative employment practices, including for example no

inappropriate use of zero-hours contracts; flexible working (including for example practices such as flexi-time and career breaks) and support for family friendly working and wider work life balance; support progressive workforce engagement, for example Trade Union recognition and representation where possible, otherwise alternative arrangements to give staff an effective voice' (*emphasis added*).³

This approach could offer a model of good practice for other countries in the UK. To promote good practice, the Scottish government and partners could provide an advice service to those bidding for contracts. This could help them meet the guidance, including the requirements to promote equality, when writing their bids. To follow up the Fair Work Convention should set up a monitoring and evaluation system to assess the success of the guidance in promoting fair work across all ethnicities.

The Scottish government makes substantial investment in a number of industries which it wants to encourage. It also invests in regions; for example the Glasgow & Clyde Valley City Deal will mean a large investment in construction, transport and connectivity over more than a decade. It could make such investments conditional upon a programme of action to tackle poverty across all ethnicities, as well as targeted action to improve recruitment and progression for people from ethnic minorities, where they are underrepresented. Examples of promising practice in other parts of the UK include JRF's More Jobs, Better Jobs Partnership with Leeds & West Yorkshire City Region Deal.

Recommendations

- The Fair Work Convention should develop a programme of action designed to promote equal participation and opportunities for all, including those from ethnic minority communities who are at particular disadvantage in the labour market.
- Employers should improve recruitment and progression for ethnic minority communities who are overrepresented in low-paid work, by:
 - ensuring that vacancies, opportunities for training and progression are always advertised via open recruitment rather than word of mouth;
 - strengthening ethnic monitoring of recruitment and progression;
 - proactively using monitoring data to improve policy and practice;
 - promoting targeted 'working to learn' approaches;
 - training to challenge racism, discrimination and stereotyping;
 - initiating positive action schemes where there is persistent under representation.

- Public sector employers should instigate a renewed focus on equal opportunities training for frontline employees and managers across the public sector.
- The Scottish government, trades unions and employers should promote and strengthen opportunities for individuals to seek union representation to:
 - support people from ethnic minority communities to challenge racism and discrimination at work;
 - support low-paid employees across all ethnicities to enforce their rights with regard to pay and conditions.
- The Scottish government and partners should develop a programme of awareness-raising for both employers and employees highlighting employment rights including the minimum wage requirements.
- The Scottish government, local authorities and other funders should continue to support and expand the provision of legal advice to individuals who have been subjected to discriminatory or racist treatment at work.
- The Scottish government, local authorities and other public bodies should use procurement (and the statutory guidance on procurement) as an opportunity to:
 - address poverty and inequality across all ethnicities;
 - promote recruitment and progression into better paid, high skill employment for people from ethnic minority groups who are particularly at risk of low-pay traps.
- The Scottish government, local authorities and other public sector commissioners should set up an advice service to help organisations tendering for public contracts. This would provide them with tailored advice about how they can best meet the procurement guidance requirements, including promoting equality and fair work for ethnic minority communities.
- The Fair Work Convention should set up a monitoring and evaluation system to assess the success of the statutory guidance in promoting fair work across all ethnicities.
- The Scottish government should issue statutory guidance under the Procurement (Reform) Act 2014 advising public bodies how to evaluate fair work practices which promote equality of opportunity for people from ethnic minorities communities.
- The Scottish government should make investment conditional upon employers taking action to improve recruitment and progression for people from ethnic minorities communities (by implementing the recommendations above), where they are underrepresented.

Balancing caring responsibilities and work

As discussed above, ethnicity is one of a number of interrelated factors that affect the level of poverty that people experience. Gender and disability also play key roles and both are linked to an increased risk of poverty and low pay. For instance, across the UK the overall pay gap between men and women was 19.1 per cent (measured by median gross hourly pay) in 2014 (ONS, 2014). Unpaid caring, whether for young children or disabled family members, is one of the key reasons why women are more likely to live in poverty.

In Scotland there are around 759,000 adult carers of whom 59 per cent are women. Nine per cent of the White Scottish/British/Irish population are carers compared with five per cent of other ethnicities. This may be due to differences in the age structure of different groups but further investigation is needed to explain this (Scottish Government, 2015f).

Poverty among ethnic minority families who have a disabled child is very high. DWP research (cited in Khan *et al.*, 2014a) found that the poverty rate among ethnic minority families with disabled children is 44 per cent, compared with 17 per cent among all disabled children.

Childcare

Other research by Khan *et al.* (2014b) looked at how Caribbean, Pakistani and Somali families balanced care and work. It investigated the availability and type of childcare on offer, including whether it met cultural needs. It also considered attitudes and preferences in relation to caring among different groups. They found that the high cost of childcare was a key barrier to work for low-income families across all ethnicities, as was the lack of family friendly flexible, well paid part-time work. The research found that Pakistani and Somali parents were least likely to use formal childcare, with those in work using informal family childcare. The research found that there was no generic attitude towards caring across participating ethnic minority communities. Some Pakistani parents expressed the desire to care for their children at home, especially when they are young, as of course do many women in the majority white populations.

Pakistani parents were concerned that formal childcare provision would not maintain cultural and religious traditions (including dietary traditions). If provision was more culturally sensitive some felt they would make more use of services. On

the other hand, many Pakistani parents felt comfortable about using mainstream after- and pre-school clubs.

The Equal Opportunities Committee's 2013 report, which highlighted the role of childcare in tackling gender inequality and recommended greater provision of childcare up to the age of 15 years (Scottish Government, 2013b) is very welcome. The Scottish government has pledged to increase free childcare availability to 600 hours a year and, if re-elected in 2016, the SNP has set out an ambition to raise this to 30 hours a week by the end of the next parliament. To tackle poverty across all ethnicities it is important that this additional childcare is designed to enable ethnic minority parents to access it.

Khan *et al.*, (2014b) found there was a need for greater provision of flexible and affordable childcare. They stressed the need to provide childcare that parents feel is inclusive and responds to sensitivities around cultural and religious factors. They suggest that one way to do this would be for providers to take steps to increase the ethnic diversity of their workforce so that cultural awareness is embedded in the workplace. It is important to also consider that many caring jobs are very low paid with few opportunities for progression. Those jobs are already dominated by women and in some areas there are high numbers of ethnic minority workers. It is therefore important that ethnic diversity is combined with measures to promote better pay and conditions as part of the Fair Work agenda. The research also suggests promoting the educational benefits of childcare for under fives, especially targeted at communities with low take-up of childcare but who do engage with education and out-of-school clubs for slightly older children.

Recommendations

- The Scottish government should set out a timetable to deliver greater childcare provision, ensuring that it is affordable and flexible.
- Childcare providers should design their services to be welcoming and inclusive to parents and children from all ethnicities, respecting cultural and religious factors, as appropriate.
- Childcare providers should take positive action to increase the diversity of their staff in line with local population profiles.
- Measures to diversify childcare staff should be implemented in conjunction with measures to tackle gender inequality for women working in low-paid professions such as childcare.
- The Scottish government, in partnership with local authorities and childcare providers, should provide better information and advice about the availability

of childcare. This should include targeted information where there is evidence of low take-up among particular ethnic minority groups.

- Targeted information about childcare provision should be made available locally through both mainstream services such as schools and GP practices and the relevant community and faith organisations.
- Targeted advice about childcare availability should include information about the educational benefits of pre-school childcare where appropriate.
- The Scottish government and local authorities should develop policy and practice so that childcare meets the needs of parents and children across all ethnicities, and monitor and evaluate the success of these policies.

Caring for disabled children and other family members

Khan et al, (2014b) also considered caring for disabled children and older adults. While culturally sensitive childcare was seen as important for some ethnic minority groups, in general this was less of an issue in relation to provision of care for disabled children and adults where professional provision provided by staff skilled and knowledgeable in the relevant disability was considered more important. Again, as with the majority population, many felt that they would prefer to support and care for their disabled children or elderly family members in their own home wherever possible (Khan *et al.*, 2014b).

Netto (2009) described a need for culturally sensitive respite care for ethnic minority carers in Scotland. Khan et al (2014b) found that participants considered ethnically sensitive care for older people in residential care important, including culturally appropriate activities and meals as well as consultation with residents about their preferences. Culturally appropriate meal options could be offered from time to time, perhaps by using the services of appropriate local restaurants to meet specific needs.

Potential demand for care services is influenced by demographics. For instance, more recent migrants tend to be younger and have fewer children and older family members. However, as populations age over time there is likely to be an increased demand for both childcare and elderly care pointing to the need for long-term planning for increased provision of ethnically appropriate services (Hirsch *et al.*, 2011).

Lack of knowledge and information was an important factor in take-up of services and benefits. Many Pakistani and Somali participants were not aware of free childcare provision available to them or what support they might be entitled to as

carers for disabled children or older relatives. Promotion of information and advice about availability of care services via community and faith groups would help remedy this. The research also found that many people were not claiming their full benefits entitlement including Carers Allowance and/or disability benefits, and highlights the need for better take-up campaigns (Khan *et al.*, 2014b).

Recommendations

- Residential care providers should design their services to be welcoming and inclusive to people from all ethnicities, respecting cultural and religious factors.
- Residential care providers should provide culturally appropriate activities and meal options.
- Residential care providers should hold regular consultation with residents followed up by delivering on their choices.
- Respite and other support services for carers should be designed to be inclusive for people from all ethnicities, respecting cultural and religious factors.
- Targeted information about residential care provision and support for carers should be made available locally through both mainstream services and relevant community and faith organisations.
- The Scottish government, in partnership with local authorities and other advice providers, should develop a national programme of locally delivered social security take-up campaigns targeted at carers and the people they care for. This should be developed as part of the devolution of carers and disability benefits (see section on devolution below).
- The Scottish government should integrate the needs of ethnic minority carers and those they care for into its strategic planning for residential and other care provision. Over the longer term this should take into account the potential for greater demand for ethnically sensitive services due to demographic changes.

Caring and devolution

The research recommended the need for information to promote better take-up of Carer's Allowance and other benefits. But even with full take-up, levels of social security payments, particularly for working-age adults, are far below the income levels suggested by the public as being necessary for a minimum decent standard of living (Hirsch, 2015). So a key challenge is to ensure that everyone, including those who are unable to engage in paid employment for short or longer periods of time, have sufficient income to live with dignity.

This is particularly important for those who are unable to take up paid employment, (or can only work part-time) because of caring responsibilities, disability or ill-health. The devolution of Carer's Allowance and disability benefits could offer the opportunity to address this by taking active steps to increase take-up and increasing the levels of entitlement and/or making the eligibility criteria more generous. Similarly, the ability to top up other UK benefits could support low-income families across all ethnicities.

Whatever the extent of these new powers, budgetary decisions will be key. The devolution of aspects of social security provision is part of a wider set of newly devolved powers including taxation and equalities legislation. Decisions about spending on social security will need to be made in the context of these new powers and budgets for spending on existing devolved areas. Clearly any additional investment in social security to support measures to tackle poverty requires both public support and political will.

Recommendations

- The Scottish parliament, government, local authorities and other stakeholders should implement legislation, policy and practice which makes full use of newly devolved powers to tackle poverty across all ethnicities.
- Entitlements to Carer's Allowance, disability and other benefits should be updated, with the long-term aim of ensuring that those who are unable to work, for either short or long periods, have sufficient to live with dignity.

Cross-cutting themes

Social networks

The role of networks features throughout the research and was considered specifically by McCabe et al (2013) and Finney et al (2015). In their UK wide study, Finney et al found that people in poverty were less likely to have mixed social networks. However, other issues such as levels of qualifications were much stronger predictors of poverty. McCabe et al's research, conducted in England, found networks could be both beneficial and negative, supporting people to access opportunities in some circumstances, or working to limit knowledge and choice in others. Despite the mixed nature of networks one finding which applied to all, regardless of ethnicity, was that those with very limited networks of any sort, who reported only having one or no close friends, were much more likely to be at risk of poverty. McCabe et al (2013) and studies in Northern Ireland and Wales all highlighted the importance of voluntary, community and faith organisations in this

respect. This highlights the importance of maintaining and creating local social spaces where people across all ethnicities can meet, form friendships and develop social contacts.

Recommendations

- Anti poverty strategies, whether national or local, should ensure that public, free of charge social spaces are maintained and expanded.
- The Scottish government, local authorities and other funders should maintain support for voluntary, community and faith groups who provide activities and spaces where individuals across ethnicities can meet and form friendships.

Monitoring

Lack of adequate data and poor monitoring of ethnicity, whether of recruitment and progression by employers, of ethnic minority take-up of services by local authorities or insufficiently detailed data gathered at a national level, was a recurring theme (Khan *et al.*, 2014b and Hudson *et al.*, 2013).

Meaningful anti-poverty and inequality policy must have a strategic approach. This relies on good monitoring to identify the problem and to evaluate policy, practice and service provision. There is already a substantial amount of evidence about the causes of poverty across all ethnicities which can be used to develop strategies to tackle poverty and inequality now. There is also a need to improve monitoring and data – to facilitate the development of a more nuanced and effective policy and practice and to better measure and reflect upon the success or otherwise of policies and practice.

Recommendations

- The Scottish government and local authorities should better integrate current ethnic monitoring data to inform, evaluate and develop their policies and practice to tackle poverty across all ethnicities.
- This could include investigating how monitoring and statistics produced as part of requirements to produce equality impact assessments could inform strategy (locally and nationally) to tackle poverty across different ethnic groups.
- The Scottish government should:
 - improve national ethnic monitoring;
 - improve co-ordination and gathering of data at a local level;
 - put in place measures to better support businesses, local authorities and public bodies to improve their ethnic monitoring.

Conclusion

The evidence uncovered in the research carried out within JRF's poverty and ethnicity programme points to a considerable overlap between the anti-poverty and equalities agendas. Racism and discrimination, both direct and indirect, prevent access to and progression in the labour market for many, contributing to a greater risk of poverty. Some ethnic minority groups have much higher levels of poverty compared with the white majority population. To make progress in tackling poverty we must address the links between ethnicity and poverty. Integrating equalities and anti-poverty policy and practice would help reduce poverty and inequalities both between different ethnic groups and across all ethnicities.

The Scottish government's current reassessment of policies to tackle poverty and inequality and promote race equality, along with forthcoming newly devolved powers, provide a timely opportunity to consider how we can develop more nuanced anti-poverty policies, which are effective in tackling poverty for all.

This poverty and ethnicity research demonstrates how anti-poverty policies which address the needs of all ethnicities require both targeted and mainstream action at both a national and local level. It requires political leadership at national level as well as leadership and engagement from many others: employers, unions, local authorities, local communities, the third sector, education, skills and training providers, health and social care providers and more. What that would involve in practice is described in more detail in the recommendations throughout this paper and in the action plan below.

Hopefully the recommendations and the action plan will provide a valuable source of evidence, policy and practical ideas to help policy-makers, practitioners and communities to develop policies and practice which will benefit everyone on a low income no matter what their ethnic background.

Action plan

This section draws together some key recommendations made throughout this paper and integrates them into an action plan to tackle poverty, especially in-work poverty, across all ethnicities in Scotland. It also draws on JRF's forthcoming anti-poverty strategy for the UK, to be published in 2016.

This is a comprehensive, evidence-based strategy which sets out proposals for actions to be taken by the UK and devolved governments, local authorities, other public service commissioners and providers, the voluntary and community sector, business, employers and others. Aspects of the strategy will be piloted in number of locations, including Scotland.

Promoting better quality employment

Given the rise of in-work poverty it is clear that actions to improve employability, skills and qualifications on their own are not sufficient to tackle poverty. There is also a need to improve the quality of jobs on offer.

The care, hospitality and retail sectors have large numbers of low-paid employees. Focusing efforts to improve pay and opportunities for progression in these sectors will support low-paid employees across all ethnicities, including those from ethnic minority communities who are overrepresented in these sectors. A focus on the care sector in particular has the potential to promote both gender and race equality alongside wider anti poverty action. It would also support the development of better quality childcare, which plays a key role in tackling poverty in the longer term (see discussion below).

Actions

- The Fair Work Convention should develop a programme of action designed to promote equal participation and opportunities for all, including those from ethnic minority communities who are at particular disadvantage in the labour market. Many of the recommendations here could form part of such a plan of action.
- The Fair Work Convention should instigate a programme of action targeted at improving pay and opportunities for progression in the care, hospitality and retail sectors.
- The Scottish government, trades unions and employers should promote and strengthen opportunities for individuals to seek union representation to support low-paid employees across all ethnicities to enforce their rights with regard to pay and conditions. This could include setting up a voluntary collective bargaining structure for the care sector to improve pay, terms and conditions.
- The Scottish government, care sector employers, trades unions, Skills Development Scotland and other stakeholders should set up a task force to agree and implement an action plan to improve pay, conditions and

opportunities for progression for care workers. This should include a specific focus on equal opportunities for ethnic minority women.

Tackling exploitative employment practices

There is a need for a strong focus on ending exploitative employment practices, where employees, including many ethnic minority employees, are working in poor conditions.

Actions

- The Scottish government and partners should develop a programme of awareness raising for both employers and employees highlighting employment rights including the minimum wage requirements.

Tackling racism and discrimination

There is a need for specific action to challenge racism and discrimination in recruitment and progression.

Actions

- The Scottish government should commission research which replicates the investigation conducted by Wood (2009) to uncover the extent of racism and discrimination in recruitment in Scotland.
- Trades unions, employers and the Scottish government should promote and strengthen opportunities for individuals from ethnic minority communities to seek union representation to challenge racism and discrimination at work. This could be integrated into the wider campaign to raise awareness of employment rights described above.
- Employers should improve recruitment and progression for ethnic minority communities who are overrepresented in low-paid work, by:
 - ensuring that vacancies, opportunities for training and progression are always advertised through open recruitment rather than word of mouth;
 - strengthening ethnic monitoring of recruitment and progression;
 - proactively using monitoring data to improve policy and practice;
 - promoting targeted ‘working to learn’ approaches;
 - training to challenge racism, discrimination and stereotyping;
 - initiating positive action schemes where there is persistent underrepresentation.
- Public sector employers should instigate a renewed focus on equal opportunities training for frontline employees and managers across the public sector.

- The Scottish government, local authorities and other funders should continue to support and expand the provision of legal advice to individuals who have been subjected to discriminatory or racist treatment at work.

Investment and procurement

Procurement and the new statutory guidance on procurement offers an opportunity to embed many of the recommendations in this report and could be an important lever to promote equality of opportunity for people from ethnic minority communities in the work place.³

Actions

- The Scottish government, local authorities and other public bodies should use procurement (and the statutory guidance) as an opportunity to:
 - address poverty and inequality across all ethnicities;
 - promote recruitment and progression into better paid, high skill employment for people from ethnic minority groups who are particularly at risk of low-pay traps.
- The Scottish government should make investment conditional upon employers taking action to improve recruitment and progression for people from ethnic minorities communities (by implementing the recommendations above), where they are underrepresented.
- The Fair Work Convention should set up a monitoring and evaluation system to assess the success of the statutory guidance in promoting fair work across all ethnicities.
- The Scottish government, local authorities and other public sector commissioners should set up an advice service to help organisations tendering for public contracts, providing them with tailored advice about how they can best meet the procurement guidance requirements, including promoting equality and fair work for ethnic minority communities.
- The Scottish government should issue statutory guidance advising public bodies how to evaluate fair work practices which promote equality of opportunity for people from ethnic minorities communities.

Careers advice and apprenticeships

This section and the following one which discusses employability draw on studies and policy development work on welfare to work services (Oakley, 2015), and skills and progression (Evans, forthcoming) which will inform JRF's anti-poverty strategy.

The main aims for skills and training provision needs to be refocused in order to support anti-poverty action. Success should be measured against whether people find work or progress into further education, rather than solely on whether they complete a qualification.

Actions

- Careers advice services, including advice within schools, should be designed to pro-actively challenge stereotypes (linked to both ethnicity and gender) and encourage young people into training and jobs linked to better pay and prospects.
- Skills Development Scotland (SDS) should set targets to increase the number of people from ethnic minority backgrounds who start and complete Modern Apprenticeships, with regular reporting on progress towards this goal, as recommended by the Wood Commission.
- SDS should set targets to increase the number of people from ethnic minority backgrounds who, having completed Modern Apprenticeships, achieve career progression, including improved levels of pay, over a sustained period, with regular reporting on progress.

Improving employability services and developing a National Advancement Service

JRF's anti-poverty strategy will highlight the need for a National Advancement Service. This would be available to all adults, not just those claiming benefits. It would provide support with job search and developing employability through training, education or work experience. It would also support those on low incomes to progress within their work, retrain or find better quality employment.

Across the UK the two biggest employability providers are tasked with moving people off benefits (Jobcentre Plus) or into employment (the Work Programme). However, when people do move into employment, too often it is insecure, low-paid employment which fails to lift them out of poverty.

The main goal for the employment support system should be changed to a focus on reducing income poverty through sustained employment and increased earnings. Services should be focused on the needs of the individual, rather than structured according to which benefit they are claiming or how long they have been without paid employment. This could provide greater flexibility to develop programmes which would meet the needs of particular ethnic minority communities.

There are a number of devolved employability schemes in Scotland which have taken a different approach, such as the Community Jobs Fund and the earlier Working for Families programme (McQuaid *et al.*, 2009). The Scottish government should make use of the existing evidence about what works in relation to these, in developing the new Work Programme.

Actions

- Devolved employability schemes should:
 - support people to enter the best possible quality of work in terms of pay, security, sufficient hours and progression options;
 - be designed to take into account local labour market conditions;
 - offer a variety of opportunities including high skill opportunities in well paid jobs for those with appropriate qualification and skills;
 - have policy and practice in place to tackle the low-wage traps which affect some ethnic minority groups disproportionately.
- Those who are the furthest away from the labour market, for example those who have low levels of English language skills, should be prioritised for investment in support.
- The Scottish government and partners should prioritise adequate support for asylum seekers to maintain and improve their skills, through education (including ESOL), training and volunteering opportunities.
- Employability services should include services which are tailored to address the specific barriers faced by refugees.
- Employability providers should collect, analyse and make publicly available data to monitor how far their services are meeting the needs of young people and adults across all ethnicities.

Childcare

The evidence that JRF has gathered for its anti-poverty strategy (Lloyd and Potter, 2014; Butler and Rutter, 2016) suggests that childcare and early education can play two roles in preventing and reducing poverty.

High-quality early education can protect children against the negative impacts of poverty and improve their development, contributing to better educational and employment outcomes later in their lives. In addition, affordable, flexible childcare can reduce pressure on families' incomes and help parents to work, train or look for a job, helping to reduce poverty in the short and longer term. Recent research conducted in Scotland (Scottish Government, 2015h and The Commission for Childcare Reform, 2015) has drawn similar conclusions.

Actions

- The Scottish government should set out a timetable to deliver greater childcare provision, ensuring that it is affordable and flexible.
- The Scottish government should improve the quality of childcare (including taking steps to improve staff pay, conditions and opportunities for career development).
- Childcare providers should design their services to be welcoming and inclusive to parents and children from all ethnicities, respecting cultural and religious factors.
- Childcare providers should take positive action to increase the diversity of their staff in line with local population profiles.
- Measures to diversify childcare staff should be implemented in conjunction with measures to tackle gender inequality for women working in low-paid professions such as childcare.
- The Scottish government, in partnership with local authorities and childcare providers, should provide better information and advice about the availability of childcare. This should include targeted information where there is evidence of low take-up among particular ethnic minority groups.
- Targeted advice about childcare availability should include information about the educational benefits of pre-school childcare.

Notes

- 1 The terminology used in this paper reflects that used in the studies it draws on. JRF approaches ethnicity as a dynamic and complex concept, which intersects with other dimensions of identity and incorporates diversity within groups as well as between them. The individual studies used a range of categories and labels, depending on their focus, methods and data. We have generally retained the terms used in the original research.
- 2 These figures are based on aggregated data from 20011/12 to 2013/14 inclusive. The Mixed, Black/Black British, Chinese and Other ethnic groups all have sample sizes that are too small to reliably report on their own. They have therefore been combined into a single category so they can be reported.
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About this paper

This Viewpoint paper was written by Maggie Kelly as a contribution to JRF's poverty and ethnicity programme. Maggie is an independent consultant providing policy analysis and development, facilitation, evaluation and training in relation to social and environmental justice to the public and voluntary sectors.

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