



United Kingdom

## “Feeding in” and “Feeding out”, and Integrating Immigrants and Ethnic Minorities

A Study of National Policies

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or the Member States.*

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## Summary<sup>1</sup>

Under 'key trends and new policies', we review the new *Opportunity for All* report, drawing particular attention to child health indicators which are not moving in the right direction. We also report on a handful of policies which have emerged since our recent assessment report.

The UK has again called its report 'Jobs and Growth', rather than the more usual European Union phrase 'Growth and Jobs'. There was only limited stakeholder involvement in the production of the NRP report.

The UK claims that the goals of the National Reform Programme (NRP) and the National Strategy for Social Protection and Social Inclusion are integrated in the NRP by proposals to deliver 'long term sustainable growth, high employment and a fair and inclusive society'. We believe that the long-term goals are social equity and sustainability, and that economic growth and employment may be a means towards these goals. There is a greater emphasis on self-reliance and self-determination in the NRP than in the National Action Plan on Social Inclusion.

The NRP fails to acknowledge a disjunction between the strategy to increase work incentives (especially by the use of income related tax credits) and the impact on employment of high marginal tax rates, particularly on second earners. Similarly, it is proud about its low level of spending on pensions, without acknowledging that this is because the strategy has been to use means-tested benefits to relieve pensioner poverty, which may undermine incentives to save.

Of course the main element of feeding out is the employment strategy and there is no doubt that in the UK the employment rate is very high and unemployment very low, and that most of what had been achieved in child poverty reduction has been delivered by employment. However we are not convinced that the government can reach its employment targets for people with disabilities, lone parents and older people. Thus it will fail to meet its child poverty targets for 2010 and 2020 without substantial improvements in out of work benefits.

Income inequalities remain comparatively high in the UK and there is a general ignoring of this issue and the potential of redistributive fiscal policies to tackle them. In addition, the NRP approves of reductions in civil service manpower, but fails to acknowledge that they may reduce the government's capacity to deliver the employment services central to achieving the employment targets.

## 1. Key trends and new policies since assessment report

### 1.1 Key trends

#### 1.1.1 *Opportunity for All* published

The latest edition of *Opportunity for All (OfA)* has recently been published.<sup>2</sup> When in 1999 the UK government committed itself to the abolition of child poverty in a generation, and to tackle poverty and social exclusion more generally, it also established a process for measuring progress. The main vehicle has been the *Opportunity for All* report, produced every year in the autumn. This latest report is rather

<sup>1</sup> We have not found the table in the guidance a useful tool for the purposes of this analysis, and the guidance on structuring this report we found somewhat repetitive and confusing; we trust we have interpreted it correctly.

<sup>2</sup> Department for Work and Pensions (2006), *Opportunity for All: Eighth Annual Report 2006*, Cm 6915, Norwich: The Stationery Office.

shorter than earlier reports - despite being produced in two volumes. The first volume consists of two chapters, one reviewing the overall strategy and the other, longer, chapter reviewing child poverty. There is an interesting reference to the National Action Plans on Social Inclusion (NAPsincl) in the Introduction:

'The devolved administrations control many of the main levers that are central to a successful social inclusion strategy within their own jurisdiction; however the detailed responsibilities and areas of direct control vary between countries. Areas where direct control may vary include health, education, and social services. Although the overall strategy for tackling poverty and social exclusion is covered in this document, because of the intricacies and differences between the strategies of the devolved administrations, the *Opportunity for All* report should be read in conjunction with *Working Together: UK National Action Plan on Social Inclusion 2006-08* and social inclusion updates produced separately for Scotland, Wales and Northern Ireland.' (p 4)

Thus, as we argued in our last report, the NAPincl report is something of an effort to turn the *OFA* into a UK-wide version.

The *OFA* is an excellent up to date source of information about the government's activities; but it does not include any new announcements. The most useful part of it is the report on trends using 59 indicators covering various dimensions of social exclusion for children and young people, people of working age, people in later life and communities. Trends since a base line (mostly 1997) are reported, as well as trends since the most recent year. There are seven indicators for which the data is not moving in the right direction: the education gap for looked after children; infant mortality rate differentials; obesity for children aged 2-10 years; families in temporary accommodation; employment disadvantage for the lowest qualified; people contributing to a non state pension; and life expectancy at birth. The report claims that 'strategies are in place to tackle these problems' (p 4).

It is notable that a number of the indicators for children that are either not moving in the right direction or are static are health indicators. In addition to those above, teenage conceptions, serious unintentional injuries and children aged 11-15 smoking are broadly constant since the latest data. A report on child health in the English Regions by the Association of Public Health Observatories was published on 19 October 2006.<sup>3</sup> It provides new data data on child health broken down by region and also includes some very interesting comparisons with EU countries:

'...data for child hood obesity, consumption of alcohol by children, smoking by children and breastfeeding rates suggest that England compares poorly to the rest of Europe. In contrast, England and the English regions are amongst the best in Europe for transport injury mortality, dental decay and physical activity.' (pp 1-2).

A comparative analysis of child well-being in the EU 25 has the UK ranked 23 out of 25 for the child health domain.<sup>4</sup>

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<sup>3</sup> Association of Public Health Observatories (2006), *Indications of Public Health in the English Regions: 5. Child Health*, York: YHPO.

<sup>4</sup> Bradshaw, J., Hoelscher, P. and Richardson, D. (forthcoming, 2007), 'An index of child well-being in the European Union', *Journal of Social Indicators Research* (January).

## 1.2 New policies since assessment report<sup>5</sup>

### 1.2.1 *Employment and the economy*

Publication of the map of assisted areas in which businesses can apply for regional aid in 2007-13 was accompanied by a new package of measures to help areas left off this map.<sup>6</sup>

The government launched a three-year initiative on mental health in the workplace, designed to get employers to sign up to a set of anti-stigma principles.<sup>7</sup> It also decided to give mental health problems the same emphasis as physical disabilities in the new 'personal capability assessment' in incapacity benefits reform. A pilot scheme will give lone parents with older children on benefit an extra £20/week if they are prepared to engage in work-related activities; this is another step towards the government's idea of a single benefit for people of working age.

### 1.2.2 *Public services*

All government departments will now be expected to make further efficiency savings of 2.5 per cent a year over the period of the Comprehensive Spending Review (CSR). The system of performance targets will be changed in order to embed genuine user engagement, so that service providers are more accountable to the public they serve. This could potentially change the methods for monitoring and evaluation of the National Reform Programme and especially the National Strategy for Social Protection and Social Inclusion in a positive direction.

Sure Start children's centres were given new requirements to ensure they are responsive to the most disadvantaged groups, and to run home visiting/outreach for parents of new babies. This follows an evaluation whose message was interpreted as meaning that Sure Start did not have enough impact on disadvantaged families. A Green Paper on children in care suggested that they could stay in care longer, and should have more financial security on entering adulthood.<sup>8</sup>

The government published the next steps in its strategy to tackle health inequalities in England,<sup>9</sup> which replaces 'one size fits all' policies by more targeted approaches which will 'drill down' into how people live their lives and what motivates people to change their behaviour.

<sup>5</sup> Bradshaw, J. and Bennett, F. (2006), *UK: Assessment of the Social Inclusion Strand of the National Strategies Report*, York: University of York.

<sup>6</sup> Department of Trade and Industry (2006), *Review of the Assisted Areas: The Government's Response to Stage 2 of the Consultation*, London: DTI.

<sup>7</sup> Department of Health (2006), *Action on Stigma: Promoting Mental Health, Ending Discrimination at Work*, London: DH.

<sup>8</sup> Department for Education and Skills (2006), *Care Matters*, London: The Stationery Office.

<sup>9</sup> Department of Health (2006), *Health Challenge England – Next Steps for Choosing Health*, London: DH.

## 2. 'Feeding in' of social protection/inclusion priorities to NRP

### 2.1 Overview

There are two reasons why 'feeding in' of social protection/inclusion priorities from the National Report on Strategies for Social Protection and Social Inclusion (National Report)<sup>10</sup> to the National Reform Programme (NRP) 2006 progress report<sup>11</sup> might not be effective. The first is the lack of reference to the Strategies, or the role of the Open Method of Co-ordination (OMC), in the European Commission's guidelines to member states for the preparation of the NRP reports. The second is the OMC process in this area, which alongside social inclusion includes pensions and health- and long-term care, but no other specific social protection issues.

On the other hand, countering this in the UK is the government's insistence in the National Report on Strategies for Social Protection and Social Inclusion that: 'in reality the distinction between this report and the NRP is an artificial one for the UK, since the different elements of national policy making are integrated' - though with more detail on social policy in the former. In principle, New Labour has always seen economic competitiveness as compatible with social inclusion, rather than antagonistic to it, and indeed argues that social justice is essential to economic success. The NRP progress report claims to integrate the goals of the two processes by stating that in addition to an update it sets out 'further strategies for delivering long-term sustainable growth, high employment and a fair and inclusive society' (p 1). We would argue that it is crucial that, in the face of the recent danger of the social cohesion/inclusion element of the Lisbon goals being downgraded, this insight is not only retained but also strengthened. Long-term goals should be defined unambiguously as social equity and sustainability, rather than economic growth or employment *per se*. (This conclusion has been given added weight by the case made recently by Prof Richard Layard and others for governments to take happiness (or at least lack of mental health problems) more seriously as a policy goal.)

We noted in our first semester report that much of the government's success in tackling poverty had related to the performance of the UK economy. The government has also placed great importance on paid employment as the main route out of poverty and into social inclusion. The key concept is equipping people to navigate the changes brought about by globalisation. There are thus close links between the National Report and the Lisbon process. In the UK, this is in part because the Treasury has played a significant role in welfare reform and anti-poverty strategy as well as in promoting jobs and growth. But the government probably sees the chapter in the NRP progress report on employment (4.) as containing the material relevant to social inclusion issues, rather than the report as a whole (which also includes chapter 2. on macroeconomic stability and chapter 3. on promoting productivity growth). We do not confine ourselves to commenting on chapter 4., however, as it is the whole of the NRP progress report which is intended to be related to the National Report on Social Protection and Social Inclusion.

The lead role in producing the NRP progress report is also taken by the Treasury. The authors have tried not to repeat the contents of the National Report. There is also greater emphasis in the NRP progress report on 'self-reliance and self-determination'; so the tone and language differ somewhat from the National Report. And while the Treasury's involvement in social policy may currently on balance be positive, it is not clear that this will always be so in future.

<sup>10</sup> Department for Work and Pensions (2006), *UK National Report on Strategies for Social Protection and Social Inclusion*, London: DWP. In subsequent sections of this report, this document is called the National Report.

<sup>11</sup> HM Treasury (2006), *Lisbon Strategy for Jobs and Growth: National Reform Programme, Update on Progress*, London: HMSO. In subsequent sections of this report, this document is called the NRP progress report.

## 2.2 Stakeholders' involvement/consultation

The NRP progress report says that the government consults widely with stakeholders as a matter of course (p. 2), and that the International Monetary Fund has praised the UK's transparency. There are no close links in terms of governance between the two processes of the NRP progress report and the National Report, however, though the former will have drawn from across government departments for its content. One stakeholder event was held for the NRP progress report, and there was some liaison with non-governmental organisations involved in the NAPincl., largely over the chapter on employment. However, the Treasury does not have a tradition of user involvement, in part perhaps because it has no direct service delivery responsibilities; so any contact with people with direct experience of poverty is likely to be confined to officials taking part in the NAPincl. process (who may not be the same people).

A central feature of policies on jobs, growth and social protection/inclusion is public spending. The NRP progress report sets out the government's plan to engage in a national debate about longer-term public spending around its Comprehensive Spending Review (CSR). It repeatedly stresses the congruence between departmental Public Service Agreements in the UK, the Lisbon agenda and the Integrated Guidelines, and also mentions discussion with the European Commission and surveillance of member states' reforms via the Council of Ministers. Despite the fact that the UK government has a clear 'project', in terms of growth and jobs as well as social protection/inclusion, which it wishes to maintain ownership of itself, there is a real effort to embed the NRP progress report in EU processes.

## 2.3 Social inclusion/social protection challenges

The list of priorities (pp. 1-2) includes 'ensuring fairness through a modern and flexible welfare state that provides security for people when they need it and strong incentives to work and save, at a time when the pace of change in the global economy will be ever quicker and more intense'. This puts social protection/inclusion in a somewhat different context from that in the National Report, and emphasises incentives to work and save, i.e. individual responsibility. In addition, as already noted, there is more emphasis in the NRP progress report than in the National Report on 'the development of a culture of self-reliance and not dependency' (p. 39). In our view, the latter represents a mistaken emphasis as a basis for policy development. Research reports have demonstrated that the vast bulk of jobless people are anxious to work.<sup>12</sup> Indeed, they can show a greater commitment to the 'work ethic' than many of those in jobs. In addition, from a perspective of social inclusion/protection, it could be argued that trying to reinforce a culture of solidarity, mutual respect and equality was a more important goal. Further, while increases in in-work benefits for families with children have reduced replacement rates and increased financial incentives to enter employment, the heavy reliance on income related benefits and tax credits has meant that marginal deduction/tax rates have reduced the incentives for working more or for a second parent to enter the labour market.

In the section on the public spending framework, the government focuses on major services including health, education and others (pp. 9-14). In places, this discussion reflects social protection/inclusion concerns (e.g. in relation to transport and social exclusion, p. 12), although the challenges posed by the European Commission are not described until later in the report (p. 39). However, in relation to pensions, for example, the NRP perspective prioritises fiscal sustainability (while also mentioning ensuring adequate pension provision, most notably by alleviating poverty among today's pensioners). It also highlights positively the relatively low percentage of public spending on pensions in the UK. This does not seem to reflect a social protection/inclusion perspective, which might put more priority on

<sup>12</sup> See, for example, Gallie, D. and Vogler, C. (1994), 'Unemployment and attitudes to work', in D. Gallie, C. Marsh and C. Vogler (eds.), *Social Change and the Experience of Unemployment*, Oxford: Oxford University Press; Walker, R. with Howard, M. (2000), *The Making of a Welfare Class? Benefit receipt in Britain*, Bristol: The Policy Press.

security for pensioners and reductions in inequality between them; but it does recall the press stories during the recent public debate in the UK on future pensions strategy, about the Treasury's pressure to postpone earnings relation of increases in the basic state pension.

Housing and planning feature instead under the section on 'investment' (pp. 38-39), and are largely dealt with here in terms of increasing housing supply and ensuring that planning delivers economic growth. There is a mention of social housing - though not of the review by Prof John Hills, due to report shortly; and trying to ensure mixed communities is not mentioned.

We answer the questions in section 3 of the guidance in section 4. below.

### 3. 'Feeding out': impact of NRP progress report measures on social protection/inclusion

#### 3.1 Employment

The latest figures on the labour market suggest that unemployment is increasing and employment growing simultaneously. The government's target is an employment rate of 80% of the working age population. Despite concerns about economic inactivity, the UK's employment rate is very high, already reaching EU targets for 2010. The Welfare Reform Green Paper suggested that the government wished to get a million incapacity benefit claimants, 300,000 lone parents and a million older people into work, though the Welfare Reform Bill includes only measures for incapacity benefit claimants. Some commentators have suggested that this is too ambitious,<sup>13</sup> and we are not convinced that the government can meet its employment targets.

The chapter on employment (ch. 4) mentions a 'social bridges' approach, which equips individuals to move from one job to the next by providing insurance in the broadest sense (p. 39). The summary here does not mention the very low benefit levels and limited length of time for which contributory benefit can be claimed during unemployment in the UK, which it could be argued are detrimental not only to social inclusion but also to labour market adaptability. Moreover, the centralisation of benefits processing mentioned in this chapter (p. 41) has caused severe problems for some claimants who have found telephone claiming more difficult.

#### 3.2 Growth

The government lays stress on macroeconomic stability. The NRP progress report emphasises flexibility and openness as the way ahead for Europe, albeit seeing the role of governments as crucial. In the chapter on promoting productivity growth, it states that economic growth must be based on principles of sustainable development, including environmental protection and social equity. But the country-specific challenges posed to the UK in the 2006 Joint Report<sup>14</sup> relate in particular to the higher than average risk of poverty, persistent inequalities, relatively high economic inactivity levels and concentrations of disadvantage among certain groups in the UK, as well as to concerns about the quality and sustainability of jobs. The UK government faces up to these problems, and takes them seriously, both in the National Report and in the NRP progress report. But they seem to be rooted in market inequalities of

<sup>13</sup> Fothergill, S. and Wilson, I. (2006), *A Million off Incapacity Benefit: How Achievable is the Government's Target?*, Sheffield: Sheffield Hallam University.

<sup>14</sup> European Commission (2006), *Joint Report on Social Protection and Social Inclusion [2006]*, Luxembourg: Office for Official Publications of the European Communities.

income and opportunity, and it could be argued that a broader vision of social inclusion is required to tackle them successfully. And sensitivity to interference in the market means there were no references in the chapter of the National Report on social inclusion (NAPincl.) to possible restrictions on private companies (e.g. on advertising of junk food to children, which the Children's Commissioner has said undermines efforts to get children to eat healthily). This is also the case as far as the NRP progress report is concerned.

Further, income inequalities are comparatively high in the UK, and only in the last year for which there is data is there any evidence of a reduction in the gini coefficient. Direct taxes are only mildly progressive, and the whole tax system (direct and indirect taxes) is proportionate. As Lisa Harker, the independent advisor to the Department for Work and Pensions, wrote in her recent report for the DWP:<sup>15</sup>

'... the major drivers of poverty – such as high levels of wage and wealth inequality – remain considerable impediments towards reaching the 2020 child poverty target, suggesting that far greater changes to the distribution of wealth, earnings and opportunities in society will be necessary before child poverty is eradicated' (p. 9).

These inequalities are systematically ignored by the government; yet they have a profound influence on social solidarity. Redistribution through progressive taxation is not on the political agenda; and yet the child poverty and other social inclusion targets cannot be met unless further revenue is raised – by taxation.

The section on promoting competition includes a box (p. 18) on removing barriers to trade in services. But many non-governmental organisations (NGOs) in the Social Platform, including those in the UK, have serious concerns about the proposals to open up services to the market. The President of the European Commission in a speech on 6 October described the services directive as having a 'rather painful birth'. But this has been because of these concerns about the implications of liberalising trade in services which can be integral to social protection systems. Some services have now been recognised as of 'general interest', requiring specific safeguards; but services of 'general economic interest' are still included, and this will affect many social and health services. The NRP progress report does not comment on this debate, but appears strongly in favour of removing barriers to trade in services (p. 18). It also favours the increased opening up of regulated industries to competition and does not mention universal service obligations to ensure that competition does not disadvantage poorer consumers. The proposed merging of various consumer bodies in the UK just announced by the government would deprive the consumer lobby of the one organisation, the National Consumer Council, which has in the past championed poorer and more disadvantaged consumers in particular.

### 3.3 Contribution of economic and employment policies to social cohesion/inclusion

The NRP progress report notes approvingly that there had been a gross reduction of over 24,000 civil servants in the Department for Work and Pensions and nearly 7,000 in HM Revenue and Customs by March 2006 (p. 9). But the drive to reduce civil service numbers may have an impact on the 'person-centred' employment services which the government relies on. This relates both to welfare to work initiatives and to the ongoing support which, it is increasingly recognised, many people in precarious work require. In addition, we are concerned about the effect on the enforcement of the minimum wage and employment regulation; this was one of the main messages from grassroots people in the seminar on in-work poverty arranged by the Department for Work and Pensions around the development of the NAPincl. The NRP progress report claims £451 million savings in transactions in terms of tax and

<sup>15</sup> Harker, L. (2006), *Delivering on Child Poverty: What Would it Take? A report for the Department for Work and Pensions*, Norwich: The Stationery Office.

benefit administration 'to make them faster and more accessible' (p. 8). But - in addition to the recent well-publicised problems of tax credits overpayments, in part related to administrative failures – there are reports that some benefit claimants are finding it harder to access benefits by the new methods. And the NRP progress report, like the National Report, does not dwell on the major administrative problems of largescale IT programmes in the UK (e.g. tax credits/child support).

Looking ahead, the Comprehensive Spending Review (CSR) is prioritising more efficiency and better targets, involving doing things better, rather than largescale additional revenue. Whilst a better use of targets is welcome, there are areas which do require additional resources in order to tackle poverty and social exclusion, including benefit rates for childless adults of working age. This should not be ruled out in the CSR.

## 4. Analysis of the integrated guidelines

The NRP progress report stresses the links between the UK's Public Service Agreements and the Integrated Guidelines, as well as the Lisbon goals (though it sometimes seems out of date in referring to the previous separate employment and broad economic policy guidelines).

### 4.1 More competitive business environment, better regulation

The NRP progress report's boast that the World Bank ranked the UK as having the least burdensome employment law of any EU member state (p. 20) is a double-edged sword. On the one hand, the government would probably argue that this was instrumental in attracting more inward investment to the UK than to any other European country. On the other hand, it is also concerned about poor quality work, and about lack of skills and progression in work. These problems are not unconnected to the fact that employment law is less 'burdensome' in the UK. New Labour has in the past preferred the idea of 'intelligent regulation' to the argument about more or less regulation, and the government is committed to 'better and effective' regulation (p. 23). But a review by Lord Davidson (p. 24) is intended to respond to the view that, when implemented in the UK, EU legislation may cause 'unnecessary regulatory burdens'.<sup>16</sup> Others would argue the opposite, however – i.e. that the UK government has often been less than willing to implement EU legislation fully (as evidence by, for example, its opt-out from the working time directive), and that this has had serious implications for many workers/citizens. The lack of 'burdensome' employment law in the UK may be emphasised more by the Treasury, the Department of Trade and Industry and the Foreign Office than by the Department for Work and Pensions, and this is reflected in the priorities of the NRP progress report.

Government regulatory impact assessments estimate the costs of new regulations to businesses, government itself and the voluntary sector – but not to individuals. This means in particular that the 'costs of compliance', including greater conditionality, can increase for benefit/tax credit claimants without such investigations having to be carried out. There is very little about this in the NRP progress report, despite these 'costs of compliance' having increased noticeably for many claimants over recent years (in terms of the growing emphasis on conditionality) as an integral part of the government's employment strategies.

It is also important to avoid administrative imperatives, as opposed to policy goals, driving future developments. For example, the programme for streamlining the tax system (p. 24) includes examining the scope further to align the tax and national insurance systems, to improve outcomes for the low paid

<sup>16</sup> Cabinet Office press notice, 18 July 2006.

and reduce burdens on employers; but we would argue that this must be done very carefully, in order to avoid further undermining the UK's social protection system. It is interesting that there is little other than this section about the tax system in the report, despite its centrality to growth, employment and redistribution (see above).

The NRP progress report does not mention corporate social responsibility (indeed, it takes over the acronym CSR for the government's Comprehensive Spending Review). Yet this is a live topical issue. The Companies Bill currently going through parliament has been subject to much public debate, in particular in terms of companies' responsibilities. Stock market listed companies will have to publish a business review that describes their approach to the environment, employees, social and community issues etc; the government has just introduced an amendment, criticised by business, that adds a responsibility on companies to disclose their relationships with suppliers. We welcome these moves to increase corporate social responsibility in the broadest sense.

#### **4.2 Employment policies (full employment, quality and productivity at work, strengthening social and territorial cohesion)**

For full employment, see 3.1 above. The UK has traditionally had a productivity gap with comparator countries. The section on productivity in the regions states the aim of reducing the persistent gap in growth rates between regions. This goal has been emphasised more recently, and the NRP progress report notes that the gap is narrowing. There is a reference to tackling gender inequality later in the report (p. 51), which explicitly states that the waste of women's skills and potential has a negative impact on the UK economy, but does not refer to the research commissioned by the Equal Opportunities Commission which showed the extent of the problem of women working below their potential. We believe more could be made of this, especially given the competence of the EU in this area in relation to labour market issues.

#### **4.3 Promoting a lifecycle approach to work**

The NRP progress report (p. 39) says that the UK's reform agenda is designed to deliver security throughout the lifecycle by balancing flexibility and fairness. It is not entirely clear what this means. But the section on making work flexible focuses on work life balance in particular, and on childcare. The government has made positive progress in this area, from a tradition in the UK of non-intervention in family life by governments; but there is still some way to go.

If all adults are going to be required to be active in the labour market, the pay gap between men and women, and the responsibility gap in terms of caring for children and adults, are going to have to be addressed much more seriously than they have been hitherto. And this would mean looking at work and income for individuals over the lifecycle, rather than focusing, as so often, on families at one point in time. In particular, a gender-aware approach to employment will be required if the government is to encourage more second earners into the labour market to help to tackle child poverty, as it has hinted. This is not very apparent in the NRP progress report, but has been highlighted in the recent report by Lisa Harker referred to earlier, which suggests that JobCentre Plus offices should pay more attention to the family responsibilities of all those whom it is trying to help into employment.

#### 4.4 Ensuring inclusive labour markets

There have been comments that those who have moved into employment so far have been the easiest to help. The UK government has gradually reached further into those groups which have more barriers to labour market participation, including those on incapacity benefits, partners etc. It has made some mistakes in doing so (for example, calling carers to work focused interviews, which has now been abandoned due to criticism and resentment). There are also some groups whom it is more difficult to reach, such as the partners of people already in employment, because central government is not necessarily in touch with them already.

The NRP progress report highlights disabled people and ethnic minorities, lone parents, older people and those living in deprived areas. There is also a box on the European Social Fund, which focuses increasingly on helping disadvantaged people move into work. The report admits that despite improvements the number of lone parents out of work and claiming benefit remains high in comparison with other member states (p. 47). Given the prevalence of informal child care amongst those on lower incomes in particular, there may be a potential contradiction between increasing parental employment rates and those of older people.

Research by a community-based organisation in east London has suggested that informal work is carried out by some of the most marginalised groups, who find barriers in the way of their entry into more formal employment in the tax and benefits systems.<sup>17</sup> Low pay/benefit rates underlie the prevalence of informal employment; and participants often cite the inflexibility of benefits system rules compared with the much vaunted flexibility of the labour market. This could be described as an example of burdensome regulation. But the Department for Work and Pensions has made it clear that it has no intention of increasing the (often minimal) earnings disregards for those on benefits; and the Treasury is determined to maintain a clear distinction between being 'in work' (of 16 hours per week or more) or out. The government takes a largely punitive approach to informal employment, following the report by Lord Gribiner. The researchers suggest in this report that the government needs to take the informal economy into account in its anti-poverty strategies, but the NRP progress report does not mention it.

There has also been some comment that, however much is done to make the economically inactive and others more willing and ready to enter the labour market, the real obstacle may be employers' attitudes, especially towards those who have physical disabilities and/or mental health problems in particular. The government has been prepared to tackle employers' attitudes in these areas to some extent, for example in relation to mental health and physical disabilities, but could arguably do more.

#### 4.5 Promoting flexibility combined with security

The UK's labour market framework focuses on active labour market policies, making work pay and reducing barriers to work (p. 39). These are linked; the Chancellor argues that making work pay means that no one has an excuse not to participate actively in the labour market. In the NRP progress report, there are references to a 'culture of welfare dependency' (eg p. 39). This appears to blame benefit claimants themselves for not being able to obtain work, and seems inconsistent with a positive emphasis on social protection and social inclusion.

<sup>17</sup> Katungi, D. *et al.* (2006), *People in Low-paid Informal Work: 'Need not Greed'*, Bristol: The Policy Press for Joseph Rowntree Foundation; see [www.jrf.org.uk](http://www.jrf.org.uk).

The section in the NRP progress report on making work pay (p. 50) refers explicitly to the National Report, and outlines policies on the minimum wage, tax credits etc. But there is no detailed examination of the success or otherwise of this policy focus. External comment, from the Institute for Fiscal Studies in particular, whilst praising the government's efforts to ensure that people are better off in employment, also criticises the expansion of income-tested support via benefits and especially tax credits for extending the reach of high marginal deduction rates.<sup>18</sup> These high marginal tax rates are a disincentive for partners of those already in paid work entering employment - which is a high priority in the anti-poverty agenda, as noted, because 43 per cent of poor children live in couple families with someone in employment.

#### 4.6 Expanding and improving investment in human capital

The President of the European Commission in a speech on 6 October cited the UK's reinforcement of its 'efforts to improve its skills base' as an example of how 'sharing successes' in the NRPs between member states is beginning to work.

Skills are tackled in both chapter 3 and chapter 4 of the NRP progress report. In chapter 3, the report describes the government's aim of raising participation in education/training to at least 90% at age 17 by 2015. The education maintenance allowance, payable to young people in low-income families, seems to be having a positive effect, especially among boys, and the NRP progress report notes that it is to be extended to more groups (p. 32). The OECD has recently praised increased spending on education in the UK. The report (p. 32) sets out new initiatives to improve access to skills for young people. The recent focus on educational inequalities, as opposed to the previous emphasis on increasing numbers reaching set standards, is likely to take some time to bear fruit, but should also help to tackle the problem of young people not in education, employment or training and the 'long tail of under-achievement' in the UK.

Over one in three adults in the UK has no basic school-leaving qualification (p. 34). As we have noted before, however, there is a tension between the government's (understandable) focus on basic skills and funding for education which can make a real difference to earning power. This may particularly affect women students who may be older and only able to undertake part-time learning, and so may not fulfil the profile of the usual student. The NRP progress report usefully highlights a 'Train to Gain' pilot to be targeted on low-skilled, part-time and ethnic minority women (p. 33); this is very welcome, and should help to address this issue (see also pp. 49-50). Learner accounts focused on level 3 skills will also be trialled; but the government had its fingers badly burnt some years ago with Individual Learning Accounts, which were abolished after the discovery of substantial fraud, and so is cautious about pursuing this route. There has been some criticism that the government's adult learning strategy is a response to what are perceived as the skills demands of a knowledge economy for global competitiveness, rather than to issues of social inclusion and increased opportunities for lifelong learning.<sup>19</sup> Future developments in the skills base in the UK will depend on the outcome of the Leitch Review (p. 35), which has already concluded that the UK must urgently raise its game further.

<sup>18</sup> Adam, S., Brewer, M. and Shephard, A. (2006), *The Poverty Trade-off: Work incentives and income redistribution in Britain*, Bristol: The Policy Press for Joseph Rowntree Foundation, and Adam, S., Brewer, M. and Shephard, A. (2006), *Financial Work Incentives in Britain: Comparisons over time and between family types*, Working Paper W06/20, London: Institute for Fiscal Studies.

<sup>19</sup> Appleby, Y. and Bathmaker, A-M. (2006), 'The new skills agenda: increased lifelong learning or new sites of inequality?', *British Educational Research Journal*, Volume 32 Number 5.

# Migrants, Minority Ethnic Groups and Social Inclusion in the UK

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## 1. General Background

### 1.1 Introduction

Britain's immigrant and minority ethnic population has conventionally been seen as comprising relatively large African-Caribbean and South Asian communities of people originating at first from former Commonwealth countries. These groups are now well established and entering their third and fourth generations, although problems of discrimination and social exclusion still remain. Policies dealing with social inclusion in relation to minority ethnic populations have, therefore, mainly been framed with the needs and interests of these groups largely to the fore. However, during the last decade the nature of immigration has changed dramatically. There has been a marked rise in numbers, a significant increase in the proportion seeking asylum and those coming from an enlarged EU, and a diversification of countries of origin. These changes are referred to as the 'new migration' and are associated with the claim that the UK has become a 'super-diverse' nation, with consequent challenges for policy.<sup>20</sup> Although diversity of itself is nothing new, it is the extent of this diversity which is apparent. In London alone there are people from some 179 countries.

This report covers some of the main issues relating to the social inclusion of 'established' minority ethnic and 'new' migrant groups in the first decade of the twenty-first century.

### 1.2 Facts and Figures

The UK census, 2001, records population size according to ethnic group. The category 'White' accounted for 92.1%, while minority ethnic groups comprised 4.6 million or 7.9% of the total population.<sup>21</sup> Indians formed the largest category, followed by Pakistanis, those of Mixed ethnic backgrounds, Black Caribbeans, Black Africans and Bangladeshis. Increasingly, members of this group are British born and cannot be classed as migrants. Salt and Rees expect the White population to grow a little during the 2001-20 period, mainly as a result of migration, while the numbers of those from ethnic minority groups are projected to increase substantially.<sup>22</sup> The biggest increases are expected to be in Asians of working age or in later life and the Mixed category. However, although these broad non-White categories are frequently quoted in official publications, they can collect together people who have very different cultural or ethnic backgrounds. Other forms of differentiation, such as religion, may also be important and can cut across different ethnic groups.

The most recent discussion of current migratory patterns into the UK is provided by Salt and Rees, who have synthesized a wide range of statistics and analysis produced by the ONS and government departments.<sup>23</sup> This work shows that 2004 saw the highest ever recorded net migration and that the latter has overtaken natural change as the main reason for population growth. Over the last decade there has been a rise in the numbers of foreigners living in the UK from around 750,000 to 1.5 million. Although these numbers are large in absolute terms compared to most EU countries, their proportion of the total population is about average. However, there has been a decrease in asylum as a percentage

<sup>20</sup> Vertovec, S. (2006), *The Emergence of Super-Diversity in Britain*, Oxford: Centre on Migration, Policy and Society.

<sup>21</sup> Office for National Statistics (2003), *Census 2001*, London: TSO.

<sup>22</sup> Salt, J. and Rees, P. (2006), *Globalization, Population Mobility and Impact of Migration on Population*, Swindon: ESRC.

<sup>23</sup> Salt, J. and Rees, P. (2006) 'Report: Joint ESRC/ONS/BSPS Public Policy Seminar Series on the Implications of Demographic Change', *Population Trends*, 101-2.

of all immigration, which has fallen from a peak of around 26% in the late 1990s to about 10% now. Migrants still tend to be young but the evidence suggests some shift away from the 15-24 age-group to that of 25-44. They are slightly more likely to be male than female. Economic migration is increasing once again, with some indication of a move towards the lower skilled. The 2004 official projection of population growth in the UK is that it will rise from 58.8 million in 2001 to 67.0 million in 2031 and 70.7 million by 2074. However, Salt and Rees predict that, given the current high migration situation, a more realistic projection would be 69.1 million and 76.6 million respectively.

Because the post-war mass migration of those from the New Commonwealth was, at the beginning, due to labour shortages in the UK, this was reflected in early patterns of regional settlement.<sup>24</sup> Migrants tended to be clustered in industrial towns and cities in the Midlands, Lancashire, and Yorkshire, as well as the major centres of London and Birmingham. This pattern continues to be reinforced by chain migration, so that immigrants of similar local and regional origin are located in particular towns and cities. The geographical concentration of minority ethnic groups has been cited as one reason for difficulties in some groups' social inclusion. Alongside these continuities, however, changes are also discernible. While current immigrants are particularly drawn to London and the South East generally, mainly because of the work opportunities there, employment in industries, such as those of food processing and agriculture, have drawn some to small towns and rural areas of other regions. Further, the tendency for new immigrants to concentrate in London and other major cities has elicited the policy response of dispersing those seeking asylum out of the capital and the South East through the National Asylum Support Service dispersal programme. As Robinson and Reeve note, one result of these moves is that a migrant population is developing in areas with a previously limited history of association with migrants. Although the long-term impact of this remains to be seen, one possible consequence is that these areas become long-term settlements for new immigrants, with subsequent implications for integration and inclusion.

## 2. Employment Issues

### 2.1 Established Minority Ethnic Groups

The 2001 Census indicates that there are marked differences between the economic activity rates of different minority ethnic groups in terms of those who either have a job or who are looking for one.<sup>25</sup> Men and women from the White group were more likely to be economically active than any other group. Whereas Black Caribbean women's economic activity rates were nearly as high as those for white women (72% and 74% respectively), the Bangladeshi population had the lowest activity rates of all, at 69% for men and 29% for women. Pakistani women also had very low economic activity rates, at 28%. Within all ethnic groups, activity rates are higher for men than women. In terms of unemployment, Bangladeshi men have the highest rate at 20%, which is four times that for White men, whereas the rate for Indian men is only slightly higher than for White men at 7%. All other minority ethnic groups have unemployment rates, which are between two and three times higher than those of White men, indicating significant areas of inequality and lack of integration into the labour market. This picture is also mediated by age and gender, since those young men under the age of 25 from the Black African, Pakistani, Black Caribbean and Mixed groups have unemployment rates ranging from 25-31%. The comparable figure for young White men was 12%. Lack of good employment opportunities, together

<sup>24</sup> Robinson, D. and Reeve, K. (2006), *Neighbourhood Experiences of New Immigration. Reflections from the Evidence Base*, York: Joseph Rowntree Foundation.

<sup>25</sup> Office for National Statistics (2003), *Census 2001*, London: TSO.

with the poverty which can ensue, is an acknowledged indicator of social exclusion.<sup>26</sup> The 2005 Report on Social Protection and Social Inclusion identified a key concern for the UK as 'persistent concentrations of unemployment and inactivity in certain communities and among particular groups...[including] ethnic minority groups'.<sup>27</sup>

## 2.2 Policy Responses

The UK law prohibiting discrimination on the grounds of race, ethnic or national origins, religion and belief includes prohibition against discrimination based on assumed characteristics and association. As the UK Country Report on Measures to Combat Discrimination makes clear, although the latter prohibition is not specifically stated in the legislation, it is 'now well established based on case law' under the Race Relations (Amendment) Act, 2000, 'which refers to discrimination on "racial" grounds'.<sup>28</sup> The law covers all aspects of employment, including recruitment, selection, promotion, transfer, training, pay and benefits, redundancy, dismissal and conditions of work. Specified public authorities are required to monitor their workforce and employment practices. More specifically, the government is supporting a cross-department strategy, through the Ethnic Minority Employment Taskforce, which aims to tackle the main factors in ethnic minority employment disadvantage. Further, the Department for Work and Pensions estimate that more than 165,000 people from minority ethnic groups have been helped into work through mainstream programmes, such as the New Deal, and 11,000 through specialist ones, such as Ethnic Minority Outreach.<sup>29</sup> Key programmes delivered through Jobcentre Plus, which brings together benefit and labour market advice, have also targeted areas of high minority ethnic concentration. New initiatives to increase employment opportunities include Partners' Outreach, which offers work-focused help for non-working minority ethnic partners in low income households located in areas with high minority ethnic populations. From 2007 the City Strategy, focusing on the most disadvantaged groups and biggest concentrations of labour market disadvantage, will be used to improve outcomes delivered through existing funding. The Government indicator for improving the employment rates for minority ethnic people currently indicates that these are moving in the right direction.

## 2.3 New Migrants

The patterns of disadvantage described in 2.1 above are compounded by research on new migrants. Of those registered to work in 2005/6, by far the largest number came from Poland, followed by India, Lithuania, Slovakia, South Africa and Pakistan.<sup>30</sup> Based on ONS figures, this indicates that such people are involved in both the high and the low end of the economy, although their employment and participation rates are much lower than for White British people.<sup>31</sup> As with British born residents, they are highly likely to work in the service industry, which now employs around 81% of the overall workforce.<sup>32</sup> Research carried out on low-paid employment in London found that 90% of the workers who participated were migrants, with half having moved to the UK in the last year.<sup>33</sup> Further, almost half

<sup>26</sup> Zetter, R. *et al.* (2006), *Immigration, Social Cohesion and Social Capital*, York: Joseph Rowntree Foundation.

<sup>27</sup> European Commission (2005), *Joint Report on Social Protection and Social Inclusion*, Brussels: European Commission.

<sup>28</sup> Cohen, B. (2005), *Report on Measures to Combat Discrimination*, Brussels: European Commission.

<sup>29</sup> Department for Work and Pensions (2006), *Opportunity for All*, Norwich: HMSO.

<sup>30</sup> Department for Work and Pensions (2006), *National Insurance Number Allocations to Overseas Nationals Entering the UK*, London: National Statistics.

<sup>31</sup> Dustmann, C. and Fabbri, F. (2005), 'Immigrants in the British labour market', *Fiscal Studies*, 26, 4, 423-70.

<sup>32</sup> Berkeley, R., Khan, O. and Ambikaipaker, M. (2006), *What's New about New Immigrants in Twenty-first Century Britain*, York: Joseph Rowntree Foundation.

<sup>33</sup> Evans, Y. *et al.* (2005), *Making the City Work: Low Paid Employment in London*, London: Queen Mary, University of London.

the workers had tertiary level education and expressed frustration at not being able to obtain jobs where they could use their skills. Research by Bloch<sup>34</sup> indicates that only 15% of refugees with qualifications had tried to get them recognized in the UK and of these 71% had been unsuccessful. Additionally, as Berkeley, Khan and Ambikaipaker point out, one of the most important changes for newly arriving migrants is the growth of irregular work, some of which involves extremely poor and exploitative workplace conditions. The death of Chinese cockle pickers in Morecambe Bay drew attention to this issue. However, it is very difficult to calculate the numbers of employers and employees involved in the illegal economy. A further issue relates to the fact that asylum seekers are not permitted to work, leading to the problems of both their isolation and public perception. Again, these employment factors can lead to poverty and a resulting lack of integration.

## 2.4 Managing the Migrant Workforce

The Home Office five-year strategy for immigration and asylum, *Controlling Our Borders: Making Migration Work for Britain* was published in February 2005<sup>35</sup>. In March this year the Home Secretary announced the introduction of a points-based migration system. The aim is to ensure that only those who benefit Britain can come to work and study, to strengthen UK borders and increase removals. Points are awarded to reflect aptitude, experience, age and the level of need in any given sector so that it is possible to respond flexibly to changes in the labour market. There is also the creation of financial securities for specific categories where there has been evidence of abuse to ensure that migrants return home at the end of their stay. Appeals when applying from abroad to work or study have been abolished. Only skilled workers are allowed to settle long-term in the UK and language and UK knowledge tests have been established for those who wish to stay permanently. The overall intention appears designed to ensure that only those committed to integration into British society and its values will be allowed to stay. Further, fixed penalty fines have been introduced for employers for each illegal worker they employ as part of the drive against illegal working.

However, it is possible that the consequences of some of these measures will be discriminatory, since they seem to be based on the assumption that most of Britain's migrant labour needs can be fulfilled from Europe and its Accession states (2006). It is not clear quite how this has been ascertained and it is those from the developing countries who will be largely excluded.

## 3. Education

### 3.1 The Current Situation

The 2001 Census indicates considerable differences in terms of educational performance between minority ethnic groups.<sup>36</sup> For instance, Indian pupils have the best results at GCSE, regardless of gender. By contrast, only 37% of Pakistani and Bangladeshi girls and 22% of boys achieve 5 or more GSCEs at grades A\*-C (or equivalent). Of those who achieved the latter, only half of Black pupils achieved very high results, whereas at least two thirds of all other minority ethnic groups attained this level. Lack of qualifications is clearly related to employability and, thereby, to social integration. Of particular concern is the data on school exclusions, which shows that Black pupils were more likely to be permanently excluded from school than any other ethnic group. The highest permanent exclusion

<sup>34</sup> Bloch, A. (2004), *Making it Work. Refugee Employment in the UK*, London: Institute for Public Policy Research.

<sup>35</sup> Home Office (2005), *Controlling Our Borders: Making Immigration Work for Britain – Five Year Strategy for Asylum and Immigration*, London: HO.

<sup>36</sup> Office for National Statistics (2003), *Census 2001*, London: TSO.

rates were among children from the 'Other Black' category (40 in every 10,000 pupils) and the Black Caribbean group (38 in every 10,000). This compares to 13 in every 10,000 White children. For all ethnic groups, the rate of permanent exclusions is higher for boys than for girls.

In terms of higher education, Chinese people, Indians, Black Africans and Other Asians were more likely to have degrees (or equivalent) than White people. Among men, Black Caribbeans were the least likely to have them, whereas among women it was those from the Pakistani and Bangladeshi communities. However, despite some ethnic groups being more likely than the White population to have degrees, they were also more likely to have no qualifications at all. In particular, Pakistanis and Bangladeshis were most likely to be unqualified. 48% of Bangladeshi women and 40% of men, alongside 40% of Pakistani women and 27% of men had no qualifications.

A common theme in much of the literature on new immigrants, and especially refugees and asylum seekers, is the psychological, linguistic and cultural problems that they face on arrival and which can form barriers to integration in schools and further and higher education.<sup>37</sup> Such barriers are likely to be experienced most acutely by those, especially asylum seekers in relation to the dispersal policy, who are moved to local communities which are not used to working in a multicultural context. It is acknowledged that incorporating recent immigrants and meeting their needs are associated with a variety of challenges and that these cannot be met without training and support. Whilst the potential benefits of having a culturally mixed school population is acknowledged, most literature and research tends to focus on the costs, both social and economic. For instance, the Audit Commission<sup>38</sup> has reported on how dealing with the children of new immigrants can stretch school budgets, as well as time and other resources. The provision of English language tuition is clearly a priority here, especially where children come from families where no English is spoken at home. However, it is currently being reported that adult asylum seekers will no longer be entitled to free English tuition.

### 3.2 The Policy Agenda

In May 2006, the Department for Education and Skills updated its Race Equality Scheme to reflect progress since publication of the full scheme in 2005. This is a 60 page document, outlining policy objectives and action plans from the early years through to further education, higher education and adult skills. The Government is currently piloting free early years' provision for 12,000 disadvantaged 2 year olds across 15 local authorities up to 2008. Key target groups are children who would most benefit from early access and who are less likely to access the available free entitlement at age 3, for example minority ethnic (including Traveller) and immigrant children.<sup>39</sup> The Childcare Act contains a series of new duties for local authorities, including responsibility for improving the outcomes for all children under 5 and closing the gap between groups with the poorest outcomes and the rest. This involves local authorities working with key partners to reduce inequalities in achievements through the delivery of integrated early childhood services. The Sure Start and Excellence in Cities programmes are targeted at the most disadvantaged areas, including those of minority ethnic groups. In 2003 the Government launched Aiming High, a national strategy for raising the academic achievement of ethnic minority pupils in school. This sets out to ensure that, over time, the participation and achievement of minority ethnic pupils (including those from Gypsy, Roma and Traveller backgrounds) matches that of the population as a whole, through targeted initiatives to boost exam performance.<sup>40</sup> It is reported that an independent

<sup>37</sup> Craig, G. *et al.* (2004), *Local Impacts of International Migration: The Information Base*, Hull: University of Hull.

<sup>38</sup> Audit Commission (2000), *Another Country: Implementing Dispersal Under the Immigration and Asylum Act 1999*, London: Audit Commission.

<sup>39</sup> Department for Work and Pensions (2006), *Opportunity for All: Eighth Annual Report 2006*, Norwich: HMSO.

<sup>40</sup> Department for Education and Skills (2003), *Aiming High: Raising the Achievement of Minority Ethnic Pupils*, London: DfES.

analysis of this initiative records significant improvements in Black boys' achievements in maths, English and science at age 14 and similar improvements in the numbers gaining at least five passes at GCSE.<sup>41</sup> Government policy is to introduce a number of other national strategies to support schools in raising the attainment of pupils at the ages of 7, 11, 14 and 16 and to support local authorities in raising standards across the foundation stage. In order to strengthen the work of the National Strategies, it is improving the work targeted at bilingual learners and those from previously under-achieving minority ethnic groups. A targeted programme has also been developed aimed at enhancing the capacity of local authorities and schools to meet more effectively the needs of Gypsy, Roma and Traveller pupils. The study of citizenship is now part of the national curriculum, with the aim, in part, of sensitizing young people to the needs and concerns of their neighbourhoods and communities. However, in their synthesis of the research evidence on ethnic inequalities in education, Gillborn and Mirza<sup>42</sup> argue that it is possible to identify particular schools and local authorities where minority groups who under-perform nationally are doing well. Although distinct patterns of ethnic inequality are consistently visible, local efforts and initiatives, especially those based on strong leadership and social justice, can lead to more inclusive outcomes.

Most ways of dealing with the educational needs of new immigrant children also seem to be instigated at the local level. Craig *et al.*<sup>43</sup> cite examples of where an induction programme, designed specifically to address the needs of refugee and asylum seeking pupils, had been instigated and of a mentoring project for over-16s to give them one-to-one support in English and specific subject areas which they are studying. By and large, though, catering for the needs of this new migrant group seems mainly to be piecemeal and uncoordinated, depending on the funding available and the resourcefulness of particular schools and local authorities.

## 4. Housing and Neighbourhood

### 4.1 Overview

It has already been noted that minority ethnic and new immigrant groups have a tendency to cluster geographically together with people from similar backgrounds and they also tend to reside in less popular inner-city areas. However, the newer groups have fewer social networks to draw on and are more reliant on their own ability to satisfy housing needs.<sup>44</sup> Clustering in itself may not be an issue, since it offers the possibilities of social support, extended social and cultural relations, a sense of belonging and well developed community infrastructures.<sup>45</sup> However, there is often a problem of affordability for those who wish to move away and difficulties in accessing social housing. Higher levels of unemployment, low incomes and discrimination all mean that finding accommodation may not be easy. Harassment from landlords, neighbours and other local people in some areas can also create difficulties. Somerville and Steele's work<sup>46</sup> has shown how racism affects the housing choices available to Black and other minority ethnic groups and how this contributes to social exclusion. There is also evidence that people from Black and minority ethnic groups disproportionately face other housing problems. People of Pakistani and Bangladeshi origin, for instance, are particularly disadvantaged compared to those who are White, since they are less likely to be owner-occupiers and much more likely to live in overcrowded, poor housing and to be dissatisfied with it. People of Black origin are also

<sup>41</sup> Campbell, D. (2006), 'Black Pupils Close GCSE Grade Gap', *The Observer*, 22<sup>nd</sup> October.

<sup>42</sup> Gillborn, D. and Mirza, H. S. (2000), *Educational Inequality: Mapping Race, Class and Gender*, London: OfSTED.

<sup>43</sup> Craig, G. et al. (2004) *Local Impacts of International Migration: The Information Base*, Hull: University of Hull.

<sup>44</sup> Robinson, D. and Reeve, K. (2006), *Neighbourhood Experiences of New Immigration. Reflections from the Evidence Base*, York: Joseph Rowntree Foundation.

<sup>45</sup> Garvie, D. (2004), *The Black and Minority Ethnic Housing Crisis*, London: Shelter.

<sup>46</sup> Somerville, P. and Steele, A. (eds) (2001), *'Race', Housing and Social Exclusion*, London: Jessica Kingsley.

relatively disadvantaged, although less so than Pakistanis and Bangladeshis, and they are least likely to be owner-occupiers than any other group. Research also indicates that minority ethnic groups are also over-represented among the homeless. Although the evidence is somewhat limited through lack of reliable data, they comprise 22% of households accepted by local authorities as homeless. Clearly, access to housing of a reasonable standard and affordability impinges on social exclusion issues.

For new migrants, particularly refugees and asylum seekers, the housing situation can be particularly problematic. Private landlords play a large role in providing accommodation but research indicates worryingly poor standards in many cases.<sup>47</sup> Bloch estimated in 2002, for example, that 44% of single entrants live in the private rental sector, while just under one third were in bed and breakfast accommodation from which they were expected to be absent during the day. Many studies highlight the importance of location in relation to the effective settlement of refugees. First, there is the need to be near cultural and community facilities. Second, there is the over-riding significance of good community relations. Third, there are the problems of living in run-down, hard-to-let housing situated in poor physical environments typified by high levels of crime and unemployment. These are seen as contributing to migrants' social exclusion, which is further exacerbated by their lack of access to services and employment opportunities.

## 4.2 Policy and Provision

The Government has a general programme to increase the supply of affordable housing and is investing in social housing and low-cost home ownership. The latest Spending Review committed to increasing the supply of new social rented homes by 50% by 2008 and the Government has recognized that more needs to be done to counter the rates of overcrowding experienced by minority ethnic households. Indicators suggest that, in terms of alleviating the number of homes which fall below the set standard of decency, the trend is in the right direction.<sup>48</sup> The wider strategy, *Sustainable Communities: Settled Homes; Changing Lives*, sets out the Government's plans for preventing homelessness and improving access to settled housing.<sup>49</sup> The Government has also acknowledged that there is more to do to ensure that everyone in Britain has the life chances they deserve. It has launched *Improving Opportunity, Strengthening Society*, the first cross-departmental strategy to increase community cohesion.<sup>50</sup> The strategy contains more than 100 commitments from across government and key stakeholders, including the Commission for Racial Equality and local authorities. The aim is to ensure that a person's ethnicity is not a barrier to their achieving success. In addition, a number of services have been developed specifically for people from minority ethnic backgrounds who are homeless. These include the provision of hostels, advice and day centres by Black and minority ethnic organizations. Other more generalist providers have also developed targets and provided special advice sessions, support groups and outreach services.

As a result of the street violence that took place in several northern towns and cities in England during 2001, the Government commissioned a number of reports and reviews.<sup>51</sup> These were designed to explore the reasons for the disturbances, to offer suggestions as to how the risk of further disorder might be minimized and put forward strategies for developing more cohesive communities. As Robinson

<sup>47</sup> Quilgars, D., Burrows, R. and Wright, K. (2004), *Refugee Housing and Neighbourhood Issues: A Scoping Review*, York: Centre for Housing Policy, University of York.

<sup>48</sup> Department for Work and Pensions (2006), *Opportunity for All: Eighth Annual Report 2006*, Norwich: HMSO.

<sup>49</sup> Office of the Deputy Prime Minister (2004), *Sustainable Communities: Settled Homes; Changing Lives*, London: ODPM; [www.communities.gov.uk/embedded\\_object.asp?id=1149784](http://www.communities.gov.uk/embedded_object.asp?id=1149784)

<sup>50</sup> Home Office (2005), *Improving Opportunity, Strengthening Society: The Government's Strategy to Increase Race Equality and Community Cohesion*, London: HO.

<sup>51</sup> For example, Burnley Taskforce (2001), *Report on the Disturbances*, Burnley: Burnley Taskforce; Ousley, H. (2001), *Community Pride, Not Prejudice – Making Diversity Work in Bradford*, Bradford: Bradford Vision.

and Reeve note, all the reports were agreed in their diagnosis. This centred on the physical segregation and related isolation of different ethnic groups, which has led to increased mistrust, misunderstanding, hostility and suspicion between them. 'A worrying drift towards increasing self-segregation was identified and emphasis was placed on the need to reverse this process'.<sup>52</sup> This contemporary policy emphasis on 'ethnic residential integration' as a panacea for the perceived lack of social cohesion in British society is also to be found in current immigration policy. For instance, the Home Secretary's foreword to the Government's five year strategy for immigration and asylum asserts that permission to settle permanently will only be granted where migrants 'are prepared to integrate socially'.<sup>53</sup> The National Strategy for Race Equality and Community Cohesion states that 'national cohesion rests on an inclusive sense of Britishness' and people playing their part in society.<sup>54</sup> Other examples of the emphasis on integration in immigration policy include the introduction of citizenship ceremonies, the language proficiency tests and the testing of migrants' knowledge of the UK. There is a tension here between a commitment to equality of opportunity, tolerance, multiculturalism and difference, on the one hand, and the view that cultural diversity runs the risk of challenging the (unspecified) normative standards of British society and a cohesive national identity, on the other.<sup>55</sup> Segregated communities do not necessarily actively choose to be so and cultural cohesion can provide protection for people experiencing a range of problems, including racism, harassment and exclusion from wider society. In this way, participation in a pre-existing community and its associated networks may offer a framework through which new migrants, and the minority ethnic population more generally, are able to settle and establish themselves within Britain.<sup>56</sup>

## 5. Health

### 5.1. Overview

Although minority ethnic groups experience broadly the same range of illnesses and ill-health as the White group within the UK, there is a tendency for some minority ethnic groups to report worse health than the general population and evidence of an increased prevalence of some specific life-threatening illnesses. For example, evidence from the Department of Health<sup>57</sup> indicates that 15% of Bangladeshi men reported their health to be 'bad or very bad' compared to 6% of men in the general population. However, the same survey reveals that Black African and Chinese groups claim that their health is better than average. In addition to this self-reported data, the Department of Health also suggests that coronary heart disease is more prevalent among Asians and diabetes among both Asians (5 times higher than the general population) and people from African and African-Caribbean backgrounds (3 times higher).<sup>58</sup> Commentators have pointed out that for each apparent 'difference' between an ethnic minority group and the majority, closer scrutiny of the evidence indicates differences within the minority groups themselves. Health researchers and practitioners alike connect increased chances of illness and

<sup>52</sup> Robinson, D. and Reeve, K. (2006), *Neighbourhood Experiences of New Immigration. Reflections from the Evidence Base*, York: Joseph Rowntree Foundation, p 12.

<sup>53</sup> Home Office (2005), *Controlling Our Borders: Making Immigration Work for Britain – Five Year Strategy for Asylum and Immigration*, London: HO, p. 8.

<sup>54</sup> Home Office (2005), *Improving Opportunity, Strengthening Society: The Government's Strategy to Increase Community Cohesion*, London: HO, p. 20.

<sup>55</sup> Zetter, R. *et al.* (2006), *Immigration, Social Cohesion and Social Capital*, York: Joseph Rowntree Foundation.

<sup>56</sup> Robinson, D. and Reeve, K. (2006), *Neighbourhood Experiences of New Immigration. Reflections from the Evidence Base*, York: Joseph Rowntree Foundation.

<sup>57</sup> Department of Health (2005), *Health Survey for England 2004: The Health of Minority Ethnic Group – Headline Tables*, London: NHS Health and Social Care Information Centre.

<sup>58</sup> Kings Fund (2006), *Access to Health Care and Minority Ethnic Groups*, London: Kings Fund; [www.kingsfund.org.uk/resources/briefings/access\\_to\\_health.html](http://www.kingsfund.org.uk/resources/briefings/access_to_health.html).

shorter life with experiences of deprivation. Since many of those who are members of a minority ethnic grouping also experience high levels of poverty, analysis shows that such deprivation explains a large amount of ill health experienced by them. More recent research has also demonstrated that the variations in health status within minority ethnic groups can also be explained by differences in socio-economic status. However, taking account of economic status does not fully explain differences in health between minority groups and the White population. It is possible that there are other contributing factors, such as being subjected to racism or harassment.<sup>59</sup>

The Kings Fund asserts that there is some evidence that the National Health Service (NHS) has not always treated Britain's minority groups well. It cites the Department of Health's own patient surveys which show higher levels of dissatisfaction with its services by some groups, compared to the White population. For instance, those from Pakistani, Indian and Bangladeshi backgrounds give examples of lack of prompt access, involvement and choice when talking about their experiences as hospital inpatients. Lapses in provision have led to a nationwide review of mental health service provision to minority ethnic groups.

Migration exposes individuals to a number of health risks, both those experienced by the sending and receiving societies and those generated by the migration process itself. Although a diverse group, migrants are generally relatively young and are said usually to have satisfactory health on arrival.<sup>60</sup> However, this may deteriorate, particularly if they are not fully aware of their rights to medical services and there are language barriers. Migrants are, therefore, thought to under-use those services which are legitimately available to them.

The issue of mental health arises for many migrants, due to stress of leaving their family and country behind, feelings of insecurity and reduced status, along with discrimination and marginalization. These problems are particularly compounded for refugees and asylum seekers, who may have experienced persecution or torture, been through refugee camps (where they may also contract disease) and who may have to wait some considerable time to hear the outcome of their asylum application. Asylum seekers survive on benefits that are less than income support and are often forced to live below the poverty line.<sup>61</sup> Mental and psychological strain can be caused by such a state of absolute dependence.<sup>62</sup>

## 5.2. Policy Responses

The Government has made a clear commitment to reducing inequalities in health and national targets were set in 2002. The NHS has been given a leading role to play in the reduction of health inequalities generally, although no national targets have been set that relate specifically to minority ethnic communities.<sup>63</sup> In the past, organizations within the NHS have failed to collect data on patients' ethnicity and this has made it difficult for any evaluation of the services available to them to be undertaken. Under the Race Relations Amendment Act 2000, the NHS has a legal obligation to promote race equality across the range of its activities. A range of strategies have been instigated at Trust level to

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<sup>59</sup> Kings Fund (2006), *Access to Health Care and Minority Ethnic Groups*, London: Kings Fund.

<sup>60</sup> Kelly, R., Morrell, G. and Sriskandarajah, D. (2005), *Migration and Health in the UK*, London: Institute for Public Policy Research.

<sup>61</sup> National Asylum Support Service (2004), *Dispelling the Myths, Telling the Facts*, London: NASS.

<sup>62</sup> Kelly, R., Morrell, G. and Sriskandarajah, D. (2005), *Migration and Health in the UK*, London: Institute for Public Policy Research.

<sup>63</sup> Kings Fund (2006), *Access to Health Care and Minority Ethnic Groups*, London: Kings Fund; [www.kingsfund.org.uk/resources/briefings/access\\_to\\_health.html](http://www.kingsfund.org.uk/resources/briefings/access_to_health.html).

improve access to health care and provision. These include such measures as interpreting and translating services and working with voluntary and community groups to offer tailored provision. The NHS has also been attempting to improve its role as an employer, developing specific programmes to increase diversity among senior personnel. The Department of Health also considers that its general strategies of increased patient choice, competition and plurality of providers will make it easier to design and deliver services to minority ethnic groups. Additionally, the Healthcare Commission which, along with the CRE is responsible for monitoring progress on race equality, is reviewing how it will evaluate access to care for minority ethnic groups in the future.

The status of new migrants with regard to health care is the same as that of the rest of the population. Those who are lawful labour migrants are classified as 'ordinarily resident' and are eligible for free NHS care. Asylum seekers are exempt from all charges for health care while their application is being assessed, including any appeals. Those granted refugee status or any other leave to remain in the country are entitled to free health care for the duration of their stay, as are unaccompanied children up to the age of 18 years. Those whose applications are finally rejected must pay for all medical care and attention they receive. Those applicants who have been in the country for a year or over at the time their application was rejected can continue to receive any treatment they were receiving prior to this. New treatment, however, is to be charged for. In April 2004 the Department of Health changed its provision on health care to overseas visitors, ostensibly to tackle the perceived problem of health tourism. Those with no legal right to be in the UK, such as failed asylum seekers, will no longer be given treatment for conditions which start after their rejection. This raises moral issues about justice, equal treatment and whether individuals have a human right to health care. There are also issues around public health in terms of the spread of disease.

## 6. Target Groups

### 6.1 Women

There are many gender issues which are significant in relation to the established minority ethnic groups in the UK and these are increasingly being recognized by researchers and policy makers alike.<sup>64</sup> However, there are two crucial and rather different matters which require consideration in terms of the new migrant group. The first relates to migrant domestic workers, who are employed in private households but who may also work as care assistants, either legally or illegally. Much of this work is low paid, insecure, involves long hours and is necessarily unregulated. Although many domestic workers are well treated, others are vulnerable and open to exploitation and abuse. Employers in private households are exempted from the Race Relations Acts and legally allowed to discriminate on grounds of ethnicity and nationality etc, although this is not the case for the employment agencies which they might use.<sup>65</sup> There is evidence that some domestic workers are isolated and not well integrated into the local community. All this raises questions about the responsibility of the British state to this category of migrants and how far it would be possible to regulate their work effectively, given the likely expense and concerns about public intrusion into a private domain.

The second issue relates to the trafficking of women. This usually occurs for sexual purposes, although domestic workers may be trafficked too. There has been an increase in legislation on trafficking globally and the European states are no exception, such as the April 2004 EU Council Directive which sets out the criteria to be used in issuing residence permits, which are not permanent, to those who have been trafficked. To gain this, victims have to show that they will cooperate with the authorities, not an easy

<sup>64</sup> Gillborn, D. and Mirza, H. S. (2000), *Educational Inequality. Mapping Race, Class and Gender*, London: OfSTED.

<sup>65</sup> Anderson, B. (2006), *A Very Private Business: Migration and Domestic Work*, Oxford: COMPAS, University of Oxford.

stipulation to meet, given the brutalization that some of the women have experienced.<sup>66</sup> The extent of trafficking of women to the UK has been estimated in Home Office funded research, which recommended points for action and described the responsibilities of government.<sup>67</sup> Further, at the beginning of 2006, the Government launched a public consultation on a national action plan which will build on existing anti-trafficking measures. This will cover all forms of trafficking in human beings and include labour exploitation as well as that of a sexual nature. It will also cover trafficking in children.

## 6.2 Children and Young People

Another issue of major concern with regard to new migrants is the number of unaccompanied children who are arriving on UK shores. Figures indicate that in 2005 2,965 unaccompanied asylum seeking children aged 17 or under applied for asylum, 1% less than in the previous year.<sup>68</sup> Such children are extremely vulnerable and require robust child protection measures. In 2003 there were a number of policy and legal developments which provided some clarity on the social service entitlements of unaccompanied children and young people. The two main ones were the Hillingdon Judgement and Local Authority Circular (2003) 13 (LAC 13). They were designed to make explicit what local authorities were expected to provide. Fee <sup>69</sup>has evaluated the implementation of these policies in 18 local authorities. She found, that although they were attempting to provide the support required, many expressed concern about its quality and level, due to lack of capacity and resources. For example, not being able to allocate each young person to a social worker and the quality of accommodation were explicitly mentioned. Many local authorities had concerns about the quality of leaving care service they were able to provide and were confused about how far they should provide services to those who had been refused asylum or leave to remain. Fee argues that funding constraints, especially inadequate grants from the Home Office and DfES, need to be addressed, that conflicts in government policies need to be resolved and that the responsiveness of other bodies, for example in relation to access to school places, requires attention. She also refers to inadequate staff numbers, poor attitude and the need for more access to training.<sup>70</sup> It is clear that, in term of children's rights and their ability adequately to function in British society, these issues deserve urgent attention.

A further issue here relates to the number of children detained for immigration purposes. During the last three months of 2005, 540 minors were released from detention centres, a 19% increase on the previous quarter.<sup>71</sup> Of these 29% had been held in detention for more than a week, with 25 having been held for between one and two months. Although the Government is committed to reducing the numbers of young people detained, the Refugee Council has criticized the figures for being far too large, for denying children their rights and dignity and for forcing them to live in traumatic circumstances. Further, the consequences of such an experience are likely to militate against children's ability to integrate into British society once they are released.

<sup>66</sup> Anderson, B. (2006), *A Very Private Business: Migration and Domestic Work*, Oxford: COMPAS, University of Oxford.

<sup>67</sup> Kelly, L. and Regan, L. (2000), *Stopping Traffic: Exploring the Extent of, and Response to, Trafficking in Women for Sexual Exploitation in the UK*, London: Home Office.

<sup>68</sup> Heath, T., Jeffries, R., and Pearce, S. (2006), *Asylum Statistics UK 2005*, London: Home Office.

<sup>69</sup> Fee, E. (2006), *Local Authority Support to Unaccompanied Asylum-Seeking Young People*, London: Save the Children.

<sup>70</sup> Fee, E. (2006), *Local Authority Support to Unaccompanied Asylum-Seeking Young People*, London: Save the Children.

<sup>71</sup> Refugee Council (2006), *New Figures Reveal Increase in Number of Children Locked Up in the UK*; [http://www.refugeecouncil.org.uk/news/press/2006/may/20060523\\_2.htm](http://www.refugeecouncil.org.uk/news/press/2006/may/20060523_2.htm)

## 7. Summary and Conclusion

This report has distinguished between 'established' minority ethnic groups and 'new' migrants in order to discuss some of the factors which impinge on the social integration of both these groups in the UK. It is clear that the situation is complex in terms of how to categorize and define minorities and migrants, the extent to which they might be seen to be socially excluded or included and the policy initiatives undertaken in respect of this. However, given recent incidents in the UK, the terrorist atrocities in London, the Heathrow threat and current debates about the veil and religious symbols, it is likely that ethnicity on its own can no longer be taken as an indicator of exclusion/inclusion. Rather, the significance of religion needs to be introduced into the debate. This further complicates discussions of integration in terms of how boundaries are drawn around groups, in relation to the indices of inclusion/exclusion to be included and, most challengingly, for the framework within which to develop a policy response.