

ETHNICITY AND POVERTY IN SCOTLAND 2020.

ANALYSIS AND REFLECTION ON
THE IMPACT OF COVID-19.

DECEMBER 2020



CRER

Coalition for Racial Equality and Rights



Scottish Government
Riaghaltas na h-Alba
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The design of this publication is inspired by the infographic posters created by the sociologist W.E.B. DuBois and his colleagues for an exhibition at the Paris World Fair of 1900. These posters used statistical evidence to show the realities of oppression, marginalisation and discrimination affecting African American people at that time. Although his views and context are separated from ours by over 100 years of change, we share his commitment to achieving racial justice for all, using evidence-based and rights-based approaches to eradicate racism and racial inequality.



WHO WE ARE.

The Coalition for Racial Equality and Rights is a Scottish anti-racism charity based in Glasgow. We are focused on working to eliminate racial discrimination and harassment, and promote racial justice across Scotland.

Our key mission is to:

- Protect, enhance, and promote the rights of minority ethnic communities across all areas of life in Scotland; and,
- Strengthen the social, economic, and political capital of minority ethnic communities, especially those at greatest risk of disadvantage

CRER takes a rights-based approach, promoting relevant international, regional, and national human rights and equality conventions and legislation.

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INTRODUCTION.

Although BME people are more likely to be in poverty than white people, anti-poverty policies and strategies have so far had little focus on race.



In Scotland, someone from a Black and minority ethnic (BME) background is nearly twice as likely to experience poverty as someone from a white Scottish/British background.

Higher poverty rates amongst BME groups have persisted despite various anti-poverty commitments and policies. Factors such as changes to the labour market, the recession and UK wide austerity policies have contributed to the continuation of poverty, alongside the presence of racism and discrimination which continues to limit the opportunities of many BME people in Scotland. There is a further danger that the Covid-19 crisis will cause a rising tide of poverty amongst those on low incomes, including a disproportionate number of BME people.

Although BME people are more likely to be in poverty than white people, anti-poverty policies and strategies have so far had little focus on race. Despite evidence of higher poverty rates amongst BME children, even child poverty campaigners often fail to mention race in relation to these issues.¹ Few recent reports in Scotland have directly researched poverty in the general BME population. For example, Naomi Eisenstadt, the Scottish Government's Independent Advisor on Poverty and Inequality, in her report *Shifting the Curve: A Report to the First Minister*, whilst recognising that minority ethnic groups are "often the most disadvantaged and may have additional barriers to face in escaping poverty" chose not to cover this in any detail in the report.²

Whilst the reasons for high levels of poverty for BME people in Scotland are under-researched,³ there are some critical themes which emerge repeatedly. This report seeks to investigate these themes and contextualise the most recently available statistics on poverty in relation to BME people in Scotland. The ethnicity categories used in tables throughout are derived from the data source. As such, these may not reflect CRER's preferred categorisation (individual and headline ethnicity categories matching the Scottish Census).

1. Child Poverty Action Group (2020), **Black Children's Lives Matter**.

2. N. Eisenstadt, Independent Advisor on Poverty and Inequality (2016), **Shifting the Curve: A Report to the First Minister**.

3. Joseph Rowntree Foundation (2011), **A review of poverty and ethnicity in Scotland**.

POLICY CONTEXT.

Race Equality Framework for Scotland 2016-2030.

In 2016 the Scottish Government published its Race Equality Framework for Scotland 2016-2030 (REF).⁴ Noting that minority ethnic groups are twice as likely to experience poverty as the majority ethnic population, the REF highlighted the clear link between ethnicity and poverty which must be examined if racial inequalities are to be tackled.

Key Poverty Goal of the REF: to ensure robust policy responses that support race equality in relation to income and poverty.

To achieve the above goal, the Scottish Government committed to various activities including working to fill the gaps in current knowledge on how and to what extent minority ethnic people are accessing the benefits they are entitled to. A full list of measure to achieve the goal can be found in Appendix 1. Where relevant in this report, key goals of the REF in relation to poverty will be highlighted in a blue box, as the one above.

The Race Equality Action Plan 2017-2021.

The Race Equality Action Plan 2017-2021 (REAP) is intended to sit under the Race Equality Framework and sets out the key actions for the Scottish Government to drive positive change for BME communities.⁵

Poverty was one of seven key sections of the REAP, with an aim to tackle the particular impact of poverty on minority ethnic communities.

There are various related key actions, such as considering ethnicity in the creation of the Child Poverty Delivery Plan. Detail on the nine key poverty related actions can be found in Appendix 2. Within this report, where actions within the REAP are relevant to poverty, they will be highlighted in a green box, as above.

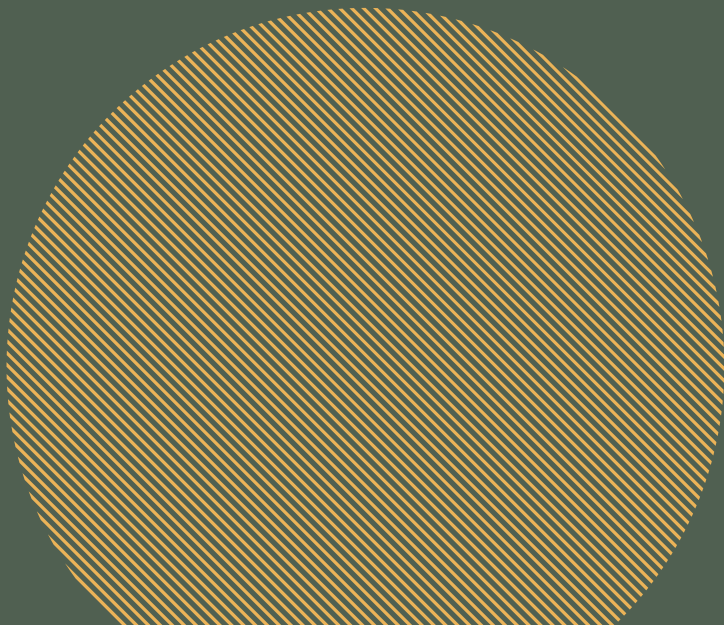
4. Scottish Government (2016), [Race Equality Framework 2016-2030](#).

5. Scottish Government (2017), [Race Equality Action Plan 2017-2021](#).

KEY FINDINGS.

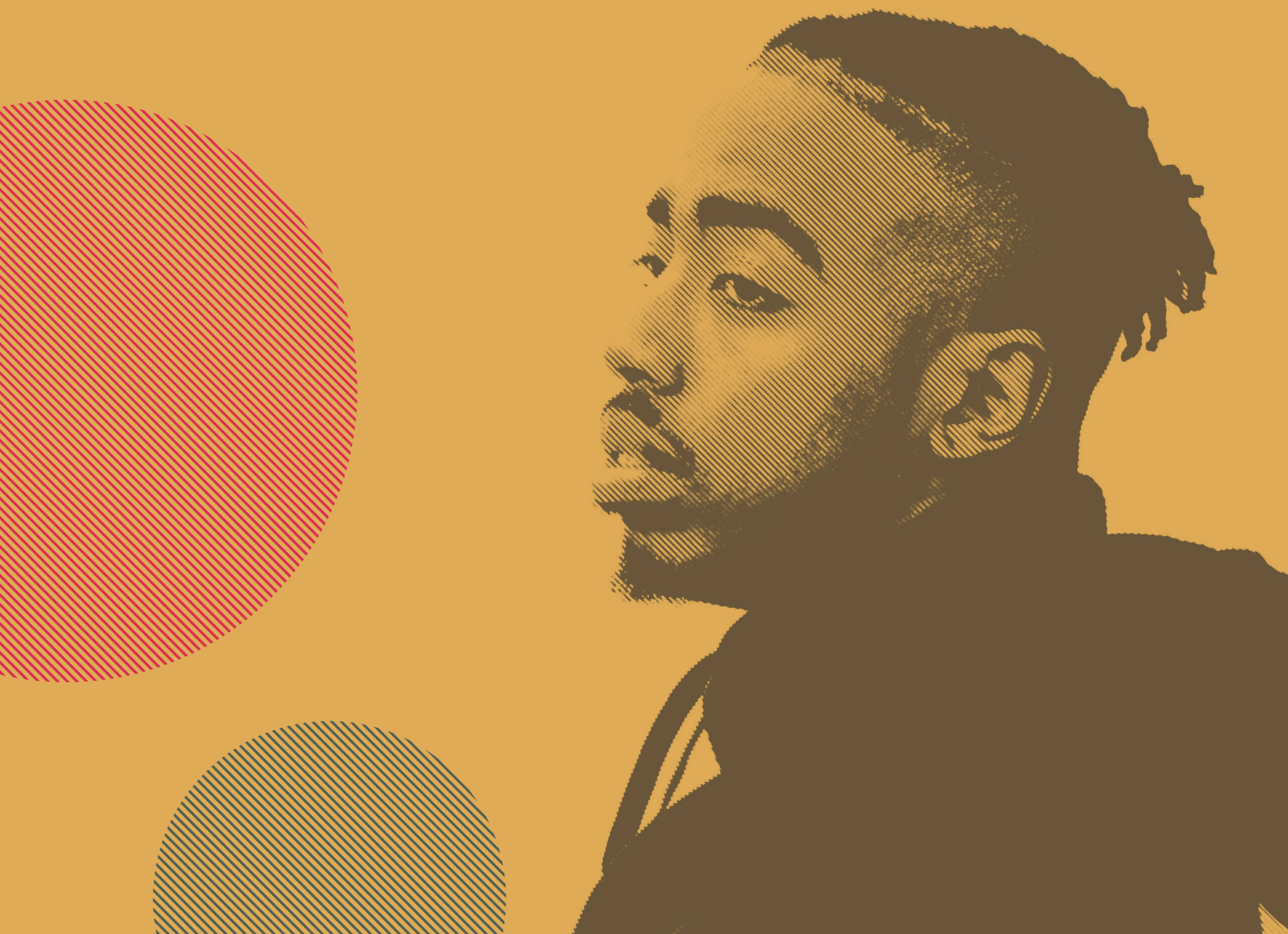
- 1** The most recent statistics from 2014-19 show that, both before and after housing costs, the rate of relative poverty in Scotland is more than double for those from BME groups compared to the majority white Scottish/British group
- 2** There is an indication that relative poverty levels may be rising, particularly within the Asian or Asian British group. In 2013-18, 34% of this group were in relative poverty (after housing costs), by 2014-19 this had risen by 5 percentage points to 39%
- 3** Across all child poverty measures, rates of poverty in Scotland for children in minority ethnic families have risen in recent years. In 2016-19, almost half (44%) of children in minority ethnic families were living in relative poverty, a 4 percentage point rise since 2015-18
- 4** In employment, BME people continue to be overrepresented in low paid sectors with little chance of career progression
- 5** Unemployment rates are higher amongst minority ethnic people in Scotland; in 2019, the gap in employment rates between minority ethnic people and white people in Scotland was 16.4% (59.3% vs. 75.7%)
- 6** The employment gap was much higher for minority ethnic women at 22%, compared to 9.5% for men. BME women in Scotland continue to face structural and practical barriers in accessing and navigating the labour market, including racist and sexist attitudes and discrimination

- 7** The gap in the employment rate is also much larger for younger age groups. Within the 16-24-year-old age group there is a 26.1% gap between minority ethnic and white employment rates, which reduces by only 0.8% for 25-34-year-olds to 25.3%
- 8** Only 2.3% of Modern Apprentice starts in 2018/19 were BME, despite a target of 5.1% by 2021
- 9** BME graduates in Scotland are consistently less likely than white graduates to enter full time employment and are up to three times more likely to be unemployed compared to white graduates
- 10** Minority ethnic groups are particularly likely to experience housing costs induced poverty and are overrepresented within the private rental sector where risk of poverty is greatest
- 11** There are indications that homelessness may be becoming a significant problem: in Scotland, 7.4% of statutory homelessness applications in 2018/19 were from BME people
- 12** Many recommendations have been made over time to tackle poverty within BME groups in Scotland but have not been actioned. Current measures to tackle poverty (which tend to take a race blind approach) are not working and there are indications that BME poverty levels, especially amongst families, are rising



IMPACTS OF COVID-19.

As the impacts of the pandemic continue, with pay cuts and rising job losses, many BME people who may already have been struggling will be put under greater financial pressure and potentially be forced into greater and deeper poverty.



The Covid-19 pandemic has highlighted longstanding structural inequalities relating to poverty, income and employment which require major social policy interventions.

Whilst many of the negative long-term health, social and economic impacts of Covid-19 are still unknown, it seems clear that these negative impacts will not be experienced equally. The Runnymede Trust have highlighted that the potential impact of structural racial inequality means BME groups will find it harder to cope both during this crisis and from the fallout.⁶

Ethnic inequalities are likely to arise due to the impact of the pandemic in two main ways. Firstly, through exposure to infection and health risks, including mortality, and secondly through loss of income. A Public Health Scotland report found a two-fold increase in risk of admission to critical care or death due to Covid-19 among those of South Asian origin, which seemed to be particularly evident among those of Pakistani ethnicity. It also found evidence of an increased risk of hospitalisation among those of Caribbean or Black ethnicity.⁷ Further, a report by Public Health England also found higher risks amongst certain BME groups, with death rates from Covid-19 higher among people of Black and Asian origin than any other ethnic groups.⁸

In addition, this report highlighted discrimination as one of the fundamental causes of ill health. Historical racism may make BME individuals less likely to seek care when needed or, as NHS staff, to speak up when they have concerns (such as about personal protective equipment (PPE)).

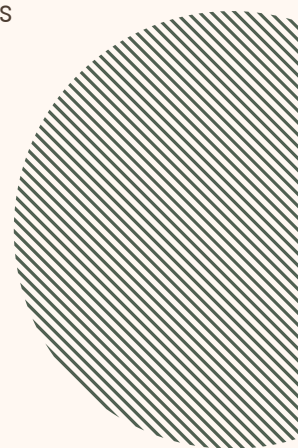
However, not only is there heightened vulnerability when it comes to health during the crisis; the financial consequences of Covid-19 also pose a greater risk to BME groups. Particular BME communities already form some of the poorest socio-economic groups in the UK and are more likely to be in precarious employment or unemployed. An analysis of the 3.1 million BME workers in the UK showed that nearly a quarter of a million were in temporary jobs or on zero-hours contracts.⁹

6. Runnymede Trust (2020), **Coronavirus will increase race inequalities.**

7. Public Health Scotland (2020), **COVID-19 Statistical Report.**

8. Public Health England (2020), **Beyond the data: Understanding the impact of COVID-19 on BAME groups.**

9. New Economic Foundation (2020), **Only a minimum income will ensure support for everyone.**



EMPLOYMENT.

At a UK level, BME groups are thought to be both overrepresented as key workers and less likely to have been working from home since the Covid-19 crisis. Key workers are at higher risk of infection due to the nature of the work they do. Just under three in ten BME people (28%) are key workers, compared with closer to two in ten white people (23%), with Black groups particularly likely to be classed as key workers (34%).¹⁰ Additionally, a third of BME people (33%) were working outside of their home, compared with closer to a quarter of white people (27%).¹¹ Those who can work from home are generally at much lower risk compared to people who have to do their job elsewhere, with key workers facing a particularly high risk. However, it needs to be noted that Scottish specific data is not easily available.

This exposure means BME groups can be more at risk of contracting Covid-19. However, the impact of employment on risk is exacerbated when considering that many BME workers have reported that they are less likely to be given PPE, more likely to be given tasks which exposed them to Covid-19 and more likely to be ignored about safety complaints.¹²

Additionally, a disproportionate representation amongst BME groups in employment sectors most adversely affected by the government mandated shutdowns, such as hotels and hospital-ity, means many individuals will have a reduced income or have lost their livelihoods. In the UK researchers found that, while in the population as a whole, women are more likely to work in shut-down sectors, this is only the case for the white ethnic groups. In contrast, across BME groups, men are actually more likely to work in shut-down sectors than women. This is particularly striking for the Bangladeshi and Pakistani groups: Bangladeshi men are four times as likely as white British men to have jobs in shut-down industries and Pakistani men are nearly three times as likely.¹³

2011 Census data shows that the BME population in Scotland has a younger age profile. The majority of the BME population in Scotland was under 34, in comparison with over 35 for those categorised as white.¹⁴ In a report from the Resolution Foundation, it was documented that the proportion of 18-24-year olds and 25-34-year olds who had been furloughed from their main job was greater than the average across all ages.¹⁵

10. Runnymede Trust (2020), **Over-Exposed and Under-Protected**.

11. Ibid.

12. Ibid.

13. The Institute for Fiscal Studies (2020), **Are some ethnic groups more vulnerable to COVID-19 than others?**

14. National Records of Scotland (2011), **Census 2011 Standard Outputs**, Ethnic group by sex by age.

15. Resolution Foundation (2020), **Young workers in the coronavirus crisis**.

Younger workers are more likely to have lost their jobs and to have reduced earnings during lockdown, and risk long term scarring of their opportunities from a collapsing labour market. For young BME people, this compounds the existing and well documented disadvantages they face in the labour market.¹⁶

Further, the shutdown and changes to spending patterns due to Covid-19 has meant that many self-employed people have lost out on income, potentially creating a greater risk of poverty for this group. In Scotland, self-employment is more common among certain minority ethnic groups, often at more than double the rates of the Scottish average with high rates seen in particular for the Pakistani group. The UK government self-employed income protection scheme gave out lump sums based on previous profits. However, the money was slow to reach individuals and the support package was less generous than that provided for salaried workers. Additionally, some self-employed individuals were not eligible for this form of support.

As a result, while many were protected under the UK government's self-employed income support, some fell through the gaps. The same is also true for the furlough scheme. People who work in an industry that was shut down but who were also on fixed-term contracts, zero-hour contracts or already underemployed by their employer were at particular risk of no support. Research found that non-white workers were 1.5 times as likely as white workers to be at very high risk of both losing work and missing out on government schemes.¹⁷

Additionally, many people had lost their jobs before the furlough scheme was announced, and those recently employed are not covered by the scheme. Even for those who were able to take advantage of the scheme, a loss of 20% of income is a considerable shock to household finances, especially for people already earning a low income.¹⁸ This is a particular issue for BME groups who are overrepresented in low paid employment sectors.

As the impacts of the pandemic continue, with pay cuts and rising job losses, many BME people who may already have been struggling will be put under greater financial pressure and potentially be forced into greater and deeper poverty.

16. Joseph Rowntree Foundation (2017), **Poverty and Ethnicity in the Labour Market**.

17. New Economic Foundation (2020), **Only a minimum income will ensure support for everyone**.

18. Women's Budget Group et al (2020), **BAME women and Covid-19 – Research evidence**.

FINANCIAL RESILIENCE.

Employment patterns are not the only factor making BME groups more economically vulnerable to the current crisis than white ethnic groups. The fact that larger proportions of many BME groups are of working age means that these groups are more exposed to labour market conditions as a whole, especially as working-age populations have clear inequalities in vulnerability to the current crisis.¹⁹ Financial resilience within households more broadly is a key concern.

Recent research by the Runnymede Trust showed that BME households overall have much lower levels of savings or assets, with Black African and Bangladeshi households having 10 times less wealth than white British households.²⁰ UK research has further shown Bangladeshi, Black Caribbean and Black African have the most limited savings to provide a financial buffer if they lose their employment. Of these groups, only around 30% live in households with enough to cover one month of income. In contrast, nearly 60% of the rest of the population have enough savings to cover one month's income.²¹

Additionally, due to lower employment rates (especially amongst BME women), BME households are less likely to have two earners. This further reduces the likelihood that minority ethnic households have an income buffer for crises. The implication of lower ability to save before the crisis is that BME people in Scotland will often have less economic resources with which to cope with the short- and long-term ramifications of Covid-19. This will increase the number of BME people in poverty and deepen poverty levels for those already experiencing it.

Whilst few people will be unaffected by Covid-19, there are differences in how people from a multitude of socio-economic backgrounds and of different ethnicities will be able to cope during and beyond this crisis. In rebuilding and mitigating the impacts of the pandemic, BME groups require specific approaches that meet their needs, not blanket strategies that may not work for them. In Scotland, an Expert Reference group on Covid-19 and Ethnicity was established which made a number of recommendations, these were welcomed by the Scottish Government but there is no specific plan of action as of yet.²²

Both UK and Scottish Governments need to respond swiftly and start listening to and taking the needs of different communities into account when formulating responses. Only by doing this can we start to deconstruct structural disadvantage and build a fairer society.

19. The Institute for Fiscal Studies (2020), **Are some ethnic groups more vulnerable to COVID-19 than others?**

20. The Runnymede Trust (2020), **The Colour of Money.**

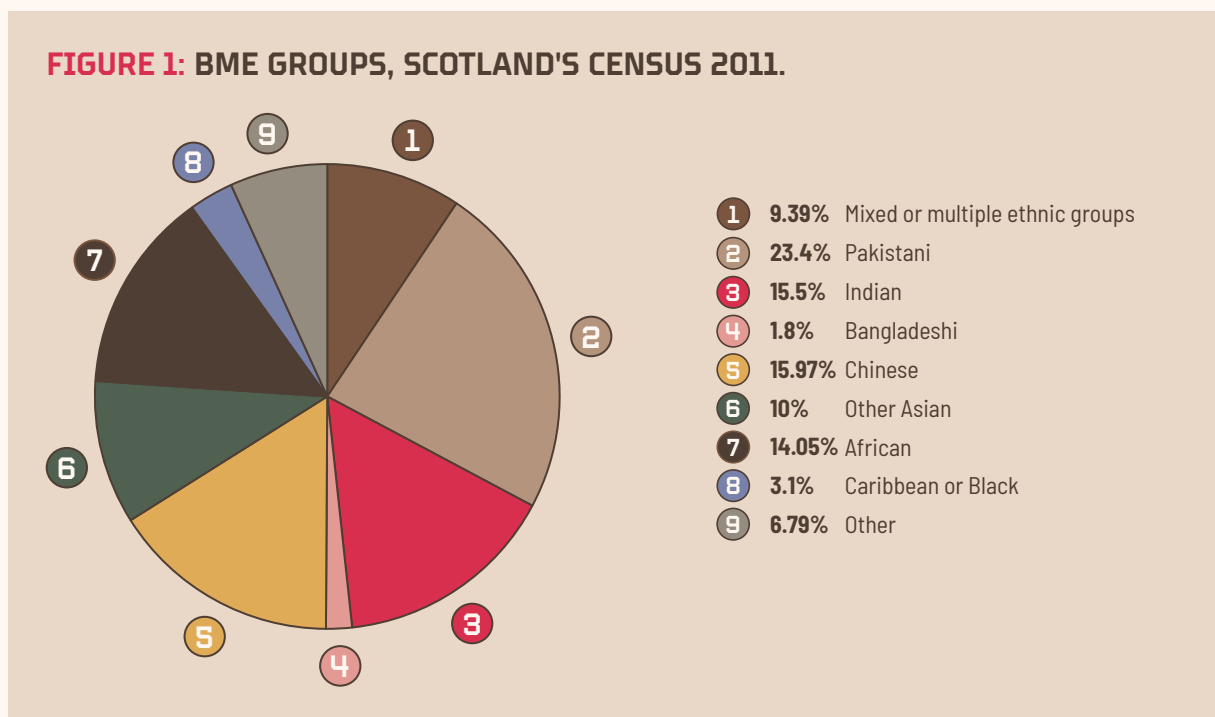
21. The Institute for Fiscal Studies (2020), **Are some ethnic groups more vulnerable to COVID-19 than others?**

22. Scottish Government (2020), **Expert Reference Group on COVID-19 and Ethnicity.**

CENSUS POPULATION DATA.

The 2011 Scottish Census revealed that Scotland became more ethnically diverse from 2001 to 2011, with the non-white minority ethnic population doubling from 2% to 4% of the total population, or 210,996 people.²³

People of Pakistani origin (49,381) were the largest BME group, making up almost a quarter (23.4%) of the BME population. This was followed by those of Chinese origin (33,706) at 15.97%, Indian origin (32,706) at 15.5%, African origin (29,638) at 14%, the other Asian group (21,097) at 10% and those from mixed or multiple groups (19,815) at 9.39%:



National Records of Scotland (2011), [Scottish Census 2011](#)

As Figure 1 shows there were smaller numbers in the Caribbean or Black group (6,540) at 3.1% of the BME population and the Bangladeshi group (3,788) at 1.8%.

23. National Records of Scotland (2011), [Scottish Census 2011](#).

In 2011, non-white minority ethnic people comprised 4% of Scotland's population.

The 2011 Scottish Census also showed, 221,620 individuals who identified as being white non-British, accounting for approximately 4% of the population. There were 61,201 white Polish people, 54,090 white Irish people, 4,212 white Gypsy/Travellers and 102,117 people from other white groups.

It is important to note that the generally younger age profile of minority ethnic communities in Scotland (compared to the white population) can have an important impact on the causes and solutions for poverty rates in these groups. At the time of the 2011 Census, the median (average) age of minority ethnic people living in Scotland was around 27, in comparison to around 42 for the white population.²⁴

Nationally, it is also important to note an increase in the numbers of minority ethnic individuals who were born in the UK, rather than being migrants. Half of all Scotland's Pakistani and Caribbean or Black groups were born in the UK and over a quarter of Scotland's Chinese, Indian and Bangladeshi origin individuals were born in the UK.²⁵

While the 2011 Census data is interesting, its utility decreases over time due to the ever-changing population demographics of Scotland. The next Scottish Census has unfortunately been delayed for a year due to Covid-19 and will now take place in 2022, with data not being publicly available for some time after that.

More recently, researchers at the University of Leeds²⁶ have attempted to project future demographic trends for Scotland. This research examines models of population, fertility, internal migration and immigration, mortality, and emigration data. Though projections should be relied on with caution, as they reflect assumptions and uncertainties (particularly in light of Brexit), they provide a potential future vision of Scotland. According to these projections, the national BME population in Scotland is expected to increase from 4% in 2011 to 7% in 2031.

24. Scottish Government (2019), **Every Child Every Chance, First Year Progress Report 2018-19, Annex C.**

25. Scottish Government (2014), **Analysis of Equality Results from the 2011 Census.**

26. Glasgow Centre for Population Health. Walsh, D. (2017), **The Changing Ethnic Profiles of Glasgow and Scotland, and the Implications for Population Health.** Underlying data available at <http://www.ethpop.org/>

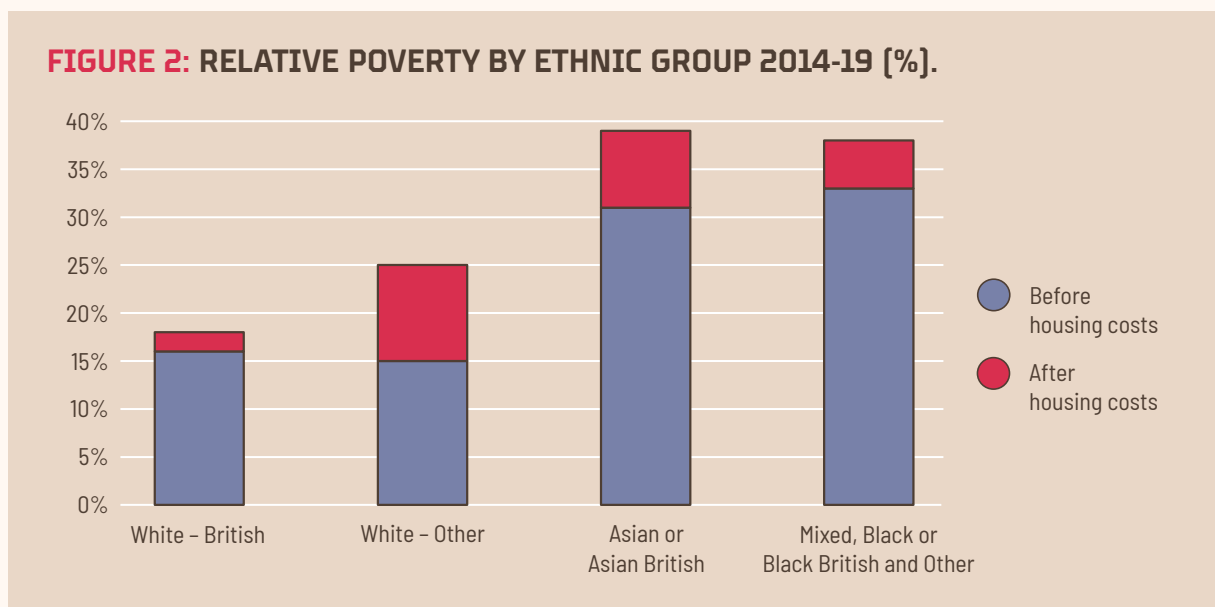
MEASURING POVERTY.

Until we have a better evidence base to allow us to understand the nature, causes and consequences of poverty amongst BME communities in Scotland, we will be unlikely to effectively address that poverty.



Measuring poverty is complex and unlikely to be accurately captured in a single measure.

This report focuses on relative poverty rates before and after housing costs, whilst also considering other measurements such as persistent poverty and combined material deprivation and low income. An added difficulty when considering poverty in BME communities is a lack of up-to-date, comprehensive data. As Figure 2 shows, in Scotland, these statistics are usually given over multi-year periods and do not have specific ethnic breakdowns:



Scottish Government (2020), [Poverty and Income Inequality in Scotland 2016-19](#)

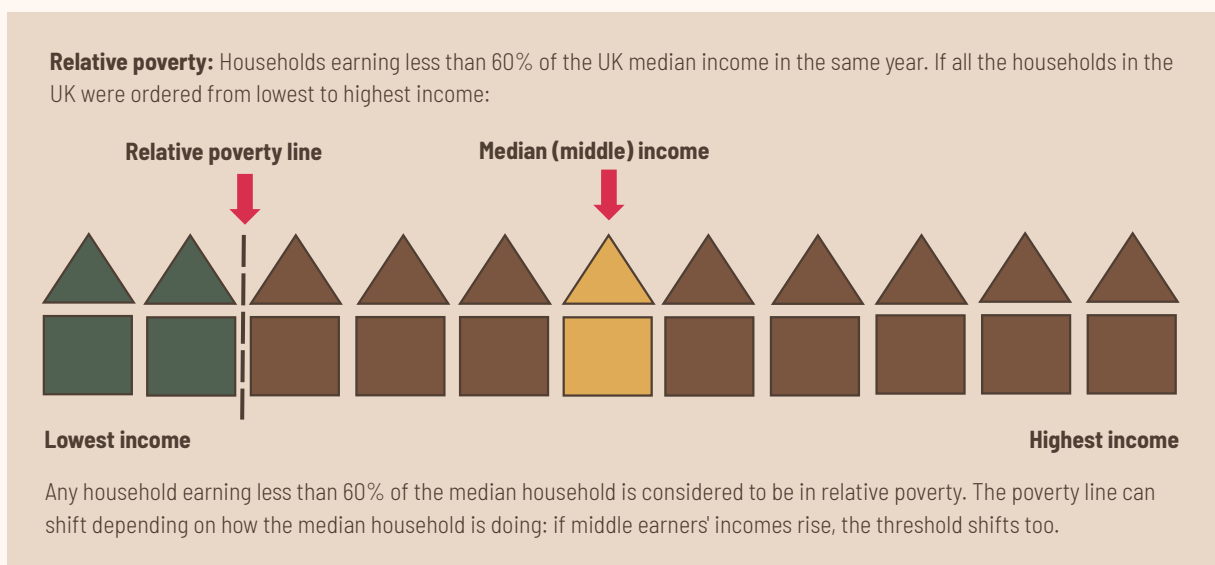


Figure 2 shows that before housing costs, 31% of those in the Asian or Asian British group and 33% of those in the Mixed, Black or Black British and Other group were in relative poverty, compared to 16% of those in the white British group. This increases to 39% of those in the Asian or Asian British group and 38% of those in the Mixed, Black or Black British and Other group living in poverty after housing costs, vs 18% of the white British population. Both before housing costs and after housing costs, the rate of poverty is more than double for those from BME groups compared to the majority white British group.

In Scotland, someone from a BME background is nearly twice as likely to experience relative poverty as someone from a white British background.

The risk of poverty varies significantly amongst different BME communities. However, in Scotland detailed ethnicity breakdowns of poverty rates are relatively rare. The poverty statistics in Figure 2 are widely used, such as in government reports and Equality Impact Assessments. Despite this, they are not detailed enough. The way ethnic groups are clustered, such as grouping 'Mixed, Black, or Black British or Other' as one, is overly simplistic.

The impact of this is that differential risks of poverty within groups is obscured. For example, as Table 1 shows, it is likely that Pakistani, Chinese and Bangladeshi people have a greater risk of poverty than the Indian group, but in Figure 2 this detail is potentially missed as all these groups are subsumed within the 'Asian or Asian British' grouping.

TABLE 1: PERCENTAGE OF WORKING AGE ADULTS IN RELATIVE POVERTY AFTER HOUSING COSTS 10-YEAR AVERAGE [%], 2007-17

Ethnicity	Relative poverty rate (%)
White – British	17
White – other	25
Mixed/Multiple ethnic groups	27
Asian – Indian	22
Asian – Pakistani	45
Asian – other	42
Asian – Chinese	51
Black/African/Caribbean/Black British	39
Other ethnic group	30

Table 1 shows that people of Indian origin are the least likely group over the ten-year average to be in relative poverty (22%). The Chinese, Pakistani, Asian-other and Black/African/Caribbean/Black British groups have particularly high poverty rates. Notably almost half (45%) of the Pakistani group, the biggest BME group in Scotland, and more than half (51%) of the Chinese group, the second biggest BME group, were in relative poverty.

The approach of using ten-year average statistics, such as those used in Table 1, can be regarded as a highly robust measure of poverty. Such an approach is able to capture the dynamic nature of poverty, as movements out of poverty and movements into it are impacted by life circumstances, the economy and labour market strength.

However, multi-year poverty statistics can make tracking poverty levels in the BME population complex, whilst also making it difficult to see the impacts of anti-poverty policies. This means, for example, we cannot examine BME people's experiences of relative poverty on a year by year basis which has added difficulties in light of the Covid-19 pandemic as it will be harder to discern the impacts of Covid-19.

Additionally, the intersections of race, gender, and class work together to affect minority ethnic lives and impact on poverty risk. For example, with regard to class, minority ethnic groups across class categories benefit unequally from social mobility, and there are gaps in the extent of social mobility experienced between minority ethnic groups. The Social Mobility Commission's paper *Ethnicity, Gender and Social Mobility*²⁷ highlights these issues in an English context, although there is currently no comparable Scottish research.

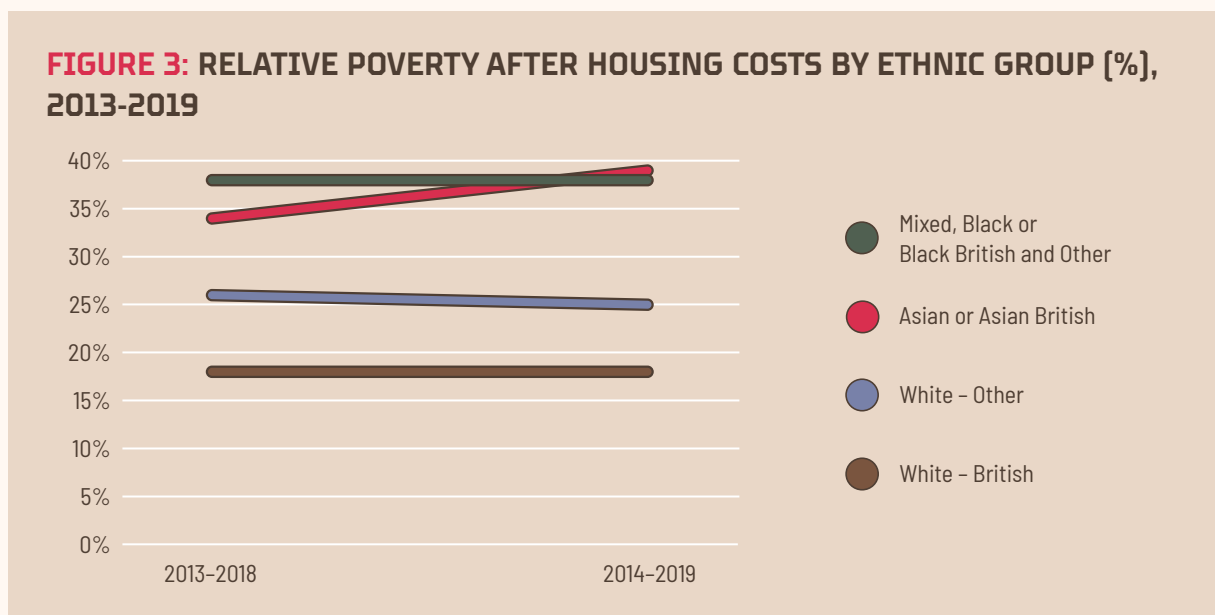
More generally, it would be useful for inclusive policy making to have more data available on multiple characteristics and how risks of poverty differ with particular intersections of protected characteristics. There is a need for both intersectional analysis to be integrated into policy making and for BME people to be actively involved in a meaningful way in anti-poverty policy creation. Until we have a better evidence base to allow us to understand the nature, causes and consequences of poverty amongst BME communities in Scotland, we will be unlikely to effectively address that poverty.

Intersectionality explains how the full range of characteristics someone possesses impacts their experience of inequality. Much of the early prominent academic work on this is by Kimberlé Crenshaw, focussing on how anti-discrimination law and theory often fails to protect Black women whose experience of inequality and discrimination is distinct from the experiences of both white women and Black men.

27. Social Mobility Commission (2016), *Ethnicity, Gender and Social Mobility*.

POVERTY TRENDS.

Data from the last seven years shows that that poverty levels are consistently higher for BME groups in Scotland. This is the case regardless of the measure of poverty used. Comparable statistics to those used in Figure 2 have been produced for an earlier five-year period, the similar nature of which shows the embedded nature of higher relative poverty rates amongst BME groups in Scotland:



Scottish Government (2020), [Poverty and Income Inequality in Scotland 2016-19](#);
 Scottish Government (2019), [Poverty and income inequality in Scotland: 2015-2018](#)

As Figure 3 shows, relative poverty rates (after housing costs) amongst BME groups in Scotland have consistently been above rates for white groups, at around double the rate. There may also be an indication that relative poverty rates amongst the Asian or Asian British people in Scotland have recently been increasing. In 2013-18, 34% of this group were in relative poverty, by 2014-19 this has risen by 5 percentage points to 39%. In contrast, all other ethnic groups in Figure 3 saw poverty levels remain the same or drop slightly.



SCOTTISH INDEX OF MULTIPLE DEPRIVATION.

Scottish Index of Multiple Deprivation (SIMD).

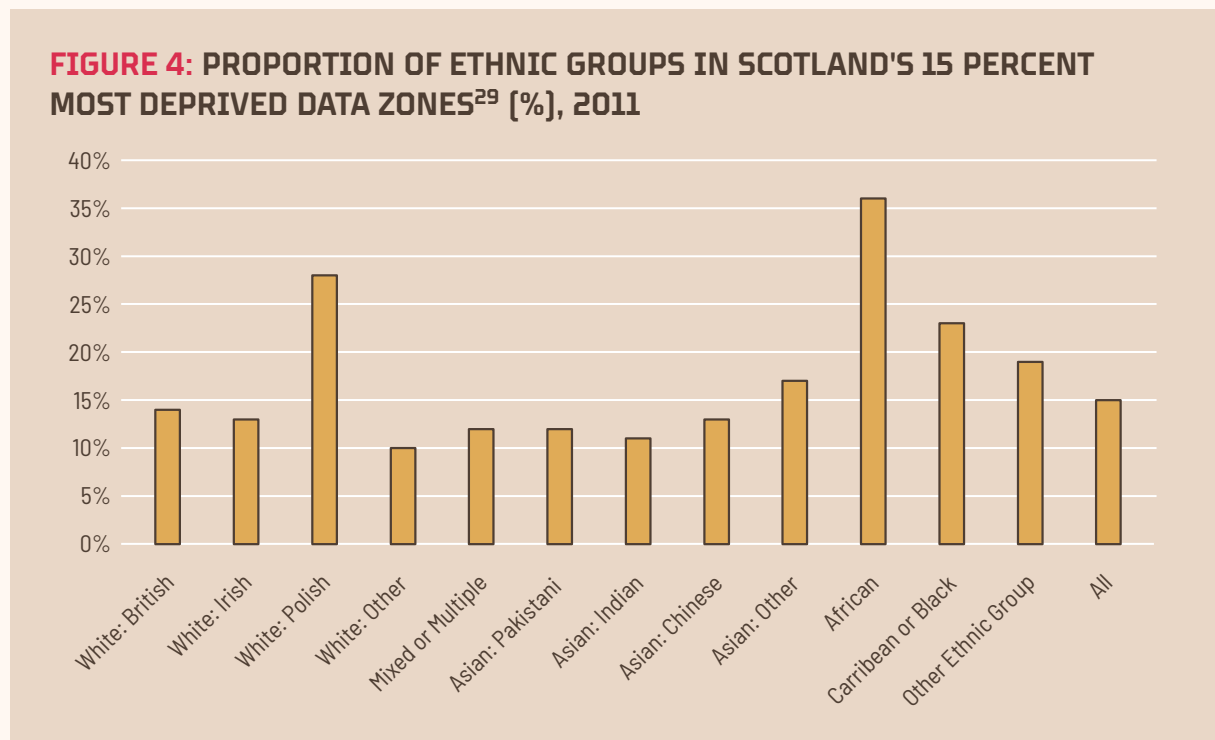
A relative measure of deprivation across areas. If an area is identified as 'deprived' this can relate to people having a low income, but it can also mean fewer resources or opportunities. SIMD looks at the extent to which an area is deprived across seven domains: income, employment, education, health, access to services, crime and housing.

Despite generally higher poverty rates in BME groups, this does not map onto the SIMD deciles in a simplistic manner. The Scottish Government has carried out analysis using census data on the proportion of different ethnic groups living in each SIMD decile.²⁸ This analysis showed that the Indian and mixed/multiple groups were more likely to live in non-deprived areas (decile 9 and 10). This may suggest that these groups have higher incomes and resources, and therefore potentially lower poverty rates than other BME groups.

It also showed that the Pakistani group had a relatively even spread between deprived and less deprived areas, with a large percentage living in decile 4. The Chinese and other Asian groups had high representation in both the most and least deprived deciles. Conversely, white Polish, African and Caribbean or Black groups were highly likely to live in the most deprived areas (decile 1 and 2) of Scotland.

28. Scottish Government (2014), [Overview of Equality Results from the 2011 Census Release 2](#).

If we look at just the most deprived areas, we can get more detail about how ethnicity intersects with areas of deprivation:



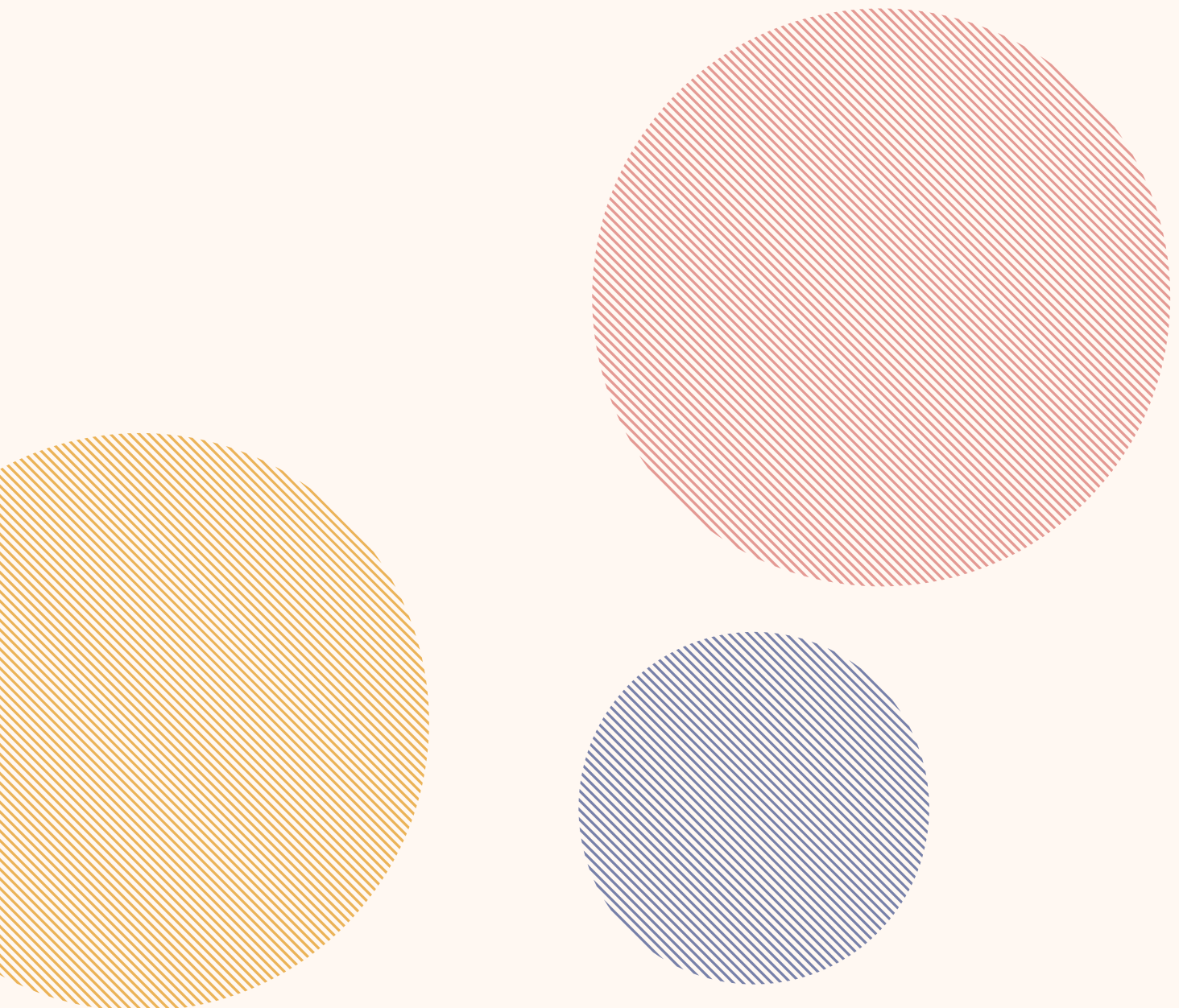
Scottish Government (2014), [Overview of Equality Results from the 2011 Census Release 2](#)

Asian groups tended to be underrepresented in the most deprived areas, with the Indian group the least likely to live in such areas (11%). The most over-represented group by some distance is the African group with over one third of African people living in one of Scotland's 15 percent most deprived areas. The white Polish group is also considerably over-represented, with almost a third living in the most deprived areas. Further, almost a quarter of Caribbean or Black people lived in the most deprived areas.

In 2011, over one third of people of African origin in Scotland lived in one of the 15% most deprived areas.

29. There are 6,505 data zones in Scotland and those ranked 1-976 make up the 15 percent most deprived areas.

Whilst certain BME groups are overrepresented within the most deprived areas, the data shows us that BME groups experiencing poverty do not solely reside in the very lowest SIMD deciles. The Chinese group (who according to the data in Table 1 are the most likely to live in relative poverty) do not necessarily live in the most deprived areas. Further, the Pakistani group (the second most likely BME group to be in relative poverty according to Table 1 data) are more spread around the SIMD deciles, with a large number in more 'middling' areas. The SIMD and ethnicity data has strong implications for designing anti-poverty policies and strategies. If resources and focus are solely area based, this may have a smaller impact for poverty amelioration and rates for certain BME groups.



THE LABOUR MARKET.

There is a known employment gap between BME people and white people in Scotland, which feeds into higher levels of poverty.



Individuals' chances of moving out of poverty are highly correlated with their employment status, job security, opportunities for promotion and sector of employment.

Research has continually highlighted the impact of racism and discrimination in the labour market, limiting BME individuals' opportunities to access employment, reducing promotion prospects and contributing to a skills/employment mismatch. Labour market discrimination profoundly shapes employment choices and opportunities which, in turn, limits the extent to which employability provides routes out of poverty. There is a particular disadvantage for BME women and young people.

There is a known employment gap between BME people and white people in Scotland, which feeds into higher levels of poverty. The drivers of this gap are well known to the Scottish Government, summarised in the Equal Opportunities Committee's 2016 report *Removing Barriers: race, ethnicity and employment*.³⁰

Race Equality Framework Employment Vision for 2030.

Minority ethnic people have equal, fair and proportionate access to employment and representation at all levels, grades and occupation types in Scotland's workforce and experience fewer labour market, workplace and income inequalities.

30. Equal Opportunities Committee (2016), *Removing Barriers: race, ethnicity and employment*.

The Race Equality Action Plan 2017-2021 and employment/enterprise.³¹

We will work with key stakeholders to agree baselines, measures and targets for ethnic minority communities who face disadvantage in the labour market.

We will work with key stakeholders to review current employment support measures to ensure that they are focused on achieving parity in employment for minority ethnic communities.

We will engage a wide range of public sector employers in a discussion about what positive actions we can take to improve employment and progression for minority ethnic communities.

Through the Fair Start Scotland Programme we will take specific actions to help those from disadvantaged minority ethnic groups to tackle the barriers in the labour market.

We will work with stakeholders to review current employment support measures to ensure that they are focused on achieving parity in employment for minority ethnic communities.

EMPLOYMENT RATES.

The white population of Scotland has consistently had an employment rate which far exceeds the BME population, highlighting higher levels of unemployment in certain BME communities. Unemployment, especially long-term unemployment, is a key driver of poverty.

In 2019, the employment rate for minority ethnic people aged 16-64 was 59.3%, compared to an employment rate of 75.7% for white people, a gap of 16.4%.³² These most recent figures are part of a pattern over a number of years, with the gap in 2018 between minority ethnic people and white people standing at 19.7% with employment rates of 55.4% and 75.1% respectively.³³

31. For a full list of the 18 employment and enterprise actions, see the [Race Equality Action Plan](#).

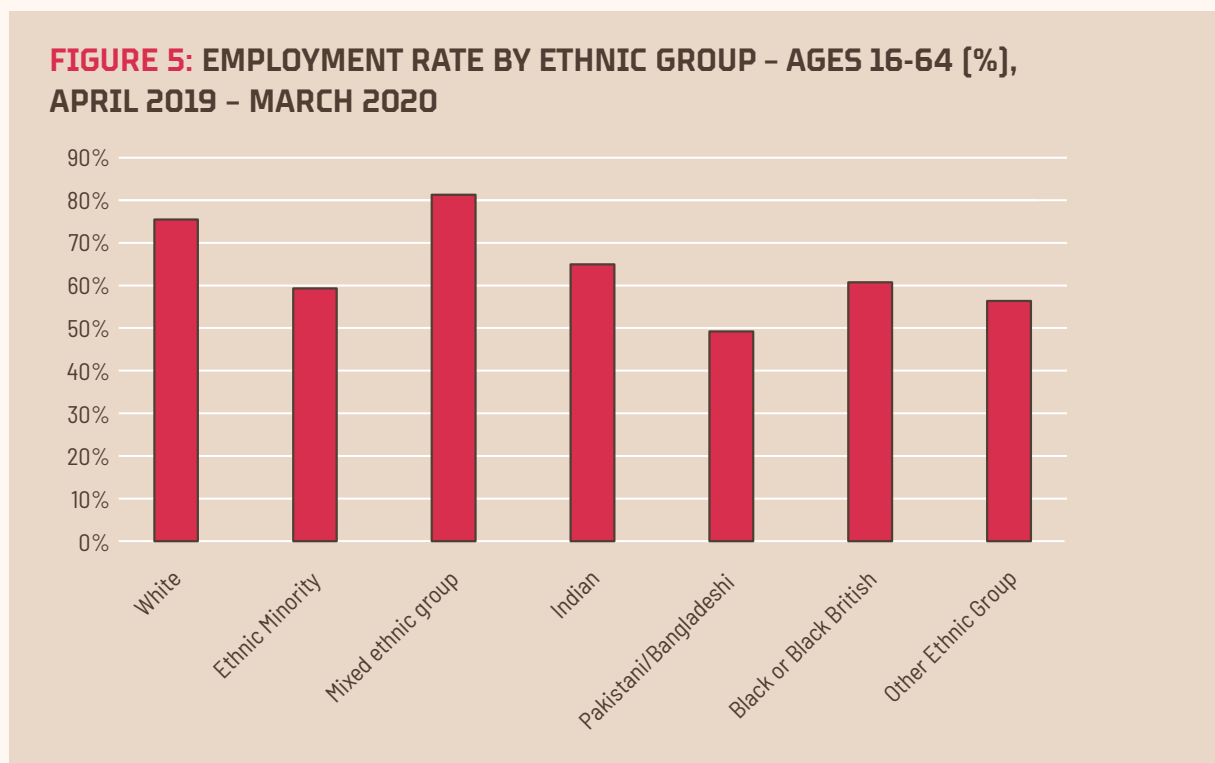
32. Scottish Government (2020), [Scotland's Labour Market: People, Places, and Regions - Statistics from the Annual Population Survey 2019](#).

33. Scottish Government (2019), [Scotland's Labour Market: People, Places, and Regions - Statistics from the Annual Population Survey 2018](#).

Minority ethnic people are therefore consistently less likely to be employed than white people in Scotland, with large gaps in the employment rate each year. Further, despite improvements, the gap still persists. This suggests that either current measures to tackle the employment gap do not go far enough, or the full impact is yet to be felt.

In 2019, the gap in employment rates between minority ethnic people and white people in Scotland was 16.4%.

Figure 5 looks at recent employment rates in more detail:

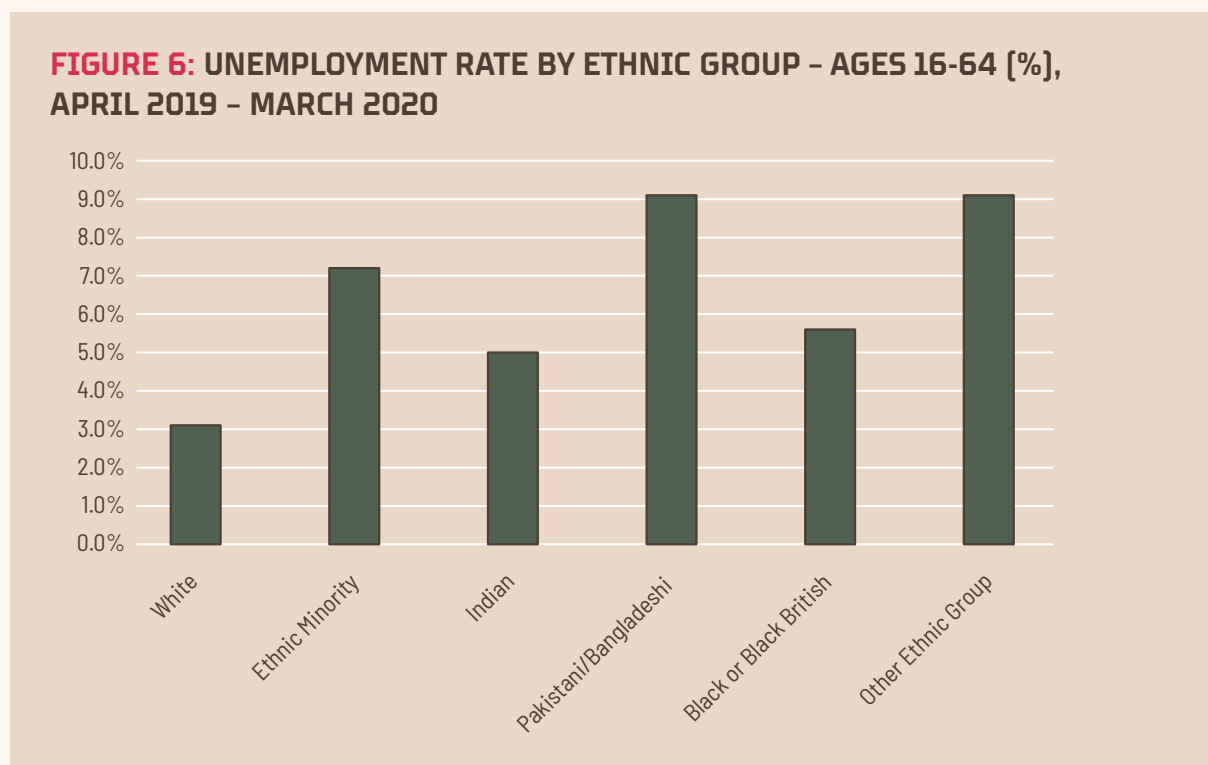


Data extracted from **NOMIS** based on Annual Population Survey, Scotland: April 2019 – March 2020

This data shows significant differences in employment rates for BME groups, with the Pakistani and Bangladeshi group having by far the lowest employment rate at 49%. The barriers BME groups may face in accessing employment are experienced at differing rates, which has a critical impact on the risk of poverty.

UNEMPLOYMENT.

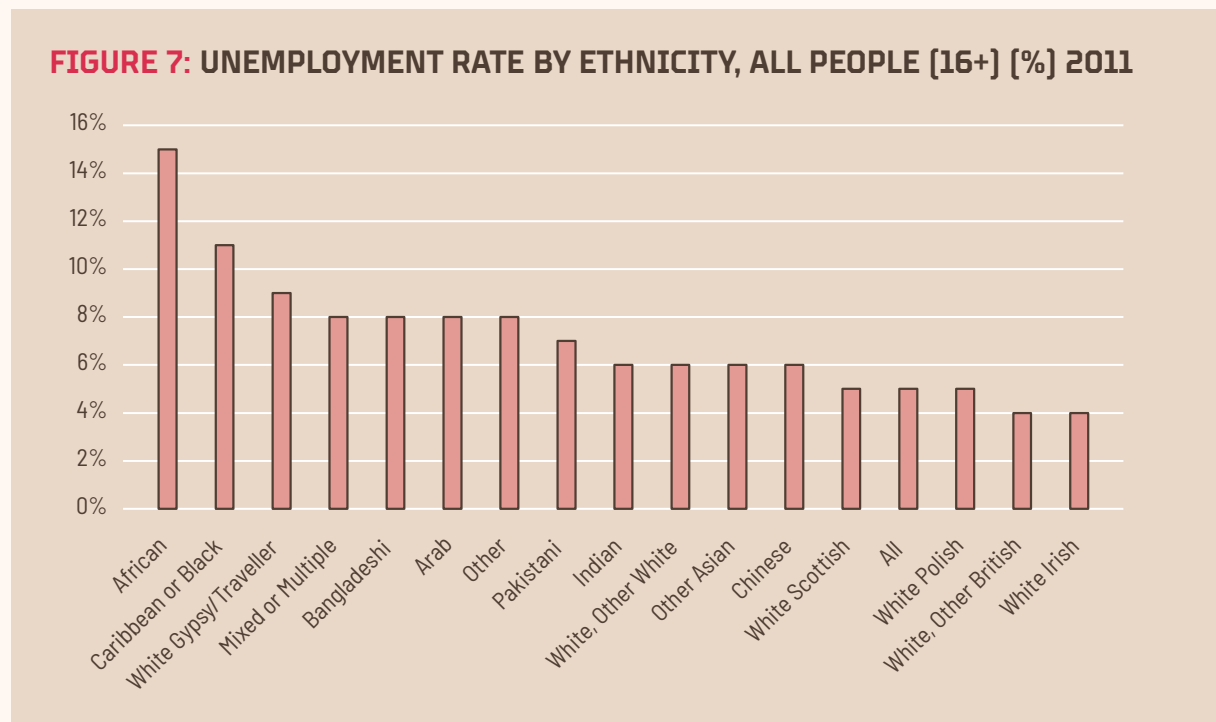
Figure 6 shows recent unemployment rates by ethnicity in Scotland:



Data extracted from [NOMIS](#) based on Annual Population Survey, Scotland: April 2019 - March 2020

As expected from data on employment rates, Figure 6 shows that unemployment is high for the Pakistani and Bangladeshi group at 9.1%. Additionally, all BME groups have an unemployment rate above the white group and the difference in unemployment rates between the white majority population and the minority ethnic group is more than double.

Analysis of the 2011 Census, although somewhat dated now, gave a further detailed breakdown of how minority ethnic groups experience unemployment at differing rates:



Scottish Government (2015), [Analysis of Equality Results from the 2011 Census](#), Chart 1.1

As Figure 7 shows, BME groups' unemployment rates are consistently higher than for the majority white Scottish group and there are also variations between different BME groups. In 2011, the African group were the most likely to be unemployed, with an unemployment rate of 15%, triple the unemployment rate of the general population at 5%. This was followed by people in the Caribbean or Black groups who had an unemployment rate of 11%, more than twice the rate of the general population. These figures may possibly be skewed by the fact that asylum seekers do not have the right to work.

Figures 5 and 6 also demonstrate the lack of progress seen in access to the labour market for BME groups in the last decade, with unemployment rates for BME groups still remaining at much the same levels since the 2011 Census.

The connection between unemployment and poverty is evident, with long periods of unemployment contributing to low household incomes and a risk of poverty, particularly persistent poverty. The excess unemployment rates for BME people compared to white people in Scotland is therefore a key determinant of higher poverty rates amongst BME communities.

FAIR START SCOTLAND.

One of the ways the Scottish Government wants to support people into work is through Fair Start Scotland (FSS), an employment support service offering pre- and in-work support to those who face barriers to finding employment. It began in April 2018 and aims to support at least 38,000 people from several priority groups, including minority ethnic people, into sustained employment over three years.

Minority ethnic people are under-represented in percentages being supported through FSS.³⁴ In the first six months of the service, whilst minority ethnic people made up 10% of Scotland's unemployed, they made up only 2% of FSS participants.³⁵ This is around 100 individuals.³⁶ The lack of engagement with BME groups was highlighted in initial progress reports. Positively, since then a pilot initiative aimed at minority ethnic women was launched in 2019 in both Glasgow and Edinburgh; the results of this are not known yet.

Additionally, the total number of minority ethnic people who have benefitted from FFS since the launch is not clear. If the rate of engagement set out in the first report was replicated for all years, of the 38,000 people set out to be assisted by FFS, not even 1,000 of them will have been from a BME background.

Measures like this alone, particularly at the low rate of engagement seen so far, will not significantly change the unemployment rate for BME communities. Indeed, over time unequal access to support services like FSS has the potential to actively widen the ethnicity employment gap. More broadly, given the prevalence of in-work poverty, the quality and sustainability of job opportunities for FSS participants should be of significant interest for anti-poverty policy.

34. Scottish Government (2019), **Fair Start Scotland evaluation report 2: overview of year one - November 2019**.

35. Scottish Government (2019), **Fair Start Scotland Evaluation Report 1: Implementation and Early Delivery Review**.

36. Authors own calculation from two percent BME starts compared to the total number of individuals started in the first six months (4,978).

LOW PAY AND IN-WORK POVERTY.

Employment is not guaranteed to alleviate poverty. In-work poverty is a growing problem across the UK, because often people's pay, hours, or both, are not enough: in Scotland 50% of working age adults and 56% of children in relative poverty after housing costs live in a household with at least one person in employment.³⁷ Changes to the structure of the workforce, such as the rise of zero hours contracts, have contributed to the rising risk of in-work poverty. Those experiencing in-work poverty in Scotland are more likely to be BME, women, living in the private rental sector and to have children, compared to both the general population and all those in poverty.³⁸

In-work poverty is more prevalent in certain sectors – the highest levels are found in hotel work and catering, followed by retail and residential care. In the UK the distribution of BME groups in occupational types is unequal compared to a relatively 'even' distribution of white ethnic groups.³⁹ There is a disproportionate concentration within low-paid sectors, such as a significant proportion of Asian people employed in the wholesale/retail and the hotel/restaurant sectors. In Scotland in 2011, half (50%) of all employed Pakistani people and 43% of the Other Asian group were employed in the 'distribution, hotels and restaurants' industry – both more than double the rate of the general working population (21%).⁴⁰

The effects of over-representation in low-paid work are seen in pay gap statistics. The published analysis into the difference in earnings between BME and white groups consistently shows pay for white employees outstripping pay for BME employees over the years. Most recently, this has found an indicative pay gap in Scotland of 2.7% in favour of white employees in 2018.⁴¹

Where certain BME groups are over-represented within a few occupation types, which are generally low paid, this could indicate discrimination in entry to other forms of employment or other barriers resulting in entry to a narrow, stereotypical range of jobs. Over-representation in low-paid work is one of the most important factors contextualising the higher poverty rate for BME communities in Scotland.

37. N. Eisenstadt, Independent Advisor on Poverty and Inequality (2016), **Shifting the Curve: A Report to the First Minister.**

38. Scottish Government (2019), **What do we know about in-work poverty in Scotland? Interim findings.**

39. Joseph Rowntree Foundation (2015), **Ethnic minority disadvantage in the labour market.**

40. Scottish Government (2015), **Analysis of equality results from the 2011 Census part 2.**

41. Scottish Government (2019), **Equality outcomes and mainstreaming report 2019.**

Additionally, many of these sectors in which BME people are overrepresented, such as the restaurant industry, have been the most affected by Covid-19 shutdowns and may well experience the greatest negative impact in the long run. Initial UK reports have shown that BME people were consistently more likely than white people to have experienced negative financial impacts due to the Covid-19 crisis and lockdown, reporting loss of income, use of savings for day-to-day expenses and struggling with paying bills or for essentials.⁴² The extent of the economic fallout and the long term impact on BME communities in terms of employment is not yet known. However, it is likely that without recovery planning which acts on the needs of BME groups, existing employment inequalities may be exacerbated.

LIVING WAGE EMPLOYMENT.

Naomi Eisenstadt, the Independent Advisor on Poverty and Inequality, points out in her report *Shifting the Curve* the importance of the living wage in tackling low pay and poverty.⁴³ Whilst progress on this has not been insignificant, with an increasing number of accredited employers in Scotland, living wage employers are particularly rare within the sectors in which many BME people work, such as retail and hospitality. Recent UK wide analysis found that the hospitality sector had the highest proportion of jobs with earnings below the living wage.⁴⁴

Despite the recent difficulties within these sectors due to Covid-19, there is a need for a recovery which protects low-income groups and those in precarious work which can also help tackle racial inequalities.⁴⁵ Through increased uptake of living wage accreditation within these sectors, strides could be made towards poverty reduction within certain BME groups.

SELF-EMPLOYMENT.

Self-employment covers a multitude of different types of work and sectors, some of which are relatively well paid. However, in-work poverty is closely associated with self-employment and evidence on whether self-employment can help individuals to escape poverty is mixed.

42. Runnymede Trust (2020), **Over-Exposed and Under-Protected: The Devastating Impact of COVID-19 on Black and Minority Ethnic Communities in Great Britain.**

43. N. Eisenstadt, Independent Advisor on Poverty and Inequality (2016), **Shifting the Curve: A Report to the First Minister.**

44. KPMG (2018), **Living Wage Research for KPMG.**

45. A. Hirvonen (2020), **Racial Inequalities, Covid-19 and the Living Wage Movement.** Living Wage Scotland.

Through a poverty lens, the rise of the 'gig' economy⁴⁶ is of particular interest when considering self-employment and poverty rates. Those working in the gig economy may have a lack of workplace security and protection, with no holiday pay, no paid rest breaks, a lack of national minimum wage coverage and few if any opportunities for progression.

The shutdown and changes to spending patterns due to Covid-19 has meant that in 2020 many self-employed people have lost out on income, potentially creating a greater risk of poverty for this group. The UK Government offered support in the form of lump sums based on previous profits, but the money was slow to reach individuals and the support package was less generous than that provided for salaried workers. Additionally, some self-employed individuals were not eligible for this form of support.

In Scotland, the rate of self-employment is lower than the rest of the UK at 12.4%.⁴⁷ However, self-employment is more common among certain minority ethnic groups, often at more than double the rates of the Scottish average. In 2014-15, the self-employment rate was highest for Pakistani (32%), Chinese (23%) and Indian (22%) groups, whilst Bangladeshi and other South Asian groups also had high rates of self-employment (20% for both groups).⁴⁸ In 2013, Gypsy/Travellers were twice as likely to be self-employed compared with the general population – 24% compared with 12%.⁴⁹

BME individuals may be more likely to turn to self-employment as a response to labour market disadvantage. Whilst self-employment is a positive choice for many, others may feel forced into self-employment. This could be due to lack of access to employment in line with their skills and qualifications or feeling excluded from the labour market all together.⁵⁰

Higher rates of self-employment found amongst some BME communities are potentially linked to greater levels of poverty and may highlight difficulties in securing employment. UK wide research has suggested that much self-employment, particularly in the Pakistani group, is low paid in areas with few opportunities for progression.⁵¹ This suggests that encouraging more self-employment is unlikely to be the best way to reduce poverty and increase employment: the underlying barriers to work need to be tackled.

46. A labour market characterised by the prevalence of short-term contracts or freelance work, as opposed to permanent jobs. BBC (2017), **What is the 'gig' economy?**

47. Office for National Statistics (2020), **Coronavirus and self-employment in the UK.**

48. EHRC (2016), **Healing a divided Britain: the need for a comprehensive race equality strategy.**

49. Ibid.

50. Joseph Rowntree Foundation (2015), **Self-employment and ethnicity: an escape from poverty?**

51. Ibid.

RECRUITMENT.

Highly qualified BME individuals in Scotland often have difficulty in securing employment that is commensurate with their educational qualifications. Almost 28% of minority ethnic graduate parents are working in low and medium skilled occupations, compared to almost 17% of all graduate parents.⁵² Despite largely performing better academically than white Scottish people and, in many cases, holding multiple qualifications, BME people are severely underrepresented in senior management positions and promoted posts.⁵³

Further, at the most senior levels in Scottish society almost every position is filled by white people. This was highlighted by Cabinet Secretary for Justice Humza Yousaf, MSP, in a recent debate in the Scottish Parliament: “The Lord President is white, the Lord Justice Clerk is white, every High Court judge is white... the chief medical officer is white, the chief nursing officer is white, the chief veterinary officer is white, the chief social work adviser is white and almost every trade union in the country is headed by white people. In the Scottish Government, every director general is white”.⁵⁴

Informal social networks influence individuals' opportunities to enter the workforce and can have a significant impact on the opportunities and employment routes accessed (or not) by minority ethnic people in the labour market.⁵⁵ Evidence shows a lot of recruitment is carried out on a closed, 'word of mouth' basis rather than through open processes, in which vacancies are advertised and available to all. The impact of closed recruitment, alongside occupational segregation of many BME people, is that vacancies in currently predominately white industries and workplaces will likely be filled by more white people.

BME people can face discrimination when applying for a new job or promotions, for example an individual's name and perceived identity can influence their success in obtaining an interview. Department for Work and Pensions research (which included employers in Scotland) showed a person with a 'BME name' had to send an application away 16 times to achieve a successful response compared to 9 times for someone with a 'white name', even though they were submitting the same application.⁵⁶ More recently, BME individuals in Scotland were surveyed on experiences of discrimination. Of those who reported discrimination, 'getting a job' was one of the most commonly reported areas for perceived discriminatory experiences, reported by 25% of respondents in 2019.⁵⁷

52. Scottish Government (2019), **Every Child Every Chance, First Year Progress Report 2018-19, Annex C.**

53. Equal Opportunities Committee (2016), **Removing Barriers: race, ethnicity and employment.**

54. Humza Yousaf (2020), **Showing Solidarity with Anti-racism**, 10 June 2020, Scottish Parliament.

55. Equal Opportunities Committee (2016), **Removing Barriers: race, ethnicity and employment.**

56. Department for Work and Pensions (2009), **A test for racial discrimination in recruitment practice in British cities.**

57. N. Meer (2020), Self-Reported Discrimination in Scotland, 2015-2019 in **Taking Stock: Race Equality in Scotland**, Runnymede Trust.

Even after being short-listed there is further potential for discrimination, with research suggesting another barrier for employment opportunities may come at the interview stage. CRER research on public sector employment has found that there is a stark inequality of outcomes for BME shortlisted candidates compared to white candidates: in 2014, 17.7% of BME people interviewed for local authority jobs were appointed, compared with a figure of 31.9% for white interviewees.⁵⁸

The public sector in Scotland often does not reflect the community it operates in. Within the civil service in Scotland, only 1.6% of the workforce is BME and just 0.8% of staff in Scotland's local authorities are BME.⁵⁹ The public sector and government should be leading the way in tackling labour market inequalities, however, as the former Independent Adviser on Race Equality, Kaliani Lyle, noted, "inclusive policy making is not yet embedded in the DNA of the Scottish Government or public bodies in Scotland".⁶⁰

This strongly reinforces racial inequalities in Scotland's labour market - the public sector is one of the biggest employers in Scotland with 20.7% of the workforce. A labour market with less favourable treatment of BME groups in recruitment processes means that BME people are generally less likely to obtain quality, secure and well-paid employment which impacts the risk of poverty within BME communities.

CAREER PROGRESSION.

Racism, discrimination and racial bias in the workplace have a huge impact on the careers of BME people in Scotland, creating a range of barriers not just in entering but also progressing at work. There is the potential for discrimination from colleagues, members of the public and managers which can alienate BME staff and have a negative impact on mental health, workplace safety and career progression.

Previous research has suggested that in the workplace, BME people face additional barriers to obtaining promoted posts. In Scotland, 18% to 31% of BME people surveyed in 2015, 2017 and 2019 who reported perceived discriminatory treatment said this related to promotion at work.⁶¹ This may be through outright discrimination, a lack of support and encouragement from managers or issues with confidence and access to training. Additionally, a lack of senior BME role models can be a barrier to career progression.

58. CRER (2014), **The State of the Nation, Race & Racism in Scotland: Employment**.

59. Lyle, K, Independent adviser on race equality (2017), **Addressing race inequality in Scotland: the way forward**.

60. Ibid.

61. N. Meer (2020), Self-Reported Discrimination in Scotland, 2015-2019 in **Taking Stock: Race Equality in Scotland**, Runnymede Trust.

Barriers to promotion and development opportunities directly harm BME individuals' earnings potential and can contribute to higher poverty levels in certain BME groups.

Furthermore, recent statistics from the Scottish Government have shown that BME employees are now less likely than ever to receive job related training and, additionally, are less likely than their white counterparts to receive such training.⁶² For those BME people who need to access a specific type of professional learning to progress in work, this can have real consequences in terms of performance, confidence, salary negotiation and career development. This can lead people to becoming stuck in a poverty trap of low paid jobs and a lack of opportunities.

POLICY AND RESEARCH IMPLICATIONS.

Despite existing equality legislation, policies and training, the labour market is not a level playing field in Scotland. BME individuals experience discrimination at every stage of employment, and there is a significant discrepancy in employment and pay for BME and white groups. Higher rates of in-work poverty amongst BME groups highlights the significant factor of low pay for poverty levels.

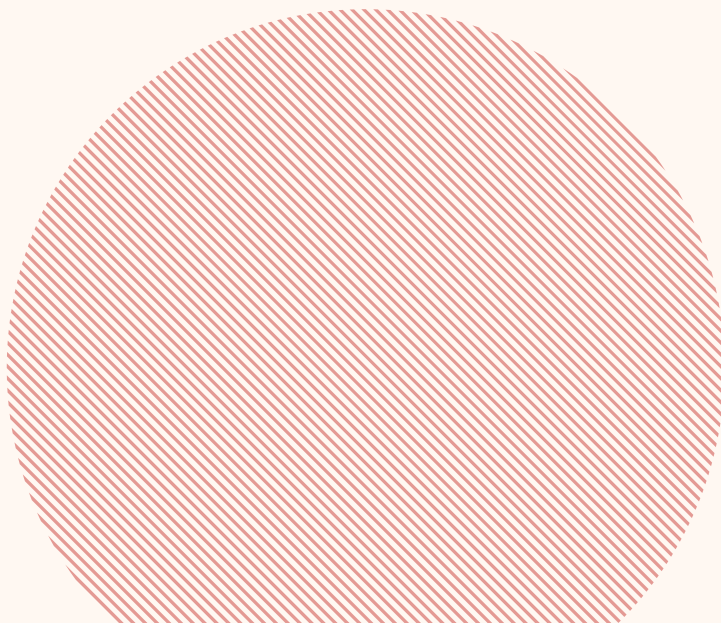
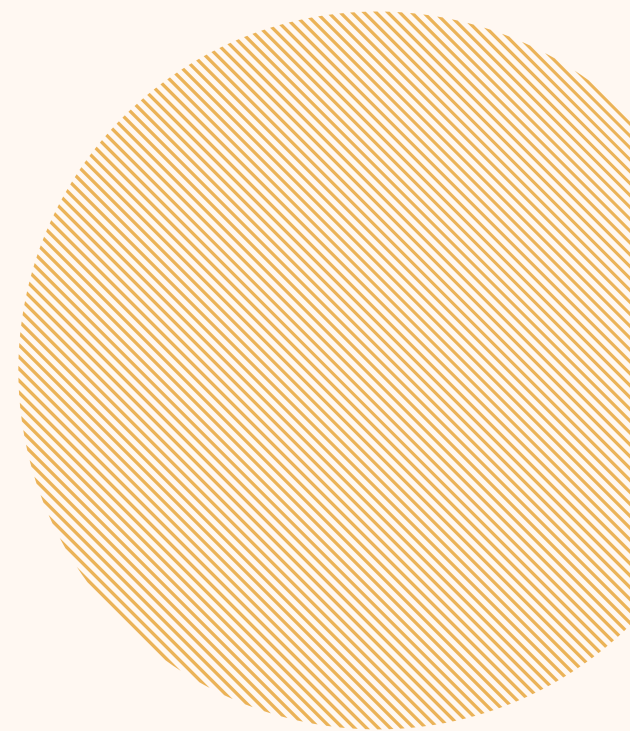
Inequality in the labour market is, however, not inevitable. Solving this requires work from the Scottish Government alongside all employment sectors, including the public and private sectors. Well thought out, measured investment which helps close the employment gap will make a big impact on BME poverty levels.

Too often responses to the BME employment gap rely on deficit thinking, centred around issues of English language acquisition, a lack of qualifications and 'enabling' individuals to reach senior roles in organisations. This is despite evidence that BME communities are generally well qualified, leaving school with better qualifications and attending higher and further education at a greater rate than their white peers. Additionally, almost 85% of Scotland's working age minority ethnic people have no problem with English language proficiency.⁶³ Whilst language issues affect some individuals (many of whom are recent migrants who will rapidly develop English skills), the extent of employment inequalities shows there must be other factors at play.

62. Annual Population Survey via Scottish Government (2019), **Equality Evidence Finder** (Indicator: Workplace Learning).

63. CRER (2016), **Changing the Race Equality Paradigm**.

Current actions to remedy employment inequalities, such as those highlighted in the REAP, do not go far or fast enough for there to be substantial progress. Most recommendations do not focus on action but rather discussion and fact finding. As highlighted, the issues contributing to employment and income gaps are already well established. There is a need for greater, systemic change in workplaces across Scotland, with the Scottish Government and public sector leading the way for equality in access to employment for BME people. Action on the institutionalised racial discrimination in the Scottish labour market is an urgent necessity to tackle higher rates of poverty for BME people.



HOUSING.

The impact of housing costs on poverty levels for minority ethnic groups is more significant than for the majority white British group.



Housing has the potential to either mitigate or exacerbate the impact of poverty on people's lives.⁶⁴

The impacts of housing deprivation are far reaching, including affecting health, wellbeing and children's development. Poor quality or insecure housing may create the risk of poverty or exacerbate the effects of poverty on living standards and life chances.⁶⁵ In Scotland, rates of poverty after housing costs are lower than in other parts of the UK, primarily due to cheaper housing costs. However, BME groups are less likely to benefit from this due to an over-representation within the private rented sector where housing costs are higher.

Race Equality Framework Vision for Housing 2030.

Minority ethnic communities in Scotland experience fewer inequalities in housing and home life. Health and wellbeing are strongly linked with family life and the home environment, and equality in these areas of life is vital to improving life chances.

The Race Equality Action Plan 2017-2021 and housing.⁶⁶

Improvements to ensure that the evidence base for the Housing Need and Demand Assessment is more informed and reflects more accurately the current and future need for housing and related services for all, including minority ethnic communities.

We will reaffirm the expectation that local authorities fully consider the requirement for larger accommodation, including for minority ethnic families and seek to address any identified need.

We will carry out a scoping exercise which would allow a clearer picture to be established of what research is required on the housing needs and experiences of minority ethnic households.

We will work together with relevant skills providers to promote housing industry participation and opportunities to specific demographics, including younger people, across traditional industry gender divides and minority ethnic communities.

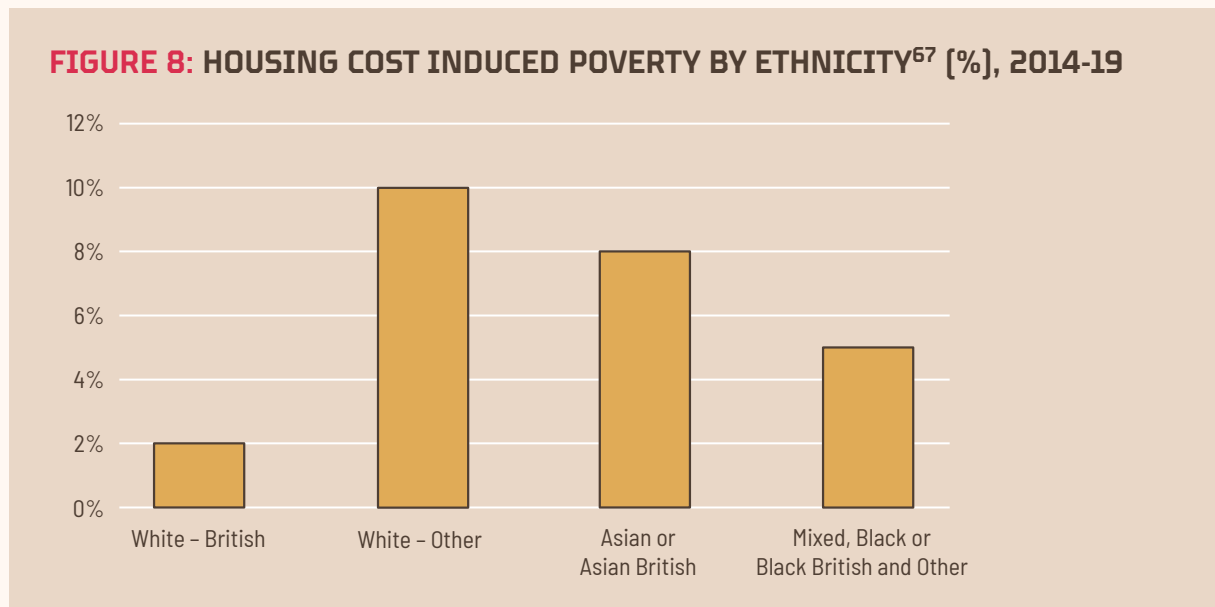
64. The Joseph Rowntree Foundation (2013), [The links between housing and poverty](#).

65. Marmot Review Team (2011), [The Health Impacts of Cold Homes and Fuel Poverty](#).

66. For a full list of the 18 housing actions, see the [Race Equality Action Plan](#).

HOUSING POVERTY STATISTICS.

The impact of housing costs on poverty levels for minority ethnic groups is more significant than for the majority white British group:



Scottish Government (2020), [Poverty and Income Inequality in Scotland 2016-19](#)

Despite already higher relative poverty rates before housing costs, Figure 8 highlights that housing costs substantially affect poverty rates for minority ethnic groups. Housing cost had much less of an impact on poverty rates for the majority white British group, whereas minority ethnic groups are particularly likely to experience housing cost induced poverty in Scotland. Despite this, there is currently relatively little research on minority ethnic people's experience of housing in Scotland⁶⁸ and less on the correlating issues of housing and poverty.

Minority ethnic groups are particularly likely to experience housing cost induced poverty.

67. Relative poverty after housing costs minus relative poverty before housing costs.

68. CRER's paper '[Minority Ethnic Communities and Housing in Scotland - Room for Improvement](#)' explores the available literature on BME people's experiences of housing sector in greater depth, and should be read in conjunction with this paper to greater understand the nature of housing issues for BME communities in Scotland.

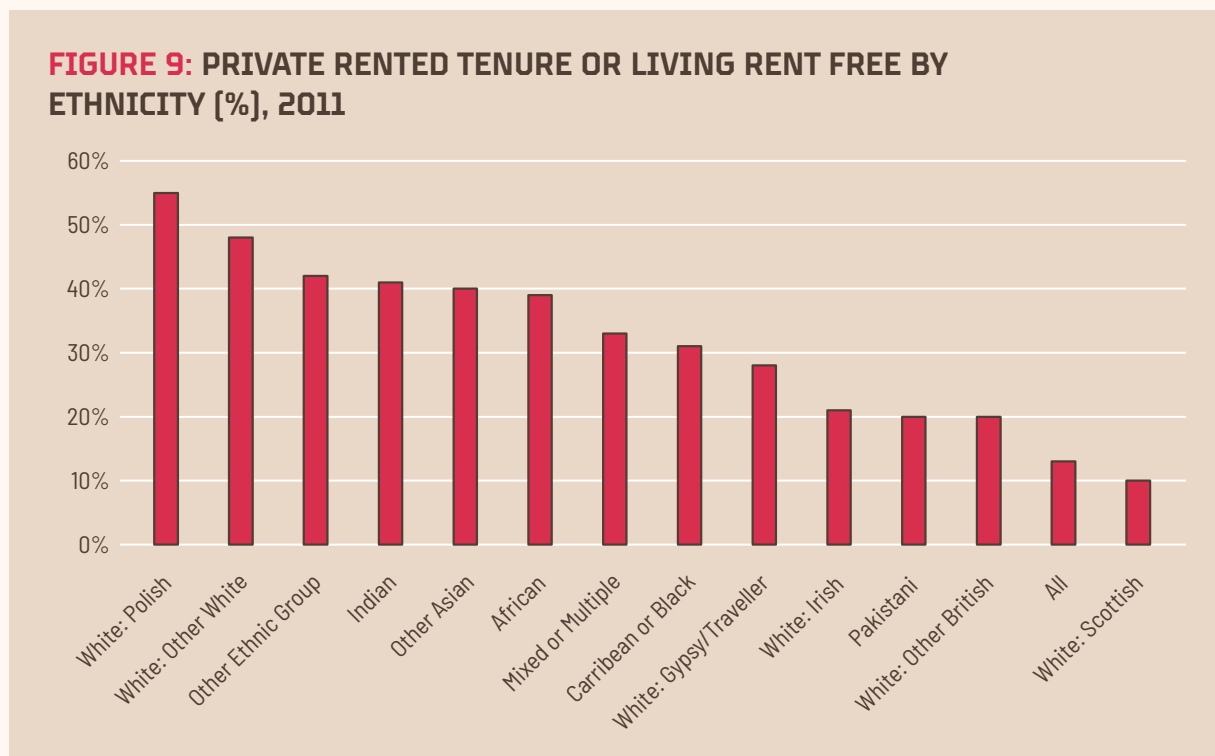
HOUSING TENURE.

BME people in Scotland are generally underrepresented in the social housing sector and rates of housing ownership are lower for BME groups than the white population. Analysis of the 2011 Census showed BME people were more likely to live in flats, and of those who lived in rented accommodation they were more likely to be renting privately than from a social landlord.⁶⁹

As previously noted, BME communities in Scotland tend to have a younger age profile and younger people are more likely to reside within private rents,⁷⁰ whereas older people are more likely to own their own home. However, age profile alone does not explain the different tenure types by ethnicities.

PRIVATE RENT.

Individuals living in private rented housing are more likely to be in poverty than those residing in other tenure types⁷¹ and low-income households are especially vulnerable in the private rental sector. Analysis of the 2011 Census recorded rates of tenure, including private rent or living rent free by ethnicity:



Scottish Government (2015), [Analysis of equality results from the 2011 Census part 2](#)

69. Scottish Government (2015), [Analysis of equality results from the 2011 Census part 2](#).

70. Office for National Statistics (2019), [UK private rented sector: 2018](#).

71. Joseph Rowntree Foundation (2020), [UK Poverty 2019/20](#).

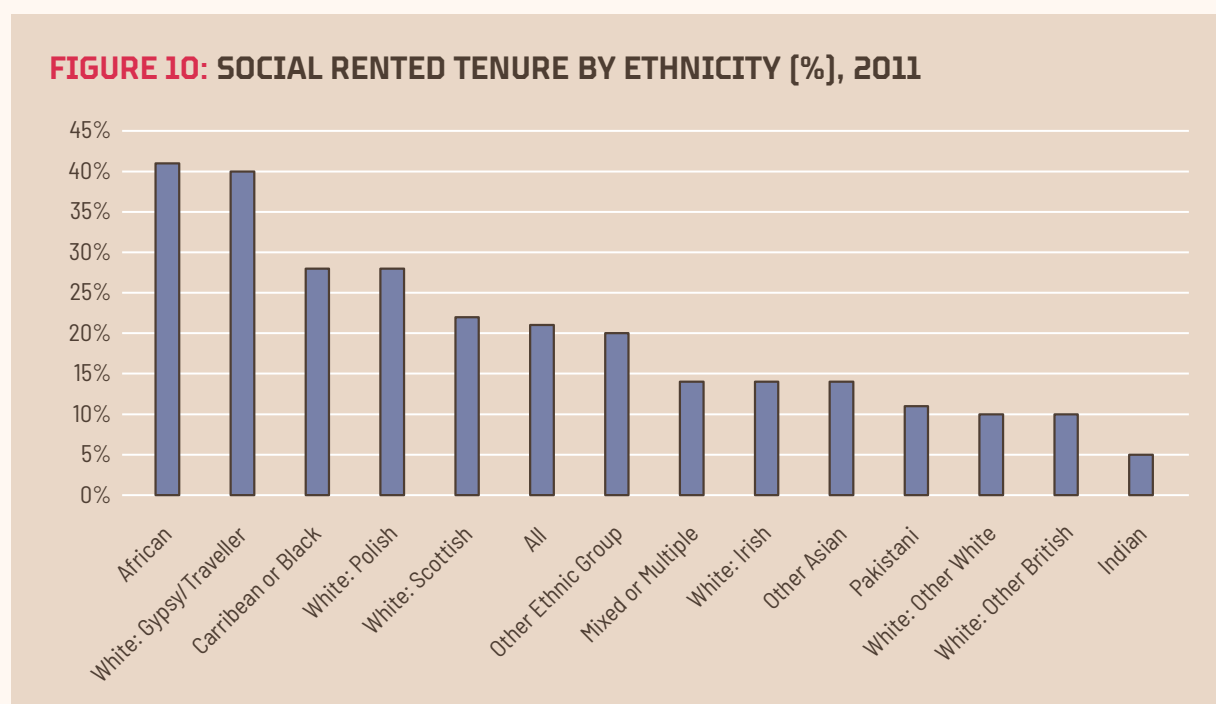
The groups white Polish (55%), other white (48%), Indian (41%), other Asian (40%) and African (39%) have particularly high representations amongst the private rent tenure rate. All minority ethnic groups in Scotland had an above average tenure rate recorded as private rent or living rent free, yet for the majority group of white Scottish people, only 10% live in a private rent.

In 2011, the rate of private renting for all BME groups was double or more than that of the majority white Scottish population.

While the flexibility of private renting is attractive to some people, the insecurity can be problematic for others. The connections between privately rented housing and poverty are well documented: rent is typically higher than in social housing, rental rates often rise above the level of inflation or wages and there can be challenges in obtaining the money necessary for deposits, contributing to a risk of homelessness. The quality of housing stock within the privately rented sector means that there can be issues including disrepair, fuel poverty and dampness.

SOCIAL HOUSING.

Given the connections between private renting, homelessness and poverty, securing social rented housing can potentially be seen as a route out poverty. However, most BME groups are under-represented in this sector. Analysis of the 2011 Census recorded rates of social rented tenure by ethnicity:



The highest rates of residing within social housing are found within African (41%), white Gypsy/ Traveller (40%), Caribbean or Black (28%) and white Polish (28%) groups. Meanwhile Asian groups are particularly underrepresented within social housing tenures, with only 11% of Pakistani and 5% of Indian groups residing with social housing compared to the majority group of white Scottish people at 22%.

More recently, the Scottish Housing Regulator provided statistics on ethnicity of social tenants showing that, in 2014/15, ethnicity was unknown for a third of tenants and the known percentage of tenants from a BME group was only 2.3%.⁷²

The known percentage of social housing tenants from a BME group is only 2.3%.

The underrepresentation of BME people in the Scottish social housing sector has been attributed to a number of barriers, including institutional discrimination. Factors such as waiting times, local connection points and discretionary allocation of houses all play a part.⁷³ Additionally, there is a pressing question over whether the sector is serving the needs of certain BME communities adequately, given that historically and currently, there is a lack of accommodation suitable for larger families.

Historic data from the Scottish Household Survey showed that from 2001-2005, whilst only 5 per cent of white households had five or more members, this was true of 17.5 per cent of non-white households.⁷⁴ Meanwhile average household size has decreased in Scotland due to increasingly smaller household sizes. One person households have become the most common type of household in recent years.⁷⁵ Household composition and size are therefore likely to be significantly different for some BME groups compared to the majority population. Further research should be undertaken to understand this and the impact on housing needs with a view to ensure equality of access to housing. If future housing policy focuses solely on the majority case, there is a danger that existing inequalities will be exacerbated.

72. Scottish Housing Regulator (2019), **Use of Equality and Diversity Information by Scottish Social Landlords: A thematic inquiry**, calculated using figures for Mixed/Multiple ethnicity, Black, Asian and Other ethnicity.

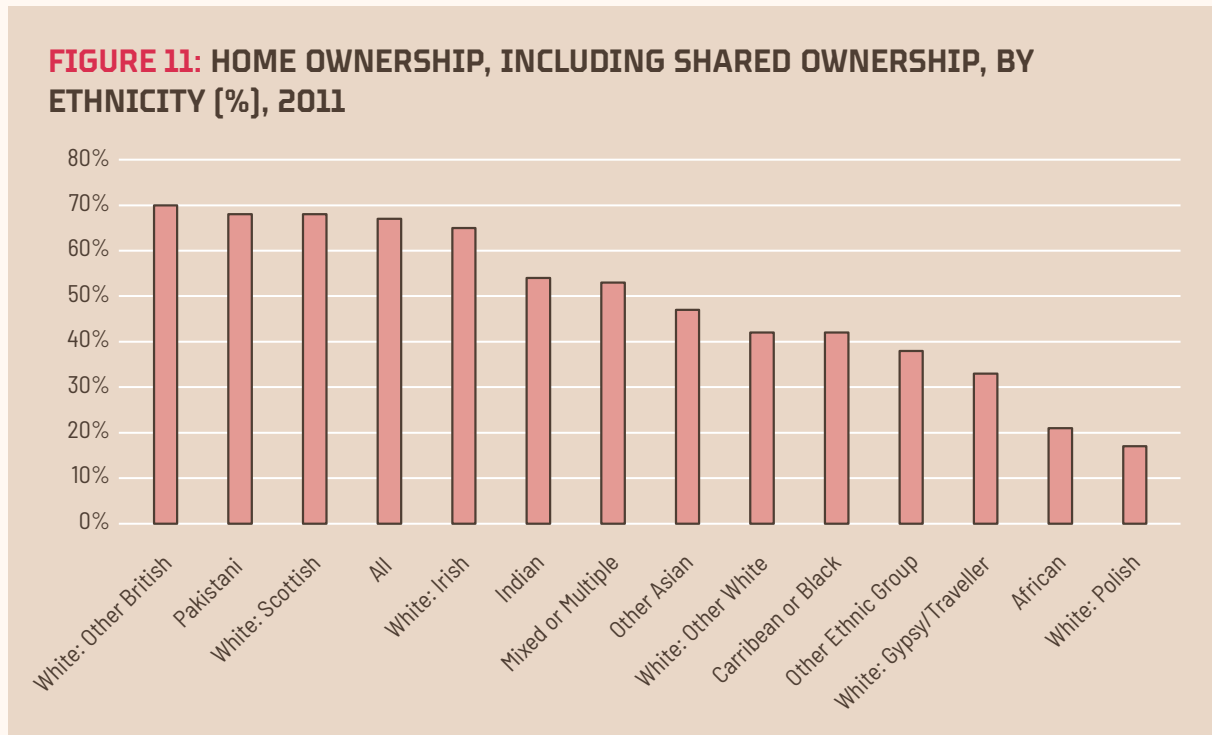
73. G. Netto (2018), 'Racism and Housing in Scotland' in N.Davidson, M. Liinpää, M.McBride and S.Virdee. eds. *No Problem Here: Understanding Racism in Scotland*.

74. Joseph Rowntree Foundation (2011), **A review of poverty and ethnicity in Scotland**.

75. National Records of Scotland (2020), **Scotland's Population 2019**.

HOME OWNERSHIP.

Home ownership is normally associated with social mobility, affluence and generational wealth. In Scotland, most BME groups are less likely to own their own home than white people. Analysis of the 2011 Census has recorded rates of home ownership by ethnicity:



Scottish Government (2015), [Analysis of equality results from the 2011 Census part 2](#)

Notably, all minority ethnic groups are underrepresented in the home ownership tenure rate aside from the Pakistani group. The white Polish (17%) and African (21%) groups are particularly severely underrepresented, which may be because these groups contain higher numbers of newer migrants.⁷⁶

Aside from the Pakistani group, all minority ethnic groups are underrepresented in home ownership.

76. In 2001, the number of people born outside the UK who reported their country of birth as Poland was 2,500 (1%). By 2011 this had increased to 55,000 people, accounting for 15% of all those born outside the UK. National Records of Scotland (no date) **Ethnicity, Identity, Language and Religion**.

The policy of Right to Buy, which ended in 2016 in Scotland, which allowed tenants in social housing to buy their homes, combined with traditionally low rates of BME people socially renting may go some way to contextualise low rates of BME home ownership. It is also possible that low rates may be due to prospective BME homeowners being discriminated against by lenders, as is explored by Kara and Molyneux at a UK wide level.⁷⁷ Further, deposit and salary requirements to secure a mortgage make home ownership a difficult tenure to gain access to particularly when, as mentioned, BME people in Scotland are more likely to be in low-paid work.

Contemporary and historic barriers for BME individuals who aspire to home ownership means that BME communities may be more at risk of poverty. Whilst home ownership by no means makes an individual immune to poverty, as the Joseph Rowntree Foundation points out, reductions in interest rates have led to cheaper mortgages which has worked to reduce poverty rates for people buying with a mortgage.⁷⁸ This contrasts with rising housing costs for those who rent.

HOMELESSNESS.

Homelessness can be understood as the most extreme form of housing deprivation and the relationship between poverty and homelessness is complex, likely influenced by housing supply, cost and other factors.⁷⁹ People experiencing homelessness or unstable accommodation face additional barriers to escaping poverty.⁸⁰ For example, securing employment, accessing services and applying for benefits can be more difficult.

UK research has indicated that when compared to their white counterparts, BME individuals are more likely to become homeless.⁸¹ In Scotland, in 2018/19, there were 2,728 statutory homelessness applications by BME individuals, which was approximately 7.4% of all applications.⁸² This represents a rise of 11% (272) in applications from BME people since 2017/18.

77. Kara and Molyneux (2016), **Household Access to Mortgages in the UK**. Journal of Financial Services Research.

78. Joseph Rowntree Foundation (2020), **UK Poverty 2019/20**.

79. The Joseph Rowntree Foundation (2013), **The links between housing and poverty**.

80. Joseph Rowntree Foundation (2016), **We can solve poverty in the UK**.

81. Race Equality Foundation (2010), **Linking black and minority ethnic organisations with mainstream homeless service providers**.

82. CRER (2020), **Minority Ethnic Communities and Housing in Scotland - Room for Improvement?**

7.4% of statutory homelessness applications in 2018/19 were from BME people.

These statistics suggests homelessness may be a significant, and potentially growing, problem for BME communities. Data has highlighted that a violent/abusive dispute within their household was a particularly prevalent reason for homelessness within Asian, Asian Scottish or Asian British applicants, representing 23% of applicants vs 13% of applicants generally.⁸³ Of these applications, 88% were from female main applicants. Statistics such as this highlight the urgent need for up-to-date, comprehensive research on homelessness and poverty in BME communities in Scotland.

In addition, there are known issues of hidden homelessness⁸⁴ in some BME communities.⁸⁵ Hidden homelessness includes peoples who have not approached services for help, or who have been turned away from statutory services and may involve those who are sofa-surfing, living in overcrowded or unsafe conditions.⁸⁶ Hidden homelessness and overcrowding can often create conditions which lead to statutory homelessness.

OVERCROWDING.

Overcrowding is a growing problem, the detrimental effects of which are well established. While households of any ethnicity can be living in overcrowded conditions, BME households are more likely than white households to be overcrowded. In Scotland, people from minority ethnic communities are four times more likely to live in overcrowded homes than their white counterparts -11.8% compared with 2.9% in 2013.⁸⁷

2011 Census analysis found that around 9% of all households in Scotland were overcrowded, however, overcrowded households were more common amongst all minority ethnic groups with:

- 30% of white Polish
- 28% of Bangladeshi and African
- 25% of Pakistani and
- 24% of Gypsy/Travellers households being overcrowded⁸⁸

83. Ibid.

84. Hidden homelessness refers to people who would meet the definition of homeless if they were to make an application but are not represented in homelessness statistics.

85. Shelter Scotland (2018), **Hidden Homelessness**.

86. Ibid.

87. EHRC (2016), **Healing a divided Britain: the need for a comprehensive race equality strategy**.

88. Scottish Government (2015), **Census 2011 equality results: analysis, part two**.

People from minority ethnic communities are four times more likely to live in overcrowded homes than their white counterparts.

Overcrowding can be an indication of material and social deprivation, in addition to high poverty levels. Detrimental effects of overcrowding include negative impacts on family relationships, the physical, mental and emotion wellbeing of all family members and on young people's educational performance.

Research in England⁸⁹ has highlighted that, for any given household size, overcrowding is higher in BME households. This suggests that higher overcrowding rates among such households have less to do with family size and more to do with poverty and poor housing. Whilst the situation may be different in Scotland, comparable research has so far not been conducted on the specific subject.

The coalescing issues of overcrowding and hidden homelessness can be exacerbated by the failure of housing policies and organisations to recognise and fulfil the need for larger homes, both for extended families who wish to be housed together and for bigger families.

NEIGHBOURHOOD.

Racial discrimination in the various sectors of the housing market is one of the most well-established aspects of racial inequality in the UK.⁹⁰ Racism and discrimination can function to reduce housing opportunities and choices for BME people. Recent statistics on hate crime show that this is still an issue with 3,038 charges made for 'race crime' in 2019-20, making up 54% of the total hate crime charges.⁹¹ This is approximately 8 charges for racist crime being made a day, even with hate crime being thought to be underreported.

Perceptions and actual risk of racist violence within certain areas can lead to BME groups seeking housing in alternate areas.⁹² This can push BME groups into housing induced poverty if housing in these alternative areas is unaffordable. Further, affordability is not the only factor leading to increased risk of poverty as there is also a consideration to be paid to how housing tenure patterns interact with access to labour market opportunities.

89. A. Jones (2010), **Black and minority ethnic communities' experience of overcrowding**. Race Equality Foundation.

90. Race Equality Foundation (2007), **Housing choice and racist hostility**.

91. CRER (2020), **New hate crime figures: the tip of the iceberg?**

92. Race Equality Foundation (2007), **Housing choice and racist hostility**.

RESEARCH AND POLICY IMPLICATIONS.

Racial disparities in housing have persisted for decades and the impact of this is seen currently through greater rates of housing cost induced poverty within BME communities. This makes it especially critical for BME communities that housing policy plays a key role within wider strategies to reduce poverty rates. Housing deprivation is not exclusive to BME groups, but the persistence of racial discrimination means that such groups are at greater risk.

A divergent approach to social housing policy since devolution has helped to ensure housing costs, and the related risk of poverty (after housing costs), are lower relative in Scotland to the rest of the UK.⁹³ The social rented sector houses a larger proportion of the population and housing costs are generally cheaper than the rest of the UK.⁹⁴ However, lower tenure rates for certain BME communities in social housing combined with an overconcentration within the private rented sector may also go some way to explaining higher housing induced poverty rates amongst BME communities in Scotland.

As has been highlighted previously, there is a lack of understanding of the current housing needs of BME people and research into this is urgently needed. The need for larger housing has often been stated, but there may also be unmet needs in terms of appropriate sheltered and care housing for minority ethnic communities.⁹⁵ Potential gaps in research include housing and fuel poverty, homelessness and overcrowding, access to housing and housing quality. Such research needs to be followed up with swift action to remedy identified gaps in provision otherwise racial inequalities in housing will continue.

93. Joseph Rowntree Foundation (2019), **Poverty in Scotland 2019**.

94. Ibid.

95. Trust Housing Association (2018) **Race Equality in Housing- delivering practical solutions**.

SOCIAL SECURITY.

Recent UK wide changes to the social security system have had a negative impact on the poorest groups in society, including BME groups suffering disproportionate rates of poverty.



The social security system has an important role to play in both preventing poverty and ameliorating the worst impacts of poverty.

However, at a UK wide level, spending on non-pensioner benefits has been falling since 2012/13. In 2016 the benefits freeze was introduced, and benefits have not generally increased despite rising everyday costs.⁹⁶ Other changes to tax credits and benefits, such as the benefit cap⁹⁷ and two-child limit⁹⁸ have further reduced the support available. Of note, UK wide research has suggested BME social security claimants may be at a higher risk of experiencing a benefit sanction.⁹⁹

Since 2016, the Scottish Government has had new powers relating to social security, including responsibility over certain benefits. The Scottish Government has already introduced several new benefits and the benefit landscape in Scotland is becoming ever more distinct from that at a UK level. Experience of higher poverty and unemployment rates in Scotland means BME groups are more likely to be eligible for certain benefits. The Scottish Government have stated that many minority ethnic groups have a higher reliance on benefit income than other households.¹⁰⁰ However, there is a lack of comprehensive data on how ethnicity interacts with income from social security in Scotland, although recent data from Social Security Scotland¹⁰¹ shows that minority ethnic people make up 7% of applications.¹⁰²

There continues to be lack of data and research around benefit access and BME groups in Scotland. Although minority ethnic people were involved in the Scottish Government's Social Security Experience Panels, the percentage of such participants was only 2%, or around 48 people.¹⁰³ This was supplemented with focus groups of 150 minority ethnic people, a report on which is forthcoming. The Social Security Experience Panels were the main mechanism for user engagement in the design of the Scottish social security system and the main source of information on users' overarching views on the benefits system. Therefore, engagement with a greater number of BME individuals and groups should have been one of the utmost priorities.

96. Joseph Rowntree Foundation (2020), **UK Poverty 2019/20**.

97. The benefit cap, introduced in 2013, is a UK policy that sets a limit on the total annual payment a household can receive from means-tested benefits.

98. The two-child limit meant the child element of benefits was limited to the first two children for any family that has a third (or subsequent) child after 1 April 2017.

99. London School of Economics (2017), **Inequalities in the application of welfare sanctions in Britain**.

100. Scottish Government (2019), **Every Child Every Chance, First Year Progress Report 2018-19, Annex C**.

101. Social Security Scotland administer devolved benefits such as Best Start Grant, Best Start Foods, Funeral Support Payment, and Young Carer Grant.

102. Scottish Government (2020), **Social Security Scotland client diversity and equalities analysis to December 2019**.

103. Scottish Government (2019), **Benefit Take-up Strategy**. Authors own calculation.

Race Equality Framework Action and social security.

Work to fill the gaps in current knowledge on how and to what extent minority ethnic people are accessing the benefits they are entitled to and work to ensure that relevant policies developed to address benefits take up and provide access to advice services (including financial advice) are equality impact assessed, with a programme of activity developed to address the results.

The Race Equality Action Plan 2017-2021 and social security.

We will work with minority ethnic volunteers on Experience Panels to help shape the social security system, hearing directly from them about what works, what needs improved and what our new system can do to better support ethnic minorities in Scotland.

BENEFIT TAKE UP.

Many people who are entitled to benefits do not claim them. Various factors contribute to the non-take up of benefits, including a lack of awareness, difficulties applying, and social barriers including stigma. Evidence suggests that BME groups in Scotland have a lower rate of benefit take up. For example, whilst levels of unemployment are persistently higher among minority ethnic groups, benefit claimant counts do not always reflect this, indicating that some groups are not always claiming benefits to which they are entitled.

Alongside evidence suggesting that BME groups generally under-claim benefits, there can be a particular barrier to accessing Carers Allowance. Self-identification as a carer can be problematic in some BME groups, as many individuals may see their caring role subsumed within their family role or duties which may lead to significant amounts of under claiming of Carers Allowance.¹⁰⁴ Nearly a quarter of unpaid carers in the UK are living in poverty.¹⁰⁵ Therefore, the accessibility of such benefits to BME groups is particularly important due to the risk of poverty informal carers face.

104. CRER (2016), **Racial Equality and the Social Security (Scotland) Bill: Evidence Submission**.

105. Joseph Rowntree Foundation (2020), **UK Poverty 2019/20**.

Carers Allowance is to help an individual who is looking after someone with substantial caring needs for least 35 hours a week.

A culture of institutional racism within welfare systems and social security agencies can also constitute a significant barrier for minority ethnic groups in accessing benefits they are entitled to. Studies have demonstrated that minority ethnic groups can face racial discrimination and prejudice when interacting with public services and organisations, including when accessing benefits or seeking support. For example, the report *Unequal and Unlawful Treatment* by the Oxfam Law into Practice Project and the Govanhill Law Centre details the discrimination and barriers faced by Roma communities when accessing benefits.¹⁰⁶

The Scottish Government are aware that there are particular barriers faced by some minority ethnic people to claiming benefits. Their main focus so far has been the impact of English as a second language in benefit take up, and to this end applications and promotional material are available in many different languages.¹⁰⁷ However, as the above outlines, the issue of benefit accessibility to BME groups in many cases goes beyond language, with the impacts of social and structural barriers of potentially critical importance.

Income from benefits can be an important safety net preventing individuals and families from falling into poverty, and so unequal access to benefits can have a great impact on poverty rates. It is unclear to what extent minority ethnic groups are under claiming benefits in Scotland. However, research and evidence, including the high amounts of additional benefit income gained by BME clients who undertook Financial Health Checks,¹⁰⁸ suggest this may be a considerable issue. Significant efforts may therefore be needed to ensure benefits are accessible to BME groups.

106. Oxfam Law into Practice Project and the Govanhill Law Centre (2011), **Unequal and Unlawful Treatment**.

107. Scottish Government (2019), **Benefit Take-up Strategy**.

108. Between November 2018 and July 2019, BME clients who undertook a Financial Health Check gained an average of £2,200 per family. Citizens Advice Network (no date), **Financial Health Check: Nov 2018 - July 2019**.

UNIVERSAL CREDIT.

Universal Credit is a UK wide benefit reserved to the UK Government, introduced from 2018 with full rollout expected by 2023. It replaces a range of working-age benefits, including housing benefits and tax credits, incorporated into a single payment.

At a UK wide level, research has suggested that the introduction of Universal Credit has disadvantaged particular groups. The Women's Budget Group and Runnymede Trust's report *Intersecting Inequalities: The impact of austerity on Black and Minority Ethnic Women in the UK* found that several demographic factors mean that BME women were more likely to be affected by the introduction of Universal Credit, namely:¹⁰⁹

- Family composition – Large families and single-parent households are the most affected by changes to Universal Credit (alongside changes to Child Tax Credits and Child Benefit). Larger families are more common among individuals from a BME background than from a white background
- Single-parent families – Black groups in the UK are more likely to have a lone parent family structure, with 91% of lone parent households with dependents headed by the mother. This makes Black mothers vulnerable to real-term cuts to Universal Credit, which leave lone mothers worse off
- Dependent children – Bangladeshi, Pakistani, and Black African households in the UK are more likely to have dependent children living in the household than other groups, reflecting the younger age profile of BME groups. Benefits and public service cuts disproportionately impact households with children, meaning that BME families with dependent children have experienced a much larger impact

Additionally, the Race Equality Foundation's briefing *Universal Credit and Impact on Black and Minority Ethnic Communities* highlights that, as Universal Credit negatively affects the poorest most, BME communities will suffer disproportionate effects as they are more likely to live in poverty, experience greater barriers to obtaining work and have higher levels of low pay.¹¹⁰ There has not been Scottish-specific research into the impact of Universal Credit on BME groups. However, given the results of UK wide research alongside the greater rate of poverty in BME groups in Scotland, there is likely to have been differential impacts which mean that certain BME groups will be more negatively affected than white people.

109. Runnymede Trust and the Women's Budget Group (2017), *Intersecting Inequalities: The impact of austerity on BME women*.

110. Race Equality Foundation (2016), *Universal Credit and impact on black and minority ethnic communities*.

IMPACTS OF COVID-19.

Since the beginning of the Covid-19 crisis, there has been the fastest increase in the number of people claiming working-age social security benefits in the UK since records began¹¹¹ and demand for Universal Credit has been unprecedented. However, there is a lack of ethnicity information available on Universal Credit applications and uptake in Scotland.

Research from the Runnymede Trust has suggested that since the Covid-19 crisis, BME people may have been more likely to have applied (or tried to apply) for Universal Credit (21% of BME people vs 10% of white people).¹¹² This is despite a lower awareness overall amongst BME groups about the measure allowing those out of work due to the crisis to claim Universal Credit (44% BME vs 62% white groups). This further suggests that BME individuals may have suffered a greater degree of loss of income and employment through the Covid-19 crisis, which will have a knock-on impact on poverty levels.

On social security more generally, UK wide research from the University of Salford, has suggested that the socio-demographic profile of new claimants differs considerably from those who were already claiming before Covid-19, with the new cohort of benefit claimants being more likely to be BME.¹¹³ Of new claimants, 8% are from BME backgrounds compared to 6% of existing claimants.

In particular, new BME claimants seem to have been disproportionately impacted by job loss and/or a reduction in their hours. Overall, 16% of new white claimants made a claim because they had been made redundant due to Covid-19, but this rises to 29% of new BME claimants. Of new BME claimants, 41% made a claim because their hours and/or pay had been cut compared to 30% of new white claimants. Also, there has been an increase in the proportion of claimants in workless households that are BME, rising from 6% of existing claimants to 9% of new claimants.

It should also be noted that BME individuals are over-represented amongst those with No Recourse to Public Funds.¹¹⁴ The impact of being unable to access state support for this group amidst the pandemic and growing unemployment is likely to be considerable, causing greater and deeper rates of poverty.

111. University of Salford (2020), **Who are the new COVID-19 cohort of benefit claimants?**

112. Runnymede Trust (2020), **Over-Exposed and Under-Protected: The Devastating Impact of COVID-19 on Black and Minority Ethnic Communities in Great Britain.**

113. University of Salford (2020), **Who are the new COVID-19 cohort of benefit claimants?**

114. A condition to some migrants' right to remain in the UK that stops them receiving public money.

RESEARCH AND POLICY IMPLICATIONS.

There are significant gaps in the data around social security and BME groups in Scotland, for example the lack of statistics on Universal Credit. This makes it more difficult to see how changes to the social security system will impact on BME groups and poverty levels. However, it seems clear that recent UK wide changes to the social security system have had a negative impact on the poorest groups in society, including BME groups suffering disproportionate rates of poverty. Further, the unequal social and economic impacts of the Covid-19 crisis have made the safety net of social security even more important for BME groups.

The Scottish Government, in the Race Equality Framework 2016-30, committed to make all possible efforts to assess, understand and where it can, mitigate the impact of any UK policies outwith their control which have a financial impact on minority ethnic people with low incomes.¹¹⁵ One immediate action for the Scottish Government could therefore be the commission of bespoke research of the impact of Universal Credit on BME groups in Scotland.

Additionally, data on BME groups and access to social security in Scotland, including benefit take up rates, would be useful. It is currently thought that many minority ethnic groups have a higher reliance on benefit income than other households and that take up of benefits may be an issue. However, in both cases there is a lack of evidence and data. Without this data it will not be clear whether measures such as those outlined in Benefit Take-up Strategy are working to ensure access to benefits for BME groups.

115. Scottish Government (2016), [Race Equality Framework 2016-2030](#).

CHILDREN AND FAMILIES.

Higher poverty rates for minority ethnic children have been persistent for many years in Scotland, and there are indications that levels are rising.



Currently, almost one in four of Scotland's children live in poverty and this is projected to rise to more than a third by 2030/31.¹¹⁶

Although there is considerable diversity between and within different minority ethnic groups, on average, children from minority ethnic communities in Scotland are more likely to be in poverty. There is known long term consequential harm for children growing up in poverty, with potential negative health and social impacts during childhood which continue into adulthood.

Both racism and poverty are internationally recognised as Adverse Childhood Experiences (ACEs): stressful and potentially traumatic events occurring in childhood. Recognition of childhood adversity and the need to prevent and respond to it has been a large focus of the Scottish Government in recent years.¹¹⁷ Research has found that the more ACEs someone experiences the more detrimental the effect on their well-being, for example the risk of experiencing a range of health conditions in adulthood is raised.¹¹⁸ With both racism and high levels of poverty prevalence amongst BME families, it seems likely that BME children in Scotland are growing up with a double exposure to adverse experiences even without other potential exposures.

The Race Equality Action Plan 2017-2021 and child poverty.

Ensuring ethnicity is considered in the Child Poverty Delivery Plan.

Ensuring due consideration is given to experiences and issues faced by minority ethnic groups in the Child Poverty Measurement Framework.

The introduction of a Financial Health Check service for families alongside work with organisations who engage with minority ethnic populations to raise awareness of the offer.

116. H. Reed and G. Stark (2018), **Forecasting Child Poverty in Scotland**. Landman Economics and Virtual Worlds.

117. Public Health Scotland (2020), **Ending Childhood Adversity: a public health approach**.

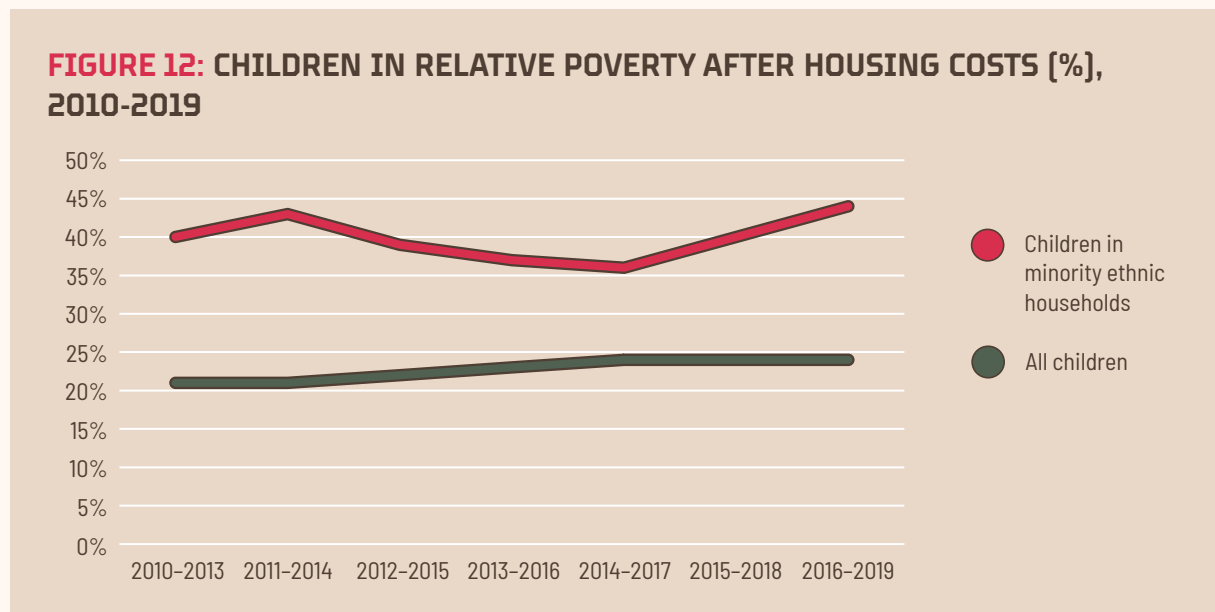
118. Public Health Wales (2015), **Adverse Childhood Experiences**.

CHILD POVERTY STATISTICS.

Measuring child poverty rates can be complex. However, statistics show that for whichever measure of poverty used, higher rates are found for minority ethnic children. Higher poverty rates for minority ethnic children have been persistent for many years in Scotland, and there are indications that levels are rising.

RELATIVE POVERTY RATES AFTER HOUSING COSTS.

Relative poverty rates in Scotland are much higher amongst BME families:



Scottish Government (2019), [Every Child Every Chance, First Year Progress Report 2018-19, Annex C](#);
 Scottish Government (2020), [Tackling Child Poverty Delivery Plan Second year progress report 2019-20](#)

In 2016-19, 44% of children in minority ethnic families were living in relative poverty, compared to 24% of all children. Children in minority ethnic families are about 1.8 times as likely to be living in relative poverty as all children.

This means that almost half of children in minority ethnic families in Scotland are now growing up in families who are struggling to afford basic necessities and may be trapped in poverty. Relative poverty rates amongst children in minority ethnic households have not altered significantly since 2010 and appear to have been rising recently.

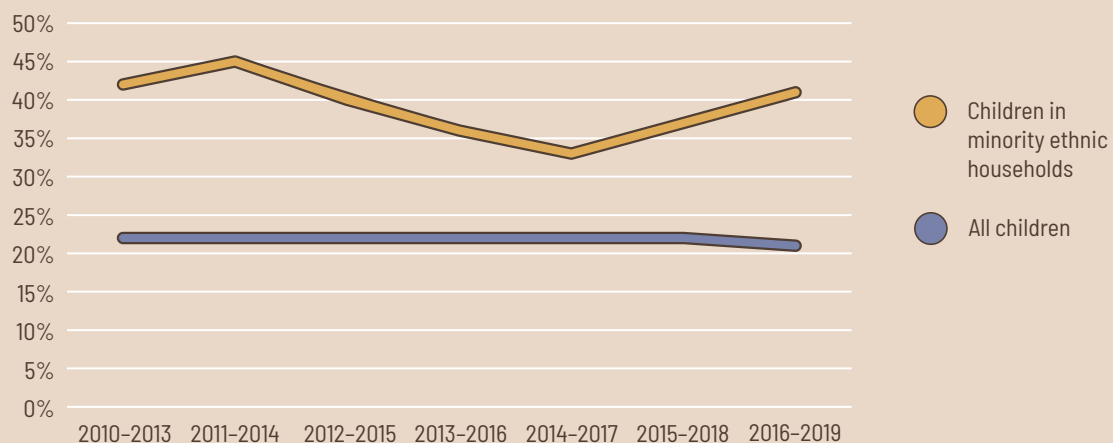
In 2016-2019, almost half (44%) of children in minority ethnic families were living in relative poverty.

ABSOLUTE POVERTY RATES AFTER HOUSING COSTS.

A household is in absolute poverty if its income is below the poverty threshold from 2010/11. This way, it measures whether the incomes of the poorest households are keeping pace with rising prices.

Looking at the statistics for absolute poverty between 2010-2019, similar higher poverty rates are persistently shown amongst children in minority ethnic households:

FIGURE 13: CHILDREN IN ABSOLUTE POVERTY AFTER HOUSING COSTS [%], 2010-2019

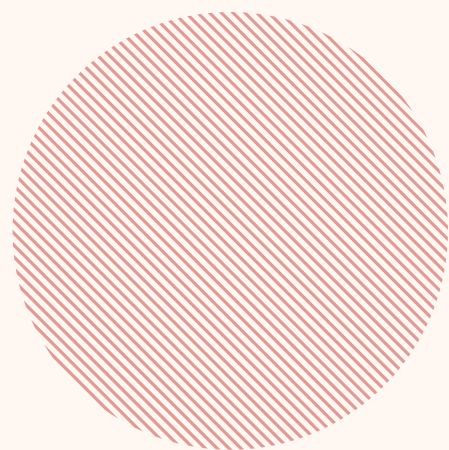
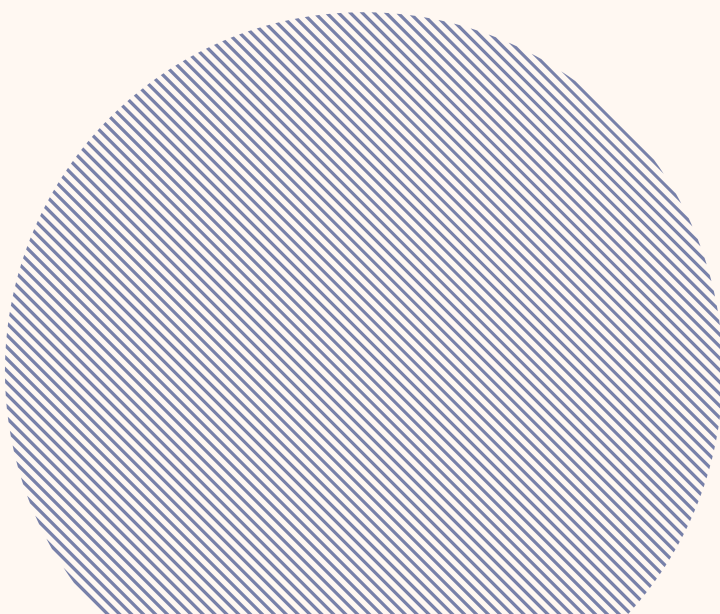


As Figure 13 shows, 41% of children in minority ethnic families were in absolute poverty after housing costs in 2016-19, compared to 21% of all children. The recent rise in rates has wiped out any progress made since 2010, with the absolute poverty rate of children in minority ethnic families only improving 1% since 2010. This means that rising prices may be putting additional pressures specifically on BME families.

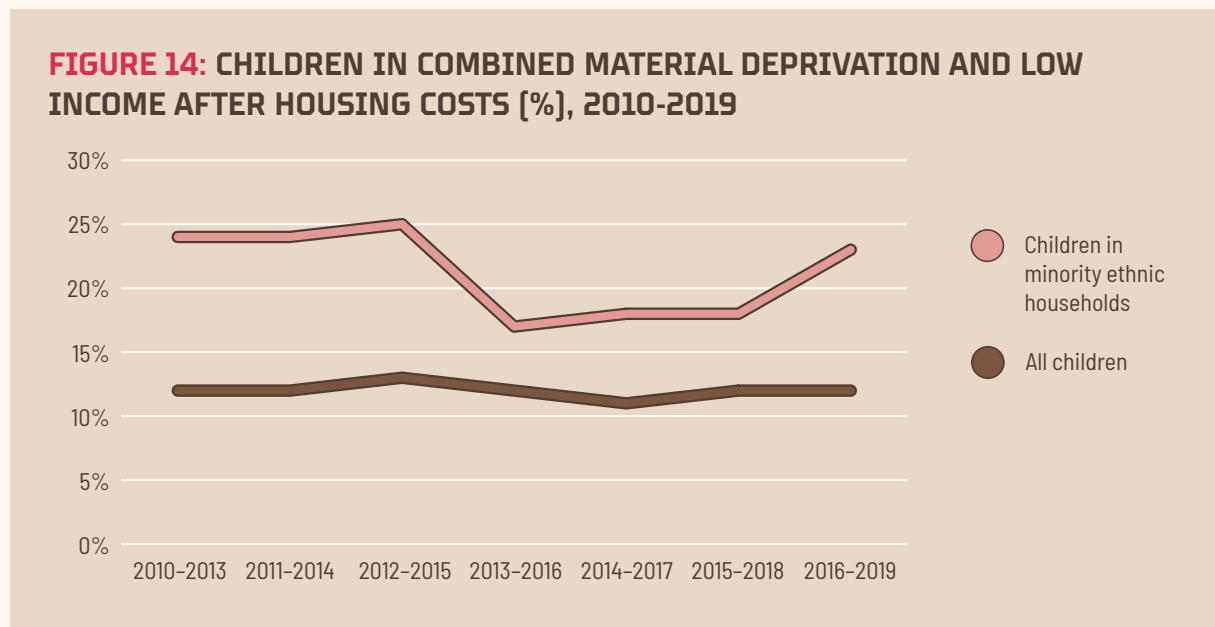
In 2016-19, 41% of children in minority ethnic families were living in absolute poverty.

COMBINED MATERIAL DEPRIVATION AND LOW INCOME.

Combined material deprivation and low income consists of those living in a household with below 70% of median incomes in that year, plus where parents want but cannot afford specific goods or services (such as a holiday away from home once a year, or bedrooms for every child aged 10+ of a different gender). This indicator aims to provide a measure of children's living standards which, unlike relative and absolute poverty, is not solely based on income.



Minority ethnic children in Scotland are also significantly more likely to be living in disadvantaged circumstances, such as in material deprivation:



Scottish Government (2019), [Every Child Every Chance, First Year Progress Report 2018-19, Annex C](#);
 Scottish Government (2020), [Tackling Child Poverty Delivery Plan Second year progress report 2019-20](#)

In 2016-19 almost a quarter (23%) of minority ethnic children were considered to be living in combined material deprivation and low-income poverty. As Figure 14 shows, minority ethnic children have a consistently higher than average risk of combined material deprivation and low income and rates have improved very little (1%) since 2010.

Many minority ethnic children therefore may not have access to resources or experiences considered normal parts of childhood in Scotland. They may miss out on holidays, school trips and developing hobbies and interests. This can impact on their development, experience of school and ability to enjoy time with their friends.

In 2016-2019, approaching a quarter (23%) of children in minority ethnic families were considered to be living in low income and material deprivation poverty.

PERSISTENT POVERTY.

Persistent poverty is generally defined as having a poverty income in at least three out of the last four years.

It is known that BME children in Scotland are more at risk of persistent poverty,¹¹⁹ however statistics are not currently available on the extent of this or which BME groups it impacts most. UK wide statistics indicate that in 2018, 1 in 4 children in Asian households and 1 in 5 children in Black households were in persistent poverty.¹²⁰ This compares to 1 in 10 children in white households. Children in persistent poverty are a greater risk of mental and physical health problems, including obesity and longstanding illness.

SCOTTISH CHILD POVERTY TARGETS.

The Child Poverty (Scotland) Act 2017 commits the Scottish Government to reducing the percentage of children living in relative poverty to 10%, living in absolute poverty to 5%, living in combined low income and material deprivation to 5%, and living in persistent poverty to 5% by 2030. The Scottish Government's Child Poverty Action Plan was published in 2018¹²¹ and listed the first steps to meeting these targets such as identifying 'priority families' who are at high risk:

- Disabled person in household
- 3+ children in household
- Baby aged under 1 in household
- Minority ethnic household
- Lone parent household
- Mother aged under 25

Many BME families will fall into multiple categories of priority, but there are gaps in the research so far about the intersections between the priority family types and the associated poverty risk.

119. Scottish Government (2010), **Growing up in Scotland: The Circumstances of Persistently Poor Children.**

120. Cabinet Office (2017-revised March 2018), **Race Disparity Audit.**

121. Scottish Government (2018), **Every child, every chance: tackling child poverty delivery plan 2018-2022.**

The Scottish Government has proposed the Scottish Child Payment as a significant investment in tackling child poverty through social security, from which the main objective is to help secure at least a 3-percentage point reduction in the relative child poverty rate. Payments to low income families with a child under six are expected to be made from February 2021; the rollout to all low-income families with a child under 16 is planned for the end of 2022.

The Scottish Child Payment will be £10 per week paid to lower-income families in receipt of qualifying benefits for every child aged under 16 years old - equivalent to £520 per year.

EVERY CHILD EVERY CHANCE: CHILD POVERTY IN MINORITY ETHNIC FAMILIES.

In 2019, a Scottish Government progress report took an in-depth look at child poverty and its drivers among minority ethnic families, due to their priority family type status.¹²² This provided ethnic breakdowns for the Child Poverty Measurement Framework (CPMF) indicators and policy implications. Data for the indicators showed:

- A higher percentage of minority ethnic children live in workless households - 16.4% compared to 11.7% of all children in Scotland
- Working-age adults in working minority ethnic households with children work an average of 24 hours per week, compared to 32 hours per week for all households with children
- Minority ethnic households with children earn an average of £10.06 per hour, compared to £12.15 per hour for all households with children
- On skills under-utilisation, 27.8% of minority ethnic graduate parents who are working are in low and medium skilled occupations, compared to 16.7% of all graduate parents
- 16.4% of minority ethnic parents have low or no qualifications, compared to 7.7% of all parents
- Minority ethnic households with children spend 17% of their net household income on housing costs, compared to 11% for all households with children

122. Scottish Government (2019), *Every Child Every Chance, First Year Progress Report 2018-19, Annex C.*

It was found that understanding what is driving the higher risk of child poverty among minority ethnic families is challenging due to a lack of data availability. For many indicators, data was not available and, where it is available, data is published for multi-year periods rather than annual data where trends can be tracked more easily. Generally, individual minority ethnic groups were combined into a single minority ethnic category, meaning that the potentially substantial variations between these communities are obscured.

TACKLING CHILD POVERTY DELIVERY PLAN YEAR TWO.

In 2020, the Scottish Government published their most recent update on actions, plans and progress towards the child poverty targets. This included the most recent statistics on poverty rates for the priority groups:

TABLE 2: CHILDREN IN POVERTY AFTER HOUSING COSTS [%], 2015-18 AND 2016-19

Priority Group	Relative poverty (%)		Absolute poverty (%)		Low income and material deprivation (%)	
	2015-18	2016-19	2015-18	2016-19	2015-18	2016-19
Disabled person in household	30	30	27	27	20	20
3+ children in household	32	31	30	28	20	18
Baby aged under 1 in household	32	32	31	30	12	13
Minority ethnic household	40	44	37	41	18	23
Lone parent household	41	39	36	34	28	27
Mothers aged under 25	56	*123	51	*	26	*
All children	24	24	22	21	12	12

Scottish Government (2019), [Tackling child poverty: first year progress report \(2018 to 2019\)](#);

Scottish Government (2020), [Tackling Child Poverty Delivery Plan Second year progress report 2019-20](#)

123. Statistics for mother aged under 25 not available for 2016-19.

Table 2 shows the higher rates of relative and absolute poverty for BME households compared with most other priority groups. Additionally, the table shows that across all measures child poverty rates have risen amongst minority ethnic families despite anti-poverty actions. From 2015-18 to 2016-19 there was a rise in the relative and absolute poverty rates of 4% and a rise in the low income and material deprivation rate of 5%.

Across all child poverty measures, rates of poverty for children in minority ethnic families have risen in recent years.

Contrastingly, all other priority family groups for whom statistics were available either experienced poverty rates maintaining or reducing slightly – no other groups saw a rise in poverty rates amongst any of three measures. Children in minority ethnic families were the only priority family type for whom poverty rates increased, and this increase was not insignificant.

This shows that, whilst the Scottish Government's anti-poverty actions may be having a significant impact for some priority groups, they are not having a significant impact for minority ethnic families. Despite the identification of BME families as a priority family type, the high likelihood of BME children being in poverty relative to those in other priority family types and the demonstrable rising poverty rates for BME children, the Scottish Government has thus far set few specific actions and no specific target to reduce poverty in BME families.

FAMILY SIZE.

The number of children in a family matters for poverty: the more children, the higher the everyday costs and, although there may be some increase in social security income, family income is not always sufficient to escape poverty. Higher poverty rates amongst larger families are why three or more children families are another one of the priority groups for the Scottish Government. Certain BME groups are more likely to have three or more children, with 2011 Census results analysis showing that:

- 36% of families of Pakistani origin
- 32% of families of Arab origin
- 26% of families of Bangladeshi origin, and
- 24% of families of African origin had three or more children¹²⁴

124. Scottish Government (2019), *Every Child Every Chance, First Year Progress Report 2018-19, Annex C*.

This compares to an overall average of 13% of families in Scotland with three or more dependent children. Parents of larger families, in particular, mothers are less likely to be in full time employment, usually due to the cost of childcare. However, regardless of employment status, larger families tend to be highly vulnerable to changes to social security. Recent social security reforms such as the benefit cap,¹²⁵ benefit freeze and the two-child limit¹²⁶ have a direct impact on child poverty rates, particularly for children in families with three or more children. Of the households in Scotland affected by the benefit cap, 91% contain children and 87% of them are larger families with three or more children.¹²⁷ Although the Scottish Government is using Discretionary Housing Payments to partially mitigate the benefit cap, this has not prevented all adverse outcomes and it is not clear for what period of time the policy will continue.¹²⁸

Positively, with the new Scottish Child Payment there will be no limit or cap on the number of eligible children within each family supported by the payment. It is likely that the introduction of the payment, beginning in 2021, will reduce financial pressures for many families with a positive impact on child poverty levels. This may be particularly significant for BME groups with larger families. Eligibility for the Scottish Child Payment will be based on receipt of other benefits, such as Universal Credit. This means that measures to ensure take up will rely on access to social security more generally which, as mentioned, may be an issue for certain BME groups.

CHILDCARE.

Childcare can be a significant factor in poverty levels due to both cost and accessibility. For example, a lack of affordable childcare can limit opportunities for paid employment as the cost of childcare can negate earnings from employment. Quality, affordable childcare can therefore help support people in overcoming disadvantage and moving out of poverty. Research within Scotland by Close the Gap has highlighted how, for BME women, childcare responsibilities are a key barrier to entering and progressing within employment, finding:¹²⁹

- BME women find it difficult to plan work around childcare with women forced to use sick leave and annual leave to manage their caring roles due to the inflexibility of both working practices and childcare provision

125. The benefit cap, introduced in 2013, is a UK policy that sets a limit on the total annual payment a household can receive from means-tested benefits.

126. The two-child limit meant the child element of benefits was limited to the first two children for any family that has a third (or subsequent) child after 1 April 2017.

127. Scottish Government (2019), **Welfare reform: annual report 2019**.

128. Shelter (2019), **The Impact of Social Security on Housing in Scotland**.

129. Close The Gap (2018), **Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland**.

- Accessing affordable, appropriate childcare is a particular challenge for some recent migrant BME women. The absence of informal networks to help with childcare increased the burden of childcare, limiting their ability to enter the workforce or increase their working hours
- Some BME women did not feel comfortable using formal childcare or may be unaware of the services available to them. There were perceived difficulties in preserving minority cultures within childcare settings
- BME women reported a lack of cultural sensitivity, which in part is a cause and consequence of a lack of workforce diversity; the early years workforce in Scotland is overwhelmingly white

The Race Equality Action Plan 2017-2021 and Early Learning and Childcare (ELC)

Almost doubling ELC provision to 1140 hours by 2020. Local authorities asked to ensure that their expansion plans ensure accessibility for all families and they will be expected to consider the impact of expansion on families of all ethnicities, taking into account cultural and religious needs where relevant, to ensure that provision is accessible to all.

Publish an on-line resource for parents, including minority ethnic families, to empower them to make choices about the right ELC setting or combination of settings for their child.

Create an ELC workforce which better reflects wider society including from minority ethnic communities. The expansion of ELC will require up to an estimated 11,000 additional staff across a range of roles.

Include equality as a theme of the 2018-19 Blueprint Action Plan for Early Learning & Childcare. An equality impact assessment will be carried out on the expansion, to ensure that high quality ELC is accessible to all families.

The REAP commits the government to several actions on childcare. Specifically, in relation to race equality, the aim is to create an ELC workforce which better reflects wider society. There is a current under representation of BME individuals within the ELC workforce; data suggests that only 1% of the ELC workforce are BME.¹³⁰ However, amongst the estimated 11,000 additional staff to be recruited, there were no BME targets given with regards to this. Additionally, there is an unstated need for more BME individuals not just in the general ELC workforce, but also within graduate-level and leadership ELC roles.

130. Skills Development Scotland (2019), [Achieving Diversity in the Scottish Early Learning and Childcare Workforce](#).

There is an urgent need for the collection and evaluation of data on ELC service provision to make sure BME families are able to access childcare in proportion with the population. Whilst the Scottish Government publish data on some demographic figures for ELC registrations, ethnicity is not currently published.¹³¹ Without this, it will be hard to see tangible results in terms of ensuring access to ELC for BME families.

The Scottish Government had planned to almost double free ELC provision by 2020 – however, Covid-19 has meant this commitment has now been delayed. Regardless of when this comes into place and the level of the commitment, the accessibility of ELC remains an important consideration. Accessibility is not simply an issue of affordability. Close the Gap's research suggests that flexibility, culturally sensitivity and workforce representation are also critical issues in ELC provision.¹³²

It is essential that BME families have access to appropriate childcare provision to ensure economic and social equality. Increasing levels of accessible ELC will improve outcomes for children while having the potential to support parents into employment, training or study, contributing to lower poverty levels.

POLICY AND RESEARCH IMPLICATIONS.

Given the UK Government's policy direction, the wider economic context and the impacts of Covid-19, child poverty is likely to continue increasing in Scotland over the coming years despite the level of policy attention given to it by the Scottish Government. The three main drivers of child poverty in Scotland are known to be income from work and earnings, costs of living and income from social security.¹³³ Addressing child poverty will therefore require attention to in-work poverty, employment, costs of living and the role of the social security system.

Attention is required to ensure that the search for the 'biggest impact' to meet ambitious child poverty targets by 2030 does not lead to a disproportionate focus on the largest sub-populations, to the point that we lose sight of smaller populations groups impacted by poverty and the particularities of the poverty that they experience.¹³⁴ Statistics show that that across all measures of child poverty, rates have risen amongst minority ethnic families despite anti-poverty actions. In contrast to all other priority family types for whom statistics were available, minority ethnic families were the only group to see any rise.

131. Scottish Government (2018), **Early Learning and Childcare - Additional Tables - 2018**.

132. Close The Gap (2018), **Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland**.

133. Poverty and Inequality Commission (2018), **Advice on the Scottish Government's Child Poverty Delivery Plan 2018**.

134. J. McKendrick (no date), **Single Minded? The Child Poverty (Scotland) Act and lone parent households**. Poverty and Inequality Commission.

There must be a policy recognition that child poverty within BME communities is driven by factors that apply to all children in poverty, as well as factors which are specific or more significant for BME families.

For BME families, what may be most crucial in addressing child poverty rates is addressing income from work and earnings through increasing access to appropriate job opportunities. As mentioned, BME people face structural barriers in their navigation of the labour market with higher rates of unemployment, generally lower wages and a greater risk of in-work poverty. This poverty risk from poor employment opportunities is exacerbated by high housing costs and a lack of access to accessible and affordable childcare.

In terms of tackling child poverty within BME families, it is notable that beyond being recognised as a priority family type, current measures fall short of the radical measures needed to see a substantial reduction in BME child poverty rates. Within the REAP, two of the three key actions on child poverty related to considerations of ethnicity (resulting in the publishing of an Equality Impact Assessment and the report *Every Child Every Chance: child poverty in minority ethnic families*)¹³⁵ rather than action which would have a direct impact on poverty levels. The third key action, the introduction of a Financial Health Check, was not specific to BME families – rather BME families were a target group. Further, all actions in the REAP were in Year 1 (2017-18) or Year 2 (2018-19) of the plan, which means there are currently no key REAP actions on child poverty which are specific to BME groups.

Whilst it is encouraging there have been Scottish Government investigations into the drivers of poverty amongst BME families, through the aforementioned report, there is a need for key actions to now be outlined. This is especially so in light of the recent stark figures on rising poverty rates for minority ethnic children. The Scottish Government recognises that understanding what drives the higher risk of child poverty among minority ethnic families is hampered by challenges with data availability. One immediate measure, then, should be to rectify this.

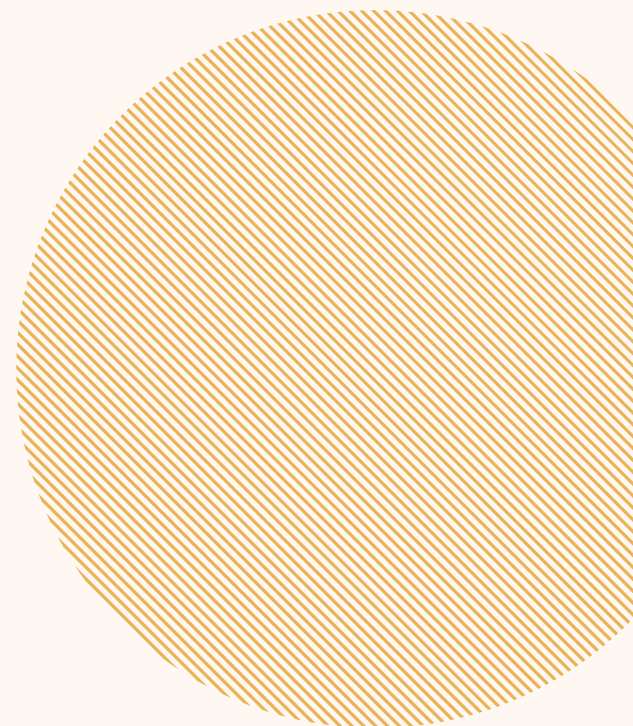
Minority ethnic child poverty figures need to be disaggregated by specific ethnicities in order to better target anti-poverty efforts. Additionally, data on poverty prevalence within minority ethnic families should be made available year-on-year instead of the current multi-year time period, which makes tracking the impacts of anti-poverty measures difficult. Further measures to gather data on ethnicity for the Child Poverty Framework (CPF) indicators should be considered. As the Scottish Government's report shows,¹³⁶ currently only 5 out of a possible 16 CPF indicators have ethnicity data. This leads to critical gaps in knowledge – for example, the percentage of BME children registered for Free School Meals in Scotland is currently unknown.

135. Scottish Government (2018), *Tackling Child Poverty Delivery Plan 2018-2022 Annex 3: Equality Impact*; Scottish Government (2019) *Every Child Every Chance, First Year Progress Report 2018-19, Annex C*.

136. Scottish Government (2019), *Every Child Every Chance, First Year Progress Report 2018-19, Annex C*.

Importantly, data showing the alarming rise in child poverty for BME families predates the Covid-19 pandemic, in which those who were already struggling have been hardest hit economically, whilst others have been swept into poverty for the first time. Structural racial inequality means that BME people may have found it harder to cope economically both during the pandemic and from the resultant fallout. This will increase the number of BME families in poverty and deepen poverty levels for those already experiencing it.

Urgently, the Scottish Government needs to re-address their commitment to reducing poverty rates for minority ethnic children. This is the priority group for whom poverty rates are growing quickest, and current measures are not making an impact. Ambitious plans are needed to eradicate child poverty in the aftermath of the Covid-19 outbreak, with specific focus on the needs of minority ethnic families. Without this, a generation of minority ethnic children will be left behind in the fight against child poverty.



YOUNG PEOPLE AND POVERTY.

Despite generally high educational achievement, young BME people are more likely to be unemployed compared to the rest of the population.

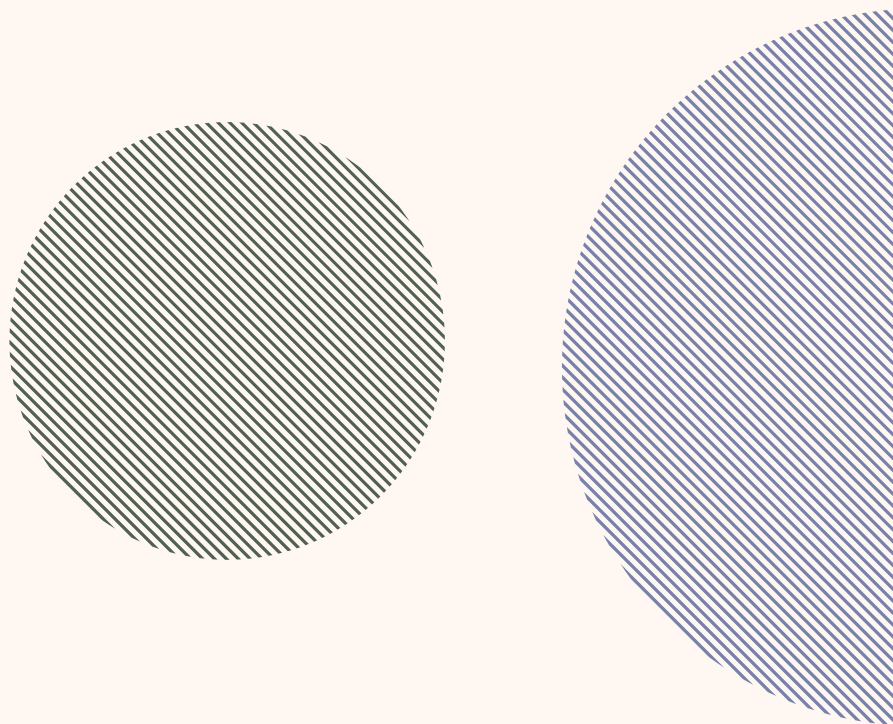


Young people are at a particular risk of poverty and rates amongst younger age groups tend to be higher than for older age groups.

This can be due to a variety of reasons, including that young people tend to live in private rented accommodation, spend a greater amount of their income on housing costs and are less likely to be established in careers or to have assets. There is also evidence that wealth has been distributed away from younger people in the UK.¹³⁷

In the labour market, there has been a growth in part time jobs, and increases in self-employment, insecure working, and underemployment. Young adults are especially affected by these shifts: underemployment and insecurity in the form of zero-hour contracts and an increase in cycling between low paid, short term work and unemployment have been identified as key issues for young people in Scotland.¹³⁸ At a UK level, it is known that BME young people are 47% more likely to be on a zero hours contract than white young people.¹³⁹ BME young people are also 4.2% less likely to have permanent contracts compared to white young people.¹⁴⁰

Young people who grew up in poverty are at a particular risk of staying in poverty throughout their lives and can face multiple barriers in navigating their way to financial security. This is a particular issue for BME groups in Scotland due to previously mentioned lower social mobility and generally higher poverty rates alongside the young age profile of BME groups. A large proportion of Scotland's BME population are young; in the 2011 Census, all BME groups in Scotland had a younger age profile than white groups.¹⁴¹



137. Scottish Government (2017), **The Life Chances of Young People in Scotland: Evidence Review.**

138. Ibid.

139. Business in the Community (2020), **Ethnicity and the economic impact of Covid-19.**

140. Ibid.

141. Scotland's Census (2014), Census 2011: **Detailed characteristics on Ethnicity, Identity, Language and Religion.**

The Race Equality Action Plan 2017-2021 and young people.

Working with the Developing Young Workforce Regional Groups to encourage more employers to offer work placements for young people in school and college, including those from minority ethnic groups.

We will build on the Developing the Young Workforce commitment to embed the Career Education Standard and ensure the partnership group considers the barriers and enhancements that need to be made to existing services to meet the needs of all young people, including those from minority ethnic groups.

Working with our delivery partners to actively promote the participation of minority ethnic young people in NHS Scotland Boards' youth employment activity, including new employment, work experience, development and training opportunities.

We will work with stakeholders to promote an evidence-based approach to ensuring the right support is in place to help minority ethnic graduates enter employment.

THE LIFE CHANCES OF YOUNG PEOPLE IN SCOTLAND.

Shifting the Curve, the report by the First Minister's Independent Advisor on Poverty and Inequality Naomi Eisenstadt, recommended that the Scottish Government commission an evidence review of the research concerning young people's life chances (although it needs to be noted that no similar recommendation was made in relation to wider race and poverty matters). The Life Chances of Young People in Scotland was published in 2017 and had a focus on the transition from school to adulthood.¹⁴² The report investigated the impact of disadvantage and protected characteristics on life chances.

142. Scottish Government (2017), [The Life Chances of Young People in Scotland: Evidence Review](#).

One of the main groups the report looked at was young BME adults, with the review noting that:

- BME people with good qualifications face greater barriers to finding work which matches their qualifications compared with the white majority ethnic population
- Compared with white young adults, BME young adults have lower rates of employment
- Pupils from most BME groups have higher educational attainment than pupils from white groups, with BME young people having a higher rate of participation in education, training, and employment than the national average
- BME young people are more likely to continue in education, particularly higher education, compared to their white counterparts

ATTAINMENT.

The Scottish Government has a particular policy and monetary focus on closing the poverty-related attainment gap. However, even those BME groups in Scotland who face the highest levels of poverty have high educational attainment. Data on achievement for Scottish Credit and Qualifications Framework (SCQF) levels related to literacy and numeracy in primary schools shows strong performance rates for BME pupils, and this continues through to secondary school.¹⁴³ On leaving school, BME pupils tend to have achieved higher level qualifications:

TABLE 3: SCHOOL LEAVERS ATTAINING 1 OR MORE AWARD AT SCQF LEVEL 4, 5, 6 OR ABOVE [%], 2018/19

Ethnicity	1 or more at SCQF Level 4 or better	1 or more at SCQF Level 5 or better	1 or more at SCQF Level 6 or better
White - Scottish	95.9	84.9	59.7
White - non-Scottish	95.5	84.1	61.1
Mixed or multiple ethnic groups	96.7	89.5	71.8
Asian - Indian	* ¹⁴⁴	93.7	76.7
Asian - Pakistani	97.9	92.7	72.7
Asian - Chinese	100	97.4	91.7
Asian - Other	*	90.6	77.1
African/Black/ Caribbean	97.8	91	70.6
All leavers	95.9	85.1	60.5

Scottish Government (2020), [Summary Statistics for Attainment and Initial Leaver Destinations](#)

143. Scottish Government (2019), [Revised ACEL 1819 Tables and Charts](#).

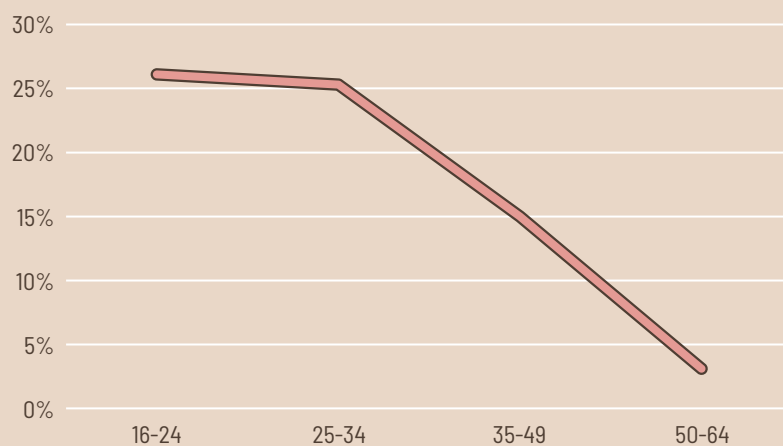
144. Suppressed.

The data generally shows that for all SCQF Levels 4 or better, nearly every non-white minority ethnic group out-performed their white – Scottish or white non-Scottish counterparts. This is a pattern which has been revealed over a number of years in Scottish schools. However, research indicates that in Scotland, educational attainment is not necessarily a route out of poverty for BME children and young people.¹⁴⁵

EMPLOYMENT.

Young BME people are less likely to be in employment than their white counterparts. In 2019, 6.7% of BME 16-19-year olds were in employment compared to 18.9% of white 16-19 year olds, and this has been the case for a number of years.¹⁴⁶ Patterns of lower employment in this age group can partially be attributed to a higher proportion of BME young people in education. However, this lower employment rate persists after the age young people generally leave college and university and is still prevalent within the 25-34 age group:

FIGURE 15: EMPLOYMENT RATE GAP FOR MINORITY ETHNIC POPULATION COMPARED TO WHITE POPULATION BY AGE GROUP [%], 2019.



Scottish Government (2020), [Scotland's Labour Market: People, Places, and Regions - Statistics from the Annual Population Survey 2019](#)

The gap in the employment rate for the minority ethnic population compared to the white population in Scotland is much larger for younger age groups. Figure 15 shows for the 16-24-year-old age group there is a 26.1% gap between minority ethnic and white employment rates, which only reduces slightly for 25-34-year-olds to 25.3%.

145. Joseph Rowntree Foundation (2011), [A review of poverty and ethnicity in Scotland](#).

146. Skills Development Scotland (2019), [Annual Participation Measure for 16 -19 year olds in Scotland 2019](#).

Significantly these are the years where career establishment, progress and development generally take place. Youth unemployment has been found to have a long term 'scarring' effect on future earning potentials and increases the likelihood of recurrent unemployment¹⁴⁷ – impacting on the risk of poverty long after the fact.

HIGHER AND FURTHER EDUCATION.

BME young people have a consistently greater rate of participation in education than their white peers; 87.3% of BME people aged 16-19 were engaging in higher, further or school level education vs 70.5% of white people of the same age group in 2019.¹⁴⁸ High numbers of BME young people use academic success at school to pursue higher and further education qualifications. However, despite the long-term dominance of education as a post-school destination, this has not given BME communities an edge in the labour market with higher unemployment rates, lower wages and less career progression still notable. Recent statistics released in 2020 on post-graduation destinations highlight disparate outcomes¹⁴⁹ for BME graduates compared to white graduates in Scotland:

TABLE 4: GRADUATE OUTCOMES BY ETHNICITY IN SCOTLAND [%] ACADEMIC YEAR 2017/18

Ethnicity	FT Employment	PT Employment	Voluntary/ Unpaid work	Employment & further study	Further study ¹⁵⁰	Other ¹⁵¹	Unemployed ¹⁵²
White	62	11	1	10	6	5	4
Black	51	11	4	8	8	6	11
Asian	55	10	1	9	9	7	8
Mixed	57	8	1	14	8	7	5
Other	50	13	2	13	10	3	9
Total	62	11	1	10	6	5	4

HESA (2020), **Higher Education Graduate Outcomes Statistics: UK, 2017/18 - Graduate activities and characteristics.**¹⁵³

147. P. Gregg and E. Tominey (2004), **The Wage Scar from Youth Unemployment.** University of Bristol.

148. Skills Development Scotland (2019), **Annual Participation Measure for 16 -19 year olds in Scotland 2019.**

149. Outcomes are for post graduate destinations for Scottish domiciled students attending Scottish institutions.

150. Part time and full time.

151. Other including travel, caring for someone or retired.

152. Including unemployed and due to start work and unemployed and due to start further study.

153. Experimental Statistics.

Table 4 shows that white Scottish graduates in 2017/18 were consistently more likely than their BME graduate counterparts to have entered full time employment. In particular, Black graduates were less likely to go into full time employment with a rate of 51% vs 62% of white graduates.

Furthermore, unemployment rates are higher for all BME groups compared to the white majority group. Asian graduates are twice as likely to be unemployed compared to white graduates with 8% vs 4% graduate unemployment rates. Black graduates are almost three times as likely to be unemployed compared to white graduates, with a rate of 11% vs 4%. These statistics are a snapshot in time but are contextualised by research, which suggests that minority ethnic people in Scotland face greater barriers to finding work which is commensurate with their qualifications compared to the majority white population.

BME graduates in Scotland are less likely to go into full time employment and are up to three times more likely to be unemployed compared to white graduates.

A recent report on the labour market disadvantage of minority ethnic graduates in the UK found that six months after graduation, minority ethnic graduates were less likely to have a job than white graduates but, in employment, did not experience an initial pay gap.¹⁵⁴ Three and a half years after graduation, however, a pay gap emerges alongside a persistent employment gap. The reasons for labour market disadvantages included minority ethnic young people:

- Attending less prestigious universities
- Being awarded lower degree classifications than white British students with similar qualifications upon entry to university
- Being less likely to come from high social class backgrounds and therefore not using parental social networks to get employment to the same extent as white British students

There is a lack of research on graduation destinations and disparities in the progression from education to employment for BME groups specifically in Scotland. However, it is probable that similar issues are taking place within Scotland contributing to lower BME graduate employment rates. Generally, young people in Scotland with further or higher education qualifications have higher employment rates than those with lower qualifications. However, for BME young people it seems that investment in education is less of a guarantee of employment which increases risk of poverty.

154. Institute for Social and Economic Research (2016), [Labour market disadvantage of ethnic minority British graduates](#).

MODERN APPRENTICESHIPS.

For young people leaving school, Modern Apprenticeships (MA) can support employability and enable individuals to develop workplace skills in a non-academic context. In 2016, 91% of MAs who completed their apprenticeship were still in work six months later and 67% were employed with the same employer.¹⁵⁵ Higher levels of unemployment for young BME groups means that apprenticeships could be a crucial tool in providing sustained employment opportunities.

Within the REAP, there is a commitment from the Scottish Government to work with Skills Development Scotland to annually review their Equality Action Plan for Modern Apprenticeships to monitor progress. Additionally, in recognition of historically low levels of participation, a target has been set to increase the percentage of BME MA starts:

TABLE 5: BME MODERN APPRENTICESHIP STARTS (%), 2015/16 - 2018/19

Year	2015/16	2016/17	2017/18	2018/19	2021 Target
MA starts from a BME group (%)	1.5	1.7	1.9	2.3	5.1

Skills Development Scotland (no date), [Guide to engaging with BME Communities](#)

However, despite this 5.1% target, in 2018/19 only 2.3% of MA starts in Scotland were BME.¹⁵⁶ Given the relatively young age profile of BME groups in Scotland, it might be expected that a much larger proportion of MAs would be BME. Without the percentage of BME MA starts more than doubling, it seems very unlikely that the 2021 target will be met.

Notwithstanding current measures focussing on promoting MAs to BME groups, inequalities in the labour market seem to be reflected in the take up of MAs. The attractiveness of MAs to certain BME groups may be a factor, but the lack of open recruitment of many positions and routine discrimination should also be considered against the low numbers of BME young people attaining positions and completing MAs. Substantial progress is needed for MAs to be open and accessible to people of all ethnicities in Scotland.

155. Skills Development Scotland (2016), [Modern Apprenticeship; Intermediate Outcomes](#).

156. Notably this is the percentage of BME people who start a MA and not those who achieve their MA. Generally, BME individuals have a slightly lower rate of MA achievement compared to their white counterparts.

Although apprenticeship places and related employment opportunities are not a guarantee against poverty, unemployment is closely associated with high poverty rates. Given poorer employment outcomes for higher education graduates from a BME background, greater rates of entry into MAs for BME young people has the potential to open up routes towards non-traditional career paths which could increase employment rates whilst reducing occupational segregation and tackling poverty rates.

POLICY AND RESEARCH IMPLICATIONS.

The Scottish Government has invested a significant amount of money and policy attention on closing the poverty-related attainment gap. However, even those BME groups who face the highest levels of poverty have high educational attainment. This is crucial, as anti-poverty policy often focuses on raising attainment, and this will not benefit BME young people at risk of poverty who are high attainers. Additionally, because young white people (in particular young white men) already have greater social mobility and employment outcomes regardless of lower attainment,¹⁵⁷ raising attainment in this group could have the unintended effect of widening the employment and poverty gap for BME young people.

Despite generally high educational achievement, young BME people are more likely to be unemployed and, on employment, enter a narrower range of professions compared with the rest of the population. Whilst for the majority white population education tends to be a key driver of access to the labour market, the same is not the case for BME communities in Scotland. The core issue is not of under qualified BME young people but of institutionalised racial discrimination in the labour market.

Although all young people can face issues when seeking employment, especially quality employment, BME young people face disproportionate barriers in doing so. Being unemployed when young leads to a higher likelihood of long term 'scarring' in terms of lifelong earning and career potential; increasing the chances of ending up in poverty. Long term unemployment can affect individual's health, ambitions and confidence, decreasing their chances of obtaining quality employment.

157. Social Mobility Commission (2016), **Ethnicity, Gender and Social Mobility**.

WOMEN AND POVERTY.

For BME women, gender inequalities intersect with racial inequalities, resulting in a particularly high risk of poverty.



Poverty and gender are inextricably linked: women are, and have always been, more likely to experience poverty than men.

Women are more at risk of persistent poverty than men and, further, can find it harder to escape poverty.¹⁵⁸ For BME women, gender inequalities intersect with racial inequalities, resulting in a particularly high risk of poverty among BME women.

Statistics often measure poverty by household, so the true gendered extent of poverty is hidden as women generally have a lower income and fewer assets and may not be given an equal share of the income. Women's poverty is closely linked with child poverty and where women's disposable income is reduced, spending on children decreases.¹⁵⁹ Mothers' earnings are therefore a crucial factor in child poverty. Women tend to be 'poverty managers' and will often shield their families from poverty by going without food, clothing or warmth themselves.¹⁶⁰

Research on the impact of austerity on BME women in the UK showed that the poorest BME women in particular were disproportionately affected by the UK Government spending cuts since 2010.¹⁶¹ Across all income groups BME women experienced greater losses in proportion to their income than white women or BME or white men. BME women are more vulnerable to the impact of public spending cuts because they are more likely to be living in poverty, more likely to be living with dependent children and more likely to be living in large families.

The economic and social fallout of the Covid-19 crisis has also had a gendered impact. Research in April 2020 provided the following evidence on the unequal impact on women, and in particular, BME women:¹⁶²

- 42.9% BME women said they believed they would be in more debt, compared to 37.1% of white women, and 34.2% of white men
- A quarter (23.7%) of BME mothers reported that they were struggling to feed their children
- 42.9% of BME women said they would struggle to make ends meet over the next three months
- Around three quarters of women reported doing the majority of the housework or of the childcare during lockdown with similar results for BME women and white women. Nearly half of BME women (45.4%) said they were struggling to cope with all the different demands on their time, compared to 34.6% of white women and 29.6% of white men

158. Close The Gap Scotland (2018), **Women, work and poverty in Scotland**.

159. *Ibid.*

160. *Ibid.*

161. Runnymede Trust and the Women's Budget Group (2017), **Intersecting Inequalities: the impact of austerity on BME women**.

162. Women's Budget Group et al (2020), **BAME women and Covid-19 – Research evidence**.

STILL NOT VISIBLE.

In 2018, Close the Gap published a report entitled *Still Not Visible*, focussed on BME women's employment in Scotland. The report detailed barriers BME women face in employment, including in recruitment, training and development, underemployment, workplace culture, and caring responsibilities.¹⁶³ The findings included:

- Around three-quarters (72%) of survey respondents reported that they had experienced racism, discrimination, racial prejudice and/or bias in the workplace, with those working in the public sector more likely to report this
- Just over half of respondents (52%) who had experienced racism, discrimination and/or harassment in the workplace said that they did not report it. Of those who did, less than a quarter (23%) were satisfied with how their complaint was handled
- Around half of BME women (49%) felt that they had been overlooked for a development opportunity because of racism, discrimination, racial prejudice and/or bias, with this rising to 61% for those working in the public sector
- Almost half (47%) said that they had experienced racism, discrimination, racial prejudice, and/or bias when applying for a job, while 41% reported that they had experienced this at an interview for a job
- 42% of respondents indicated that they had experienced bullying, harassment or victimisation in the workplace because they are a BME woman
- Almost two-thirds (62%) of survey respondents said that their caring roles have affected their ability to do paid work and 59% of respondents with childcare responsibilities indicated that they do not use paid-for childcare

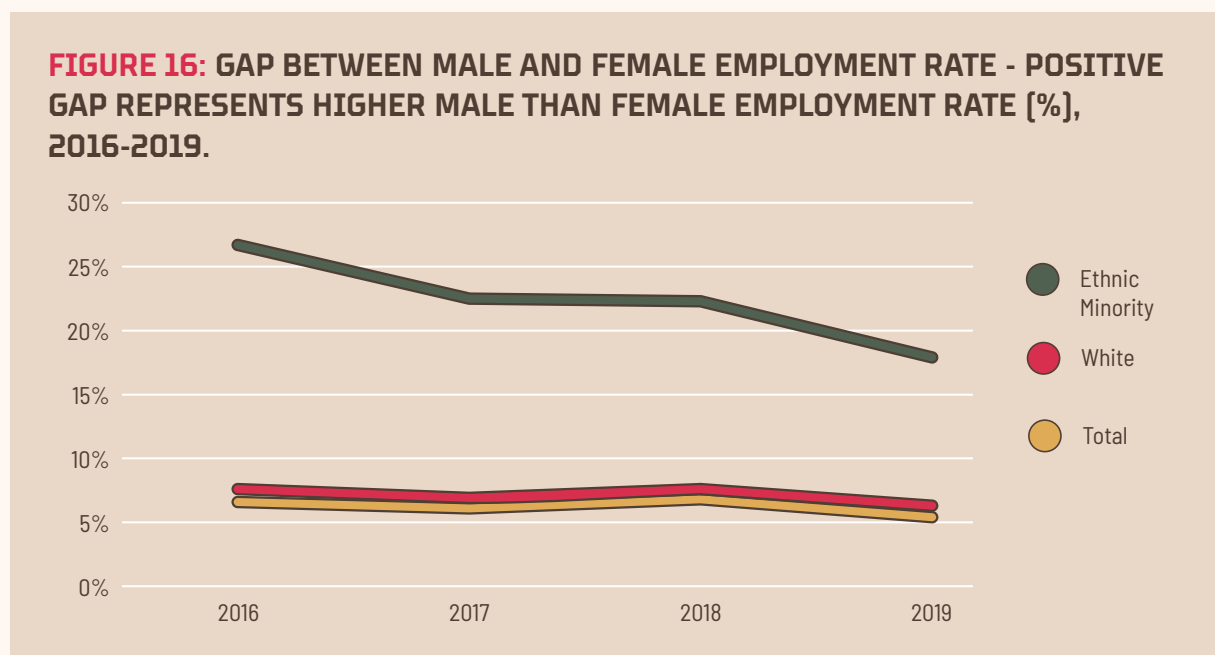
163. Close The Gap (2018), *Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland*.

EMPLOYMENT RATES.

Unemployment, especially repeated or long-term unemployment, increases the risk of poverty: it not only reduces household income, but can also damage career development in terms of both skills and aspirations, increasing the likelihood of continued poverty. However, access to employment is both gendered and differentiated by ethnicity.

In Scotland, the 2019 employment gap figures show that the minority ethnic employment gap was much higher for women than men: for women, the gap was 22 percentage points and for men it was 9.5 percentage points.¹⁶⁴

BME women are more likely than both white women and BME men to not be in employment, and this has been a consistent trend for a number of years:

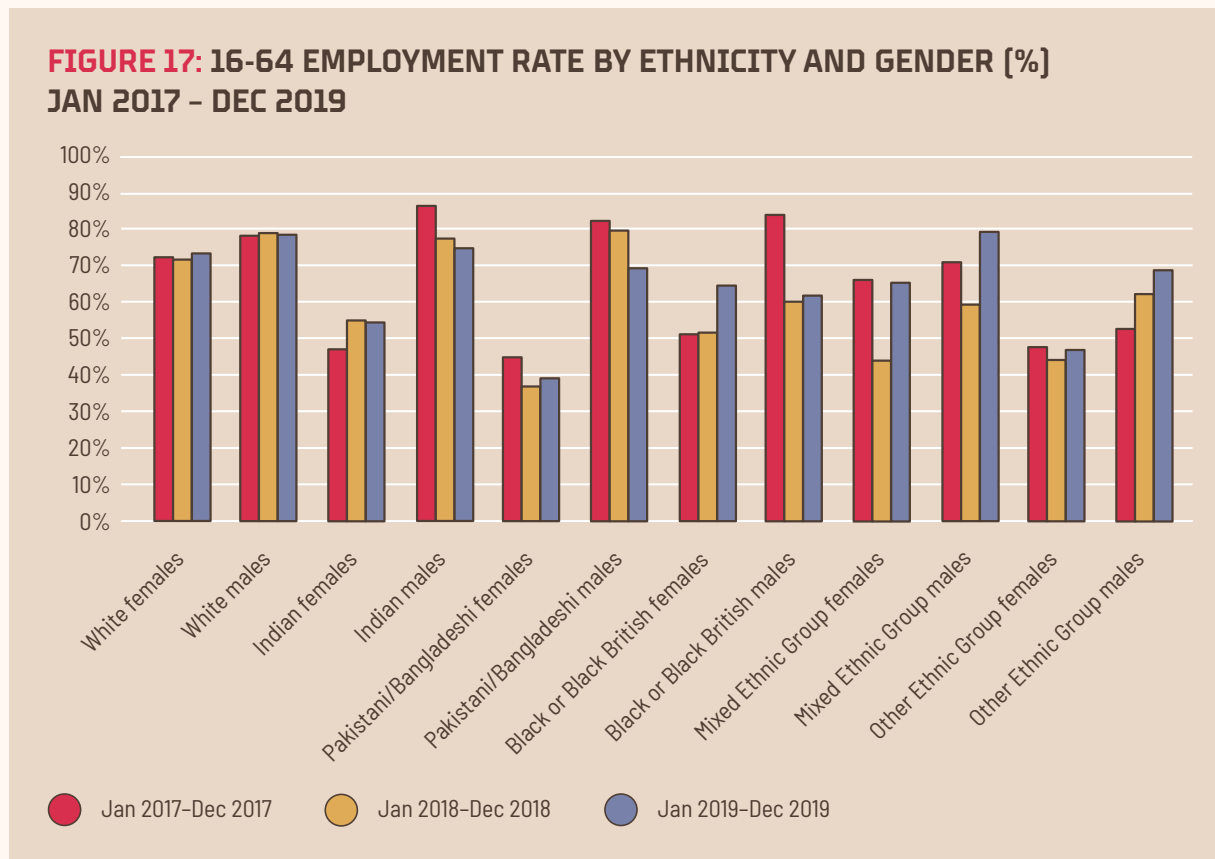


Scottish Government (2020), [National Performance Framework statistics](#)

As Figure 16 shows, both white women and minority ethnic women have an employment gap with men, however the gap for minority ethnic women is much larger. Despite recent progress, for BME people there is much less gender balance in employment rates.

164. Scottish Government (2020), [Scotland's Labour Market: People, Places, and Regions - Statistics from the Annual Population Survey 2019](#).

Employment rates are also available in more detail, showing which BME groups the gap impacts most:



Office for National Statistics (2020), [Annual Population Survey](#) [Data set]

Figure 17 highlights that, except for Black or Black British people in 2019, across all groups and years there is a higher rate of employment for men than women. In all BME groups, this gap is higher than the comparable gap for white people and is particularly high for Indian and Pakistani/Bangladeshi groups. However, the differences between various BME groups also highlights that BME women are not homogeneous: certain communities have specific barriers to employment and the risks of unemployment are not shared equally.

Lower employment rates show the impact of gender inequalities intersecting with racial inequalities to create higher rates of disadvantage in the employment market. Whilst for all BME people there is evidence that the outcome of job applications is affected by discrimination, such as name-based discrimination, BME women face additional levels of prejudice based on both gender and ethnicity throughout recruitment processes. These may, for example, include assumptions being made about caring responsibilities.

The European Network Against Racism's report, *Forgotten Women*, which looked at the experiences of women across the EU, found that in the UK, one in eight Pakistani women are asked about marriage and family aspirations in job interviews whereas only one in thirty white women are asked such a question.¹⁶⁵ Professors Anthony Heath and Yaojun Li have estimated that 25% of the female minority ethnic unemployment rate in the UK is the result of prejudice and discrimination.¹⁶⁶

Almost half (47%) of BME woman surveyed in Scotland experienced racism, discrimination, racial prejudice, and/or bias when applying for a job, with 41% experiencing this at a job interview.¹⁶⁷

ECONOMIC ACTIVITY.

Economic inactivity rates can contribute to a fuller understanding of the impact of gender and race on people's lives. Those classed as economically inactive are people without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks. The main groups are students, people looking after family and home, those who are sick and disabled, retired people and discouraged workers.¹⁶⁸ Table 6 shows economically inactive rates for April 2019 to March 2020:

TABLE 6: ECONOMIC INACTIVITY RATES - AGES 16-64 [%], APRIL 2019 - MARCH 2020

Group	Economic inactivity rates
White	22.1
Minority Ethnic	36.2
White men	18.9
Minority Ethnic men	26.8
White women	25.1
Minority Ethnic women	44.9

Data extracted from **NOMIS** based on Annual Population Survey, Scotland: April 2019 - March 2020

165. European Network Against Racism (2016), **Forgotten Women: The impact of Islamophobia on Muslim women.**

166. Runnymede Trust and the Women's Budget Group (2017), **Intersecting Inequalities: the impact of austerity on BME women.**

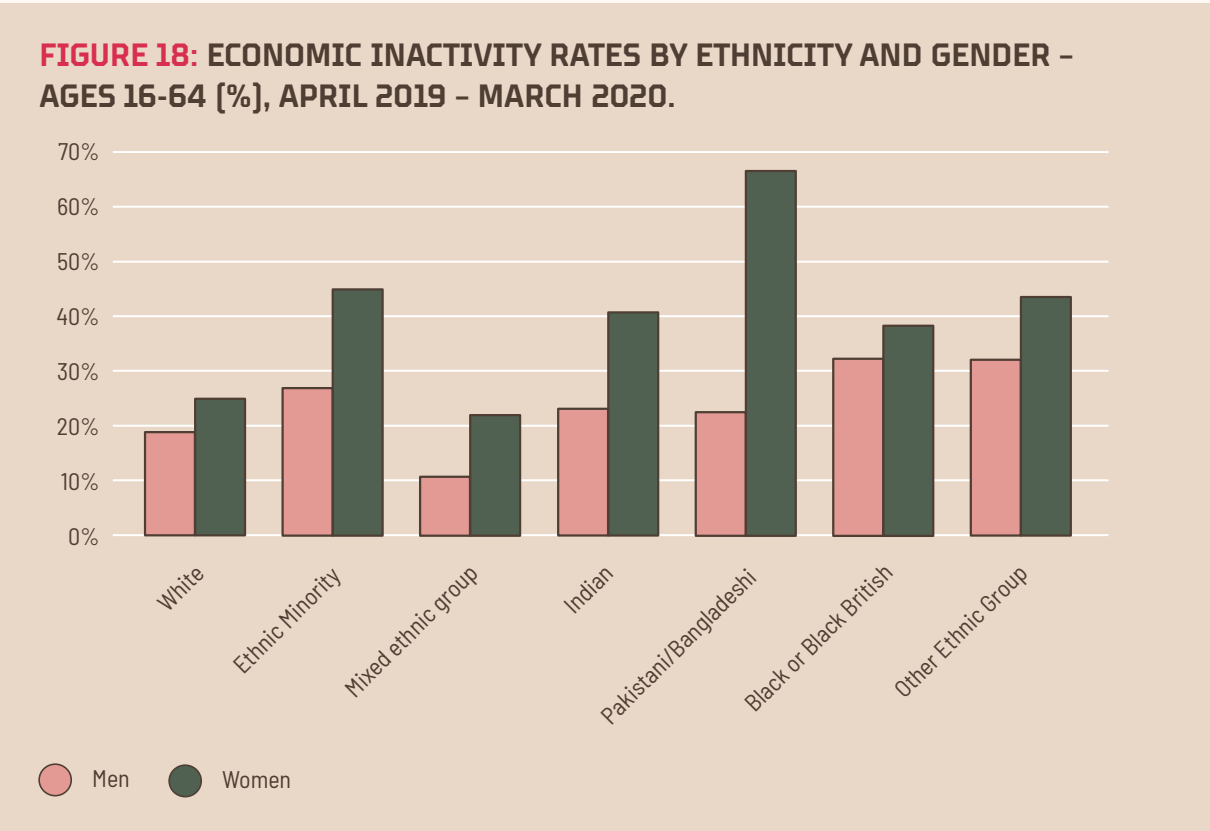
167. Close The Gap (2018), **Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland.**

168. Office for National Statistics (2020), **Labour market statistics.**

Table 6 shows minority ethnic women are far more likely to be classed as economically inactive than any other group, with approaching half of minority ethnic women (44.9%) economically inactive. Minority ethnic women are 1.7 times as likely as white women to be classed as economically inactive. Given that the minority ethnic population is significantly younger than the majority population with relatively few retired households, it seems likely that retirement is not a factor influencing excess economically inactive rates.

From these statistics, it seems possible that BME women are undertaking unpaid caring responsibilities of children, and/or other family members who are older, disabled or have a long term health condition, at a greater rate than any other group and therefore face greater practical and structural barriers to employment access. These gendered roles are likely to become even more pronounced in light of the Covid-19 pandemic, as when healthcare systems come under pressure it becomes increasingly likely that women will take on further caring responsibilities.¹⁶⁹

The likelihood of BME women having caring roles is therefore an important factor when considering inactivity rates and connected poverty rates. Figure 18 shows the economic inactivity data in more detail:



Data extracted from **NOMIS** based on Annual Population Survey, Scotland: April 2019 – March 2020

169. UN (2020), **The COVID-19 Outbreak and Gender**.

The chart shows that, whilst men in each ethnic group are more likely to be economically active than their female counterparts, there are also large variations between women of different ethnic groups. The mixed ethnic group of women are the least likely to have this status (22%), whereas Pakistani/Bangladeshi women are by far the most likely to be economically inactive at 67%.

These statistics show the gendered dimension of unpaid care with women twice as likely to give up paid work in order to care and women providing 70% of unpaid care in Scotland, but also that the way different groups participate in and experience the labour market is segmented along both gendered and racial lines.¹⁷⁰ As BME women face structural and practical barriers in accessing the labour market, it is likely that the risk of poverty for this group is high due to lost potential earnings. Being unable to access the labour market has a direct link with current experience of poverty and can also predict poverty in future years.

LOW PAY AND IN-WORK POVERTY.

Where women can find employment, they are often still overrepresented in low paid, part time and insecure forms of employment which contributes to higher risks of poverty. For women in paid employment, the pay they receive, sectors of employment and the level of security they have in their jobs vary significantly relative to men and by ethnicity.

The gender pay gap is caused by a combination of factors: the unequal impact of caring roles and a lack of support for mothers' career progression, occupational segregation of women into more low-paid, undervalued work, discrimination against women, and the under-representation of women at the top of the pay scale. The gender pay gap is also shaped by racial inequalities. UK wide analysis of the ethnicity/gender pay gap by the Fawcett Society has found that many minority ethnic women have been 'left behind' by pay gap progress:¹⁷¹

- Black African women have seen virtually no progress since the 1990s in closing the gender pay gap and earn 24% less than white British men
- Pakistani and Bangladeshi women experience the largest gender pay gap with white British men at 26.2%. However, the gap between Pakistani and Bangladeshi women and men is just 5.5%, indicating that Pakistani and Bangladeshi men are trapped in low paid work as well

170. Close The Gap (2018), **Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland.**

171. The Fawcett Society (2017), **Gender Pay Gap by Ethnicity in Britain.**

- Indian women experience the biggest pay gap with men in their ethnic group at 16.1%
- The exception to the gender pay gap is Black Caribbean men who are faring considerably worse in the labour market both in terms of pay and participation than Black Caribbean women

In the UK, Pakistani and Bangladeshi women experience the largest gender pay gap, earning 26.2% less than white British men.

Women in Scotland are paid on average 15% less per hour than men and two-thirds of workers earning less than the living wage are women.¹⁷² However, there is a lack of intersectional data specific to Scotland to analyse how ethnicity and gender intersect to influence pay gaps and thereby poverty rates.

The motherhood penalty is frequently cited in research as one of the main causes of the gender pay gap. Almost half (48%) of mothers on low to middle incomes take a lower skilled part time job on their return to work after having children¹⁷³ and research has highlighted that the gender pay gap widens for mothers.¹⁷⁴ As mentioned, there can be significant costs involved in childcare and there is a question over whether childcare is accessible, not least in terms of affordability, for BME mothers and families.

Almost two-thirds of BME women surveyed in Scotland had caring roles which affected their ability to do paid work and 59% of respondents with childcare responsibilities indicated that they do not use paid-for childcare.¹⁷⁵

Although there is a lack of thorough research on how the motherhood penalty impacts specifically on BME women in Scotland it seems likely that due to cumulative labour market biases, BME mothers could suffer a worse wage penalty.

172. Close The Gap (2019), **Gender Pay Gap Statistics Working Paper**.

173. Close The Gap (2018), **Women, work and poverty in Scotland**.

174. Trade Union Congress (2014), **The Pregnancy Test: Ending discrimination at work for new mothers**.

175. Close The Gap (2018), **Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland**.

POLICY AND RESEARCH IMPLICATIONS.

The gender pay gap and related employment gap are key factors in women's higher levels of poverty in Scotland. BME women face additional barriers in accessing, navigating and progressing within quality employment. A significant and persistent issue is racist and sexist attitudes and discrimination against BME women in Scotland. Labour market inequalities are exacerbated for many women by caring responsibilities and expectations.

Tackling inequalities in the labour market is therefore critical to overcoming women's experiences of poverty. However, as the statistics show, BME women are not a homogeneous group with specific BME groups interacting with the labour market at different rates. In particular, Pakistani and Bangladeshi women have generally lower employment rates than other groups and have specific needs in overcoming barriers to the labour market. These are issues which have been raised many times in research and through community engagement.

Regardless, and even more so than with general BME unemployment, there is a tendency for the reaction to gendered and racialised employment gaps to concentrate on perceived deficits of groups. The focus therefore becomes individual rather than structural, with upskilling and English language learning the solution to decades of labour market inequality.

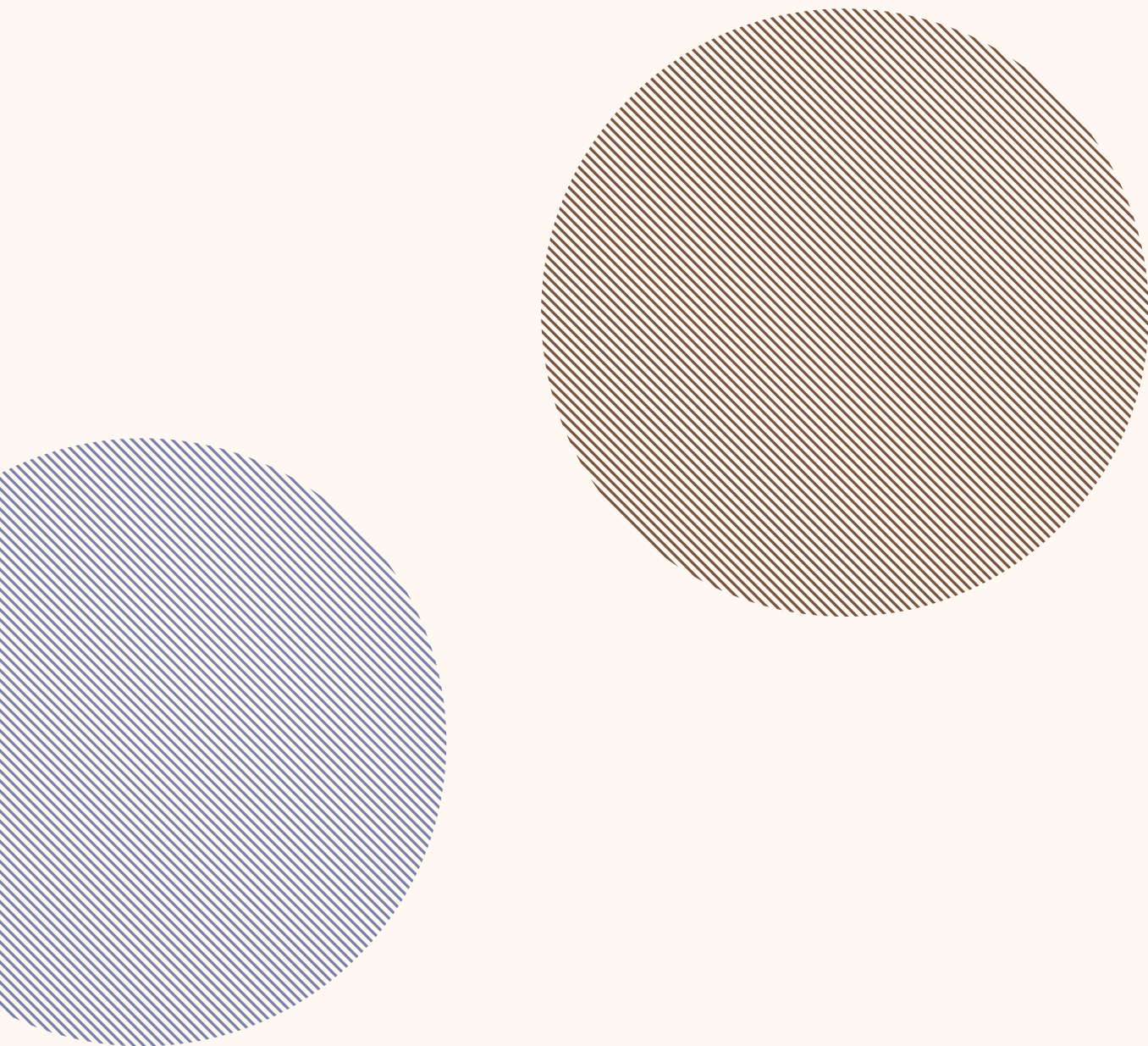
It is recognised that BME people in Scotland who are first generation migrants, especially those who have migrated to this country as adults, can face challenges in English language proficiency, social networks and labour market knowledge. This will have negative impacts on employment chances and opportunities for quality, sustained employment. However, even in second and further generations when English language fluency is absolute, many BME women continue to face disadvantage in employment, earnings and resultant poverty risk.

Further, BME women face prejudiced perceptions and judgements about their language skills and ability which are often not rooted in reality.¹⁷⁶ Large labour market inequalities cannot be explained fully by legitimate job-relevant factors such as skills, training and English language knowledge.

Within the REAP there was one action which related specifically to women, the creation of a Minority Ethnic Women's network. However, given the disproportionate risk of poverty and lower employment rates amongst BME women in Scotland it may be beneficial for future action plans to be more ambitious and to focus specifically on these interlinking issues with measurable outcomes.

176. Close The Gap (2018), **Still Not Visible: Research on Black and minority ethnic women's experiences of employment in Scotland.**

As Close the Gap conclude in their research report *Still Not Visible*, advancing BME women's labour market equality requires transformational change, with targeted action by both employers and policymakers necessary.¹⁷⁷ What is needed are structural solutions to an unequal labour market which challenge the status quo rather than individualised, deficit-based approaches. Equality in the labour market in terms of both access and quality of employment for BME women would reduce poverty rates and the associated negative social, health and societal outcomes.



177. *Ibid.*

CONCLUSIONS.

There is a need for an improved evidence base on poverty and ethnicity and further analysis of why the poverty risks are so high for certain BME groups.



The current research and evidence shows that in Scotland, inequality and discrimination makes being from a BME background a poverty risk factor; someone from a BME background is nearly twice as likely to experience relative poverty as someone from a white British background.

The risk of poverty is greatest for BME children. In the most recently available statistics, almost half (44%) of children in minority ethnic families were living in relative poverty.

There is a need for measures to address, for example, structural barriers in the labour market, high rates of unemployment and low pay, inequalities in housing and access to social security and quality childcare. Most critically, BME women and young people suffer a multitude of barriers in access to employment and opportunities which increases their risk of poverty.

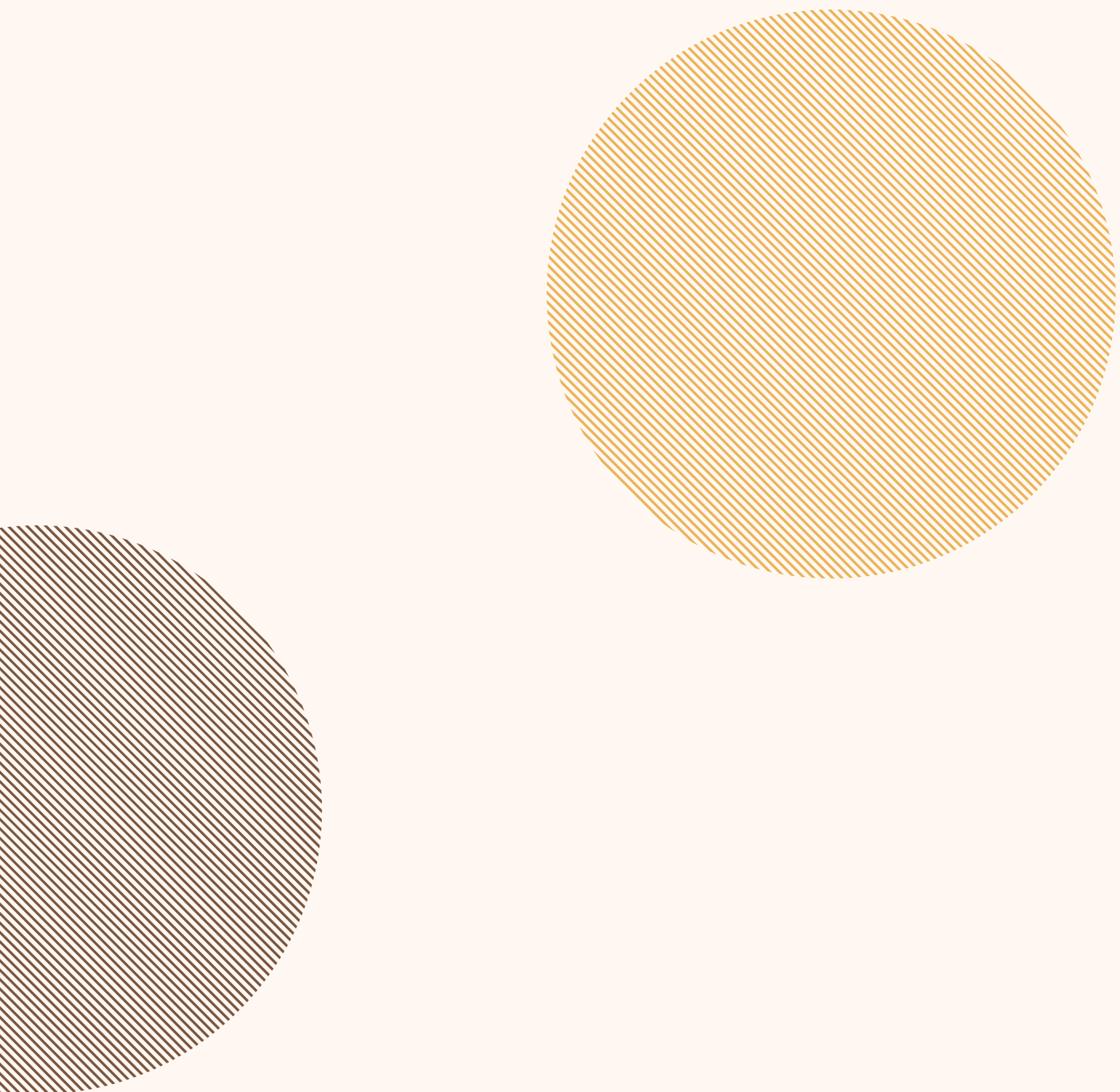
There are factors outside of the control of the Scottish Parliament that impact risk of poverty amongst BME groups and progress towards meeting child poverty targets. However, for many BME groups, poverty rates could be tackled through measures within the employment sphere for which the Scottish Government has a lot more control. BME people in Scotland are more likely to be in low-paid work and are overrepresented in the most precarious sectors of the economy. It is now widely acknowledged that there is a link between race and poverty, but it is not enough to recognise this link; robust action and policy responses are needed.

Additionally, in many areas there is a lack of reliable and up-to-date data on the experiences of BME people in Scotland. This was starkly demonstrated most recently by the delay in Public Health Scotland being able to establish the link between ethnicity and risk of Covid-19 in Scotland. There is a need for an improved evidence base on poverty and ethnicity and further analysis of why the poverty risks are so high for certain BME groups. This will result in more robust policies and measures which can effectively target and address poverty in BME groups.

Further, in light of the wide-ranging impacts of Covid-19 and the related economic challenges for BME people, there is a need for a response which focuses on both alleviating and reducing poverty in BME groups if tangible progress is to be made. This needs to go beyond all encompassing anti-poverty initiatives which may not meet the needs of BME groups and begin from a position of resolute understanding. CRER highlighted this need for targeted action in our 2017 evidence submission to the Scottish Parliament: “if policies to eradicate child poverty (and wider poverty) do not reflect the particular barriers faced by minority ethnic individuals, inequality will only perpetuate and grow”.¹⁷⁸

178. CRER (2017), [Racial Equality and the Child Poverty \(Scotland\) Bill](#).

Whilst the Covid-19 pandemic has the potential to be a major catalyst for a rise in poverty rates, it is also a time to reassess and reaffirm the need to tackle inequalities and set out targeted actions that focus on the specific barriers faced by BME groups. It is only then that we might achieve the meaningful change that is badly needed.



APPENDIX 1: RACE EQUALITY FRAMEWORK POVERTY GOAL AND ACTIONS.

KEY GOAL.

Ensure robust policy responses that support race equality in relation to income and poverty. To achieve this the Scottish Government will:

1. Ensure that our response and approach to Social Justice considers measures to tackle poverty across all ethnicities reflecting the public input into our National Conversation on 'A Fairer Scotland' and building on the First Minister's Poverty Adviser's report 'Shifting the Curve'.
2. Work to fill the gaps in current knowledge on how and to what extent minority ethnic people are accessing the benefits they are entitled to and work to ensure that relevant policies developed to address benefits take up and provide access to advice services (including financial advice) are equality impact assessed, with a programme of activity developed to address the results.
3. Implement the powers being devolved as a result of the Scotland Bill 2015-16 in a way that makes full use of those powers to tackle poverty across all ethnicities.
4. Make all possible efforts to assess, understand and where we can, mitigate the impact of any UK policies outwith our control which have a financial impact on minority ethnic people with low incomes as part of ongoing work around improvements to the Equality Budget Statement and Spending review processes.
5. Stipulate in future funding and procurement arrangements for money advice services that grant recipients collect data and monitor how far their services meet the needs of people across all ethnicities; we will use this information to feed into future policy development.
6. Work with the Credit Union Working Group to take forward its recommendations, ensuring that this work takes account of needs across all ethnicities.

APPENDIX 2: RACE EQUALITY ACTION PLAN POVERTY ACTIONS.

KEY ACTIONS.

	Year of Proposed Action		
	2017-18	2018-19	2019-20
The Poverty and Inequality Commission will consider the issue of race and poverty as part of their work and we will consider and respond to the advice from the Commission when it is received.			X
Ethnicity to be a consideration in the development of the Child Poverty Delivery Plan to be published by April 2018.	X	X	
The Child Poverty Measurement Framework to give due consideration to the experiences and issues faced by minority ethnic groups living in poverty.	X		
The introduction of a Financial Health Check service for families who have children or are expecting a child. We will work with organisations who engage with minority ethnic populations to raise awareness of this offer.	X	X	
Ensure that the introduction of the socio-economic duty on public bodies will align with the equality duties already placed on public authorities.			X
Work with minority ethnic volunteers on Experience Panels to help shape the social security system, hearing directly from them about what works, what needs improved and what our new system can do to better support ethnic minorities.	X		

KEY ACTIONS.

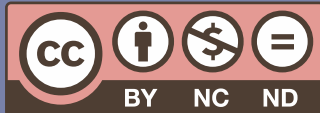
	Year of Proposed Action		
	2017-18	2018-19	2019-20
Develop a common reporting and evaluation framework as part of the Advice Services Review that will include monitoring of reach and impact in relation to ethnicity.	X	X	X
Work with minority ethnic communities in developing and implementing our new consumer and competition powers.	X	X	X
Collaborate with Credit Unions to deliver an awareness raising campaign and will seek views from representatives of minority ethnic communities during the design and delivery of this campaign, ensuring its key messages are accessible to a diverse audience.	X	X	X

Scottish Government (2017), **Race Equality Action Plan 2017-21**

The Scottish Government's year one action report and year two progress update on the Race Equality Action Plan also have some information on actions taken in relation to poverty.¹⁷⁹ The update report also outlines a re-focus of priority actions for the final year of REAP.

179. Scottish Government (2019), **Race Equality Action Plan: Year 1 action report**; Scottish Government (2020), **Race Equality Action Plan: Year 2 progress update**.

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