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# **Welfare restructuring and its impact on BME communities**

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## **Structure of presentation**

- International context: the right to social security and non-discrimination
- Poverty and BME communities
- Overview of changes
- Evidence of impact
- Equality (and human rights) impact assessments and their limitations

**‘Welfare’ or ‘the right to social security’?**



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“States ... recognize the right of everyone to social security, including social insurance.”

*International Covenant on Economic, Social and Cultural Rights, Article 9*

# Convention on the Elimination of All Forms of Racial Discrimination



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“The Committee is deeply concerned that the austerity measures adopted in response to the current economic downturn ... threaten to dilute or reverse the [UK’s] achievements in the fight against racial discrimination and inequality.”

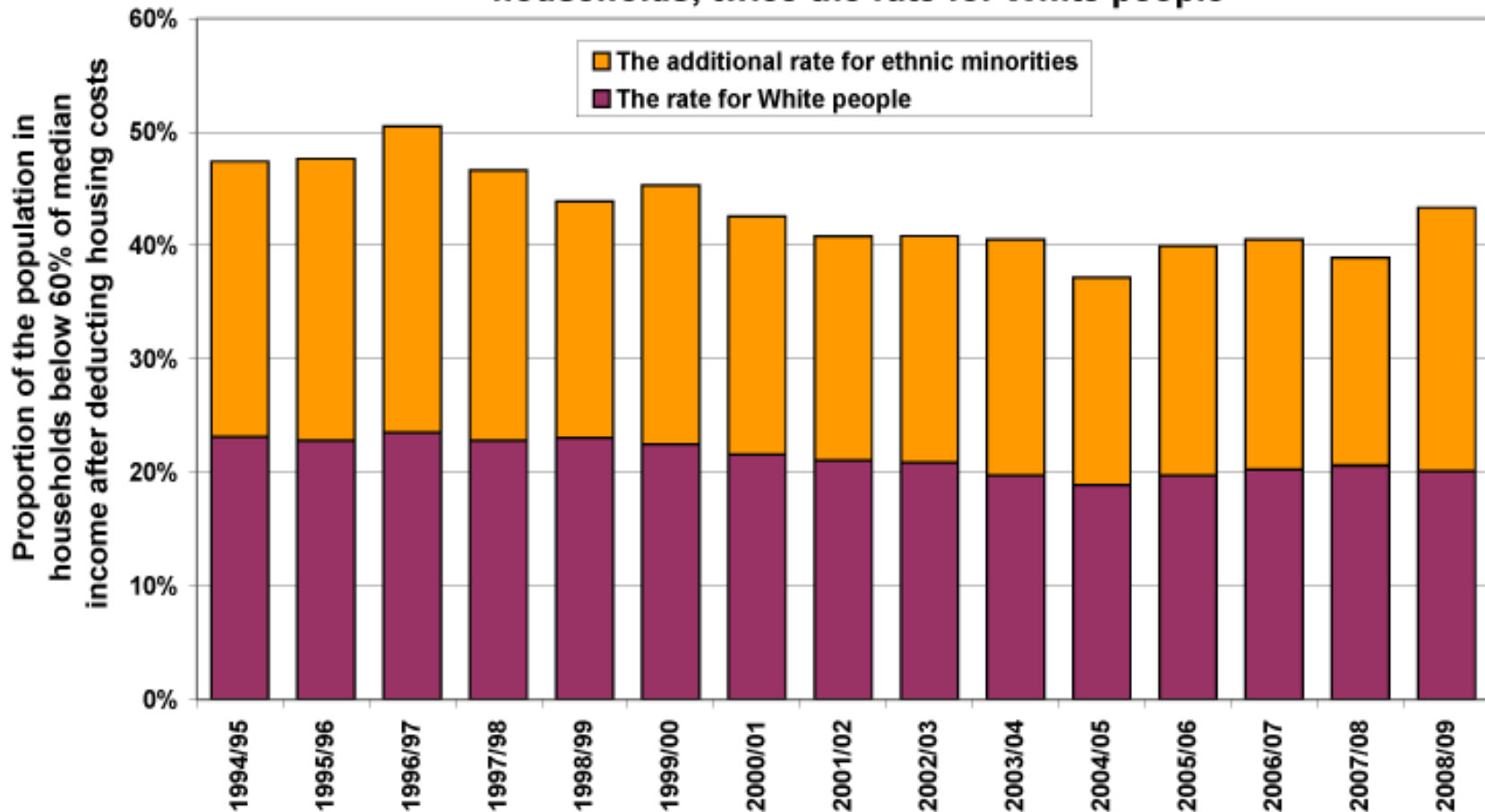
*Concluding observations of the Committee on the Elimination of  
Racial Discrimination about the UK, September 2011*

# Poverty and BME communities: low income



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Around two-fifths of people from ethnic minorities live in low-income households, twice the rate for White people



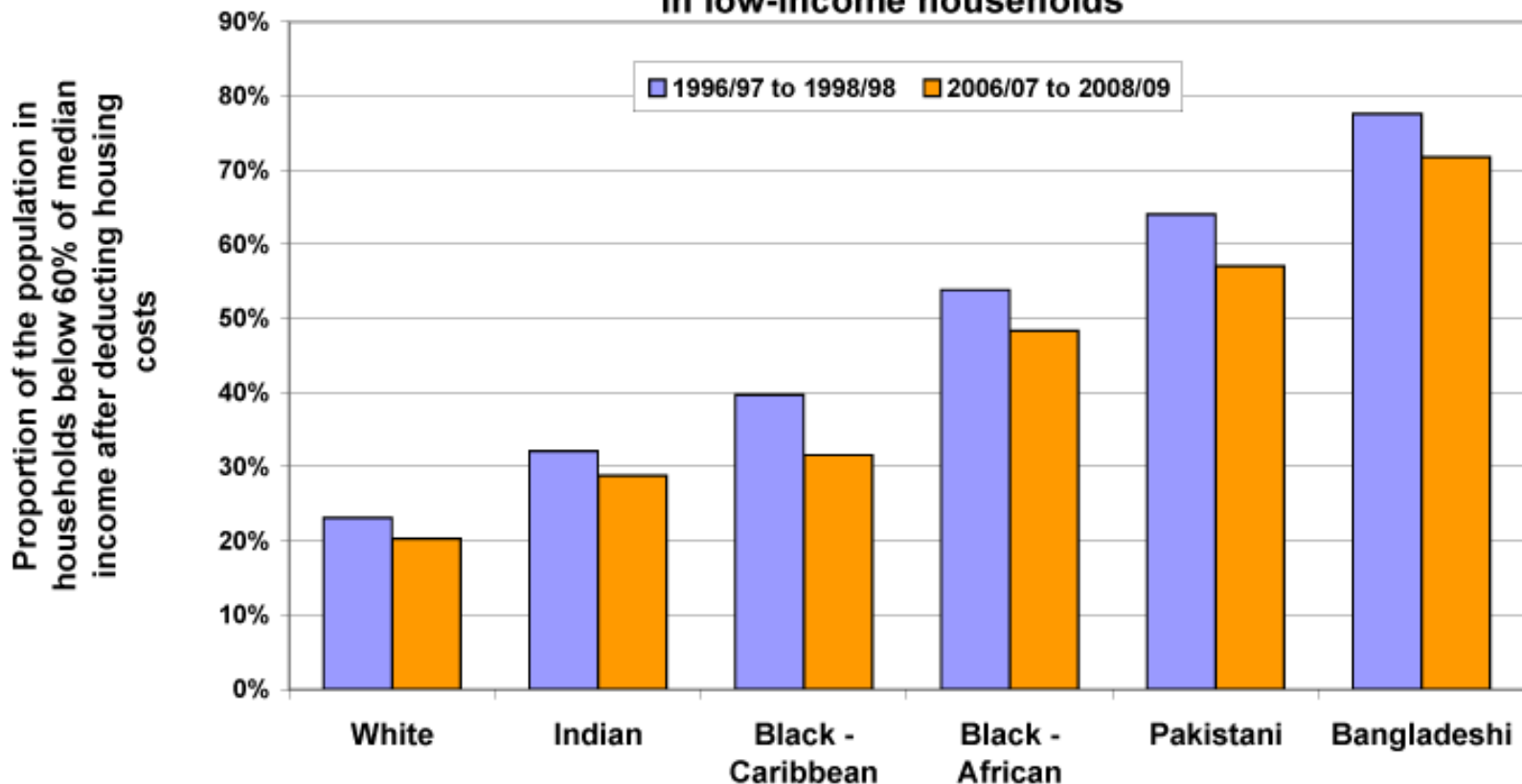
Source: Households Below Average Income, DWP; UK; updated Aug 2010

# Low income among different BME communities



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Whilst rates have been falling for all ethnic groups, more than half of people from Bangladeshi and Pakistani ethnic backgrounds still live in low-income households



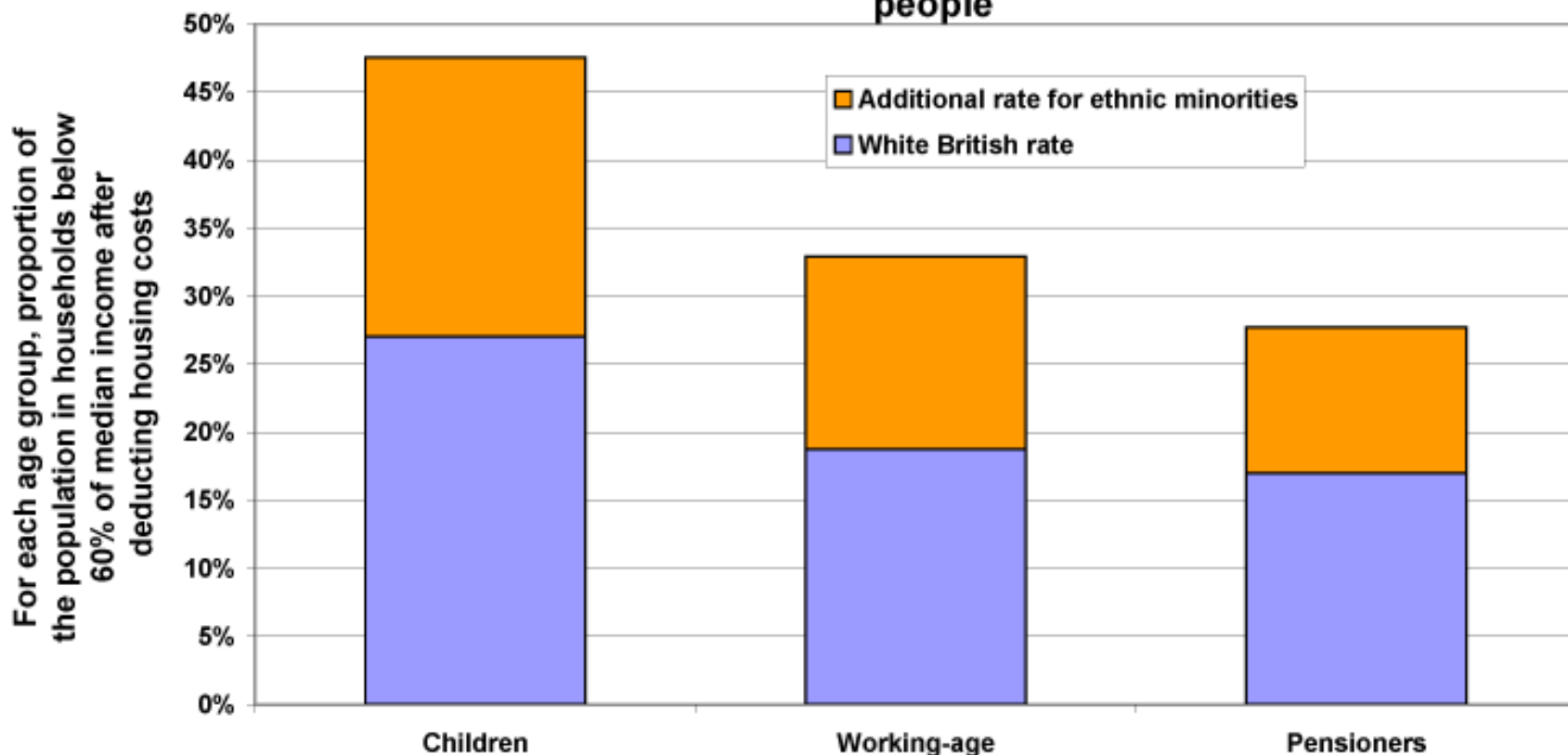
Source: Households Below Average Income, DWP; UK; updated Aug 2010

# Low income among different age groups



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For all ages, people from ethnic minorities are, on average, much more likely to live in low-income households than White British people



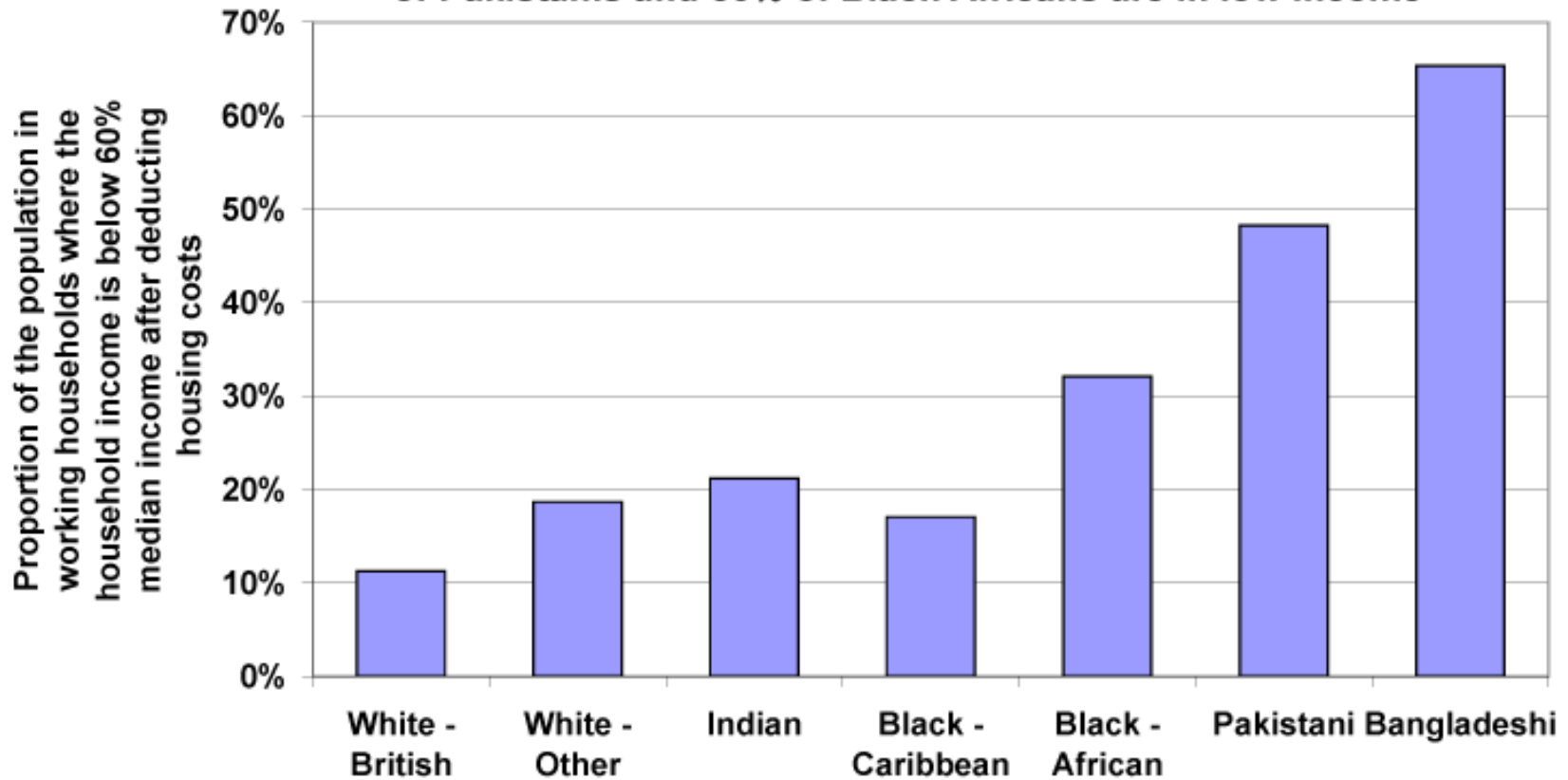
Source: Households Below Average Income, DWP; the data is the average for the years 2006/07 to 2008/09; UK; updated Aug 2010

# Low income among working age families



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Among those in working families, around 65% of Bangladeshis, 50% of Pakistanis and 30% of Black Africans are in low income



Source: Households Below Average Income, DWP; the data is the average for the years 2006/07 to 2008/09; UK; updated Aug 2010



# Poverty and BME communities: low income



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- More than half of people living in low-income households in **London** are from ethnic minorities.
- **Why** the disparity? Age structure, family type and family work status + higher rates of **in-work** poverty.

# Selective summary of changes to social security



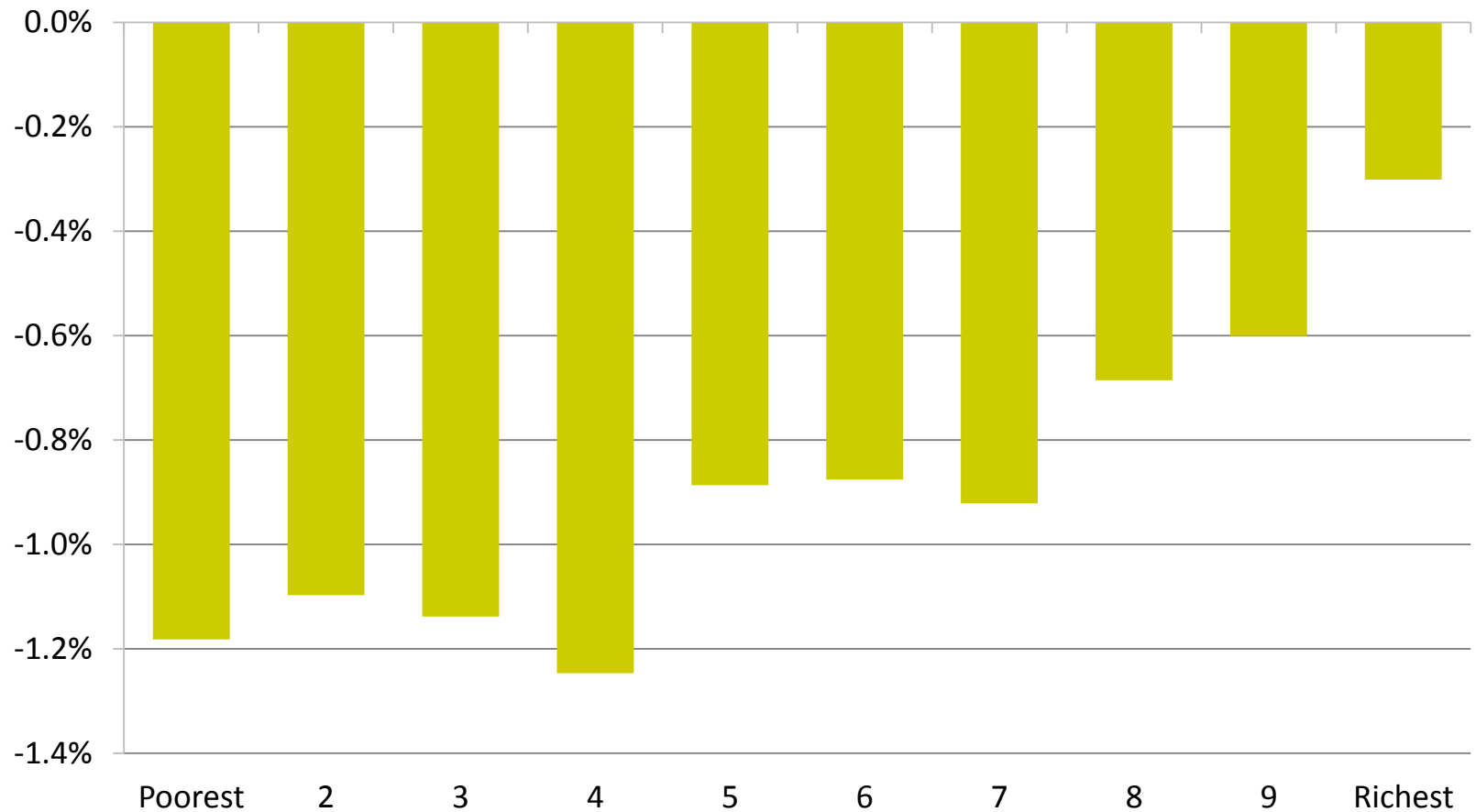
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- Household benefits cap + benefits no longer linked to prices
- ‘Bedroom tax’ + Local Housing Allowance cuts
- Council Tax Benefit: 10% reduction and localisation
- Abolition of parts of Social Fund
- Personal Independence Payments
- Universal credit to replace many existing benefits and tax credits
- Legal aid cuts
- Conditionality & sanctions

# Distributional impact of welfare measures announced in the Spending Review to be in place by 2014–15 (IFS)



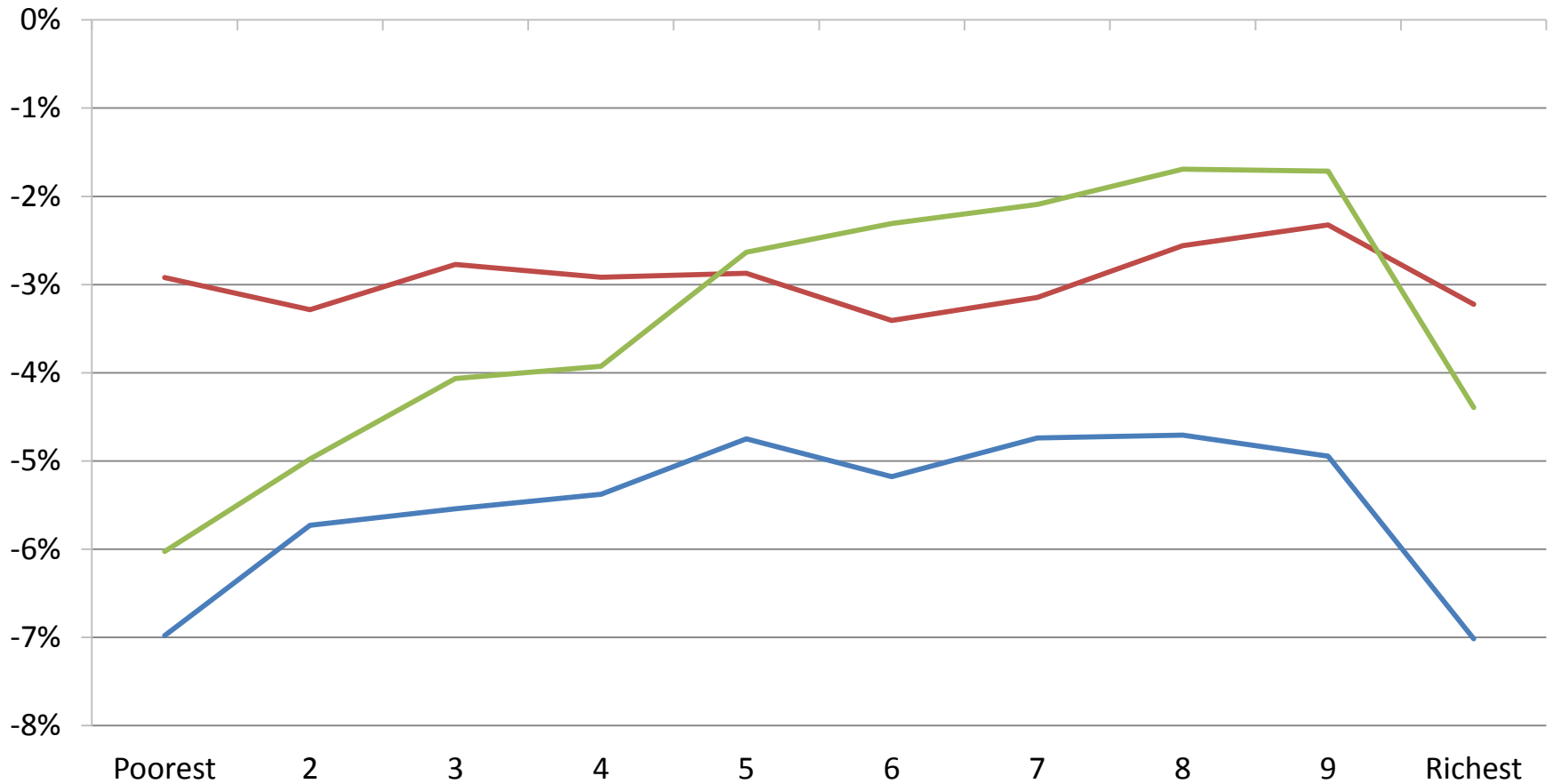
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# Distributional impact of tax and benefit measures to be in place by 2014–15: by family type (IFS)



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Families with children

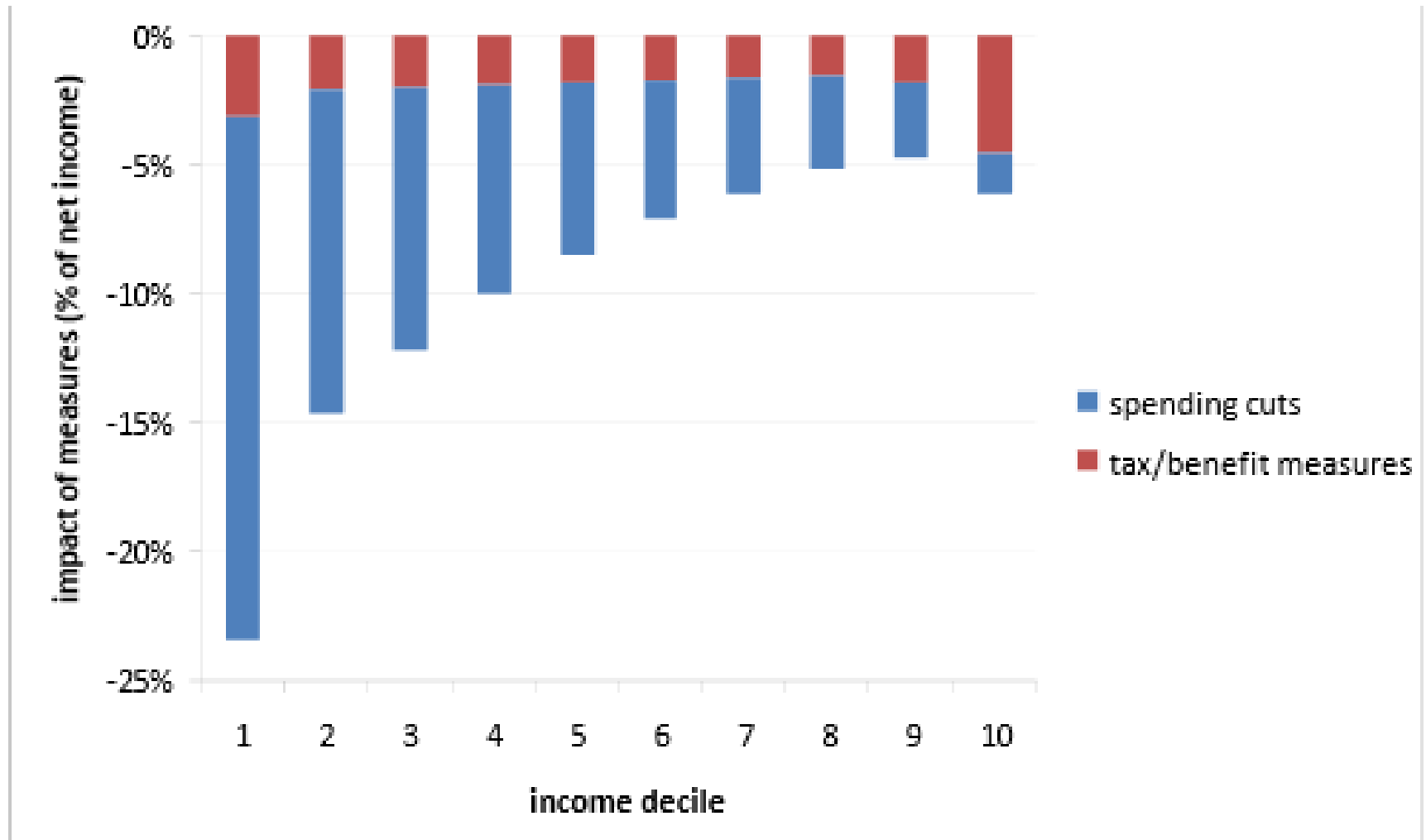
Pensioners

Others

# Distributional impact of all fiscal consolidation measures (TUC)



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# Equality impact assessments - what is the government required to do?



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- Public Sector Equality Duty (Equality Act 2010)
- Public authorities must have due regard to the need to eliminate discrimination, advance equality of opportunity and to promote good relations between different people.

# Equality impact of CSR 2010 on BME communities



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“Some services are used more by particular ethnic groups, including ... services targeted on people on low incomes: people from ethnic minorities are more likely than average to be in households on low incomes.”

HM Treasury, *Overview of the impact of Spending Review 2010 on equalities*,  
October 2010

# Impact of benefit cap on BME communities



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“We estimate that of the households likely to be affected by the [benefit] cap approximately 40% will contain somebody who is from an ethnic minority. “

Department for Work and Pensions, *Benefit cap:  
Equality impact assessment*, July 2012



# Impact of cuts to housing benefit on BME families



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**“There is likely to be a disproportionate percentage of customers from [BME] groups entitled to six or more bedroom properties, raising concerns of indirect discrimination ... The [DWP] ... considers this to be justified and proportionate...”**

*DWP, Equality Impact Assessment: Local Housing Allowance – Larger Properties, 2009*

**“The cumulative impacts of these measures do not appear to disadvantage one group more disproportionately than another.”**

*DWP, Equality Impact Assessment: Housing Benefit - Changes to the Local Housing Allowance arrangements and Housing Benefit size criteria for people with non-resident overnight carers,*

November 2010

# Limitations of equality impact assessments



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- Data gaps in relation to race
- Need to identify impact on individuals and sub-groups; cumulative impacts
- Distributional impact analysis should be extended to include impact on equality groups and sub-groups.

# The need for local monitoring



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## Unravelling Equality?

A Human Rights and Equality Impact Assessment of the  
Public Spending Cuts on Women in Coventry.

A Joint Report of the Centre for Human Rights in Practice,  
University of Warwick and Coventry Women's Voices  
By **Mary-Ann Stephenson** and **James Harrison**

# Selected sources



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- Better Housing Briefing, *Housing Benefit and Welfare Reform: impact of the proposed changes on black and ethnic minority communities*, April 2010: <http://www.better-housing.org.uk/sites/default/files/briefings/downloads/housing-brief18.pdf>
- Joseph Rowntree Foundation, Poverty and Ethnicity programme: <http://www.jrf.org.uk/work/workarea/poverty-and-ethnicity>
- The Poverty Site, statistics re poverty and ethnicity (up to 2011): <http://www.poverty.org.uk/summary/ethnic.htm>
- Institute for Fiscal Studies - Distributional analysis of tax and benefit changes: <http://www.ifs.org.uk/publications/5313>

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- Equality and Human Rights Commission, *Making Fair Financial Decisions: An assessment of HM Treasury's 2010 Spending Review conducted under Section 31 of the 2006 Equality Act*:  
[http://www.equalityhumanrights.com/uploaded\\_files/Inquiries/s31\\_final.pdf](http://www.equalityhumanrights.com/uploaded_files/Inquiries/s31_final.pdf)