Welfare restructuring and its impact on BME communities

Alice Donald, Senior Research Fellow, School of Law
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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’?

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

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

Around two-fifths of people from ethnic minorities live in low-income households, twice the rate for White people.
Low income among different BME communities

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

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

For each age group, proportion of the population in households below 60% of median income after deducting housing costs.

- Children
- Working-age
- Pensioners

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

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
• 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

- 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)
Distributional impact of tax and benefit measures to be in place by 2014–15: by family type (IFS)
Distributional impact of all fiscal consolidation measures (TUC)
Equality impact assessments - what is the government required to do?

• 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

“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
“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. “

Impact of cuts to housing benefit on BME families

“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

- 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

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


• The Poverty Site, statistics re poverty and ethnicity (up to 2011): [http://www.poverty.org.uk/summary/ethnic.htm](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](http://www.ifs.org.uk/publications/5313)
Selected sources