Poverty, ethnicity and place

Steve Garner and Gargi Bhattacharyya

May 2011

This paper:
- synthesises existing research on the link between place, poverty and ethnicity in England;
- analyses ways in which location impacts on the relationship between patterns of poverty and ethnic groups in terms of employment, clustering and residential segregation and neighbourhood effects; and
- suggests new areas of research required to further clarify this relationship.

The Joseph Rowntree Foundation (JRF) commissioned this paper as part of its programme on poverty and ethnicity which aims to understand the underlying reasons for variations in low income and deprivation among different ethnic groups in the UK and the problems caused. It also aims to contribute towards solutions to these problems.
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The Joseph Rowntree Foundation has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policy-makers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the authors and not necessarily those of JRF.

Joseph Rowntree Foundation
The Homestead
40 Water End
York YO30 6WP
www.jrf.org.uk

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Contact:
Helen Barnard
helen.barnard@jrf.org.uk
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Introduction

Examination of the relationship between ethnicity, poverty and place has tended to focus on the spatial distribution of minority ethnic groups. This summary paper reviews some key themes in this literature, in order to review the following key questions:

- Where are different ethnic groups located, and how does this location relate to their experience of poverty?
- Is clustering a good or bad thing, and what is the role of location – regardless of concentration – in terms of impacts on access to housing, employment, and other resources?

However, it is notable that existing research in this area continues to present ethnicity as a factor that shapes outcomes only for minority ethnic groups. A wider discussion increasingly recognises the working of ethnicity in the lives of majority communities. Some of the most consistently impoverished areas in Britain, for example, are in regions with relatively small minority ethnic communities. For example, examinations of poverty in Cornwall (Cemlyn, et al., 2002) and Wales (Kenway and Palmer, 2007) identify longstanding concentrations of poverty and social exclusion among relatively static populations. Instead of assuming that ethnic identity influences propensity to poverty when concentrated in particular places, the experiences of Cornwall and Wales encourage us to consider the manner in which places of poverty also have an ethnic character and the impact of this in the wider experience of poverty.

In what follows, and in order to reflect the existing literature, we review key points in the debate about the spatial concentration of minority ethnic groups and the impact of this concentration on experiences of poverty. Where possible, we seek to extend these ideas to consider possible implications for spaces of poverty characterised by concentrations of majority ethnic groups.
Place and poverty

Powell et al (2001), using local authority expenditure as measurements, argue that ‘people poverty’ (incomes) and ‘place poverty’ (compounded disadvantage due to place of residence) are two distinct components of poverty and have to be addressed as such. Overviews of the relationship between poverty and place (Taylor, 2008; Alcock, 2006) indicate its extreme variety and complexity. Taylor (2008) indicates that people affect places and places affect people: there is no adequate one-size-fits-all response. On the side of ‘place poverty’, we could point to a number of factors that increase an area’s likelihood of being deprived: the local availability of durable and well-paid full-time employment; concentrations of social housing; lack of amenities; a reputation for being an area of high crime; weak social resources (Batty and Cole, 2010); concentrations of people with lower skills and educational attainment, proportionally higher economically inactive population including carers and people on invalidity benefit. Yet it is difficult to categorically assert that these are results of deprivation rather than causes, or even, using Indices of Multiple Deprivation (IMD), ways to measure it.¹

The role of social networks in retaining population for example (Batty and Cole, 2010; Taylor, 2008) is identified as a double-edged sword. While having well-functioning social networks increases an area’s resilience in some regards, it also counteracts the benefits of moving away to access employment, and encourages a culture in which mobility beyond a certain point is seen as either too expensive and/or generating more problems than would be solved (accessing childcare, friends and family, local organisations). The existing work on internal migration shows that minority groups are less likely to move within the country and when they do move, move shorter distances (Finney and Simpson, 2007; Stilwell and Duke-Williams, 2005).
The geography of minority and majority ethnic residence

The discussion of poverty, ethnicity and place is necessary in order to move away from analyses that posit vulnerability to poverty as arising from ethnic identity or culture. The inclusion of a consideration of place allows an analysis that considers the lived context of ethnicity and offers an assessment of the resources and barriers available to an ethnic group in a particular location.

Based on the 2001 Census, London is home to disproportionate numbers of ethnic minority people. While this might differ from one group to another, it is an especially high proportion for Black Africans (80 per cent); African Caribbeans and Bangladeshis. The Chinese are the most equally dispersed group (and have the highest proportion among minority groups based in towns and rural areas). A higher proportion of Pakistanis are located outside London (80 per cent) in the Midlands, west Yorkshire and north-western towns and cities, while the Indian population is concentrated more in London than Pakistani groups, but also in the Midlands, the north-west and the west Yorkshire (Lupton and Power, 2004). This pattern is therefore still largely urban, as a result of original settlement patterns around London and the larger industrial bases throughout the Midlands and the North of England. The 2006 Office of the Deputy Prime Minister’s report on the state of English cities states: ‘The main dimensions of the geography of the Non-White population across England are clear. There is a clear urban-rural gradient in the representation of Non-Whites in the population. And for each size of city the proportion of Non-White is higher in the south and east’ (ODPM, 2006, pp.52).

In this paper, we use the same categories as in the Census because they are frequently the ones used in the literature. The relative degrees to which experiences within and between groups differ, however, means that they are only sufficient as approximate measuring tools rather than units of analysis.

When we come to look at the English cities with the highest proportions of resident minorities, there are three types; white + one other; white + two others; white + many others (ODPM, 2006, pp.53). Bradford, Burnley and Rochdale (white + Pakistani), and Leicester, Coventry, Bolton and Preston (white + Indian) are examples of the first type. The second type includes places such as Blackburn, and to a more limited degree in Birmingham, Huddersfield, and Derby (white + Indian + Pakistani). The third type, characterised by London, Luton, Oxford and Milton Keynes, has a much broader demographic spectrum, with a number of minority groups, none of which are significantly larger than the others. Loosely, it appears that the first category of urban space emerges as locations of particularly concentrated and extreme poverty in earlier literature (although Leicester is a much more prosperous location for Indians). Data for Wales, Scotland and Northern Ireland does not enable us to develop such a typology, and this is one of the research gaps.

The nature of population growth since 2001 has fed into a debate about segregation to which we will return below. What the figures show is that the urban areas of the UK registered an overall drop in numbers between 1991 and 2001. However the ethnic demography of the urban areas shifted: the growth in the white population was smaller than that recorded among ethnic minority population, especially in the
larger cities (ODPM, 2006, pp.51), and so urban populations recorded a net loss of white UK residents, particularly in inner, rather than outer-city areas (Simpson, 2007). This trend has contributed to the belief that the exit of more resourceful and affluent residents from deprived neighbourhoods has increased the concentration of poverty in those areas, including among minority ethnic groups. However, even if the 'white flight' thesis remains questionable, there is a question to be considered about the disproportionate growth of poor minority ethnic groups in some areas: does this greater concentration exacerbate poverty or enable access to other networks and resources?

Other areas of longstanding and concentrated poverty may show quite static populations with generations of settlement in the area. This should be understood as a version of ethnicised choice and it should not be forgotten that history of place is one factor in the conceptualisation of shared ethnic identity. This is part of the micro-level story that can only be investigated using qualitative methods. However, it is not suggested anywhere that the Cornish, for example, face disproportionate poverty when outside Cornwall. The impact of the relative immobility of particular populations, despite high levels of local poverty, may be illuminated through a consideration of ties of place and ethnicity.

The map of white UK poverty differs from that of minority groups in that there is less concentration in London, and a more even spread across the country: it is also rural as well as urban (Milbourne, 2010) to an extent that ethnic minority poverty so far seems not to be, although work on Scotland suggests that its rural minority ethnic population (mainly A8 migrants and Gypsy-travellers) is suffering poverty (Netto, et al., forthcoming). In terms of racialised geography, in cities with smaller minority populations, the inner city areas are home to white working class, while in more ethnically mixed cities, it is often in wards/estates further out from the centre that white poverty is concentrated: this is certainly the case for Birmingham and Bristol, for example. Given that the spatial distribution of minority ethnic groups is so concentrated in cities, we can assume that the vast majority of the 18 per cent of non-urban residents who live in poverty (compared with the 26 per cent of urban residents (Palmer, 2009)) are white UK. Poverty in rural space argues Milbourne (2010, pp.164), might well be generally experienced as more severe, given the isolation of such communities, the proximity to much wealthier ones, and the higher visibility of coping strategies. The experiences of minorities and rural poverty (Williams, 2007; Neal and Agyemang, 2006) are so far less researched. We need to stress that the socio-economic divisions within the majority white UK population, like those within the minority populations, require us to avoid thinking of homogenous blocs when trying to understand geographical patterns of poverty.

**Minority population concentrations and deprivation**

The overall national trend is that the north (including the Midlands) and west is poorer than the south and east (using a line drawn from The Wash to The Severn), with the rural and small urban areas being wealthier than the larger cities. The highest concentration of poverty is in inner-city urban areas (although as Milbourne (2010) points out, around one in five poor people live in rural areas). Hills et al (2010) conclude that lower level incomes across the board are quite stable; it is the growing discrepancy between lower and higher incomes – with strong regional variations – that is noticeable. Unsurprisingly, that report finds that the socio-economic group is
the primary index of deprivation, and the situation of ethnic minorities has to be seen in relation to this national context. In that story are some important leads. Our starting point is the two-part question: is clustering a good or bad thing; and what is the role of location – regardless of concentration – in terms of impacts on access to housing, employment, and other resources?

There are some striking patterns to emerge from the 2001 Census material. The proportion of ethnic minority people living in deprived neighbourhoods (according to IMD scores) is approximately twice as high as the percentage living elsewhere in a city. This is especially true in the north and west, compared with the south and east. Indeed, there are only three cities in which ethnic minorities are less likely than average to live in the most deprived neighbourhoods: Leicester, Milton Keynes and Oxford. On the other hand, there are five cities in which ‘non-whites’, to use the ODPM report’s terminology, are more likely than average to live in the most deprived neighbourhoods: Bradford, Preston, Derby, Peterborough and Burnley. The figures for London (overall) however, show more ethnic balance across deprived areas.

Of course, this level of analysis is interesting, inviting further questions. Yet collapsing ethnic minorities into a single ‘non-white’ group (or even Indians, Pakistanis and Bangladeshis into a single ‘Asians’ group) erases the distinctions in terms of wealth, capitals (social, economic and cultural) and so on. and invites further exploration rather than answering many questions. Indeed, part of the difficulty in addressing the role of location and ethnicity in poverty is finding comparable data (like-for-like breakdowns, geographical levels of data and so on). The dispersed nature of the British Chinese population, for example, may well conceal internal divisions by language competence, origin, place of birth, time in the UK and educational qualifications that might map more directly onto different locations if we had such a breakdown available.

The British Muslim population also presents some clear patterns of internal spatial division (Peach, 2006; Mayor of London, 2006); with Bangladeshis, Pakistanis, Indians, Middle Easterners and white Muslims having their particular geographical concentrations, and the Bangladeshis being more concentrated in the more deprived parts of north and east London. Indeed they appear as the most economically marginalised ethnic group in the 2001 Census and subsequent employment surveys. So while the national patterns as outlined above are indisputable, do the locational choices of minorities also play a role? From the available data, new towns in the south and east are relatively more prosperous places for minority people to live in, and London presents a far more balanced map of ethnicity and poverty than do other cities (ODPM, 2006). There is even a ‘London effect’ demonstrated in Dustmann and Theodoropoulos (2010). They find that the British-born minority cohorts have higher educational attainment than white UK peers, and even a small degree of wage superiority. However, minorities already fare worse than equivalently qualified white UK people in terms of the quality of employment relative to their qualifications. The authors’ hypothetical projection shows that this situation worsens if the (generally Londoncentric) minorities are geographically dispersed in a pattern identical to that of white UK people. Minority people’s qualifications already earn them less advanced employment than those of white UK people.

In the same projection (moving from a London to a national distribution), the 2 per cent London wage disadvantage of ethnic minority males (compared with white UK
men) rises to 6 per cent, and for ethnic minority females the initial 14 per cent wage advantage decreases to 3 per cent if their regional distribution was equal to that of white native females’ (Dustmann and Theodoropoulos, 2010, pp.36). This seems to suggest that London’s employment market provides by far the best option for minority populations, not only in terms of overall employment levels, but also converting qualifications into corresponding levels of employment.
Do some places make you poor?

Areas of greater concentration of minority ethnic groups tend to be more deprived – and minority ethnic groups tend to be disproportionately poor when they live in those areas: it is cities (rather than towns and rural areas), and especially those in the north and west that have more than their share of poor areas. Regional location and size of settlement do play a role in the distribution of poverty (ODPM, 2006, pp.114). As ethnic minorities are disproportionately concentrated in cities, and Pakistanis, for example, more so in the north and west than the south and east, there is an increased risk of poverty for them.

There is by now well-documented evidence of an ‘ethnic penalty’ in terms of income and employment (Platt 2007; Clark and Drinkwater, 2007) at national levels. Income poverty rates for white UK people across the country are similar (with a peak in London), however, ethnic minorities are on average 40 per cent more likely than white UK people to be in income poverty. This discrepancy is even higher in inner London, the North of England, and the Midlands (Palmer and Kenway, 2007), where most minority groups are concentrated.

There is also a distinction between minority groups’ risks of poverty at national level: Chinese, Indian and the ‘mixed: white and Asian’ groups have lower levels of unemployment than other minorities, and there are smaller income discrepancies between them and white UK people. Bangladeshis have the highest wage deficit overall, and Pakistani and Bangladeshi women are the furthest from the white UK wage level. Clark and Drinkwater go as far as to conclude that: ‘In the case of employment, taken literally, our results suggest that an ethnic minority individual transported from a deprived area to a less deprived area would increase their chances of getting a job by more than a white person changing location in the same way’ (pp.49). Therefore, the deprived urban clustering of minority demography in the UK alone explains neither the extent of the gaps in labour market participation, nor those in average levels of income between these groups and white UK people. Hills et al (2010) also indicate that recent research on labour market discrimination demonstrates the persistence of exclusion at the level of recruitment, which obviously impacts on ethnic patterns of opportunity, regardless of place. However, Nunn et al (2010) suggest that ‘postcode selection’ may play a part in employer decisions, and this issue requires further research.

Even the effect of living in a deprived area appears to impact more disadvantageously on ethnic minorities: Clark and Drinkwater’s (2007) examination of the trends between the 1991 and 2001 Census conclude that job prospects are reduced proportionately more for minorities: living in places with higher IMD scores had negative effects on labour market prospects for men in 13 of the 16 minority groups relative to white UK men, ‘the exceptions being the ‘other mixed’ (significant at 10 per cent), ‘mixed: white and black African’ and ‘Chinese’ groups, for whom employment rates were higher in more deprived areas’ (pp.17). This pattern was also true for women, with the largest negative discrepancy in the cases of Pakistani and Bangladeshi women. Yeandle et al (2006) suggest this might be do with a variety of factors including local labour markets, position in the lifecycle, childcare duties, length of time in the UK, and qualifications.
The ongoing ethnic penalty for British-born minorities in terms of employment rates, income levels and under-representation in professional and managerial jobs, despite improved inter-generational educational qualifications, indicates the persistence of systemic discrimination as a core factor among others. Why worse outcomes should be produced even in deprived neighbourhoods is unclear.

However, the national picture is, of course, an accumulation of averages. This can be easily misrepresented as wholly a question of cultural choices, most typically Pakistani and Bangladeshi women’s relative low participation in employment. However, studies aimed at analysing local dynamics produce a complex and nuanced picture of the impact of a variety of factors. Yeandle et al (2006) demonstrate a variety of outcomes in their comparison of minority ethnic women’s performance on five local labour markets. The figures for the different groups of women tell a set of local stories. For example, the percentage of Pakistani women aged 25–44 looking after children at home in all five areas was lower than the national average for that group (by as much as 50 per cent in Camden), and levels of full-time employment much higher: in the case of Camden, again, three times as high. However, rates of self-employment were higher, and increased in the older age group. While these two ethnic groups frequently appear in national figures at the bottom of the table for income and employment rates, this study illuminates some of the explanations. In Yeandle et al’s local studies, both groups held higher levels of caring responsibilities outside the workplace than women in other groups, a major impediment to labour market participation. Even for those in employment this places limits on hours available for work (Yeandle, et al., 2006, pp.17). The specifics of local labour markets (e.g. relatively little part-time work in London boroughs and much more elsewhere, has specific impacts on their participation in the labour markets also).

Bangladeshi women for example, were over-represented in some types of job (childcare or related, sales assistants and cashiers), while for other groups of women there were different profiles. In both cases, an increasing proportion of women are coming onto the labour market with degrees. Indeed between the 1991 and 2001 Census, the proportion of Pakistani women holding degrees increased by a factor of five. The point is that there are a variety of factors impacting on labour market participation, and large differences in participation levels (both above and below national rates, in different places). These include: position in the lifecycle, length of time in Britain, language competence, proportions of full and part-time work locally available, and educational attainment. Against this background then, so-called cultural issues (to do with women being home-makers) emerges as one part of a much more complicated jigsaw, and one that is clearly not consistent across time and place. So the micro-level analysis provides an important corrective to the apparent stasis of macro findings. National policy might well be missing the local complexity, so public policy response should take the local dynamics of labour markets far more into consideration.

Concentrations, segregation and size of settlement

The term segregation is used to describe a pattern of separate residential (for example) occupation of space that is a part of social practices with a degree of permanence. ‘Clusters’ or ‘concentrations’ on the other hand, do not necessarily carry the negative connotations of segregation, although technically (Massey and
Denton, 1994) they are measurable dimensions of segregation. In the following sections, we will introduce segregation and set out its context before analysing some findings on minority ethnic concentrations, and patterns of segregation. The questions underlying this are:

- are there measurable patterns of segregation (including concentration and clustering)? and
- if so, do such patterns increase levels of poverty – and how and for whom?

Public policy assumes that residential segregation is a negative outcome per se, yet this lens is applied only to ethnic minorities. One of the key discourses is that minorities ‘self-segregate’, and therefore do not integrate. Yet the same rationale is never applied to the white working classes, or especially, the upper middle classes, for whom, argues Dorling (2009), a more robust argument about self-segregation could be constructed. So we have to understand that whatever the figures say, this is a political and ideological argument. Peach (1996, pp.143) underlines that residential concentration may also have positive elements:

‘Within the urban sphere, it is possible to maintain group cohesion through spatial concentration. Urban concentration allows the groups to pass the threshold size at which ethnic shops and religious institutions can be maintained and the proximity to members of the groups that permits the language and norms of the groups to be maintained’.

So, given that there might well be good reasons to move to, or at least not move out of, an area of ethnic spatial concentration, how can it be decided whether the ‘segregation’ is good or bad? Is there a cut-off point after which it tips into bad outcomes? If there were a link between segregation and poor outcomes we might use this as a starting point.

The ODPM report on English cities (2006) strongly suggests that segregation per se does have negative consequences: It argues that: ‘The strongest and most consistent relationships between level of segregation and other variables relate to poverty and further education. For both north and west and south and east cities, higher segregation is associated with lower average earnings, higher deprivation, fewer people in the professional and managerial classes, and more housing in the lowest council tax band. Higher segregation is also associated with fewer young people in further or higher education’ (ODPM, 2006, pp.152).

In its analysis of the data on ethnicity, it deploys three axes of segregation; whites/non-whites; whites/Asians; whites/blacks. The unit used to measure segregation in these tables is the Index of Dissimilarity (ID). This measures what proportion of a given population would have to move for there to be a hypothetical exactly equal geographical distribution of the population across a specific space. Scores of 0.7 and above are considered ‘high’; 0.6 –0.69 ‘above average’, and 0.4–0.59 ‘moderate’. The six most segregated places in each category, as of the 2001 Census appear in Tables 1–3 below.
Table 1: Six most segregated towns by ID score (white/non-white people)

<table>
<thead>
<tr>
<th>ID score</th>
<th>Blackburn</th>
<th>Bradford</th>
<th>Burnley</th>
<th>Rochdale</th>
<th>Huddersfield</th>
<th>Bolton</th>
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<td>0.55</td>
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Table 2: Six most segregated towns by ID score (white/Asian) people

<table>
<thead>
<tr>
<th>ID score</th>
<th>Blackburn</th>
<th>Bradford</th>
<th>Burnley</th>
<th>Rochdale</th>
<th>Derby</th>
<th>Huddersfield</th>
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<tr>
<td>0.62</td>
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<td>0.64</td>
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<td>0.74</td>
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Table 3: Six most segregated towns by ID score (white/black people)

<table>
<thead>
<tr>
<th>ID score</th>
<th>Barnsley</th>
<th>Sunderland</th>
<th>Burnley</th>
<th>Middlesbrough</th>
<th>Leeds</th>
<th>Liverpool</th>
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<td>0</td>
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<td>0.4</td>
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<td>0.6</td>
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<td>0.8</td>
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Source: ODPM, 2006, pp.147.

While few towns have ‘high’ ID scores; many in the full list have moderate ones; and lots have low ones, including Oxford, Milton Keynes and Cambridge. Leicester is a remarkable case: it is nearly in the overall ‘high’ category as regards segregation, and concentrates Black people into the most deprived areas at high levels. However, it is also one of the only places in the UK where Asians are more likely to live in non-deprived rather than deprived wards. There are four cities in which 5 times as many Asians live in deprived as in non-deprived areas; and four cities where they live disproportionately in less deprived areas. For black people the range of experiences is narrower (see Table 4).
Table 4: Best and worst distribution of Asian and black populations between deprived and non-deprived areas, 2001 Census.

<table>
<thead>
<tr>
<th></th>
<th>Asians</th>
<th>Black people</th>
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<tr>
<td>(i.e. concentration in less deprived areas)</td>
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<tr>
<td>(i.e. heaviest concentration in most deprived areas)</td>
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Besides reflecting the overall pattern of smaller cities in the south and east being generally more prosperous, and the ethnic demography being more evenly distributed, there are some anomalies. What is it about Peterborough that places it in the best distribution for black people and the worst for Asians? Why is Preston worst, and Milton Keynes best, for both? How is Blackburn relatively good for black people although it scores one of the highest segregation scores in the country (0.71)? These local characteristics can be understood only through close attention to these spaces and the day-to-day social relations (contact between groups, perceptions, factors surrounding choice of location, people’s attitudes toward their communities) that lead to these outcomes.

To understand these processes, it is necessary to give attention to the very local politics of ‘race’, segregation, local identity, patterns of settlement, labour market opportunities, and narratives of opportunity and belonging. Particular minority ethnic groups may form an attachment to a particular location, or view seemingly unlikely locations as places of opportunity and aspiration. Quantitative data like that provided in the ODPM report referred to above only get us so far. Qualitative research is needed to understand the interplay between narratives of aspiration and opportunity related to place in minority ethnic communities and the local factors that enable such aspirations to be realised.

Moreover, there seems to be a link between degree of segregation and size of minority settlement: the ID score rises from 0.37 to 0.57 as the proportion of ethnic minorities rises from 5 per cent or under up to 20 per cent and above (see Table 5 below).

Table 5: Segregation (as measured by ID) by proportion of towns’ ethnic minority populations (whites vs. non-whites), 2001

<table>
<thead>
<tr>
<th>ID score</th>
<th>20%+</th>
<th>10-19.9%</th>
<th>5-9.9%</th>
<th>0-5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1</td>
<td></td>
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</tr>
</tbody>
</table>

So as the non-white population increases as a proportion of a town’s total population (from under 5 per cent through to over 20 per cent), the level of segregation also increases. It should be noted here that the score of 0.57 is not considered ‘high’, but ‘moderate’, (a score below 0.4 is considered ‘low’) so these figures are relative.

There are also different patterns of segregation, again thrown up using the three categories ‘white’, ‘Asian’ and ‘black’. In the north and west, there are three towns (Rochdale, Bradford and Bolton) where ‘white/Asian segregation’ is at least 20 per cent higher than ‘white/black segregation’. Similarly, there are three cities (Sunderland, Blackpool and Warrington) in the north and west where white/black segregation is 10 per cent + higher than white/Asian segregation.

In large cities and the bigger towns in the north and west (even places such as Carlisle, Darlington, Lancaster and Stafford, which do not have large minority populations) ethnic minority groups are often twice as likely to live in the most deprived areas relative to other neighbourhoods. The ODPM report says: ‘However this is not the case in smaller towns and rural areas; nor in larger towns in the south and east such as Basildon, Guildford, Lincoln, Stevenage where the ethnic minority presence is in fact lower in the most deprived neighbourhoods’ (ODPM, 2006, pp.149).

So are there more or different opportunities for minority ethnic groups living in less concentrated communities within more mixed local or regional economies? Table 3 (above) suggests that there is a rarity effect: lower segregation scores are accompanied by lower proportions of minorities living in deprived areas. This is especially true of the south and east. The majority of places where black and Asian people are concentrated into the most deprived areas are in the north and west, and those where they are least deprived are in the south and east (ODPM, 2006, pp.147–152). Although this most often works similarly for both of those large categories, there are also patterns of differential deprivation (as glimpsed in Table 2, above). ‘The top three cities for degree of concentration of blacks in deprived areas – Manchester, Leeds and Nottingham – all have a concentration index for blacks which is approximately twice that for Asians in the same places. Similarly, Leicester markedly concentrates blacks in deprived areas whilst de-concentrating Asians from deprived areas’ (ODPM, 2006, pp.150).
Regional and local economies

Much of the literature discussing poverty and place characterises ‘place’ as a description of community concentration – however, it is clear that the specific location also matters. Beyond predictable outcomes linked to areas of de-industrialisation, can we identify why concentration in some places leads to less impoverished outcomes than in others? More importantly, do minority ethnic groups become more vulnerable to poverty than other groups if concentrated in de-industrialised localities?

Some of the patterns of ethnic minority concentration, as outlined in the first section, can be seen to arise from time of migration and clustering around particular employment or other opportunities. Early Pakistani migrants clustered around the employment opportunities available in northern industrial towns (Kalra, 2000), whereas Indian Sikh communities grew in the West Midlands, due to a strong presence in the foundries and related metal industries (Singh and Tatla, 2006). Industrial decline in these regions has impacted on levels of employment in some minority ethnic communities, particularly those groups who historically have been disproportionately engaged in one industrial sector in a particular region. The Indian Gujarati population of Leicester, on the other hand, is overwhelmingly constituted of families who fled East Africa in the early 1970s – and, as others have noted, this community redeployed the entrepreneurial experience gained in Africa to rebuild a business base in the UK.

It has been suggested that the last two recessions have had a greater impact on jobs in the south-east (excluding London). Minority ethnic groups are distributed unevenly across regions retaining high levels of unemployment since the de-industrialisation of the 1970s. For some groups, some locations compound high levels of unemployment. For example, the West Midlands Regional Observatory (WMRO, 2010) finds that 74 per cent of working age white people are in employment there (compared with 76 per cent nationally), while only 54 per cent of working-age BME people are in employment, (compared with 60 per cent nationally). Alongside these regional disparities in employment levels, there are also significant differences in average incomes. For example, in the West Midlands, gross disposable household income is the lowest in the country. This is an area in which there is a concentration of African Caribbean, Indian, Pakistani and Bangladeshi groups.

Moreover, the concentrated settlement of some minority ethnic groups in regions facing economic decline may have a continuing impact on younger minority ethnic people. Bell and Blanchflower (2009) argue that experiencing significant periods of unemployment when young has an ongoing impact on economic outcomes throughout the life course, including raising likely rates of unemployment in later years and creating a wage penalty across the life course. They argue that those effects are much more acute for younger than older people.

Some minority ethnic groups are clustered in areas with high levels of youth unemployment, and unemployment rates among minority ethnic groups in these areas are disproportionately high. This means that considerable proportions of some groups suffer from the additional barriers that Bell and Blanchflower associate with a
significant period of unemployment when young. As the IPPR (2010) argues that between March 2008 and November 2009, minority ethnic groups have higher levels of youth unemployment than white British groups (see Table 6 below), this indicates additional negative impact on the former.

For some minority ethnic groups, region of residence constrains employment opportunities – and in key areas of high unemployment, particular minority ethnic groups have higher rates of unemployment than the general population. Alongside this, majority ethnic groups that remain settled in areas of poverty face similar barriers to employment – and these regional and ethnic identities can become associated in popular representation with the experience of unemployment (Merseyside and the north-east are regional examples of this), perhaps leading to new regional/ethnic stereotypes that can impact negatively on attitudes to individuals or places.

Table 6: Increases in youth unemployment (%), March 2008–November 2009

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed heritage</td>
<td></td>
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</tbody>
</table>

Source: IPPR, 2010

While some poor minority communities are located in areas of general deprivation, this is not necessarily the case for all poor groups. Simpson et al (2005) argue that, despite the more general literature about regional disparities in economic opportunity, it is not always the case that poor communities are concentrated at a distance from job opportunities. They argue that ‘poor outcome areas’ can be in cities and therefore with access to major employers.

The regional distribution of minority ethnic groups explains, in part, the greater vulnerability to income poverty of some groups as a result of concentration in areas of high unemployment and limited job opportunities. However, this does not explain the disproportionate poverty of minority ethnic groups in deprived areas. To understand the more localised impact of place on poverty, it is necessary to consider the very local factors as well as the relationship that individuals have to their most immediate surroundings. Such an approach can also allow us to consider the locational choices and reach of poor white groups.
Mobility, reach and economic outcomes

One theme in the literature on poverty is the relative immobility of people resident in poor areas, in terms of movement to find or access work elsewhere (Taylor, 2008). Does a highly localised pattern of daily life, i.e. relative immobility, actually impact on poverty? If so, how?

It seems a commonsensical observation that highly circumscribed habits of movement limit economic opportunities. It may be the case that the tightly drawn territorial boundaries described by Kintrea et al (2008) represent not only a limitation of movement but a larger imagined limitation of possibility. Green and White (2007) produced similar findings about social networks in relation to young people who, while aware of opportunities elsewhere, were reluctant to jeopardise existing social networks in favour of better employment prospects. For others, issues such as caring responsibilities and lack of access to affordable transport can limit mobility. It could be argued that ethnic clustering is designed to lessen the need for greater mobility, as many day-to-day needs can be met within a small geographic area. However, residential concentration offers other forms of social capital – and sometimes, material support.

Cheshire (2007) argues that low-income groups in general concentrate in order to form ‘specialised neighbourhoods’, and that this clustering can offer greater economic opportunities, including informal avenues to work, for low-income and low-skilled groups. There are economic benefits in ethnically concentrated neighbourhoods where non-local language speakers can access information about the labour market from bilingual neighbours – and this may be a useful area of research in relation to the experience of newly arrived communities.

Word-of-mouth networks in low-income areas can assist access to employment opportunities and other sources of information, while consumer and other services in low-income areas are more likely to accommodate the needs of poor residents (including through the provision of informal credit). For minority ethnic groups, this may include access to particular ethnic goods, often provided by entrepreneurs from their own ethnic community. However, for long-settled majority ethnic groups resident in areas of poverty, there may be similar day-to-day benefits that arise from living in a place where information networks are available, and services and businesses can accommodate the needs and challenges of low-income households.

The clustering of the ethnic neighbourhood can offer more substantial economic rewards to minority entrepreneurs, particularly for those able to offer goods and/or services that enable migrant or minority groups to retain a connection to their country of origin or to access specialised goods that reflect the cultural preferences of that community. Whereas business opportunities can arise from the spatial concentration of communities for entrepreneurs seeking to provide specialist goods and services to particular ethnic communities, this may lead to the over-concentration of minority entrepreneurs in a limited range of activities.

There has been a longstanding concern that minority enterprises are overly concentrated in a small number of business areas – often in highly competitive and crowded markets such as restaurants and small-scale retail or personal services
targeting minority clients, such as hairdressers and beauty shops. As well as operating in highly competitive and precarious markets, these enterprises have tended to cluster in labour-intensive and low-profit areas of activity (Ram and Jones, 1998; Smallbone, et al., 2007).

Further work is needed to map the entrepreneurial activity emerging in both long-settled and recently arrived minority ethnic groups and to examine the range of activity, location of business and reliance or not on spatial concentration of particular communities. In addition, celebrations of the ‘ethnic entrepreneur’ can imply that the economic successes of particular individuals in the neighbourhood can have a beneficial impact for others. This is, at the least, open to debate – and there is some evidence that the limited employment opportunities available to some ethnic groups in some areas can enable unscrupulous employers, including from those from the same ethnic community, to treat workers in extremely exploitative ways (Commission on Vulnerable Workers, 2008). A more detailed consideration should be given to the impact of local poverty on quality of work and working practices. Minority ethnic employers have been disproportionately visible in investigations of this issue, but it is necessary to include a consideration of employment practices in a range of poor areas with relatively immobile populations.

When considering more general debates about entrepreneurship and economic opportunity, Kloosterman and Rath (2001) show that ‘immigrant’ entrepreneurs’ choices are shaped by the opportunity structure that surrounds them, including where they can obtain premises, whether there are other barriers that exclude them from some sectors (including racism or saturation by existing businesses), opportunities in vacated businesses as other entrepreneurs move on to more lucrative sectors and copycat ventures that enter sectors where other migrants have established a market. Entrepreneurial ventures in poor neighbourhoods with substantial minority ethnic populations appear to be shaped by similar constraints, offering economic opportunities for some but failing to diversify to extend employment opportunities and build more resilient entities. This qualifies Cheshire’s view that social networks in poor neighbourhoods can provide access to economic opportunities by suggesting that these opportunities might be quite limiting.
Housing concentration and minority ethnic poverty

Housing is a major factor in how people come to be located in particular areas and how they come either to stay or to leave those areas. It relates to poverty in terms of access to schools, employment and mobility.

Living in social housing – half of which is in areas with the highest 20 per cent of IMD scores – is a key indicator of overall poverty. Only one in three social housing tenants is in full-time employment (Taylor, 2008), while Wallace (2010) reports that half of all children who grow up in social housing will then go on to live in social housing. However, minority ethnic groups have different patterns of housing tenure, and there is a need to consider a range of housing experiences when assessing the connection between poverty and place.

Some minority ethnic groups have high levels of home-ownership – Indian groups are more likely than any other ethnic group, including white groups, to own their own homes. Pakistani communities also show high levels of home-ownership. Other minority ethnic groups, such as black African, have very low levels of home-ownership, being instead more likely, as Chinese, and non-British white groups are, to rent from the private sector. Markkanen (2009) suggests that this may be due to the large number of recent migrants (without access to social housing) in each of these groups (see below).

The 2001–2006 data suggests that growing numbers of Indians and Pakistanis are entering social housing and this may alter the balance of housing tenure among those groups. Markkanen (2009) finds that minority ethnic groups show a high interest in accessing affordable housing, but continue to be influenced by area restrictions as a result of both the fear of racial harassment, and a wish to remain in areas where they can access the services and support of their ethnic group. However, proximity to good schools and overall safety of the area is becoming more important to the housing decisions of younger minority ethnic households.

Battu et al (2008) find that there are two parallel trends in relation to housing tenure and movement into employment. First, home-ownership is a constraint for the employed, preventing moves to employment at a distance from place of residence. Second, public renting is a constraint for the unemployed, also preventing moves

![Tenure by ethnic group (HRP aged 16-69)](image)
into employment in distant labour markets. Minority ethnic groups and majority ethnic
groups settled in areas of poverty are likely to experience both trends – through
home-ownership in regions of economic decline for some groups, and high levels of
dependency on scarce social housing for others. At the time of writing this paper,
there is extensive debate and speculation about the potential impact of capping
housing benefits and overall levels of welfare benefits. It is likely that the sizeable
groups of Bangladeshi, black Caribbean and black African residents in social
housing in London will suffer income loss and possible dispersal as a result of
benefit change. The Chartered Institute of Housing’s report goes so far as to
speculate that it will make ‘many areas in London, the south-east, the south-west
and the east of England unaffordable to working people on low pay who rely on
Housing Benefit to supplement their income’ (CIH, 2010, pp.1). However, the same
pressures may well also be felt in other cities in the Midlands and the north (Ramesh
and Sparrow, 2010).
How to make place work for you? A tentative research agenda

Introduction

This paper has focused on material relating to England, and it is acknowledged that the role of devolution, as well as the distinct histories of nationalism, migration and ethnicities in Wales, Scotland and Northern Ireland, have not been explored. There may well be important patterns of place/poverty/ethnicity that would illuminate this discussion. We have also not looked here at the question of Gypsy/Travellers and Roma connections to poverty and place across the UK, which would also have opened up other avenues of inquiry. However, from the concentration on the English context come a number of research questions.

Our opening questions were:

• how does the location of ethnic groups relate to their experience of poverty?
• is clustering a good or bad thing; and
• what is the role of location in terms of impacts on access to housing, employment, and other resources?

It seems that poor groups of all communities may accrue some benefits from clustering in terms of accessing suitable goods and services and benefitting from the networks of a concentrated community. However, these day-to-day benefits are tempered by location: it does matter where the clustering occurs. Some spaces of concentrated residence represent significant economic challenges for all who live there. This can be true of both spaces of minority ethnic and majority ethnic concentration.

Context

The context for the relationship of ethnicity and poverty over the coming years is one of a retreating state, providing less employment and funding, which will potentially have significant impacts on residential choices brought about by reforms to housing benefit. The next decade may well witness one of the most rapid geographical shifts in population ever seen in the UK. Because of high housing prices the places hardest hit by housing benefit reform will be the capital and the south-east. This will impact on people of all backgrounds, but as we have noted, the concentration of most minority groups in London, and the fact that smaller cities in the south-east emerged in 2001 as places where minorities could be more likely to find prosperity, means that relative gains made by minority ethnic groups in these regions during the 2001–2011 period are in jeopardy.

Research questions

While there are lots of statistics, they only bring us a certain way down the path. Traditionally good at answering ‘what?’ questions, they usually leave the ‘how?’ and the ‘why?’ unanswered, so the combination of quantitative and qualitative approaches is advocated. The available data and the various strands of work on
poverty and ethnicity therefore leave us in a position where we must make educated
guesses because existing comparable data broken down by ethnicity is a decade
old. One of the obstacles to policy development is the lack of up-to-date and
comparable statistics on ethnicity, so the place to begin is in the period after the
2011 Census. Firstly, there is a need for a regular updating of the Census material,
and the most obvious vehicle for this is the Labour Force Survey. Collecting data
through the LFS will ensure that after 2011, there is no 10-year wait for usable
statistics. Moreover, the level of analysis so far carried out in relation to the
distribution of ethnicity and poverty in Wales, Scotland and Northern Ireland is not
yet advanced enough to enable patterns to be observed and compared to those in
England.

Secondly, the existing literature on poverty and place says little about the experience
of newly arrived communities – although these communities are redrawing the map
of ethnicity and poverty in the UK. So there is a need to consider the place-based
experiences of newly arrived groups. Here, questions to consider include: How do
newly arrived groups interact with other impoverished groups? What are the patterns
of economic activity (including entrepreneurship) among newly arrived communities?
Can some ethnic groups, including newly arrived groups, improve the economic
performance of poor neighbourhoods? Do different ethnic groups follow different
avenues of economic activity or pursue employment in particular sectors or
locations? If so, how, why, and with what outcomes?

Third, this review identifies an apparent link between segregation and poverty, which
should be explored with targeted qualitative work. The data above seems to indicate
that segregated places usually result in negative economic outcomes (or vice versa
– causality is not clear). The less segregated urban spaces, with more evenly
distributed minority populations, seem to be more affluent (especially in the south
and east). Some types of location appear to produce generally better outcomes.
There is a need to examine what it is that makes places such as Milton Keynes,
Oxford and other small cities more positive environments, in order to measure what
is working in the prosperous places and to contrast this with the experience of other
places. Why are some spaces good for particular minorities but not for other groups
(both in terms of specific towns, and within the same town)? Overall, the choices
exercised by minorities over location need to be explored in greater detail in this
research.

Fourth, as a corollary of this first set of questions, do ethnic networks extend across
geographic locations and income levels? What are the ethnic ties of more affluent
members of minority ethnic groups with the poorer people of their groups and the
places where they live? Do spaces of ethnic concentration benefit from social
networks that go beyond the locality?

Fifth, in order to extend this discussion, there is a need to increase our knowledge
base on the way that unconcentrated minority residence impacts on prosperity. The
British Chinese, for example, have a relatively successful profile in terms of
education, income and employment, and are the most evenly geographically
dispersed group. However, there are a range of different groups all categorised
under this heading. Without further detailed analysis, it is not possible to understand
whether these differences of economic outcome correspond to ethnic differences
within the broad category ‘Chinese’ or whether ethnic categorisation needs to be
supplemented with a more detailed account of other social factors, including time and manner of migration, and access to support through diasporic networks. Is the successful profile accurate, and is it to do with dispersal and location? If so, what can we learn about surmounting some of the obstacles faced by ethnic minorities and poor white UK people and noted in this review?

The overall picture of research into poverty, ethnicity and place highlights the existence of seemingly predictable inequalities. However, we have highlighted some unexpected differences, including:

- the variations in economic outcomes for particular groups according to their location;
- the tensions between benefits accruing from clustering for both low-income and minority ethnic groups, and the disproportionate barriers to labour market opportunities for minority ethnic groups living in areas of deprivation, and;
- changing choices and opportunities in relation to housing and place of residence.

All these issues indicate the significant diversity of life-choice and opportunity between both places and within broad ethnic groups. To understand the factors shaping such local outcomes, in both positive and negative ways, research must combine a critical use of the detailed data available on variables such as information about education levels and local labour markets, with an attention to the narratives and understandings that circulate among different minority ethnic groups about economic aspiration and opportunity and the relation to place.

Only detailed qualitative analysis at a local level can make sense of how people become particular kinds of economic agents in their local contexts, and only through this kind of examination can we begin to understand the dynamic role of ethnicity in relation to the experience of poverty and place.
Notes

1 The Index of Multiple Deprivation (IMD) 2007 measures relative deprivation across the country, based on the Super Output Areas (SOAs) introduced for the 2001 census. There are seven domains included in this measure: income; employment; health deprivation and disability; education, skills and training; barriers to housing and services; crime; the living environment. A full explanation is given in Communities and Local Government (2008).

2 The figures on which the demographic information is based is primarily that using the 1991 and 2001 Censuses. Although the ONS produces annual population estimates, these have not been used to analyse segregation and poverty in the existing literature due, to their uncertain nature and level of breakdown. The estimated resident population of the UK was 61.8 million in mid-2009 (up 2.7 million compared with mid-2001). While there is a lot of information at local authority level relating to economic indicators, available through the ONS Neighbourhood Statistics website, breakdown of population by ethnicity is not one of them. So the figures in this paper are used with this important caveat: the smaller the level of analysis, the more out of date the figures are likely to be. With the next Census in April 2011, this paper is being written at the point that is almost as far away from the next national and local update as it is possible to get.

3 The ODPM used only cities and towns with more than 6 per cent minority populations in its further analysis of the deprivation and ethnicity links. It also divides the UK into two areas: south and east; and north and west.

4 However, as we can see below, using the term ‘non-white’ can also hide serious discrepancies between minority groups: the one that emerges as most affluent in Leicester is Indians, while black people are much more concentrated in deprived areas. This trend is reversed for Peterborough, where black people emerge as living in non-deprived areas, and Asians in deprived ones.

5 The most likely ethnic/country of origin distinctions are; Hong Kong Chinese; PRC Chinese; British-born Chinese; Malaysia Chinese, and; Chinese from other countries. These are certainly stratified by length of residence, language competence, qualifications, class, generation etc.

6 Clustering is the extent to which areas inhabited by minority members adjoin one another in space. A high degree of clustering implies a residential structure where minority areas are arranged contiguously, creating one large enclave. A low level of clustering means that minority areas are more widely dispersed.

Concentration is the relative amount of physical space occupied by a minority group in the urban environment. Concentration is a relevant dimension of segregation because discrimination restricts minorities to a small set of neighbourhoods that together comprise a small share of the urban environment.

7 Continuous Recording System lettings data (CORE): www.core.ac.uk.
References


About the authors

Steve Garner
Senior Lecturer in Sociology, Aston University; Associate of Aston Centre for Research on Languages and Diversity

Gargi Bhattacharyya
Professor of Sociology at Aston University; Co-Director of the Aston Centre for Research in Languages and Diversity (InterLanD)