



## **BTEG BRIEFING PAPER**

**Challenges for BAME employment and enterprise in  
the new policy context**

**September 2011**

## CONTENTS

	<b>Page</b>
<b>ONE INTRODUCTION</b>	<b>3</b>
<b>TWO THE CHANGING POLICY CONTEXT</b>	<b>3</b>
<b>THREE EQUALITY</b>	<b>5</b>
3.1 Government priorities and actions	5
3.2 Challenges	5
3.3 Recommendations	5
<b>FOUR EMPLOYMENT</b>	<b>5</b>
4.1 Ethnic inequalities in employment	5
4.2 Government priorities and actions	6
4.3 Challenges	7
4.4 Recommendations	8
<b>FIVE IN WORK POVERTY</b>	<b>8</b>
5.1 Ethnic inequalities in in-work poverty	8
5.2 Government priorities and actions	9
5.3 Challenges	9
<b>SIX ENTERPRISE AND BUSINESS SUPPORT</b>	<b>9</b>
6.1 Ethnic inequalities in enterprise	9
6.2 Government priorities and actions	10
6.3 Challenges	11
6.4 Recommendation	11
<b>SEVEN ECONOMIC DEVELOPMENT</b>	<b>12</b>
7.1 Ethnic inequalities in economic development	12
7.2 Government priorities and actions	12
7.3 Challenges	12
7.4 Recommendations	13
<b>EIGHT SKILLS</b>	<b>13</b>
8.1 Ethnic inequalities in skills	13
8.2 Government priorities and actions	14
8.3 Challenges	15
8.4 Recommendations	15
<b>NINE SUMMARY OF ALL RECOMMENDATIONS</b>	<b>16</b>
<b>REFERENCES</b>	<b>18</b>
<b>ABOUT BTEG</b>	<b>20</b>

## **ONE: INTRODUCTION**

This paper has been produced by the Black Training and Enterprise Group (BTEG). Its purpose is to consider how the coalition government's policies and programmes are affecting the goal of BTEG, and others, to eradicate the inequalities in employment and enterprise experienced by Black, Asian and minority ethnic (BAME) people in Britain.

There have been significant changes in policy since the coalition government came to power in May 2010. This paper should not be read as defending the previous government's track record on tackling race inequalities. There were many ways in which the policies and programmes of the previous government were unsuccessful in terms of their impacts on inequalities in employment and enterprise. This paper starts from the recognition that some of the approaches to tackling race inequalities that are currently being pursued were developed within the context of previous government policies. These approaches may no longer be effective within the current policy context. The paper is not intended to provide a comprehensive guide to current government policies. Rather, it highlights key areas of policy that are particularly relevant for race equality in employment and enterprise, and considers what challenges we face in each of these policy areas and what actions could now be taken to address these.

To help generate ideas about achieving race equality in employment and enterprise in the current policy climate, BTEG hosted a discussion with colleagues who are actively engaged in this work. This paper draws on the ideas discussed at that meeting and BTEG would like to thank those who took part; Omar Khan from the Runnymede Trust, Gurbux Singh from Serco, and Anthony Heath from Oxford University.

This paper is intended to stimulate discussion and debate amongst those who are concerned about ethnic inequalities in Britain. Our hope is that these discussions will help to develop new responses in the current policy climate, ensuring that our collective efforts to end race inequality in the UK labour market achieve results.

## **TWO: THE CHANGING POLICY CONTEXT**

There are three major shifts in the current government approach that profoundly impact on work to end race inequality in employment, and on the role of individuals and agencies that are monitoring progress towards the achievement of this goal.

Firstly, the coalition government places a strong emphasis on universal approaches, rejecting previous models that gave 'special treatment' to particular groups of people.

This new approach is described in the government's equality strategy as *'one that moves away from treating people as groups or 'equality strands' and instead recognises that we are a nation of 62 million individuals'* (HM Government, 2010, p8). The government does not believe it is appropriate or effective to target services at specific groups of people. While the government acknowledges that ethnic minority people experience inequalities, it does not advocate or support approaches that 'privilege' BAME people. Clearly, this has major implications for race equality work, suggesting that proposals to specifically target BAME people are unlikely to be supported by the government.

A second major shift is marked by the end of central target setting and performance monitoring. The coalition government has scrapped the systems developed by the previous government that set targets for public services and measured and reported on progress in achieving these. The coalition government's preferred approach to ensuring accountability in public services is through the devolvement of power to local level. Through a mix of statutory measures introduced in the Localism Bill and government encouragement, the intention is that local authorities and other public service providers will become more transparent, publishing more information about the outcomes they achieve, thereby enabling local people to review and challenge what they do.

The move away from a central framework for target setting and performance monitoring, to local priority setting, local data collection, and local decisions about what information to publish and in what format, raises challenges for work to end ethnic inequalities. Over the past decades, local agencies, including many local authorities, have been strongly involved in local initiatives to tackle race inequality in employment. Without any central reporting, in a common format, it will be difficult to identify which local agencies are engaged in this work and what results this is having.

A third shift is in public expenditure. Major reductions in government spending on public services are already having a huge impact. Local authorities are cutting back on non-statutory services and on support to voluntary and community groups, both measures that are likely to drastically reduce the number of local initiatives tackling labour market barriers for BAME people. Alongside the budget cuts, this shift is also marked by changes in the funding flows for supporting people into work. Much of the available funding has been rolled into the new Work Programme and awarded to 19 prime contractors, 17 of them in the private sector. The value of the Work Programme contracts could be as high as £3 billion per year (Department for Work and Pensions, 2010, p3). While consolidating funding resources into a single, major programme can be viewed as a bold investment in ending worklessness, it can also be seen as ending the diversity of provision tailored to meet specific needs, and the likely eradication of many smaller providers with expertise in providing employment support to BAME people and other disadvantaged groups.

## **THREE: EQUALITY**

### **3.1 Government priorities and actions**

The government has published an Equality Strategy. This includes a section on actions to achieve '*a fairer and more flexible labour market that draws on the talents of all and builds a strong economy*' (HM Government, 2010a, p14).

The government has decided not to implement all the measures in the Equality Act, including the public sector duty on socio-economic inequalities, and company reporting on gender pay gaps. The Public Sector Equality Duty requirements of the Equality Act are now in force, although the government has removed some of the consultation and reporting requirements that were originally included.

### **3.2 Challenges**

The Equality Strategy sets few targets for any actions. Many of the actions are loosely worded and it is difficult to know whether they will be carried out ambitiously or in more limited ways. The Equality Strategy does not say how progress in achieving its actions will be reported.

There are no actions within the Equality Strategy aimed at closing the ethnic minority employment gap or which address issues of race inequalities in employment or enterprise.

### **3.3 Recommendations**

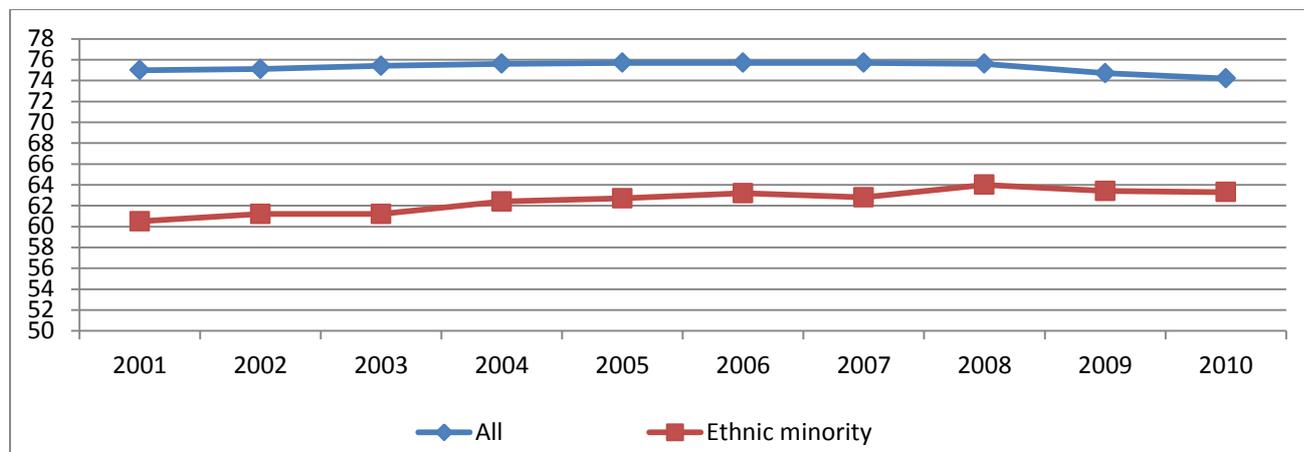
The Minister for Race Equality should be urged to ensure that the government's Equality Strategy is updated to include specific actions to close the ethnic minority employment gap.

## **FOUR: EMPLOYMENT**

### **4.1 Ethnic inequalities in employment**

There remains a significant gap between the employment rate for ethnic minorities and the national average. Despite some narrowing of this gap over the last 10 years, the BAME employment rate remains over 10 percentage points below the average rate.

### Employment rates for all people and for ethnic minority people, 2001 to 2010 (%)



Source: DWP Ethnic Minority Employment Team

The cost of the ethnic minority employment gap has been calculated at £8.6 billion per year; £1.3 billion per year in benefit payments and lost tax revenue and £7.3 billion per year in lost output (National Audit Office, 2008, p4).

Unemployment is higher for ethnic minorities; the ethnic minority unemployment rate for January to December 2010 was 12.8 per cent, compared with 7.7 per cent for all people (Annual Population Survey). Ethnic minorities are over-represented amongst Job Seekers Allowance (JSA) claimants. In May 2011, 19 per cent of JSA claimants in England were BAME and 49 per cent of JSA claimants in London were BAME; the Annual Population Survey data show that 13 per cent of working age people in England are BAME and 36 per cent of working age people in London are BAME.

Research evidence shows that some employers racially discriminate in job application processes, and that this is more prevalent amongst private sector employers (Wood and others, 2009).

#### **4.2 Government priorities and actions**

The Work Programme is the centrepiece of the government's 'Get Britain working' plans to move people off welfare benefits and into employment.

The Work Programme provides support to people who are claiming JSA and Employment Support Allowance (ESA) to help them into employment. The Work Programme providers are free to deliver whatever support is most appropriate. Providers are incentivised to ensure clients move into sustainable jobs through a payment system that attaches a significant amount to achieving this outcome.

The government has awarded 40 Work Programme contracts to 19 prime providers in 18 contract areas across Britain, with at least two providers in each area. The major contractors include Ingeus UK Limited (seven contracts), A4E (five contracts), Avanta Enterprise Limited (three contracts) and Seetec (three contracts). Each contract is worth between £10 million and £50 million per year, depending on performance. Over the five years from 2011/12 to 2014/15, between 2,090,000 and 3,240,000 customers are expected to be referred to the Work Programme, of which around 75 per cent will be on JSA and 25 per cent on ESA. Work Programme providers began delivery in June 2011.

Work Programme prime contractors are expected to deliver at least some of their services through a supply chain of smaller, specialist providers, and the quality of this supply chain was a factor in awarding contracts. A total of 1,099 organisations were named as potential suppliers in the 40 contracts awarded, of which just under half were voluntary organisations.

### **4.3 Challenges**

With public sector jobs disappearing and private sector job growth failing to match government forecasts, there is a risk that the Work Programme will fail to place sufficient numbers of people into sustainable jobs. If this happens, the Work Programme's 'payment by results' model means that prime contractors could be at risk of collapse, or could demand new payment arrangements from the government. It is not clear what measures are in place to monitor these risks, nor whether there are contingency plans if this situation should arise.

Given the disproportionately high number of BAME people who are JSA claimants, it should be expected that a high proportion of people supported into jobs through the Work Programme will be BAME. It is not yet clear whether prime contractors will be using specialist sub-contractors to support BAME job seekers, or whether the government will monitor the use of sub-contractors on the Work Programme. Many small providers who were involved in the Work Programme's predecessor programme, Flexible New Deal, complained that they were featured in the prime contractor's tender submissions but, once the contracts were secured, they were not sub-contracted to deliver anything. There are no certainties, therefore, that small providers with links to BAME communities or with particular expertise in engaging with BAME groups will be delivering any part of the Work Programme.

Few employers in the private sector have publicly promoted any commitment to achieving race equality in their recruitment and career progression approaches. Research evidence shows a greater tendency towards racial discrimination in recruitment from private sector employers. The government's policy is to shrink the public sector and grow the number of private sector jobs. This makes the issue of private sector employment practices and the need to engage private companies in

proactive approaches to race equality even more pressing. Various agencies have been making the business case for diversity to private sector employers, but there is little evidence that employers are responsive to this approach.

#### **4.4 Recommendations**

Work Programme prime contractors should be required to regularly report on the ethnic minority breakdown of all the referrals they receive, all clients placed in work, and all clients still in work after 12 months. This information should be compiled by DWP and compared with the ethnic minority proportion of JSA claimants in each Work Programme contract area. DWP should act on any systematic underperformance by Work Programme prime contractors in placing ethnic minority clients in sustainable jobs.

New approaches are required to encourage private sector companies to tackle racial discrimination in recruitment and progression. Employers should be encouraged to focus more on **enablers** to ensure better access to their opportunities; to work more closely with secondary schools on developing employability skills; to provide more work experience and internships for under-represented groups; to develop stronger relationships with universities with high BAME student intakes; to provide more apprenticeship places; and to undertake more positive action initiatives.

### **FIVE: IN-WORK POVERTY**

#### **5.1 Ethnic inequalities in in-work poverty**

In 2008/09, 1.6 million children in the UK were in poverty in workless families (the lowest since 1984), but 2.1 million children were in poverty in working families (the highest on record).

Ethnic minority people are much more likely to live in poverty than white people. The proportion of people who live in low income households is:

White = 20%

Indian = 30%

Black Caribbean = 30%

Black African = 50%

Pakistani = 60%

Bangladeshi = 70%

Ethnic minority people in working families are significantly more likely to be in poverty than white people in working families. Among working families, around 10 per cent of white people are in poverty, compared with 15 to 20 per cent of Indian

and Black Caribbean people, 30 per cent of Black Africans, 50 per cent of Pakistanis and 65 per cent of Bangladeshis (Kenway and Palmer, 2007).

## **5.2 Government priorities and actions**

The Child Poverty Act 2010 commits the government to the aspiration of ending child poverty in the UK by 2020. The government has published a child poverty strategy that sets out how it will achieve this (Department for Work and Pensions, 2011). The strategy focuses on employment as the best route out of poverty, accompanied by welfare reform measures to ensure that people in work are lifted out of poverty. The key welfare reform is the introduction of the new Universal Credit from 2013, intended to simplify the benefits system and ensure that work pays more than being on benefits.

## **5.3 Challenges**

It is difficult, at this stage, to see how in-work poverty will be reduced by proposed changes to the welfare benefit system. The causes of in-work poverty are complex. The higher rates of in-work poverty amongst ethnic minority groups are thought to stem from a combination of factors including family size and age structure and a higher incidence of low wage rates (Kenway and Palmer, 2007).

The Work Programme will be encouraging people to move off benefits and into work, but there is a danger that many will be shunted into low pay, insecure jobs with no prospects of progression, and a risk that some individuals and their dependents will remain in poverty even once they have started working.

# **SIX: ENTERPRISE AND BUSINESS SUPPORT**

## **6.1 Ethnic inequalities in enterprise**

Self employment rates vary between ethnic groups. The Labour Force Survey data for 2010 Quarter 4 put the self employment rate for all people in Britain at 8 per cent and for ethnic minorities at 7 per cent. Self employment rates are particularly low for Black Caribbean people (4.8%), Black African people (5.1%) and people of mixed ethnicity (5.4%). The self employment rate is higher than average for Pakistani people (10.3%) (Office for National Statistics, 2011).

There are high aspirations to start up in business among ethnic minority groups, particularly Black Africans (35%) and Black Caribbean (18%) compared with 10 per cent of White British people (IFF Research 2007). The 2010 Small Business Survey found that just over 6 per cent of small and medium sized enterprises (SMEs) are ethnic minority led. This equates to 280,000 BAME led SMEs (BIS, 2011).

Ethnic minority led businesses experience greater difficulties in accessing finance. The 2020 Small Business Survey found that 30 per cent of ethnic minority led businesses that applied for finance were unable to gain finance from any source, compared with 21 per cent of all SMEs (BIS, 2011).

## 6.2 Government priorities and actions

The government wants to make this 'the decade of the entrepreneur'. The key BIS enterprise and business support actions to achieve this include:

- Improving access to finance, through measures such as the Enterprise Finance Guarantee;
- Improving the regulatory framework for SMEs;
- Closing the national network of Business Link advisory services (in November 2011) and replacing this with a revamped business link website;
- Establishing a network of business mentors, sponsored by the British Banking Association, who will support new business start ups;
- Establishing the Business Coaching for Growth Programme, aimed at SMEs with high growth potential.

The New Enterprise Allowance (NEA) scheme, a DWP initiative, is also aimed at encouraging enterprise, by allowing JSA claimants who have been unemployed for 26 weeks or more to continue claiming for up to 26 weeks while they set up their own business. The scheme provides a volunteer mentor and access to a £1,000 loan. The NEA was trialled in Merseyside from January to September 2011 and is being rolled out nationally from August 2011. Providers have been contracted to deliver the scheme in 36 Job Centre Plus districts to date. At the current time, no information is publicly available on NEA take up during the Merseyside trial, nor on ethnic minority participation.

The coalition government's *Programme for Government* has a section on equalities that includes the following action aimed specifically at supporting enterprise start up for BAME people: '*We will promote improved community relations and opportunities for Black Asian and Minority Ethnic (BAME) communities, including by ... funding a targeted national enterprise mentoring scheme for BAME people who want to start a business*' (HM Government, 2010b, p18).

### **6.3 Challenges**

In July 2011, BTEG hosted a seminar in Manchester on entrepreneurship. The event was attended by over 50 participants, including BAME JSA claimants with an interest in learning more about the NEA. Discussions at this seminar highlighted many difficulties with the NEA scheme, including: a lack of information from Jobcentre Plus about how the scheme operates (Jobcentre Plus was represented at the seminar but unable to answer many of the questions from participants); concerns that the £1,000 loan is too small for most business start up purposes, and that loan repayment terms are unclear; a lack of clarity about the benefit position for people whose businesses are not fully established at the end of the 26 week NEA period.

With the closure of the Business Links, the NEA is now the main source of public support for people seeking to start their own business. The scheme is only available to JSA claimants and, given the disproportionately high level of BAME JSA claimants, could perhaps be a useful route for BAME people. However, feedback from BAME communities in Manchester suggests that the scheme is highly unlikely to attract BAME participants unless greater clarity is provided about how the scheme operates, and more support is offered to individual participants.

We cannot find any signs of the targeted national enterprise mentoring scheme for BAME people referred to in the coalition's *Programme for Government*.

### **6.4 Recommendation**

The NEA scheme should be monitored for ethnic minority participation, ensuring that take up is proportionate to JSA claimant rates; i.e. around 20 per cent BAME take up across England and around 50 per cent in London. The rate of NEA loan take up should also be monitored by ethnicity and reported alongside the figures on NEA participation.

More practical help is needed at community level to encourage BAME people to take up NEA and to support them through the scheme, including more proactive promotion by Jobcentre Plus District Managers.

We would welcome details of the government's proposals for a much needed national enterprise mentoring scheme for BAME people who want to start a business.

New BAME-led dynamic enterprise pilots are needed to inspire unemployed people to develop enterprises, especially those who have left the public sector with relevant skills and experience.

## **SEVEN: ECONOMIC DEVELOPMENT**

### **7.1 Ethnic inequalities in economic development**

There are strong connections between ethnicity, poverty and place, with higher concentrations of ethnic minority populations living in deprived geographic areas. Indicators of deprivation in these areas include fewer businesses, fewer employment opportunities, lower levels of skills and qualifications, and lower incomes. In 2001, the Labour government launched its strategy for neighbourhood renewal with an explicit recognition that 70 per cent of all people from ethnic minorities lived in the 88 most deprived local authority districts, compared with 40 per cent of the general population.

### **7.2 Government priorities and actions**

The government has signalled its intent to abolish the Regional Development Agencies (RDAs) through the Localism Bill which is due to come into force in 2012. The RDAs are being replaced by a network of Local Enterprise Partnerships (LEPs). LEPs are intended to *'provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area'* (HM Government, 2010c, p13). So far, 38 LEPs have been agreed, covering most local areas of England.

LEPs have minimal resources. A fund of £5 million provided one off start up funding in 2011-12, supporting LEPs to put their core operational capacity into place and to become self-sustaining. A capacity fund of £1 million per year for four years is also available to help LEPs to understand the issues facing businesses in their areas and to enable them to develop action plans. Those LEPs that applied for capacity funding in early 2011 received a maximum of £48k.

LEPs can bid competitively to the £1.4 billion Regional Growth Fund (RGF) which supports measures to create new jobs. There have been two bidding rounds for RGF so far, in 2010 and 2011. Both have prioritised bids from local areas that have been strongly dependent on public sector jobs.

### **7.3 Challenges**

Although some policies and programmes have addressed this in part (e.g. the 2001 national strategy for neighbourhood renewal) there has never been a national strategy or policy for tackling ethnic disparities in economic development. Regional Development Agencies took up this issue to greater or lesser degrees. It remains to be seen whether any LEPs will do so.

Unlike the RDAs, there are no requirements for LEPs to publish their plans, they are not subject to inspection by any external body, and they are not bound to comply with the Public Sector Equality Duty. The government's intention is that LEPs should be business-led and driven by business knowledge of the local economy.

It is not clear whether any measures are yet in place for LEPs to report on their use of public funding, for example from the RGF, although the government has confirmed that there will not be '*some sort of heavy handed detailed central accountancy process*' (Business, Innovation and Skills Committee, 2010, paragraph 150).

The RGF area based targeting approach does not account for or address dependency on public sector employment for particular groups of people, such as ethnic minorities. Over 42 per cent of Black people in employment work in public administration, education and health, compared with 30 per cent of the general population (Annual Population Survey, 2010). Almost 50 per cent of the BAME people in England live in London and the South East (Office for National Statistics, 2010). Of the 50 winning bids in the RGF Round One, which received combined funding of £450 million, none is for London and only one is in the South East.

## **7.4 Recommendations**

A step change is needed to increase entrepreneurship in BAME communities, LEPs need to show leadership, vision and a practical strategy for increasing entrepreneurship, especially amongst younger people.

New BAME-led dynamic enterprise pilots are needed to inspire unemployed people, especially those who have left the public sector with relevant skills and experience.

## **EIGHT: SKILLS**

### **8.1 Ethnic inequalities in skills**

BAME people are under-represented in Apprenticeships. Of all Apprentices in England in 2009/10, 7 per cent were BAME; 1.6% Mixed, 2.9% Asian, 2% Black and 0.5% Chinese or other ethnic minority (The Data Service, 2011). In comparison, 14 per cent of the working age population in England is BAME (Office for National Statistics, 2010). Around 10 per cent of all Apprenticeship places are currently advertised via the National Apprenticeship Service (NAS) Apprenticeships vacancies (Av) service. In 2009/10, 691,590 applications for Apprenticeship places were made through Av, of which 23 per cent came from BAME applicants (The Data Service, 2011). Data on the success rates of Av applicants by ethnicity are not published, so it is not possible to identify whether the proportion of BAME applicants who secured

an Apprenticeship place via AV is greater or smaller than the 23 per cent who applied.

The gap in GCSE attainment rates is continuing to narrow; in 2005/06, 34 per cent of Black pupils achieved five or more A\* to C grades at GCSE, including Maths and English, compared with 44 per cent of all pupils; a gap of 10 percentage points. In 2009/10, 49 per cent of Black pupils reached this level, compared with 55 per cent of all pupils; a gap of 6 percentage points. GCSE attainment remains extremely low for pupils of Irish traveller heritage (22% reached this level in 2009/10) and for Gypsy/Roma pupils (8%) (Department for Education, 2010).

The proportion of Higher Education students who are BAME increased from 15 per cent in 2003/04 to 18 per cent in 2008/09. A higher proportion of BAME students are in the newer universities; 15 per cent of UK-domiciled students in Russell Group universities were BAME, compared with 29 per cent of UK-domiciled students in the Million+ group of universities. Degree attainment is poorer for BAME students; amongst first degree undergraduates in 2008/09, 67 per cent of white qualifiers achieved a first class or upper second degree, compared with 49 per cent of BAME qualifiers (Equality Challenge Unit, 2010).

## **8.2 Government priorities and actions**

The coalition government has maintained the ambitions of the previous government to make employer-led Apprenticeships a key route for vocational skills development and to greatly increase the number of Apprenticeship places available. In May 2010, the government announced the end of the Train to Gain programme (which provided funding for people in work to gain Level 2 or Level 3 qualifications) and that £150 million funding would be diverted from Train to Gain to create an extra 50,000 apprenticeship places.

The underrepresentation of BAME people in Apprenticeships has long been recognised. The National Apprenticeship Service (NAS) is currently running a series of 'Diversity in Apprenticeships' pilot projects to address under-representation and gender segregation. Two of these 16 projects are specifically looking at supporting BAME young people into Apprenticeship opportunities.

The government has ended the Educational Maintenance Allowance entitlement for young people in further education, replacing this with a smaller amount of discretionary funding that colleges may use to support students in financial hardship.

There have been changes to the funding system for FE colleges, with the intention of reducing bureaucracy, making colleges more responsive to local learner needs, and allowing for greater market competition between skills providers. There have been

changes to higher education funding and far higher fees for students will be charged from 2012.

A new, all age careers service will begin delivery from September 2011 and will be fully operational by April 2012. The service will be delivered nationally through on-line and telephone services. The duty to provide face to face careers support to young people, previously delivered through the Connexions service, has been transferred to schools but without any additional funding to pay for this.

In September 2011, the government announced that a new Skills Offer will be piloted in 22 Jobcentre Plus locations across the country. The pilot programme will give claimants on active benefits (JSA and the ESA Work Related Activity Group) whose lack of skills are preventing them from finding work, access to careers advice and support to undertake relevant skills training.

### **8.3 Challenges**

There have been considerable improvements in the availability of data on BAME Apprentices. But there remains a gap in the information about how many applicants for Apprenticeship vacancies are BAME and what proportion of these are successful, in comparison with overall success rates for Apprenticeship applications. This information is essential if we are to fully understand whether the continuing under-representation of BAME people in Apprenticeships stems from a lower rate of applications or from a lower success rate in the applications that are submitted.

Evidence shows that young people from some BAME groups, Bangladeshi and Black Caribbean in particular, were heavily dependent on EMA to support them through Further Education (Department for Education, 2007). There could well be a drop in BAME participation in further and higher education as a result of cuts to EMA support and increases in tuition fees.

BTEG's experience of working with BAME young people indicates that many have little or no support to help them plan their career pathways. As a result, BAME young people often find they have taken the wrong GCSE or A levels for the university course they want, or lack the extra curricula activities that would make their CVs stand out to employers. With a likely drop in the level of careers support available to young people, and with young people required to borrow large amounts to fund their higher education, this issue will become more pressing in the coming years.

### **8.4 Recommendations**

NAS should publish data on the success rates by ethnicity of Apprenticeship applications via Av, and should encourage Apprenticeship providers who do not recruit via Av to do the same.

There is a need to ensure that BAME young people are receiving good careers and employability advice from an early age, enabling them to make informed decisions about how to plan their further and higher education and their working lives.

The participation of BAME young people in further and higher education should be closely monitored to assess whether withdrawal of public funding support has had any adverse equalities impacts.

Lessons for race equality from the NAS 'Diversity in Apprenticeships' pilots should be mainstreamed into all Apprenticeship programmes.

## **NINE: SUMMARY OF ALL RECOMMENDATIONS**

1. The Minister for Race Equality should be urged to ensure that the government's Equality Strategy includes specific actions to close the ethnic minority employment gap.
2. Work Programme prime contractors should be required to regularly report on the ethnic minority breakdown of all the referrals they receive, all clients placed in work, and all clients still in work after 12 months. This information should be compiled by DWP and compared with the ethnic minority proportion of JSA claimants in each Work Programme contract area. DWP should act on any systematic underperformance by Work Programme prime contractors in placing ethnic minority clients in sustainable jobs.
3. New approaches are required to encourage private sector companies to tackle racial discrimination in recruitment and progression. Employers should be encouraged to focus more on **enablers** to ensure better access to their opportunities; to work more closely with secondary schools on developing employability skills; to provide more work experience and internships for under-represented groups; to develop stronger relationships with universities with high BAME student intakes; to provide more apprenticeship places; and to undertake more positive action initiatives.
4. The New Enterprise Allowance scheme should be monitored for ethnic minority participation, ensuring that take up is proportionate to JSA claimant rates; i.e. around 20 per cent BAME take up across England and around 50 per cent in London. The rate of NEA loan take up should also be monitored by ethnicity and reported alongside the figures on NEA participation.
5. More practical help is needed at community level to encourage BAME people to take up the New Enterprise Allowance and to support them through the scheme, including more proactive promotion by Jobcentre Plus District Managers.

6. We would welcome details of the government's proposals for a much needed national enterprise mentoring scheme for BAME people who want to start a business.
7. A step change is needed to increase entrepreneurship in BAME communities, LEPs need to show leadership, vision and a practical strategy for increasing entrepreneurship, especially amongst younger people.
8. New BAME-led dynamic enterprise pilots are needed to inspire unemployed people to develop enterprises, especially those who have left the public sector with relevant skills and experience.
9. NAS should publish data on the success rates by ethnicity of Apprenticeship applications via Av, and should encourage Apprenticeship providers who do not recruit via Av to do the same.
10. There is a need to ensure that BAME young people are receiving good careers and employability advice from an early age, enabling them to make informed decisions about how to plan their further and higher education and their working lives.
11. The participation of BAME young people in further and higher education should be closely monitored to assess whether withdrawal of public funding support has had any adverse equalities impacts.
12. Lessons for race equality from the NAS 'Diversity in Apprenticeships' pilots should be mainstreamed into all Apprenticeship programmes.

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## **About BTEG**

BTEG is a national charity providing a voice to government for Black, Asian and minority ethnic voluntary, community and social enterprise organisations. BTEG has a successful track record of advising government departments and non-departmental bodies and providing organisational support for local groups. BTEG is a member of several central governmental advisory groups including Department of Works Pension's (DWP) Ethnic Minority Advisory Group, the Department for Education's Third Sector Group and Communities and Local Government's Voluntary and Community Sector Board.

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