

## Response ID ANON-XWQD-P7E4-4

Submitted to **Review by Baroness McGregor-Smith on the Issues Faced by Businesses in Developing Black and Minority Ethnic Talent: Call for Evidence**

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### Introduction

**What is your name?**

**Name:**

Andrew Scott-Taggart

**What is your email address?**

**Email:**

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**What is your organisation?**

**Organisation:**

The Found Generation

**Are you (select the appropriate option):**

Responding on behalf of a representative/interest group

### About your organisation

**Type of organisation:**

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Other - please specify below

**Type of organisation other:**

Cross-party, non-profit campaign group on youth unemployment, run by young people

### The case for change

**What are the impacts of having an ethnically diverse workforce?**

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In a general sense, diversity in every sense is an important part of a successful workforce and in turn a successful organisation. Facilitating diversity means opening the workplace up to a melting pot of different ideas, backgrounds and influences which are integral to creating an environment necessary for creative innovation and outside thinking. People from different ethnic backgrounds will have different views and experiences which each have something important to contribute to any business or other organisation. Homogenous organisations can potentially stifle progress, as if there is not a range of ideas, that can lead to a narrow focus, and a resistance to change and creativity.

**Can you provide any evidence to suggest that ethnic diversity has changed outcomes for businesses?**

No

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Other organisations are better placed to provide this evidence.

### Obstacles to BME progression and the impact on individuals and the labour market as a whole

**Evidence suggests that BME individuals have difficulty accessing jobs that match their skills and are not progressing as far as their white counterparts. What factors do you think might be causing this?**

Lack of qualifications or formal skills, Issues with recognition of qualifications, Language skills, Lack of social or professional networks, Discrimination, Unconscious bias, Lack of role models, Differences in motivations or ambitions

**Other obstacles, please describe:**

### Data

**If you are representing a trade union, industry or employer body, in your experience, do organisations currently collect data on ethnicity?**

Not applicable

**Other data collected by organisations:**

**From your experience, are you aware of any barriers to collecting further data by ethnicity? Please select all that apply.**

## **Employer practices and policies**

**Which of the following policies or practices that support BME progression are you aware of?**

Mentoring, Discrimination training, BME networks, Targeted internships/recruitment, Outreach programmes, Diversity and inclusion champions, Name-blind recruitment

**From your experience, which policies or practices do you judge to have worked best in improving the progression of BME employees?**

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We are aware of policies or practices such as those mentioned above from our personal experiences in the workplace, in our day jobs, or in our wider awareness of initiatives such as the Civil Service Summer Diversity Internship programme and Early Diversity Internship programme. However, from the perspective of The Found Generation, as a campaign group of volunteers with no employees or staff, we are not able to comment on progression of BME employees in our organisation.

**From your experience, which policies or practices do you judge to have been less effective in improving the progression of BME employees?**

**From your experience, which policies or practices do you judge to have been less effective in improving the progression of BME employees? :**

N/A - see above.

However we would briefly note that we do have some concerns over areas such as name-blind recruitment, as name blind recruitment is potentially trying to hide someone's identity in a way. Employers should already act in ways which do not discriminate against a person's name and background without needing this measure.

## **The role for Government and businesses**

**What is the role of business in supporting the progression of BME employees in work?**

**What is the role of business in supporting the progression of BME employees in work? :**

As we are a group of young people campaigning to tackle youth unemployment, our submission to this consultation is focused on young people from a BME background, and does not just cover young people who are in work (for example it also covers young people who are in education or training, or who are unemployed/NEET).

We would also emphasise, in respect of the wording of the question above, that not everyone who works for a business necessarily has the legal employment status of an 'employee'. Some may have a different employment status, for example those with the employment status of a "worker". Workers do not have the same rights as employees but still have employment rights in respect of discrimination, payment of the national minimum wage and other areas. Workers may potentially include staff on 'zero-hours' or casual contracts, particularly young people, who in fact may need extra protection from exploitation.

Subject to the above, we would say as a starting point that businesses (and other employers more generally) must comply with all relevant legal and regulatory requirements, including the requirements of the Equality Act 2010 on race discrimination.

However we believe that businesses also have moral obligations beyond this to ensure that they are reflective of the society and communities they operate in; to ensure their workforces consist of people who are best suited to the job regardless of their ethnic backgrounds; and to make a contribution towards helping young people (whether from BME backgrounds or more generally) to build their experience, develop their skills and transition successfully into work. These are the sort of objectives that any responsible business should have.

Complying with all of those objectives may not necessarily be straightforward and there may be areas where they conflict. We accept that there is a case that the obligations on small and medium sized businesses and enterprises (SMEs) should be less onerous than the obligations on larger businesses. We also appreciate that in practice some businesses will be (or already are) more willing than others to accept, understand and implement these obligations.

However we believe that businesses of all sizes should take these obligations seriously. They should not just be treated only as a matter of "corporate social responsibility" or of complying with legal or other requirements, or because it will "look good". They should be integrated into their whole ethos, structure and operations.

There are many positive examples of how businesses can implement these obligations - for example providing work experience, going into schools to give talks to young people, offering jobs and apprenticeships, providing mentoring and coaching schemes - or by implementing some of the initiatives which we are calling on the Government to adopt or support more widely (see below).

**What is the role of Government in supporting the progression of BME employees in work?**

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The Found Generation is a group of young people volunteering in our spare time to campaign for local and national politicians to tackle youth unemployment. Our

submission to this consultation is therefore aimed primarily at the Government and is focused on how the Government can help young people from a BME background. As a result it also covers BME young people who are not working (for example those in education or training, or who are unemployed or NEET) as well as those who are in work.

Although this focus may seem to some at first sight to be outside the scope of the inquiry, we believe our submission and our recommendations should be carefully and seriously considered within the scope of the inquiry and should form a significant part of the inquiry's final recommendations, for the following reasons:

- a) The importance of the issue of BME youth unemployment. The evidence suggests that this is significantly higher than the general youth unemployment rate (which is still high in its own right) and that it has not been falling in the same way as youth unemployment generally. For example, an analysis of official statistics in 2015 suggested that there were 41,000 16-24 year olds from ethnic minority communities in the UK who were long-term unemployed, a rise of 49% since 2010. This compared with a 1% decrease in overall long-term youth unemployment and a 2% decrease in long-term youth unemployment for young white people over the same period (<https://www.theguardian.com/society/2015/mar/10/50-rise-in-long-term-unemployed-youngsters-from-uk-ethnic-minorities>)
- b) The evidence is clear that progression in work for people of all ages depends to a large extent on their educational background & qualifications and their history of employment or unemployment. In particular a prolonged period of youth unemployment has permanent 'scarring' effects on future life chances, even if young people subsequently secure a job and escape unemployment. They are more likely to be unemployed later in life, more likely to have lower earnings, more likely to have lasting effects on their mental and/or physical health and more likely to engage in anti-social or criminal behaviour (for example see the report of the ACEVO Commission on Youth Unemployment, particularly the summary at pages 12-14: [http://www.learningandwork.org.uk/sites/niace\\_en/files/event\\_downloads/ACEVO\\_report.pdf](http://www.learningandwork.org.uk/sites/niace_en/files/event_downloads/ACEVO_report.pdf))
- c) Given the well-established scarring effects of youth unemployment on young people and the huge problem of BME youth unemployment as set out above, we are clear that this review therefore cannot properly consider progression of BME employees in work without considering the specific issue of BME young people and their opportunities (or lack of them) before getting into work, and the difficulties they have in securing work in the first place. We simply cannot properly tackle issues around lack of BME representation in businesses generally, let alone in the boardroom, if large proportions of young people from a BME background cannot even secure a job in the first place or are struggling for a long time to secure the job they want.
- d) In addition to all of the above, the inquiry is in any case part of the Government's BME 2020 plan, which includes targets such as increasing the proportion of apprenticeships taken up by young people from BME backgrounds by 20%, increasing the number of BME students going to university by 20%, ensuring that 20,000 start-up loans are awarded to BME applicants by 2020 and increasing BME employment by 20% by 2020 (for example see: <https://www.gov.uk/government/news/business-secretary-steps-up-fight-to-end-discrimination>. This states that "The review is part of the government's ambitious BME 2020 plan and is aimed at improving labour market outcomes for those from BME backgrounds.")

With the above in mind, our view is that the role of Government, both in respect of reducing BME youth unemployment and helping BME young people progress in work, should be two-fold.

#### 1. Implementation of policies which will benefit all young people

We would note at the outset that the Government does not necessarily need to focus entirely on targeted, BME-specific policies or initiatives in order to promote employment or other opportunities for BME young people. We do focus on some of these below, but we have made many policy proposals since we were set up in 2012 and if implemented, these would help to benefit all young people, including those from a BME background. Further, many of the policies we have already proposed, even if applied generally, could in practice still benefit BME young people to a greater extent, particularly if targeted at areas of high youth unemployment.

To give just a couple of examples, we have recommended the creation of a set of local youth employment partnerships to bring together local employers and other stakeholders to create more opportunities for young people in local labour markets. This follows on from successful local initiatives like 'Ladder for London' which created over 1,000 apprenticeships for young people in London, or 'Norwich for Jobs', a campaign that halved youth unemployment in Norwich in two years.

(See <http://www.standard.co.uk/news/london/one-thousand-lives-changed-our-campaign-smashes-goal-for-apprenticeships-in-a-year-8917380.html> and <http://www.norwichforjobs.org.uk/progress>).

We have also recommended the creation of a network of 'youth employment centres' across the country, following from the success of the 'MyGo Centre' in Ipswich which is apparently the first ever dedicated youth employment centre in the UK. The MyGo centre offers practical advice & guidance, skills and training support and connections with local employers for all young people in the local area aged 16-24, including those which are not signed up with Jobcentre Plus and who would otherwise risk falling through the cracks in the system (<http://www.its-mygo.co.uk/>). This should include the ability to access these initiatives outside normal working hours for those young people who are working but wish to develop their skills or progress their careers.

There are also many other examples such as our policy recommendations on improving state schools to better prepare young people for work (on areas like enterprise and business education, work experience or improved careers advice); providing greater financial incentives for businesses to hire young people as apprentices in areas of high youth unemployment; expanding the National Citizen Service programme (which is being implemented by the Government); or expanding the mentoring on offer for young people through schools, Jobcentre Plus, Start-Up Loans or other institutions or organisations.

Mentoring in particular is crucially important for BME young people as, due to historic discrimination and other reasons, people from BME backgrounds are under-represented at the top of business, government and many professions. There are therefore fewer role models for them to be inspired by or to draw on and mentoring is one of the best ways to overcome that. Indeed, as one of our young volunteers, Albana Istrefi, 20, argues, in her experience: "mentoring is the most effective way to improve the progression of BME employees." If the Government is interested in examples of mentoring programmes, there are many out there, but we would suggest paying particular attention to 'CoachBright' (<http://www.coachbright.org/>), an organisation founded by Robin Chu, a former volunteer for The Found Generation. CoachBright aims to coach school pupils into top universities through structured coaching programmes. This approach could be implemented more widely by Government and businesses and could potentially be used for employees in the workplace as well as in schools.

If initiatives such as those mentioned above were implemented, and in particular are targeted at areas with the highest levels of youth unemployment, these would make a huge difference to BME young people, as many of the areas in the UK with the highest levels of youth unemployment also have a higher than average number of BME residents, including young people.

Further to the examples above, we would direct the Government to our Manifesto for Youth Employment, published in 2015, and our report on Practical Solutions to UK Youth Unemployment, published in 2014 (both available here: <http://thefoundgeneration.co.uk/our-publications/>). In particular our Manifesto sets out 32 clear, practical, evidence-based sets of policy proposals which could be implemented by the Government with little or no difficulty, including those mentioned above, and which would assist with many of the BME 2020 goals as set out above. We recommend that the Government and those behind this inquiry should read both documents in full and implement their recommendations where appropriate, particularly as both reports have been cited with approval in House of Commons debates by Chloe Smith MP, Chair of the All-Party Parliamentary Group on Youth Employment.

There are also further policies, other than those already mentioned in our publications, which the Government could adopt in order to help all young people, but which could have a particular benefit to those from a BME background. For example, we are increasingly concerned about the Government's increases to university tuition fees and even more concerned about the removal of maintenance grants to university students in favour of loans. There is a case that these changes should be reversed or mitigated, for example by restoring the maintenance grants or reducing tuition fees for young people from low-income families – particularly as the changes to maintenance grants were intended in the first place to support university students from low-income families. Indeed a number of young people have expressed concerns to us about this. For example, one of our young volunteers, Kara Weekes, 20, has told us that “the current university fees should be seriously reconsidered as well as the grant system as, in my opinion and from experience speaking to fellow BME young people, this is a significant factor deterring BMEs and those from less advantaged backgrounds from applying to university”. Action on this front is therefore important, particularly if the Government genuinely hopes to increase the number of BME students going to university under their BME 2020 plan.

## 2. Implementation of more targeted policies which will benefit BME young people

In addition to the above policies, we also accept that there is a case for implementing further, more targeted interventions which are aimed at BME people, particularly BME young people, including to address discrimination. Examples could include:

- Focusing on efforts to promote literacy in schools and any other steps necessary to address issues with language barriers, particularly among BME young people, many of whom do not speak English as a first language
- Providing additional support to BME young people with areas such as CV writing, interview preparation etc. to account for additional difficulties they may face in these areas (including language barriers as referred to above)
- Providing guidance to employers to make it easier to understand qualifications gained by BME young people from other countries
- Encouraging more employers to run schemes similar to the Civil Service's Early Diversity Internship and Summer Diversity Internship programmes which are for BME students, disabled students and those from under-represented socio-economic backgrounds.
- Considering incentives for employers to take on more BME staff and promoting the benefits of hiring BME young people
- Providing extra financial and mentoring support to BME young people who wish to become self-employed (including through Start-Up Loans and the New Enterprise Allowance scheme)
- Ensuring that the public sector uses the procurement process effectively to put steps in contracts requiring their contractors to hire or give work experience to more BME young people
- Taking steps to address the attainment gap between BME students and non-BME students at schools and universities, for example through support with study skills or other support such as mentoring or coaching

The Government could also do more to enforce the Equality Act 2010 and its requirements in relation to preventing race discrimination – for example by reconsidering the current system of Employment Tribunal fees which make it harder for BME young people to enforce their legal rights in the workplace – and to tackle structural and institutional racism and discrimination in many institutions and organisations.

We would also urge the Government to consider relevant recommendations from other reports including the Black Training and Enterprise Group manifesto (<http://www.btegroup.co.uk/content/manifesto-ending-racial-inequalities-britain>) and the recent reports by the Equality and Human Rights Commission on Race Equality (<https://www.equalityhumanrights.com/en/publication-download/healing-divided-britain-need-comprehensive-race-equality-strategy>); and the House of Commons Women and Equalities Select Committee on employment opportunities for Muslims in the UK (<http://www.parliament.uk/business/committees/committees-a-z/commons-select/women-and-equalities-committee/news-parliament-2015/employment-opportunities-for-muslims>)

Finally, we conclude with a plea to the Government from our young volunteer Haleema Akhtar, 18, for cross-party co-operation on this issue and for BME young people to be consulted and involved in developing policies relating to them. As she puts it: "Whatever solution is implemented, it has to come from BME young people themselves and be a solution for all parties. This requires cross-party cooperation and the help and input of BME youth".