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# Changing Neighbourhoods?: MAPPING THE GEOGRAPHY OF POVERTY AND WORKLESSNESS USING THE 1991 AND 2001 CENSUS

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## SUMMARY

- Understanding how poverty is distributed between regions, cities and neighbourhoods is important for public policy but until now it has been difficult to map changing patterns of poverty because of changing boundaries and changing indicators over time. The 2001 Census offers a new opportunity.
- This paper has its origins in earlier work carried out at CASE by Glennerster et al. (1999), which mapped neighbourhood poverty for 1991 using two indicators: a measure of 'work-poverty': the proportion of people of working age not working, studying or training; and the Breadline Britain relative poverty measure. This paper replicates the analysis of the work-poverty data for 2001, comparing it with 1991.
- Nationally, the rate of work-poverty in England dropped in the 1990s from 24.4% in 1991 to 22.0% in 2001, mainly because of increases in employment and higher education among women. This resulted in a 44% drop in the number of high work-poverty neighbourhoods (defined as those with 40% or more of their working age population not working or studying). There was a similar drop in the number of people living in such neighbourhoods and in the number of work-poor individuals living in such neighbourhoods.
- Some large clusters of poverty were broken up. In 1991 there were 22 clusters of contiguous high work-poverty wards with populations of 20,000 people or more. 17 remained in 2001. The largest cluster in 1991, Liverpool, with 25 wards and a population of 265,000, had reduced by 2001 to three smaller clusters with a combined population of 112,000, because of reductions in work-poverty in the remainder of its component wards.
- These changes were achieved because most neighbourhoods, especially the poorest, saw reductions in work-poverty. For most, these were not dramatic changes. However some poor neighbourhoods, mainly those in central city locations or close to universities, saw significant transformation, with reductions in work-poverty of over 20 percentage points.
- Other poor neighbourhoods did not benefit, and experienced static or rising levels of work-poverty. These were mainly inner-ring urban neighbourhoods, and especially those with high proportions of Pakistani and Bangladeshi residents. The distribution of high work-poverty neighbourhoods across regions also changed, with a reduction in London's share and an increasing share for the East and West Midlands.
- The findings point to the need to focus on the economic regeneration of the inner urban areas of large industrial cities of the North and Midlands, and to ensure that minority ethnic neighbourhoods do not continue to miss out on the benefits of economic growth.



## INTRODUCTION

This paper is the third in a series of Census Briefs produced by CASE and inspired by the work of the Brookings Institution in the United States whose Center on Urban and Metropolitan Policy has played a creative role in informing and in part helping shape the recovery of US cities. The series aims to help advance the debate on the future of cities and towns in Britain by presenting evidence of key urban and neighbourhood trends during the 1990s, using evidence from the 1991 and 2001 Censuses. The first paper in the series covered population growth and decline in Britain's cities and regions. The second looked more closely at changes in the size and distribution of minority ethnic groups, nationally and within the major conurbations where they are concentrated. This paper uses Census data to examine changes in the geography of poverty, with a particular focus on the largest clusters of concentrated poverty and what happened to them during the 1990s.

Understanding how poverty is spatially distributed across regions, cities and neighbourhoods is of critical importance for public policy. The spatial concentration of poverty matters partly for pragmatic reasons. Public services usually have local delivery points. Youth workers, housing officers, community workers and police officers have to be deployed somewhere, and more will be needed in areas of concentrated poverty than others. But neighbourhood-based policy is also based on an assumption that concentrations of poverty matter because the clustering of the poor in the same areas creates additional problems that would not be faced if they were scattered: in other words that there are neighbourhood poverty effects on individuals. Discussions of such effects are often framed in terms of negative effects arising from the social interactions of the poor: low aspirations, norms of delinquent behaviour, a culture of welfare dependency and so on. However, detrimental effects could also arise in poor neighbourhoods independent of the cultures and attitudes of their residents: for example because of limited opportunities to network with influential contacts; lack of power and influencing skills to lobby for better services; discriminatory behaviour by employers; or only being able to access public services that are under pressure and over stretched (see Buck 2001 for a useful summary of the theoretical propositions of the neighbourhood effects literature). Moreover, high concentrations of poverty may not be good for cities, generating little local taxation income with which to support city services, deterring business investment, and exacerbating the flight of high income residents to the suburbs and countryside (DETR 2000, Rogers and Power 2000, Jargowsky 2003). We cannot afford not to know where, and to what extent, poverty is concentrated and how this changes over time in response to policy interventions or to wider changes in the economy and society.

The analysis of concentrated poverty that we present here is based on research previously carried out at CASE in the late 1990s by Philip Noden and colleagues (Glennster et al. 1999), who used two Census-based indicators to measure poverty at the electoral ward level - the nearest Census proxy for neighbourhood. One was a measure of

'work-poverty': the proportion of individuals of working age within a ward who were not working, studying or training. This took a deliberately broader and longer view of labour market participation than the more typically-used indicators of unemployment and economic inactivity, and to some extent tried to address future poverty and social exclusion as well as current status. While students might be economically inactive and sometimes poor, they were also engaged in training for work that would probably lift them out of poverty in the future. In using this definition, Glennster et al. argued that neighbourhoods with a high proportion of residents involved in higher education could not justifiably be regarded as having low and problematic labour market capacity, even though their current economic activity rates might be low. The second indicator was a score on a ward-level index of poverty known as the Breadline Britain Index (BBI). BBI was developed from a national survey carried out in 1990 (Gordon and Pantazis 1997) that first identified items that were regarded as necessities by the majority of people in Britain, then established how many, and what type of households were poor in the sense of lacking three or more of these items. By matching survey data to Census data on the type of households within each ward, an estimation of the number of poor households in a ward could be derived. The advantage of this measure was that it defined poverty not just in labour market terms but in terms of the ability to consume essential goods and participate in essential social activities. The two measures in combination gave a rounded view of poverty.

The picture they painted was one a heavy skew of concentrated poverty towards London and the industrial regions of the North. One third of the poorest wards (those which ranked in the top 5% on both indicators) were in just nine local authorities: Sunderland, Newcastle-upon-Tyne and Middlesbrough in the North East; Liverpool and Knowsley on Merseyside; Manchester in the North West; Birmingham in the West Midlands; and Tower Hamlets and Hackney in London. The vast majority were in areas classified by the ONS as either Inner London or other areas with inner city characteristics, coalfields, manufacturing or coastal industry. It was a marked geography of poverty.

In this paper, we begin to look at how that picture changed in the 1990s, with an analysis of Glennster et al's first indicator - 'work-poverty'. The second indicator, Breadline Britain, was replicated in 1999 through a new survey of poverty and social exclusion, based on the same methodology (Gordon et al. 2000). The indicator has not yet been modelled to ward level on a household basis. Our analysis of the work-poverty indicator shows that work-poverty has declined, and the largest falls have been in the areas of highest work-poverty in 1991, resulting in a slight convergence between poor areas and others, although there is no evidence of a shaking-up of the hierarchy of areas through the transformation of formerly poor areas into relatively rich ones. The changes in work poverty have impacted differently in different cities, demonstrating the need for a better understanding of the way that changes in the drivers of poverty and social exclusion are impacting in different places, and the

need for urban policies that reflect these diverging neighbourhood trajectories.

In producing this series, we owe a debt of thanks to Bruce Katz and other colleagues in Brookings for inspiring us to undertake the work jointly with them; to Professor William Julius Wilson of Harvard for his constant interest in our work on poor neighbourhoods and his willingness to join the wider urban debate in this country as well as in the US; to Professors Tony Champion, Duncan McLennan and Ivan Turok for their challenging advice and willingness to share expertise; to David Lunts, head of the Urban Unit at ODPM and the many other colleagues in government who have encouraged us to do this work; also to Richard Best at the Joseph Rowntree Foundation for supporting our original work on the slow death of great cities and to Richard Rogers for lending his expertise and experience to our follow up to the Urban Task Force, *Cities for a Small Country* (Rogers and Power 2000). Throughout, we draw on our work in CASE for the area study funded by the ESRC where we track 12 of the poorest urban areas in the country over 7 years, written up by Ruth Lupton (2003) and Katharine Mumford and Anne Power (2003), and on the work of our colleagues at the Center on Urban and Metropolitan Policy at Brookings, whose work on the US Census can be found at <http://www.brookings.edu/es/urban/issues/demographics/demographics.htm>.

In producing this third brief, we are particularly grateful to Becky Tunstall, Alan Berube, Bruce Katz and colleagues at Brookings, to Robert Sampson and colleagues at Harvard University for their comments on an earlier version of the paper, and to Danny Dorling of the University of Sheffield and David Gordon of Bristol University for their helpful advice and encouragement. Census data has been made available by the Office for National Statistics under Crown Copyright and is reproduced here with the permission of the Controller of HMSO and the Queen's Printer for Scotland.

## USING THE CENSUS TO ANALYSE CHANGES IN THE GEOGRAPHY OF POVERTY

Mapping the changing geography of poverty in Britain is problematic, mainly because of the lack of a single poverty indicator held constant over time. In contrast to its opposite number in the US, the UK Census does not include a question on income, and the country's large-scale panel surveys do not have sufficient sample sizes to enable neighbourhood-level analysis. A variety of area deprivation measures and indices has been developed during the 1990s and used to inform funding and policy decisions, but each has been compiled using different indicators and methods (Tunstall and Lupton 2003). Thus we have simply not been in a position to answer simple questions like "how many poor neighbourhoods are there?"; "is their number growing or diminishing over time?" "what proportion of the population and what proportion of the poor live in poor neighbourhoods and is this changing" or "is the geographic pattern of poor neighbourhoods changing and why?" Dorling (personal communication) notes that his preliminary work

mapping Breadline Britain data for macro-neighbourhoods level (about 40,000 people or more) represent the first maps of change in poverty rate ever to be drawn below the local authority level - an astonishing situation, and one that contrasts sharply with that in the US, where Paul Jargowsky's detailed Census tract analysis (Jargowsky 1997 and 2003) has provided an invaluable portrait of the changing make-up of urban areas over three decades. Jargowsky's findings revealed rising poverty concentrations and central city decline between 1970 and 1990; shrinking poverty clusters in the 1990s arising from economic recovery and affecting all ethnic groups, but with rising neighbourhood poverty in some inner-ring suburbs, possibly as a direct result of peripheral urban development.

The 2001 Census in Britain offers a new opportunity to fill this knowledge gap. Although there is still no income question, there is at least the opportunity to compare measures that have been held constant from 1991. In this analysis, we use SAS Table 8 from the 1991 Census and Standard Table 28 from the 2001 Census which enable a direct comparison of the numbers and proportion of people of working age (16-59 for women and 16-64 for men) not working or studying in each year. People who are not working or studying may be those who are unemployed, permanently sick or disabled, those who have taken early retirement or are looking after home or family, or those who are economically inactive for other reasons, perhaps because they have another source of income. It is important to emphasise that this is a labour market measure, not a direct measure of income poverty or deprivation nor a measure that will reflect poverty that is not work-related (for example pensioner poverty).<sup>1</sup> To reflect this, we tend to refer to 'work-poverty' and 'high work-poverty neighbourhoods', rather than 'high poverty', although this term is sometimes used for brevity.

'Neighbourhood' here is defined by electoral wards,<sup>2</sup> and a high work-poverty neighbourhood is defined here as one where 40% or more of the working age population is not working, studying or training. Like any threshold, this one is somewhat arbitrary. It needed to be high enough to include only a minority of wards that would clearly be identified by experienced observers as being unusually poor. In the US data, Jargowsky's 40% poverty threshold included 5.7% of all Census tracts in 1991. Given that UK wards are larger than US Census tracts, a smaller percentage should probably be included in any British analysis. Glennerster et al., using their combination of measures, identified 3% of neighbourhoods (284) that were in the top 5% on both indices. Another way to determine the appropriate threshold is in relation to the national level of poverty. In 1991, overall, 24% of the population were work-poor. A 30% neighbourhood cut-

1 Although the work-poverty measure is not a direct measure of poverty or deprivation, the distribution of poverty wards that it produces corresponds well with that produced by average ward income estimates modeled by ONS for 1998. It also corresponds well with the 2000 Index of Multiple Deprivation, although relative to this, it tends to overstate poverty in the North East and understate it in London.

2 The average electoral ward has about 5000 people, although they tend to be smaller in rural areas and much larger in large cities (up to about 30,000). The number of wards, and their boundaries, changed in many areas during the 1990s. We use 1991 boundaries for 1991 wards and 2001 boundaries for 2001 wards, which makes comparison of individual wards impossible except where boundaries were unchanged, but provides a comparable picture overall between the two years.



off is low relative to this figure and captures too many wards (14%). A 40% cut-off captures 3% - a small number of wards (only 250 in 1991) - and may be criticised for being too high. However, it certainly includes wards that could be agreed to be seriously and distinctively poor, and is consistent with both Glennerster et al's UK analysis of the number of poor wards, and with Jargowsky's US poverty threshold. For these reasons, we have used it in this analysis. We also describe changes based on the 30% threshold, for comparison purposes.

It is important to note some key differences between the 1991 and 2001 Censuses, that make comparison problematic. We have described these in detail in the first paper in this series (Lupton and Power 2004a) and more information can also be found on the National Statistics website ([www.statistics.gov.uk](http://www.statistics.gov.uk)). We note them briefly here. One is that the 1991 Census suffered from more serious under-enumeration problems than the 2001 Census, and these were not corrected prior to the release of the Census data, in contrast to 2001 when figures were adjusted pre-release. Thus figures for change 1991-2001 can appear greater than they actually were. The second is the treatment of students. In 1991, students were counted at their vacation address and in 2001 at their term address; a decision which clearly has major implications for comparison across Censuses, especially when the proportion of people studying is used as a key indicator. Inner neighbourhoods in university cities appear to have large increases in their populations and reductions in their work-poverty rates, caused only by the different counting method. Fortunately, ward-level population estimates for 1991 with students transferred to their term address were produced during the 1990s and these estimates have been used here.<sup>3</sup> However, they are not available for Britain as a whole. The analysis here, therefore, is confined to England.

Using this data, we look first at the distribution of high work-poverty neighbourhoods in 1991, then in 2001, looking both at absolute changes in work-poverty and at the relative situation. We focus particularly on analysing change in those areas which had large clusters of poverty, incorporating large numbers of contiguous high work-poverty wards. We then draw on wider evidence of trends during the 1990s to explain the changes observed, before drawing conclusions about the meaning of the changes both for our understanding of the geography of poverty and for public policy.

## HIGH WORK-POVERTY NEIGHBOURHOODS IN 1991

In 1991, just under 3% (250) of England's 8519 wards were 'high work-poverty neighbourhoods', using the threshold of 40% or more of working age population in work-poverty, with just over 14% (1205) being poor using the 30% threshold.

High work-poverty wards were predominantly in urban areas. Because such areas have larger electoral wards than rural areas, the proportion of England's population living in high-poverty wards was higher than the proportion of wards. A little over 2 million people lived in the 40%

work-poverty wards, 4.5% of the total population. The 30% work-poverty wards had a total population of nearly 10 million people (20.3% of the total population).

Work-poor individuals were more clustered in work-poor wards than the population as a whole. The 40% work-poor wards had half a million work-poor residents, 7.7% of England's work-poor population. The 30% work-poor wards had 2 million work-poor residents, 29% of the work-poor population.

**TABLE 1: Numbers of Wards with Different Levels of Work-Poverty 1991**

% of Working Age Population in Work-poverty	Number of wards	% of wards	Population (000s)	% of Pop.	Work-poor Population (000s)	% of work-poor Population
50% or more	34	0.4	301	0.6	87	1.2
40% or more	250	2.9	2,187	4.5	544	7.7
30% or more	1205	14.1	9,798	20.3	2,044	29.0
20% or more	5596	65.7	33,769	70.0	5,462	77.6
<b>Total</b>	<b>8519</b>					

The distribution of the high work-poverty wards, and of their populations, was heavily skewed towards the industrial regions of the North. Nearly three-quarters of the 40% work-poor wards, and their populations, were in the North East, North West, or Yorkshire and Humberside, even though these regions only had a quarter of the wards overall and a third of the population (Table 2). The most disproportionate share of the 40% work-poor wards was in the North East (30.0% of the work-poor wards compared with 5.7% of the wards overall, and in the North West (34.0% compared with 11.8% of the wards). Apart from these two regions and Yorkshire and Humberside, all the other regions had lower numbers of high work-poverty wards than would be expected given their overall number of wards. London was an interesting case, with a relatively low proportion of very high work-poverty wards (40%+ work-poor), but a disproportionately high proportion of wards with 30% or more work-poverty, reflecting the nature of the city with its adjacent pockets of poverty and wealth, in contrast to the more uniform poverty of neighbourhoods in industrial areas outside the capital.

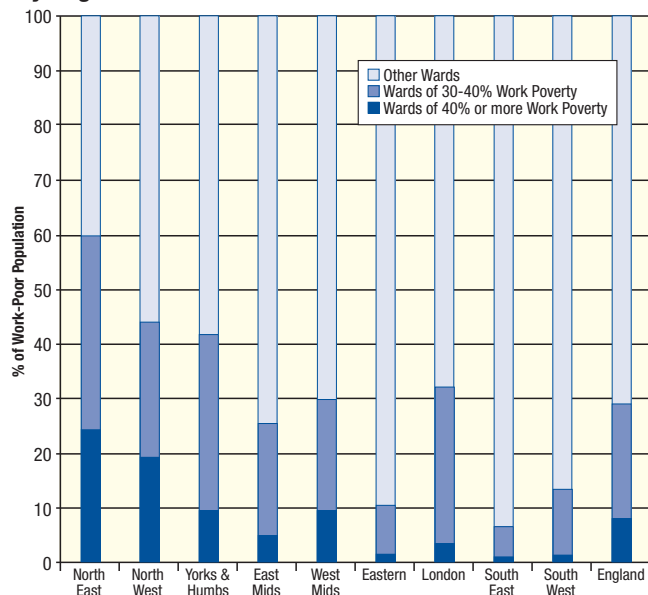
**TABLE 2: Regional Shares of Work-Poor Wards and Their Populations**

	Percentage of Wards in each Region			Percentage of Population in each Region		
	40% work-poor Wards	30% work-poor Wards	All Wards	40% work-poor Wards	30% work-poor Wards	All Wards
North East	30.0	18.7	5.7	20.4	13.3	5.4
North West	34.0	19.8	11.8	36.8	22.4	14.3
Yorks & Humbs	10.4	11.5	7.3	14.3	15.9	10.3
East Mids	8.4	10.4	10.8	5.4	7.5	8.4
West Mids	5.2	7.2	9.4	12.9	11.6	10.9
Eastern	1.6	5.1	13.9	1.0	3.8	10.7
London	7.6	15.9	8.9	7.1	17.2	14.3
South East	1.6	4.6	18.4	0.9	3.5	15.9
South West	1.2	6.9	13.7	1.2	4.7	9.8

The disproportionate presence of high work-poverty wards among the wards in the North East and North West meant that considerable proportions of the populations of

these regions, and the work-poor populations, lived in high work-poverty wards. Thus, an individual who was not working or studying in the North East or North West was much more likely to be living in a ward with high proportions of others in similar circumstances than a similar individual in other regions (Figure 1).

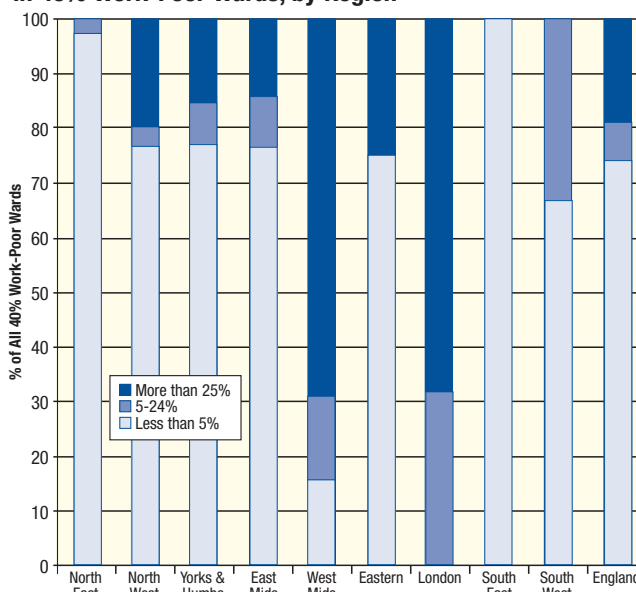
**FIGURE 1: Percentage of the Work-Poor Population living in Wards with Different Concentrations of Work-Poverty, by Region**



The ethnic composition of the work-poor wards was also different from region to region. In the North East, nearly all of the work-poor wards were predominantly white, with 5% or fewer of the population from ethnic minorities. In the North West, Yorkshire/Humber and the East Midlands, most poor wards had minority populations below the national average of about 5%. However, in London, none of the poor wards were predominantly white using this definition. Most of them had significant proportions (25%+) of their populations from ethnic minorities (Figure 2). Poor wards in London were mainly neighbourhoods with high ethnic minority populations living in public housing. Poor neighbourhoods in the West Midlands were also typically areas with high concentrations of ethnic minorities, in this case usually Pakistani and Bangladeshi communities, and usually in privately owned or rented accommodation. Such communities were also found among the poor wards of the North West and Yorks/Humber, although these regions also had a large number of predominantly white high work-poverty wards. These differences are likely to be important if we are to formulate effective policy towards poor neighbourhoods, given not only the different cultural needs of the different ethnic communities and their varying success in the labour market, but also their different demographics. Pakistani and Bangladeshi communities in England are relatively recently arrived, within the last two to three decades, and have continuing immigration. Their populations are younger and have higher growth rates than the majority white community or the longer-established black Caribbean community. High work-

poverty areas with populations of this nature are likely to experience population growth, particularly in the age cohorts entering the labour market: growth which is not necessarily in line with trends in labour supply in those areas.

**FIGURE 2: Proportions of Ethnic Minorities in 40% Work-Poor Wards, by Region**



## CLUSTERS OF HIGH WORK-POVERTY NEIGHBOURHOODS

Although we have described high work-poverty wards and their characteristics as individual units, it was a salient factor of the distribution of poor wards in 1991 that many of them did not stand alone as isolated pockets of poverty, demarcated by their ward boundary. 46% (116) were located adjacent to at least one other such ward, forming a cluster that was at least 20,000 people in size, at least the size of a large inner urban ward.<sup>3</sup> These wards formed 22 significant clusters in all, listed in Table 3. Most were not large, containing just a handful of wards and fewer than 50,000 people, and in fact, in many areas of the country, there were none or few large areas of consistently high work-poverty. The Eastern region, South East and South West had no 40% work-poor wards in clusters of 20,000 population or more. Even in the North East, with its high proportion of high work-poverty wards, most were isolated or in small clusters, reflecting the industrial make-up of this region, with small ex-mining villages as well as major coastal towns and cities like Newcastle and Middlesbrough.

<sup>3</sup> These are known as the EWCpop estimates and were produced by the ESRC Estimating with Confidence project in the late 1990s.

<sup>4</sup> Other high work-poverty wards were located next to one another, but formed clusters of fewer than 20,000 population that were themselves smaller than many wards.

**TABLE 3: Poverty Clusters of 20,000 Population or More, 1991**

Cluster Name	Region	No. of Wards	Population	Work-Poor Population	Working age pop adjusted for students new	% of Cluster wkg age Population in Work-Poverty
Liverpool	North West	25	264808	72714	148012	49.1
Birmingham	West Midlands	8	213416	51056	113529	45.0
Manchester	North West	10	113221	28381	62458	45.4
Middlesbrough	North East	14	79104	21531	43758	49.2
Sunderland	North East	7	74153	19572	42893	45.6
Sheffield	Yorks/Humber	4	62091	14076	33380	42.2
Manningham	Yorks/Humber	3	59234	13215	31965	41.3
Wirral	North West	4	57116	14831	31644	46.9
Tower Hamlets	London	5	42799	9726	23170	42.0
Blackburn	North West	6	38501	9436	20579	45.9
Stockton	North East	6	36150	8986	20309	44.2
Wolverhampton	West Midlands	2	25770	6231	14851	42.0
Speke	North West	2	25729	6438	13856	46.5
Bolton	North West	2	25156	6071	13418	45.2
Hartlepool	North East	4	25145	6609	14363	46.0
Rochdale	North West	2	24745	5528	13387	41.3
Oldham	North West	2	23785	5185	12261	42.3
Barnsley	Yorks/Humber	2	23509	6125	13567	45.1
Leicester	East Midlands	2	23361	6206	13538	45.8
Netherton	North West	2	21013	4844	11948	40.5
Derby	East Midlands	2	20737	4638	11210	41.4
Valley	North West	2	20408	5236	11813	44.3
<b>TOTAL</b>		<b>116</b>	<b>1299950</b>	<b>326635</b>	<b>715907</b>	

However, some parts of the country were characterised by large concentrations of work-poverty. In the North West, 67% of the high work-poverty wards (and 5.5% of all wards) were in one of the large clusters, indicating a much more extensive concentration of poverty in large bands of contiguous wards, rather than in smaller, distinct groupings. Over half of these clustered wards were in one of two large clusters. One was in Liverpool, covering not just the inner area of Liverpool city, but wards in Sefton and Knowsley, beyond the city boundary, made up mainly of large social housing estates. This cluster contained about 265,000 people, and 73,000 in work-poverty (Table 3). The other large North West cluster was in Manchester, incorporating the city centre and inner ring wards in Manchester and the district of Salford. The region also had a number of smaller clusters, in the Lancashire textile towns such as Oldham and Rochdale and in outer areas of the Liverpool conurbation, such as Speke, Netherton and Valley.

Four-fifths (77%) of the poorest wards in the West Midlands were also clustered, most of them in one large cluster in inner Birmingham, extending into the neighbouring district of Sandwell. In this region, however, the clustered wards made up only 1.0% of all the wards in the region, indicating a pronounced concentration of the poorest wards amongst generally low levels of poverty concentration.

Ethnic composition data for the clusters appear in Table 7 where we return to them later in the paper. In common with the pattern for high work-poverty wards as a whole, clusters in the North East had predominantly white populations, while the Birmingham cluster had a very

high South Asian population, principally Pakistani, and the clusters in the North West were either predominantly white (such as Liverpool) or had high South Asian populations, such as Oldham.

## HIGH WORK-POVERTY NEIGHBOURHOODS 2001

Census data for 2001 shows a dramatic fall in the number of high-poverty neighbourhoods (Table 4). The number of wards at or exceeding the 40% work-poor threshold fell from 250 to 140 (a reduction of 44%) and the number of wards at or exceeding the 30% threshold from 1205 to 772 (a reduction of 36%).<sup>5</sup>

**TABLE 4: Numbers of Wards with Different Levels of Work-Poverty 2001**

Percentage of Working Age Population in Work-poverty	Number of wards	% of wards	Population (000s)	% of Population	Work-poor Population (000s)	% of work-poor Population
50% or more	13	0.2	106	0.2	32	0.4
40% or more	140	1.8	1240	2.5	320	4.8
30% or more	772	9.7	6510	13.2	1389	20.9
20% or more	3671	46.3	25926	52.7	4242	63.8
<b>TOTAL</b>	<b>7932</b>					

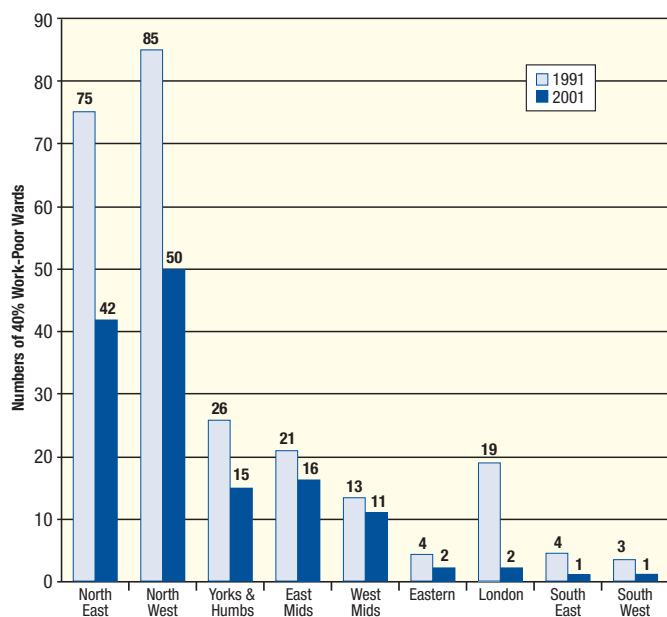
In 2001, 1.2 million people lived in the 40% work-poor wards, about 60% of the total in 1991, and they accounted for just 2.5% of the overall population, compared with 4.5% in 1991. 6.5 million people lived in the 30% work-poor wards, 66% of the total in 1991, and they accounted for 13% of the population, compared with 20% in 1991.

As in 1991, the work-poor were more clustered in the poor wards than the population as a whole. In fact there was a very slight increase over the decade in the difference between the proportion of the work-poor population living in the high work-poverty wards and the proportion of the overall population. Nevertheless the 40% work-poor wards only contained 4.8% of the work-poor population in 2001, compared with 7.7% in 1991.

Not all regions lost high-poverty neighbourhoods at the same rate. Of the regions with significant numbers of high-poverty (40%) wards in 1991, the North East, North West, and Yorkshire and Humberside all lost high-poverty wards at about the national rate, about two-fifths of the 1991 number. The West and East Midlands, however, retained more of their poverty wards, while in London there was a dramatic reduction from 19 high-poverty wards in 1991 to just 2 in 2001 (Figure 3).

<sup>5</sup> Due to local government reorganisation, the number of wards overall also reduced in the 1990s, from 8519 to 7969. Some of these were so small that economic status data for 2001 was not made publicly available. The remaining total of 7932 wards is 93% of the number of wards in 1991. This reduction is not sufficient to account for the reduction in the number of high work-poverty wards.

**FIGURE 3: Changes in the Numbers of High Work-Poverty Wards 1991-2001, by Region**



As a result, while the skew in the distribution of high work-poverty wards towards the industrial regions of the North remained in 2001, the Midlands regions increased their share of high work-poverty wards, and London reduced its share. Among the 30% work-poverty wards, most of the high work-poverty regions increased their share of the total, as wards with poverty rates in the 40-50% band fell into the 30-40% band, and London reduced its share (Table 5).

**TABLE 5: Regional Shares of Work-Poor Wards 1991 and 2001**

	Regional share (% of 40% work-poor wards)		Regional share (% of 30% work-poor wards)	
	1991	2001	1991	2001
North East	30.0	30.0	18.7	21.9
North West	34.0	35.7	19.8	25.5
Yorks & Humbs	10.4	10.7	11.5	10.6
East Mids	8.4	11.4	10.4	10.9
West Mids	5.2	7.9	7.2	9.2
Eastern	1.6	1.4	5.1	3.6
London	7.6	1.4	15.9	10.1
South East	1.6	0.7	4.6	4.4
South West	1.2	0.7	6.9	3.8

**TABLE 6: Percentage of Population Living in High Work-Poverty Wards 1991 and 2001, by Region**

	% of total population living in 40% work-poor neighbourhoods		% of work-poor population living in 40% work-poor neighbourhoods		% of total population living in 30% work-poor neighbourhoods		% of work-poor population living in 30% work-poor neighbourhoods	
	1991	2001	1991	2001	1991	2001	1991	2001
North East	17.1	10.0	24.2	15.0	50.2	38.6	60.9	48.6
North West	11.7	6.5	18.5	11.3	31.8	23.9	43.7	34.9
Yorks & Humbs	6.3	3.7	9.8	6.4	31.3	21.4	42.0	31.1
East Mids	2.9	1.6	5.0	3.0	18.3	12.2	26.0	19.0
West Mids	5.4	5.0	8.6	9.2	21.5	17.8	29.8	27.0
Eastern	0.4	0.2	0.7	0.5	7.2	2.9	10.1	4.9
London	2.3	0.3	3.4	0.5	24.5	12.5	32.1	17.6
South East	0.2	0.0	0.5	0.1	4.5	2.4	6.7	4.2
South West	0.6	0.0	1.0	0.1	9.8	3.7	13.9	6.1

The result of these reductions was that most regions had a lower proportion of their overall population, and their work-poor population, living in high work-poverty neighbourhoods in 2001 than in 1991. In the West Midlands, where the majority of the work-poor population lived in neighbourhoods with highly concentrated Asian populations, there was only a very small decrease in the proportion of the overall population living in the work-poor neighbourhoods, and an increase in the proportion of the work-poor population living in such neighbourhoods (Table 6).

### CHANGES TO HIGH WORK-POVERTY CLUSTERS

Reductions in work-poverty even in high work-poverty wards meant that large poverty clusters broke up. Overall, fewer work-poor wards were clustered in 2001 (41% compared with 46% in 1991). In 1991, there were 22 clusters of poor wards with populations of at least 20,000. We list these again in Table 7, showing what had happened to them by 2001.

10 of the clusters had shrunk below 20,000 population. These were mainly the smaller clusters, with the Sheffield and Sunderland clusters being notable exceptions. In some cases, the wards in these clusters were losing population, but principally the change came about because one or more of them reduced its work-poverty rate below 40%.

Of the remaining 12 clusters:

- 10 remained above 20,000 but saw reductions in their populations and work-poor populations. These are marked in italics in Table 7. This was usually not just because the wards lost population, but because the number of wards in the cluster reduced, because some wards dropped below the 40% work-poverty threshold. The Liverpool and Manchester clusters saw very dramatic reductions in the numbers of contiguous poverty wards, from 25 to 5 in Liverpool's case and from 10 to 2 in Manchester's. The Liverpool cluster effectively split into 3 smaller clusters interspersed with less poor wards. However, across this group of clusters, work-poverty rates in 2001 were either higher in the new smaller clusters than they had been in the larger clusters of 1991, or only slightly lower. In other words, there were stubborn pockets of poverty that remained while others improved.

**TABLE 7: Work-Poverty Clusters in 1991 and 2001**

Cluster Name 1991	What happened to Cluster 1991-2001	Cluster Name 2001	Number of Wards		Population (000s)		Work-poverty Rate		% Black or Asian	
			1991	2001	1991	2001	1991	2001	1991	2001
<i>Liverpool</i>	<i>Smaller</i>	<i>Liverpool Pirrie Huyton</i>	25	5	265	56	49.1	47.6	1	4
				2		26		45.9		1
				4		30		48.8		2
*Birmingham	Larger	Birmingham	8	9	213	234	45.0	44.8	49	71
<i>Manchester</i>	<i>Smaller</i>	<i>Manchester</i>	10	2	113	22	45.4	46.2	7	32
<i>Middlesbrough</i>	<i>Smaller</i>	<i>M'brough</i>	14	10	79	59	49.2	45.1	2	4
Sunderland	Reduced below 20,000		7		74		45.6		0	
Sheffield	Reduced below 20,000		4		62		42.2		7	
<i>Manningham</i>	<i>Smaller</i>	<i>Manningham</i>	3	2	59	35	41.3	43.0	47	62
<i>Wirral</i>	<i>Smaller</i>	<i>Wirral</i>	4	3	57	35	46.9	46.9	0	2
<i>Tower Hamlets</i>	<i>Smaller</i>	<i>Tower Hamlets</i>	5	2	43	23	42.0	42.6	31	54
<i>Blackburn</i>	<i>Smaller</i>	<i>Blackburn</i>	6	4	39	30	45.9	45.6	35	62
Stockton	Reduced below 20,000		6		36		44.2		0	
Wolverhampton	Reduced below 20,000		2		26		42.0		20	
<i>Speke</i>	<i>Smaller</i>	<i>Speke</i>	2	2	26	22	46.5	44.0	1	3
<i>Bolton</i>	<i>Smaller</i>	<i>Bolton</i>	2	2	25	24	45.2	42.4	37	49
Hartlepool N	Reduced below 20,000		4		25		46.0		0	
<i>Rochdale</i>	<i>Smaller</i>	<i>Rochdale</i>	2	2	25	23	41.3	42.5	32	45
*Oldham	Same	Oldham	2	2	24	24	42.3	44.1	35	58
Barnsley	Reduced below 20,000		2		23		45.1		0	
Leicester	Reduced below 20,000		2		23		45.8		55	
Netherton	Reduced below 20,000		2		21		40.5		0	
Derby	Reduced below 20,000		2		21		41.4		18	
Valley	Reduced below 20,000		2		20		44.3		1	
		Hull North		2		21		41.8		4
		Hull South		2		21		44.2		1
		Newcastle East		3		24		45.3		3
<b>TOTAL</b>			<b>116</b>	<b>58</b>						

• 2 (Birmingham and Oldham) retained the same number of wards and either gained in population or held their population at about the 1991 level. These clusters are marked with an asterix in Table 7. These were clusters with high proportions of ethnic minority residents in 1991, predominantly Pakistani or Bangladeshi in origin. They had similar work-poverty rates in 2001 as in 1991, as well as increased proportions of ethnic minorities.<sup>6</sup> There were other clusters with high proportions of ethnic minorities in 1991 that did not follow this pattern. Leicester's minority population is primarily Indian rather than Pakistani, and in the case of the Tower Hamlets and Blackburn clusters, cluster sizes reduced because surrounding wards which had lower minority ethnic populations reduced their work-poverty rates, not because the high minority wards reduced theirs. In both cases, the smaller clusters remaining in 2001 had similar work-poverty rates to the larger clusters of 1991 and high proportions of minorities. Again, this was a pattern of stubborn residual pockets of poverty that did not see the reductions in worklessness witnessed elsewhere.

In addition there were three new, small, poverty clusters in Hull and Newcastle, making 17 clusters in all in 2001.

Maps 1-6 demonstrate what happened to the largest work poverty clusters: Liverpool, Birmingham and Manchester.

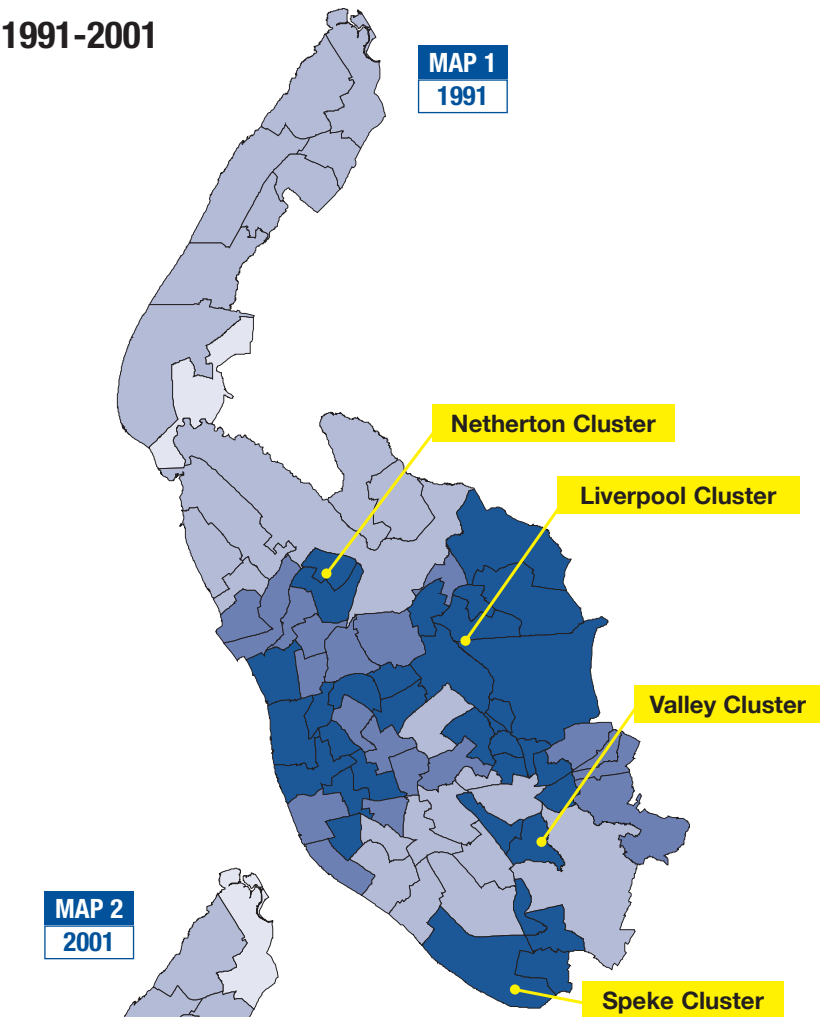
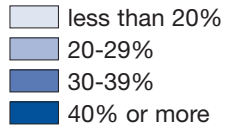
<sup>6</sup> These comparisons of ethnic minority population between the 1991 and 2001 Censuses are problematic. They are based on raw Census counts and therefore do not take account of underenumeration in the 1991 Census, which was thought to be higher among minority groups, nor of the change from counting students at their vacation to their term addresses. However, other work using more complex methods of estimation to take account of these problems (Lupton and Power 2004b) indicates that the changes were of a similar magnitude.



# Liverpool, Sefton and Knowsley 1991-2001

**MAP 1**  
**1991**

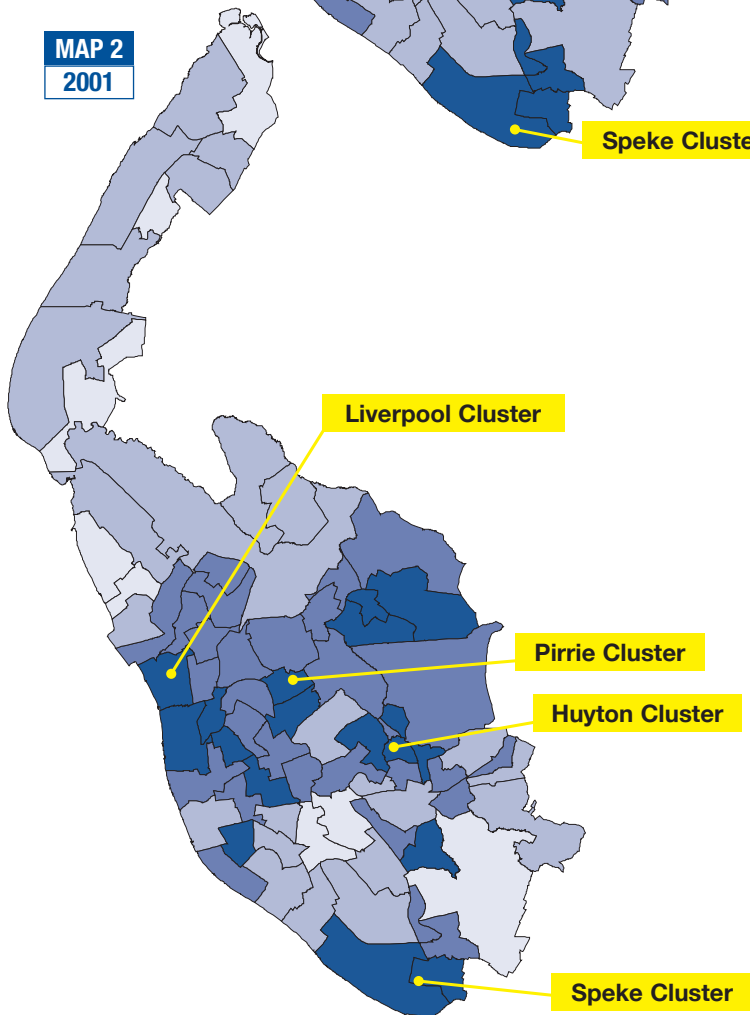
Ward Work-Poverty Rate.



**MAP 2**  
**2001**

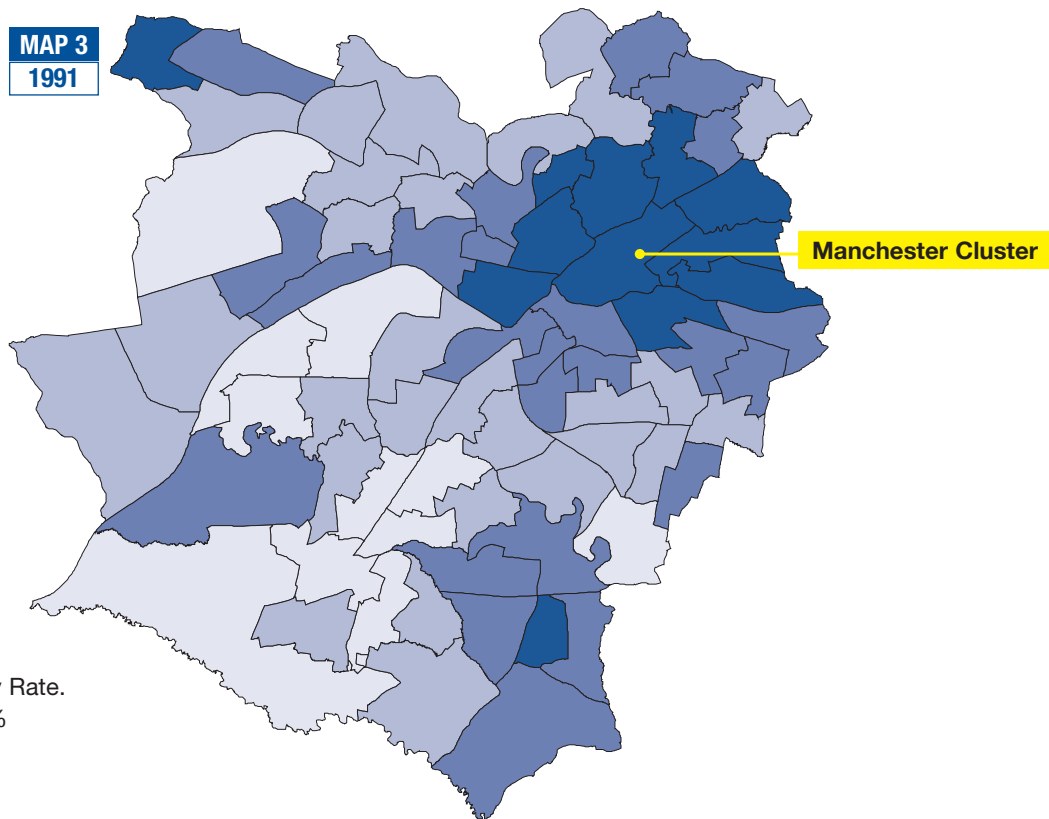
Work Poverty Rates of Clustered Wards 1991 and 2001

1. Princess	(63.2, 57.6)
2. Everton	(60.7, 36.6)
3. Longview	(60.0, 54.8)
4. Vauxhall	(58.3, 54.9)
5. Northwood	(57.5, 49.1)
6. Granby	(56.4, 50.3)
7. Cantril Farm	(55.0, 52.5)
8. Kirkby Central	(53.8, 44.9)
9. Linacre	(52.0, 47.2)
10. Cherryfield	(51.4, 46.0)
11. Breckfield	(50.0, 51.1)
12. Dovecot	(50.1, 41.1)
13. Clubmoor	(49.3, 45.8)
14. Tower Hill	(49.2, 38.7)
15. Pirrie	(48.8, 46.0)
16. Smithdown	(47.0, 38.7)
17. St Gabriels	(45.1, 39.3)
18. Melrose	(45.7, 46.0)
19. St Michaels	(45.1, 39.0)
20. Gillmoss	(44.5, 31.1)
21. Page Moss	(42.3, 37.8)
22. Kensington	(41.7, 43.4)
23. County	(40.1, 39.4)
24. Knowsley Park	(43.7, 37.1)
25. Whitefield	(41.9, 34.1)

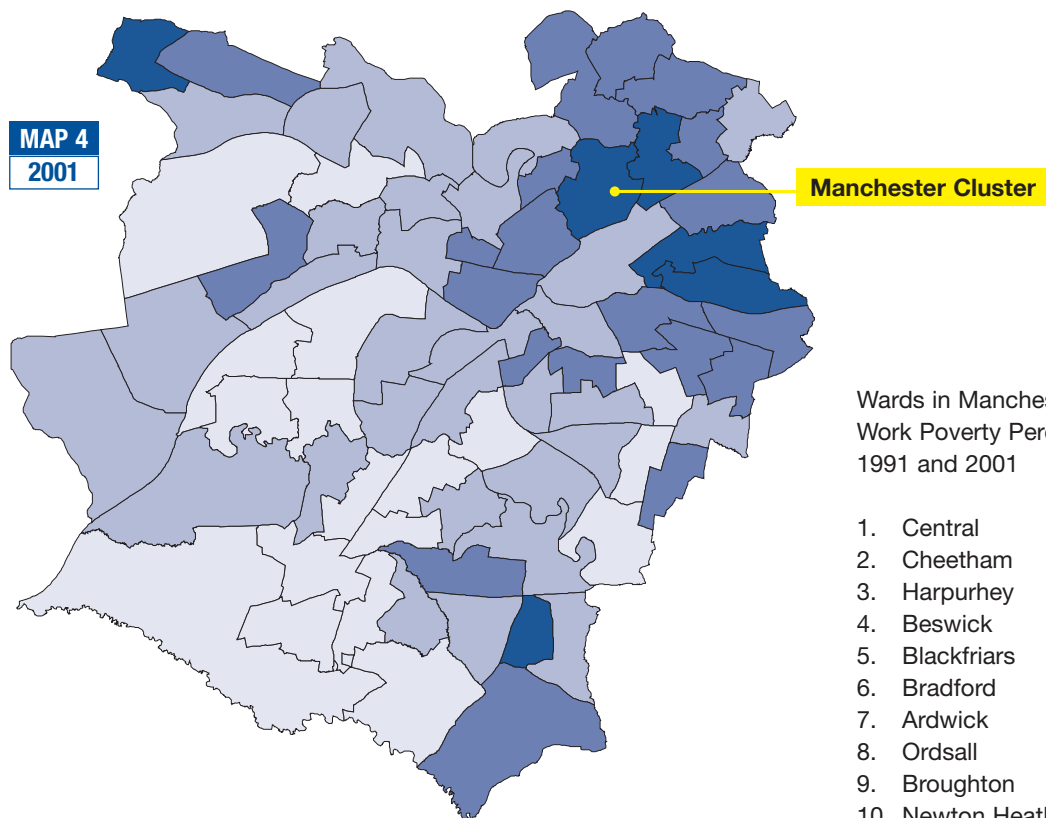


## Manchester, Salford and Trafford 1991 and 2001

**MAP 3**  
1991



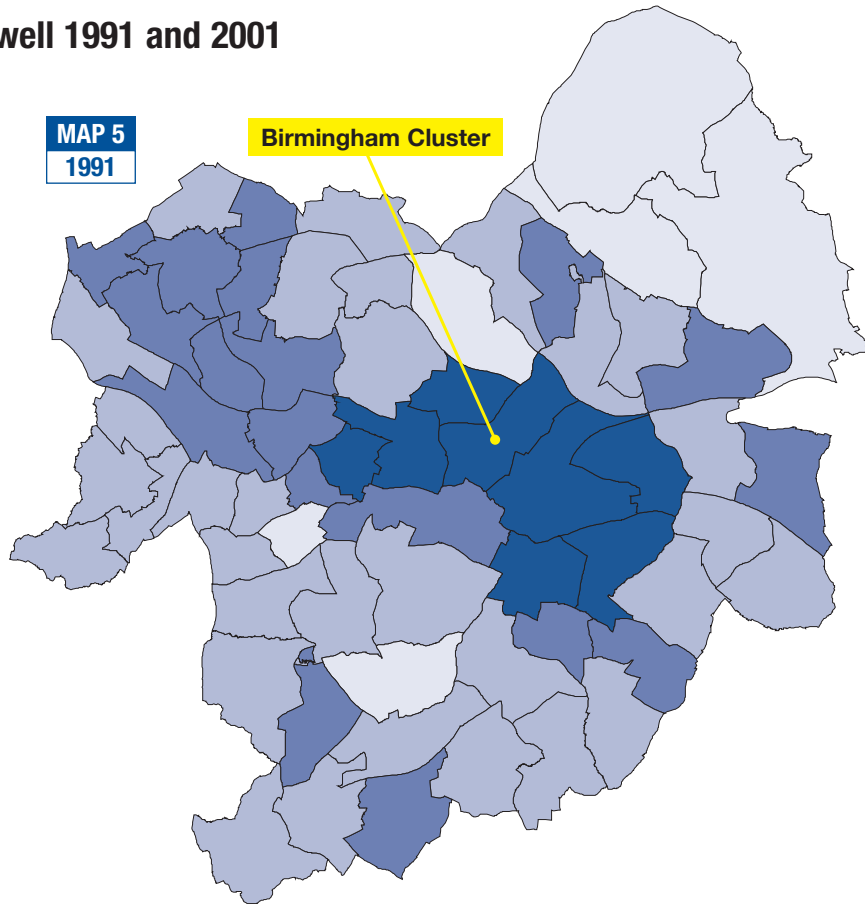
**MAP 4**  
2001



# Birmingham and Sandwell 1991 and 2001

**MAP 5**  
1991

**Birmingham Cluster**

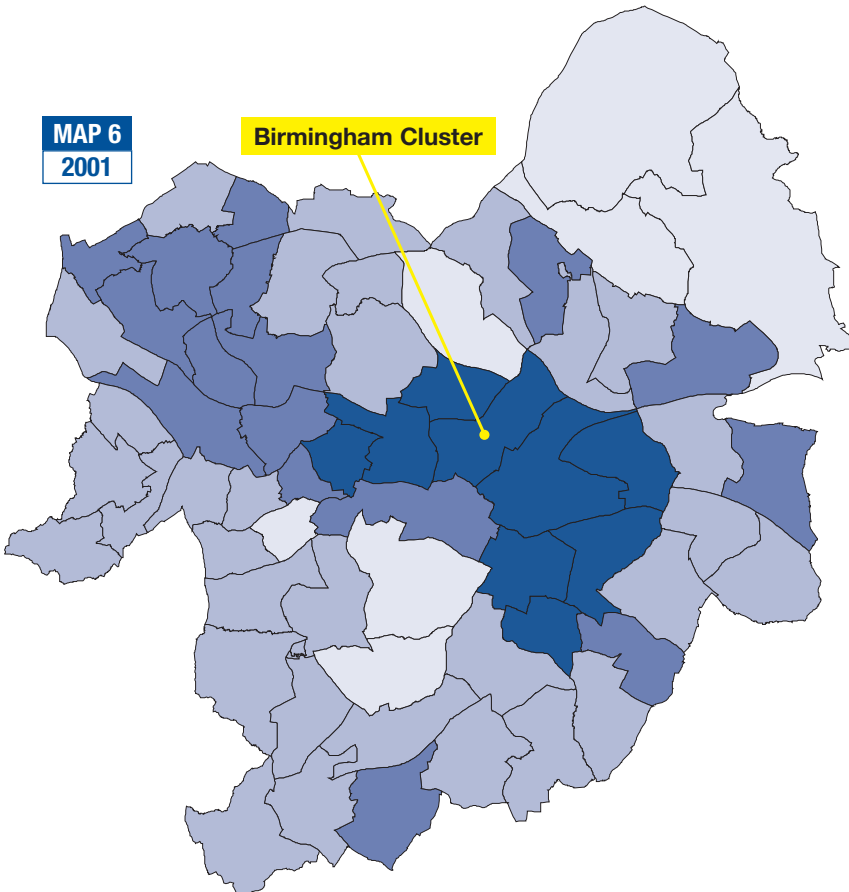


Ward Work-Poverty Rate.

- less than 20%
- 20-29%
- 30-39%
- 40% or more

**MAP 6**  
2001

**Birmingham Cluster**



Wards in Birmingham Cluster  
% Work-Poor 1991 and 2001

1. Sparkbrook	(51.5, 51.4)
2. Aston	(49.4, 47.9)
3. Soho and Victoria	(44.8, 43.1)
4. Soho	(42.2, 42.6)
5. Handsworth	(42.0, 43.4)
6. Nechells	(44.1, 40.2)
7. Small Heath	(45.4, 46.4)
8. Washwood Heath	(40.9, 44.7)



The Liverpool cluster in 1991 contained 25 contiguous poverty wards stretching from Liverpool city centre, alongside the River Mersey, through the inner ring of the city and joining up with poor wards in the towns of Kirkby and Huyton in the adjacent Borough of Knowsley. There were significant reductions in work-poverty across the cluster during the 1990s. Of the 25 wards, 21 had percentage point reductions in work-poverty that were greater than the national average (Table 8). This resulted in 10 of the wards falling below the 40% work-poverty threshold, breaking the cluster into small groups. By 2001, the large cluster had broken into three smaller clusters: Liverpool, Pirrie and Huyton.<sup>7</sup>

Despite these reductions, work-poverty rates in some wards in the cluster remained extremely high (over 50%), especially in the groups of wards in the Huyton cluster, an area made up largely of inter-war and post war public housing, whose residents had been heavily dependent on employment in large industrial estates. At the other end of the scale, there was a dramatic reduction in work-poverty (24.1 percentage points) in the small Liverpool city centre ward of Everton. In the context of an overall population loss of 12% for the cluster over the decade, Everton's population increased by 12%. By contrast, the surrounding ring of inner city wards, Kensington, Breckfield and Melrose, had major population losses (23%, 26% and 21% respectively) and increased their rates of work-poverty. Thus within the inner city, there was a polarisation of poverty, with the central city area gaining a working population, and the inner ring losing population and remaining poor.

**TABLE 8: Percentage Point Reductions in Work-Poverty Rates in Wards in the Three Main Clusters**

Number of Wards with reductions of:	Liverpool Cluster	Birmingham Cluster	Manchester Cluster
0, or an increase in work-poverty	3	4	1
2.4 percentage points or less	1	3	3
2.5-4.8 percentage points	6	1	2
4.9-9.6 percentage points	12	0	2
9.7 or more percentage points	3	0	2
<b>TOTAL</b>	<b>25</b>	<b>8</b>	<b>10</b>

The Manchester cluster demonstrated a similar pattern. Again, work-poverty rates generally fell. No ward increased its work-poverty rate, although four of the wards only made very small gains, less than the national average. Work-poverty rates generally in this cluster were lower in 1991 than in the Liverpool cluster, and the reductions were sufficient to bring 6 of the 10 wards below the 40% work-poverty threshold. The large of cluster of 10 wards in 1991 reduced to just 2 in 2001 (Cheetham and Harpurhey).<sup>8</sup> However the same pattern of central city revival and inner ring problems was evident. The Central ward in Manchester saw a 27.2 percentage point reduction in work-poverty, again apparently because of an influx of new better-off residents. In the context of an overall population decline for the cluster of 17%, Central ward increased its population by 20%. Meanwhile the inner ring of wards to the north and east of the city centre had losses in population.<sup>9</sup> Reductions in work-poverty in these wards were small, although in some cases just sufficient to bring the wards slightly below the 40% threshold.

By contrast with the other clusters, the Birmingham cluster of poverty did not contain the city centre, but a ring of inner city wards. Like the inner ring wards in the other cities, these wards did badly in terms of work-poverty. In fact, high rates of work-poverty were even more stubborn here than in the other cities. Four of the wards actually saw an increase in work-poverty, and only one had a decrease equal to or better than the national average. None dropped below the 40% threshold, while an additional ward, Sparkhill, adjacent to the original cluster, increased its work-poverty rate from below to above 40%. Whereas in the inner ring wards in the other two cities, rising or stubborn work-poverty was associated with falling population, suggesting a process of residualisation, three of these wards in Birmingham's inner ring gained population, because of their ethnic make-up and consequently youthful populations. Overall the cluster population increased by 10% over the decade, and saw only a very small reduction in work-poverty rate.

## ASSESSING CHANGE IN RELATIVE TERMS

These were very significant changes in the absolute number of neighbourhoods with high concentrations of work-poverty. However they took place in context of an overall economic recovery, falling unemployment, and a major drive to encourage more students into further and higher education, which meant that in work-poverty decreased in many areas, not just in the poorest. For England as a whole, the level of work-poverty among people of working age reduced from 24.4% in 1991 to 22.0% in 2001, a reduction of 2.4 percentage points. We need, therefore, to know not only about absolute reductions but about whether the absolute changes also represent any relative shift in position between neighbourhoods: were the poorest neighbourhoods in 1991 still the poorest in 2001? Had they closed the gap on any other neighbourhoods?

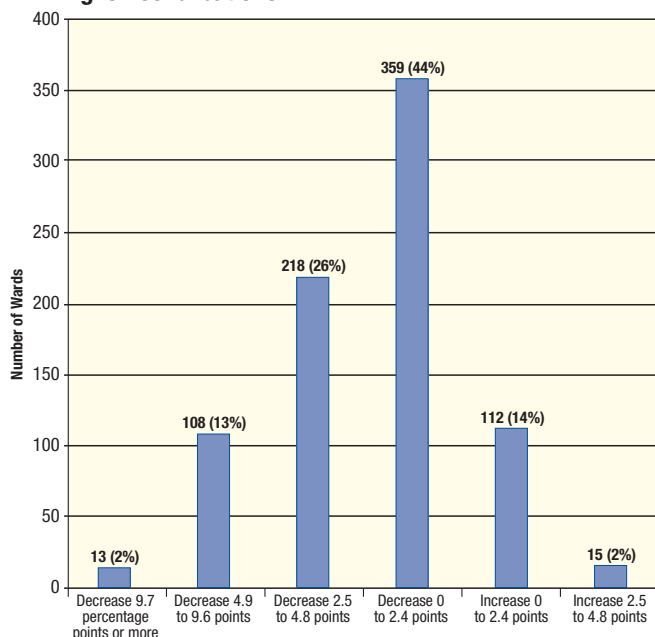
Changes in ward boundaries do not permit an analysis of change in individual rates of work-poverty for all wards from 1991 to 2001. However, it is possible to examine these changes for the six major conurbations in England outside London, where there were no ward boundary changes: the metropolitan areas of Tyne and Wear, Merseyside, Greater Manchester, West Midlands, West Yorkshire and South Yorkshire. These are the settlements built up around the major cities of the industrial revolution. Tyne and Wear contains the city of Newcastle and surrounding districts like Gateshead and North Tyneside; West Yorkshire the cities of Leeds and Bradford and districts like Calderdale; West Midlands the city of Birmingham and districts like Coventry, Sandwell and Dudley; Merseyside the city of Liverpool and districts like Sefton and Knowsley; Greater Manchester the principal city of Manchester, the city of Salford and surrounding districts like Bury, Bolton, Wigan and Trafford; and South Yorkshire the city of Sheffield and surrounding districts like Rotherham.

Between them, these conurbations, which had populations between 1 million and 2.5 million people, contained 825 wards, 10% of England's total. They also contained a disproportionate number of the country's

work-poor wards: 44% of those with more than 40% work-poverty in 1991 and 29% of those with more than 30% work-poverty. They contained the three largest clusters of work-poverty, in Liverpool, Manchester and Birmingham. However, they also contained many more advantaged areas. More than half (57%) of the 825 wards fell below the 30% work-poverty threshold, and work-poverty rates in 1991 ranged from 63.2% in Princess ward, Knowsley, Merseyside, to 11.5% in Broomhill ward, Sheffield, South Yorkshire. Studying changes in ward work-poverty rates across these large conurbations enables us to compare trends in work-poor and work-rich wards.

84% (697) of the 825 wards experienced falling or static levels of work-poverty between 1991 and 2001, demonstrating the wide impact of economic recovery and increases in further and higher education. As we saw with the large poverty clusters, the changes were in many cases not dramatic, ranging between 0 and the national average of 2.4 percentage points, or between 2.5 and 4.8 percentage points. There were a small number of extreme outliers, with falls in work-poverty of four times the national average or more, most of them high-poverty wards in the central areas of these large conurbations. These included the wards of Central in Manchester (-27.2), Everton in Liverpool (-24.1) and Blackfriars in Salford (-12.1) which we observed in our earlier description of changes in the major poverty clusters. For 127 wards, there were increases in work-poverty, but no ward had an increase greater than 4.8 percentage points. This was a general picture of declining work-poverty, but with some remaining areas. It was reflected in a fall in the median ward work-poverty rate of 1.4 percentage points (from 27.7% to 26.3%), lower than the national average. The high falls in work-poverty among outlying wards meant that the mean rate fell by the same amount as the national average, 2.4 percentage points, from 29.3% to 26.9%.

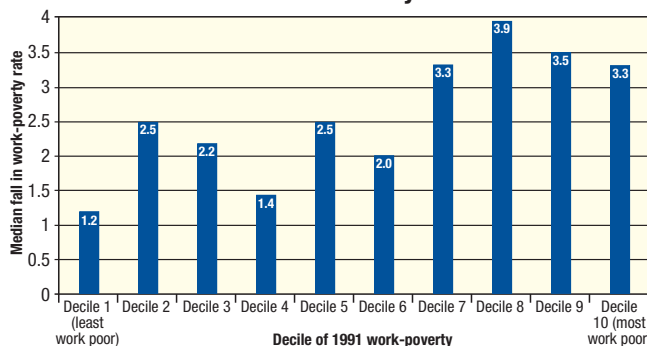
**FIGURE 4: Changes in ward work-poverty rates in English conurbations**



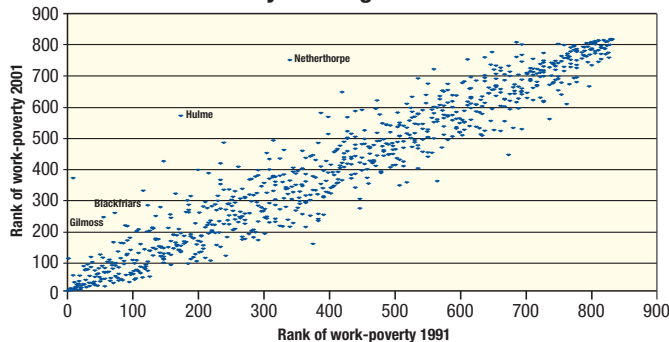
In general, although there were some residual areas which failed to benefit, it was the most work-poor wards that had the highest percentage point decreases in work-poverty over the decade, as Figure 5 shows, suggesting a general pattern of convergence between the poorest wards and the rest. Relatively, the poorest wards became slightly better off.

However, the changes were not of sufficient magnitude to effect any transformation in the relative position of wards. There was a very high correlation (.96) between the rankings of wards on their work-poverty levels across the conurbations in 1991 and their rankings in 2001. As Figure 6 very clearly demonstrates, wards with the highest work-poverty in 1991 had the highest work-poverty in 2001, with the exception of a few outliers. High work-poverty in this figure is represented by a low numerical ranking (ie rank 1 is the ward with the highest work-poverty). Most of the biggest outliers lie above the general trend line on the graph: that is to say that they were wards which saw a significant drop in their work-poverty ranking not wards which saw a significant rise. Among wards in the poorest decile, these included Gillmoss in Liverpool, Blackfriars in Salford and Central in Manchester. However, there were also moderately poor and relatively affluent wards that significantly improved their ranking. Among these were Hulme in Manchester and Netherthorpe in Sheffield. These were mainly central city wards or those close to universities. Relatively few wards bucked the national trend enough to see a significant rise in their work-poverty ranking.

**FIGURE 5: Changes in Work-Poverty for Groups of Wards with Different Levels of Work-Poverty in 1991**

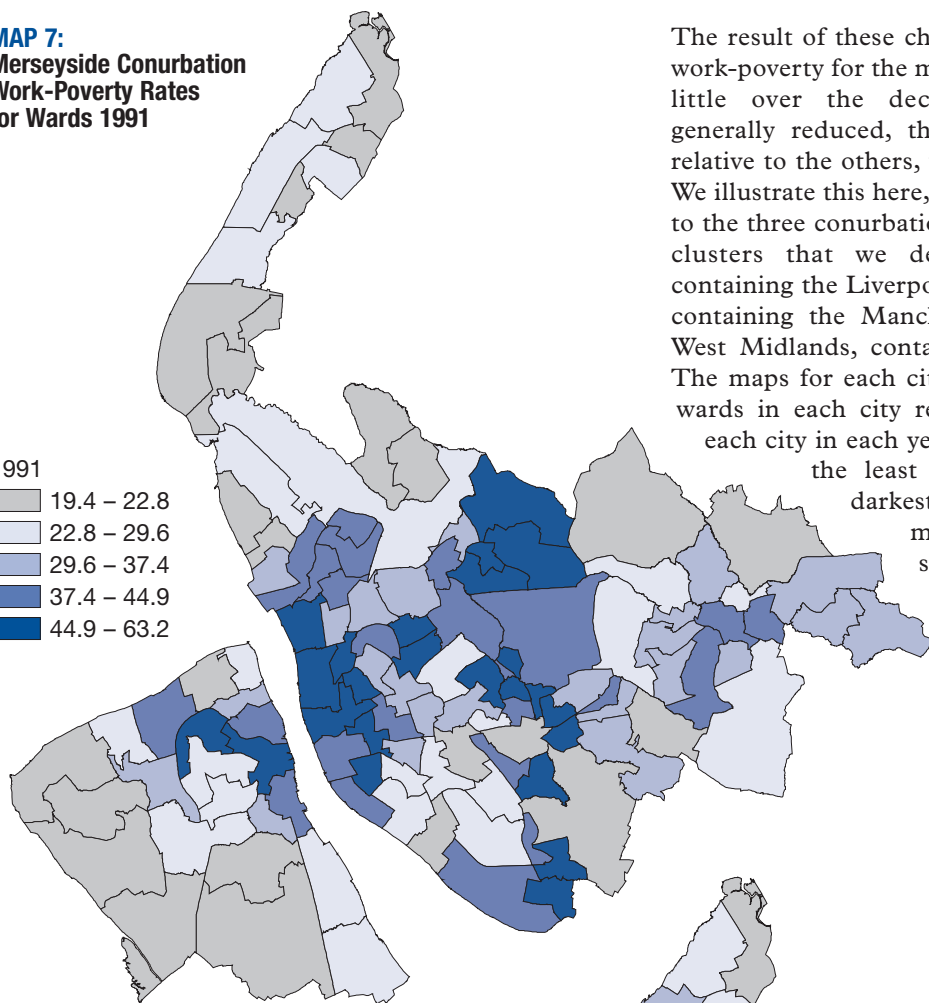
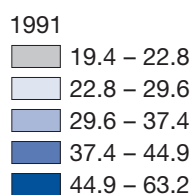


**FIGURE 6: Work-Poverty Rankings 1991 and 2001**



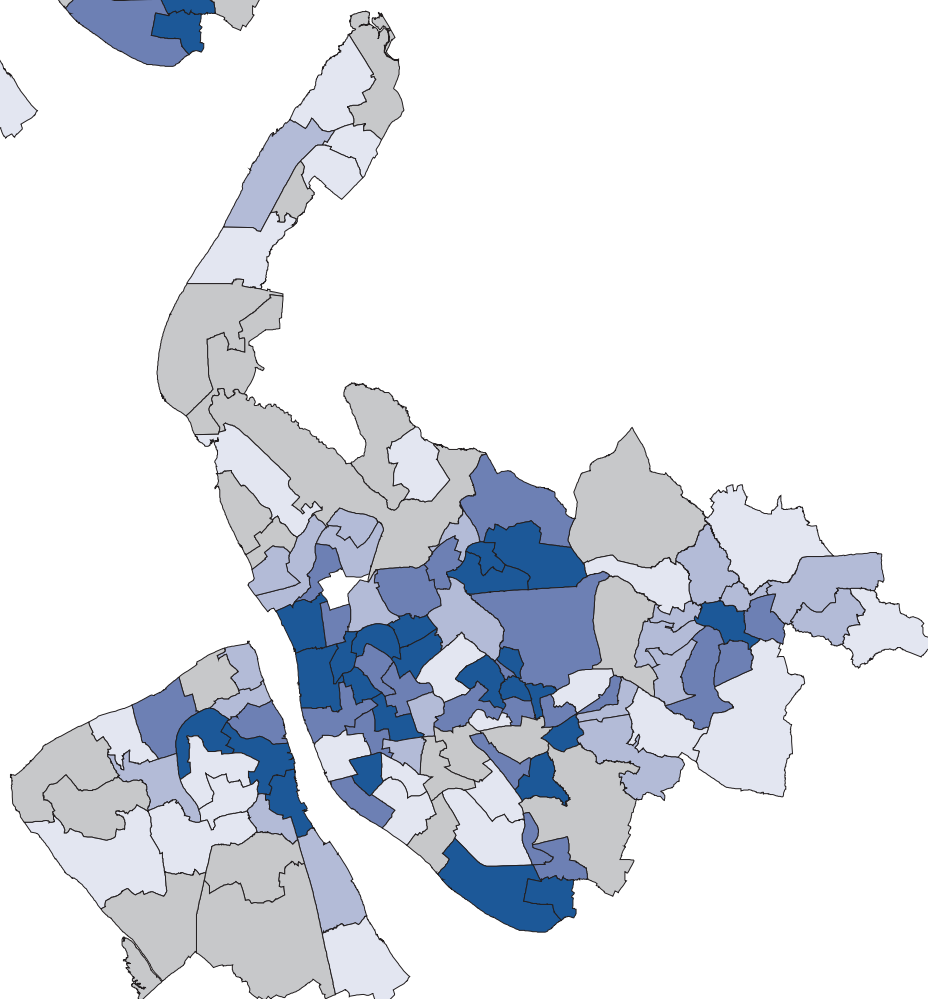
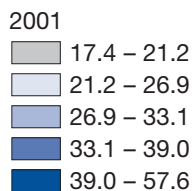
- As the map shows, there was also a cluster in Kirkby, but not greater than 20000 in population.
- As the map shows, Bradford and Beswick were also clustered, but did not form a combined population of 20,000 or more.
- Population counts used are from Census 2001 and EWC pop 1991. Subsequent revisions show Manchester population for 2001 to have been underestimated but revised ward level figures are not available.

**MAP 7:**  
Merseyside Conurbation  
Work-Poverty Rates  
for Wards 1991

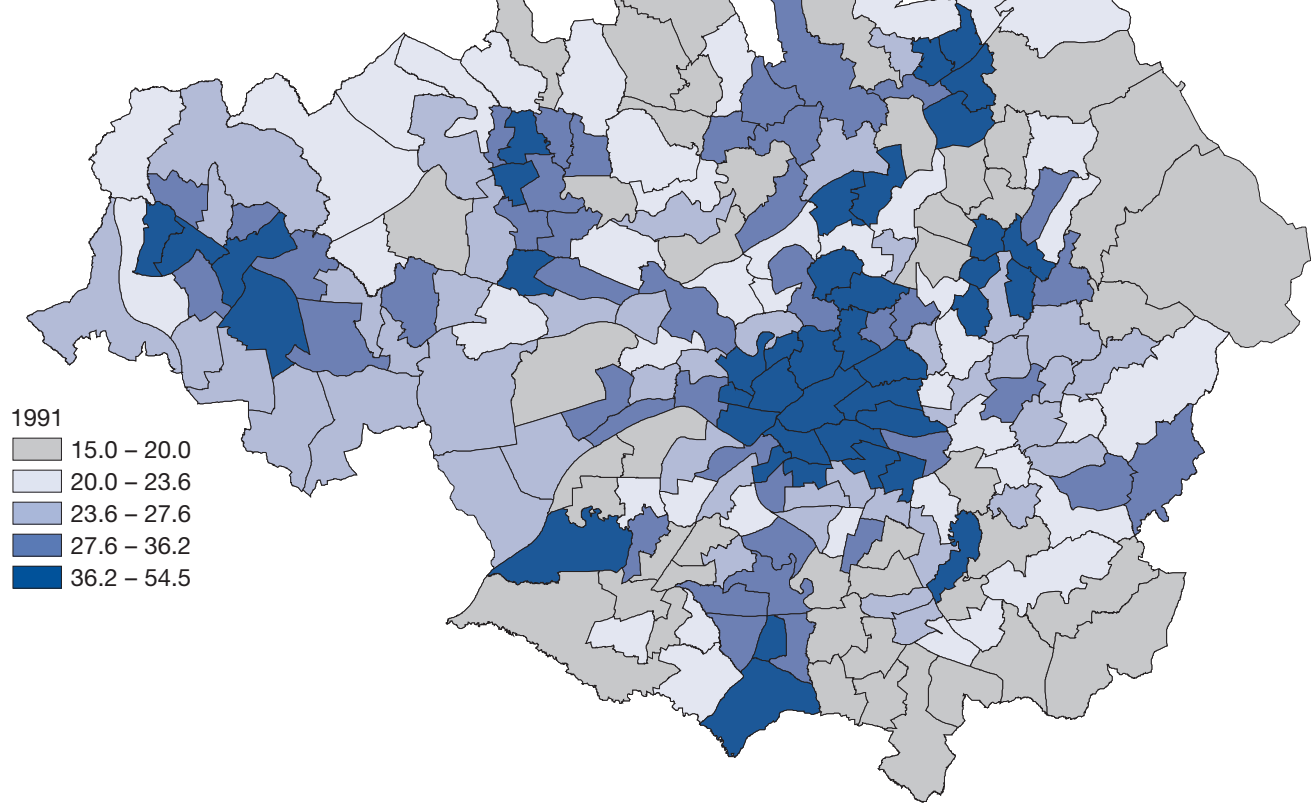


The result of these changes was that relative maps of work-poverty for the major conurbations changed very little over the decade. Although work-poverty generally reduced, the same places remained poor relative to the others, with a few dramatic exceptions. We illustrate this here, in Maps 7 to 12, with reference to the three conurbations containing the large poverty clusters that we described earlier: Merseyside, containing the Liverpool cluster, Greater Manchester, containing the Manchester/Salford cluster, and the West Midlands, containing the Birmingham cluster. The maps for each city group work poverty rates for wards in each city relative to each other. Thus for each city in each year, the lightest shade represents the least poor fifth of wards, and the darkest the most poor fifth. As we might expect the maps look very similar, with only a few wards, mainly central, changing colour from 1991 to 2001.

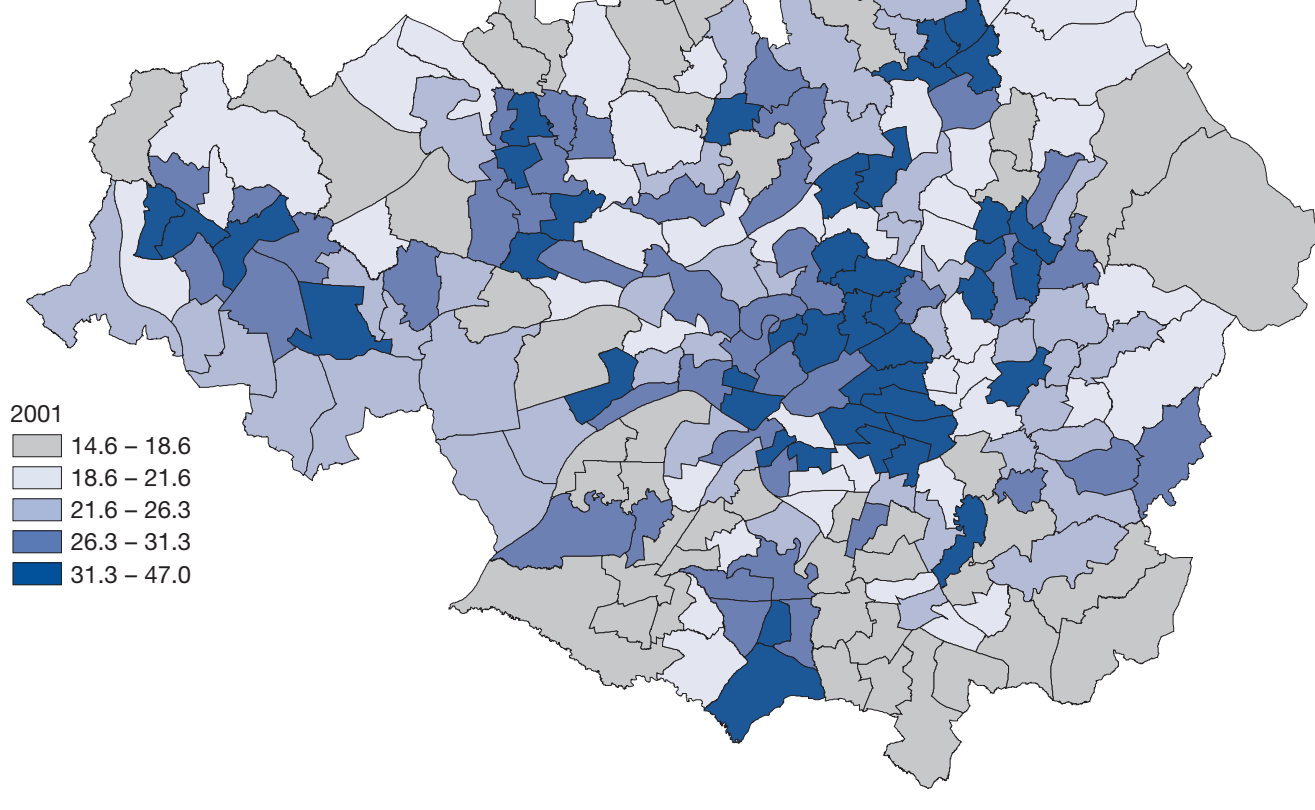
**MAP 8:**  
Merseyside Conurbation  
Work-Poverty Rates for Wards 2001



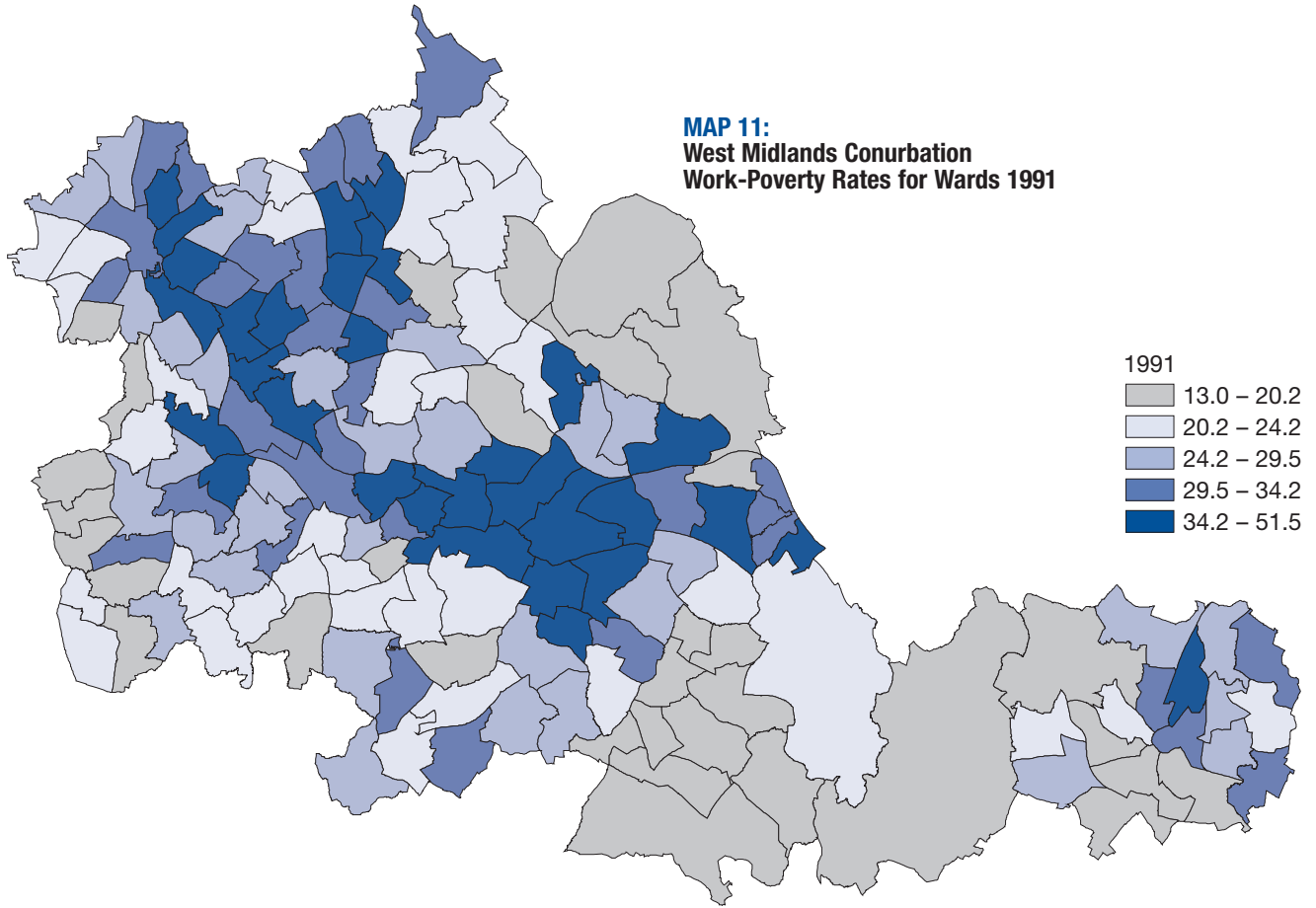
**MAP 9:**  
Greater Manchester Conurbation  
Work-Poverty Rates for Wards 1991



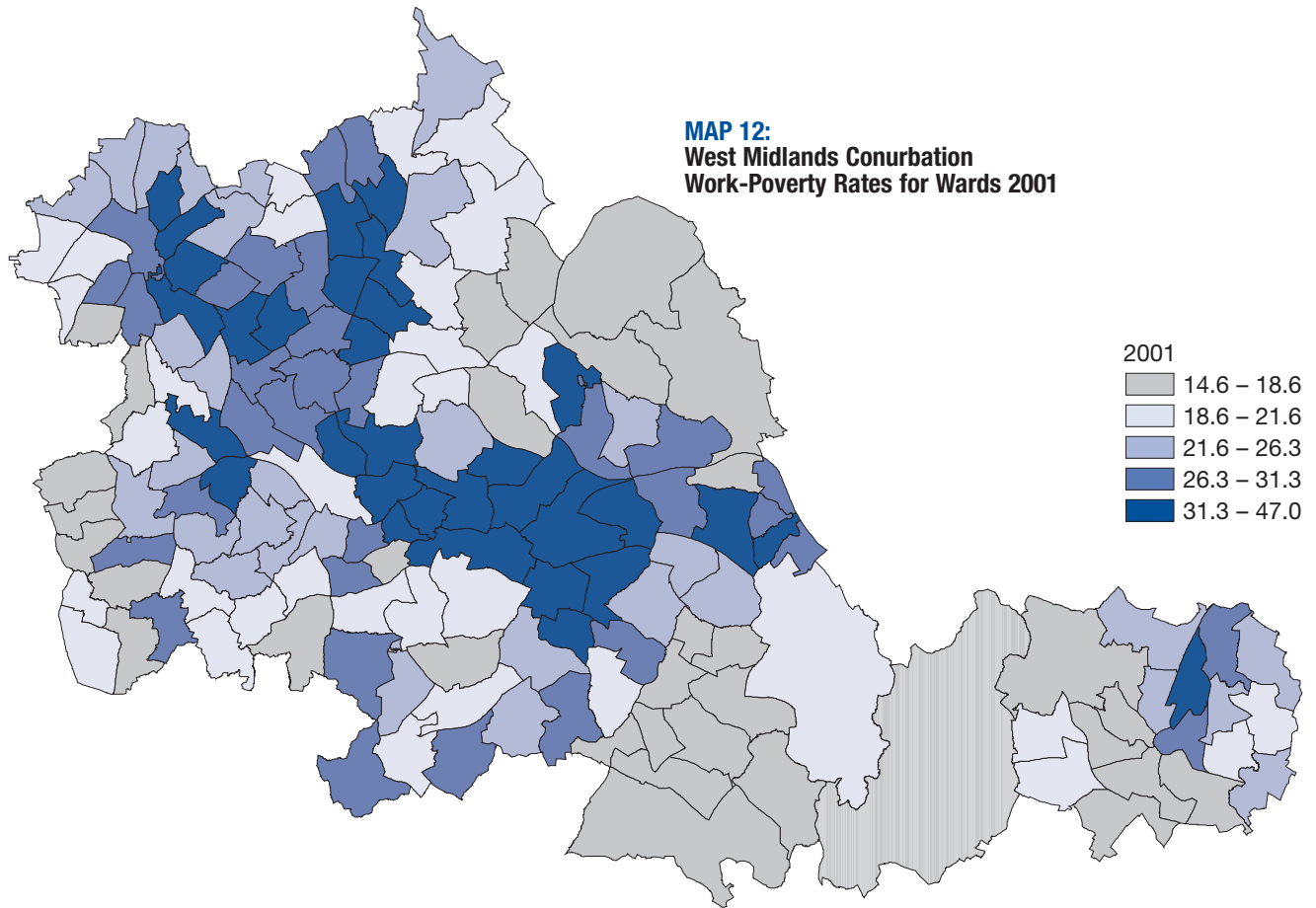
**MAP 10:**  
Greater Manchester Conurbation  
Work-Poverty Rates for Wards 2001



**MAP 11:**  
West Midlands Conurbation  
Work-Poverty Rates for Wards 1991



**MAP 12:**  
West Midlands Conurbation  
Work-Poverty Rates for Wards 2001





## EXPLAINING THE CHANGES

In summary, what we find is a significant change in the absolute level of work-poverty, affecting work-poor neighbourhoods as well as work-rich ones, and resulting in a substantial drop in the number of high-work poverty neighbourhoods. Between 1991 and 2001, the number of such neighbourhoods, and the population living in them, substantially declined, by about 40%. The number and proportion of work-poor individuals living in these neighbourhoods also declined. Large clusters of high work-poverty broke up. However, these improvements made little impact on the regional distribution of high work-poverty neighbourhoods, which remained predominantly in the industrial regions of the North. In fact the gap between London and the Northern regions widened during the 1990s as a direct result of the capital's increasing share of national economic prosperity. London had surprisingly few high work-poverty neighbourhoods in 1991, given its size, and its share of poor neighbourhoods reduced during the decade. The overall improvement also made little difference to the geography of poverty within the major conurbations. Although wards with high work-poverty in 1991 saw greater reductions than wards with lower work-poverty, these changes were not on a sufficient scale to change the wards' relative position. And lastly, there were some exceptions to this general pattern. Some wards, particularly inner urban neighbourhoods and those with high minority ethnic populations, were more resistant to improvement than others; while a small number, particularly poor central city neighbourhoods, appeared to undergo something of a transformation, with dramatic reductions in their levels of work-poverty.

These changes obviously have their root in local and regional economic trends. The different economic performance of regions during the 1990s, with London and the South East outperforming the Midlands and, to a greater extent the North, will have provided varying opportunities for work, and by the same token, local labour market trends will have provided better prospects for residents of some neighbourhoods than others. However, labour market trends on their own explain relatively little without an understanding of the composition of work-poor and non work-poor populations in each region or neighbourhood. The national reduction in work-poverty that occurred during the 1990s was not experienced equally by all labour market participants. Principally, it was due to a reduction in work-poverty among women (from 31.6% to 26.7%). There were falls in work-poverty among women of every age group, arising through several different mechanisms:

- Reduced unemployment in all age groups, particularly 16-19 and 20-24.
- An increase in the proportion of students in the 20-24 age group.
- A higher proportion working in all age groups except 20-24.
- A reduction in the proportion of 'other' inactive (including looking after home and family) in all age groups except 16-19, and particularly in older age groups.

In other words, a higher proportion of women were in the labour market in 2001 than 1991 and a higher proportion were employed. By contrast, among men, the level of work-poverty only reduced slightly during the decade, from 17.8% to 17.6%. The only reductions were in the 16-19 age group and the 20-24 age group. Unemployment for men reduced in all age groups. However these reductions did not result in more people working, as they had for women, with the exception of slight increases in the 16-19 and 20-24 age groups<sup>10</sup>. Instead, reductions in unemployment were paralleled by:

- Increases in the proportion of students in 16-19 and 20-24 age groups.
- Increases in the proportion of 'other inactive' in all age groups, particularly the youngest age group, 16-19.
- Slight increases in permanent sickness and disability, including in the younger age groups.

We can therefore speculate that differences in rates of entry into and exit from work-poverty between regions and neighbourhoods might depend on a combination of variables affecting women's opportunities to work and/or study, including employment opportunities for women and employment opportunities and wage rates for men, affecting the necessity for women to work; but also on factors affecting the likelihood of women taking up opportunities available to them, such as family size and composition; and the combination of wage rates, housing and childcare costs and benefit levels, determining whether women would be financially better-off in work or on benefits while raising their children. Ethnic composition of the work-poor population is another specific and probably important factor. Some Muslim women are not able to work or study unless in an all-female environment. Large, young, families are also more common among this group than other ethnic groups, as are extended families in which women have caring responsibilities for elders. These factors may well explain the stubborn levels of work-poverty in inner ring urban areas with high minority ethnic populations and in regions like the West Midlands with large South Asian populations.

The changes will also have been driven by absolute and relative shifts in the distribution of work-poor and non work-poor populations between neighbourhoods. In other words, by people actually moving between neighbourhoods (an absolute shift) or by the natural growth of population in some neighbourhoods and natural decline in others (a relative shift).

The overall context for the changes in work-poverty was a continuing decline in the populations of cities. London had, by British standards, rapid population growth in the 1990s, increasing by 7%, while all of the principal metropolitan cities except Leeds lost population, as did most other large cities. Of the cities with the large poverty clusters, Liverpool lost 7% of its population,

<sup>10</sup> Changes in these age groups may possibly be accounted for by the higher proportion of 18-25 year olds on government training schemes (counted as work) in 2001 than in 1991.



Birmingham 2% and Manchester 3%.<sup>11</sup> Population losses came about partly through a continuing process of counter-urbanisation, and partly because of natural losses in the ageing populations of former industrial communities in inner cities. Original inner city residents dying or moving away tended not to be replaced, as the overall population distribution of the country as a whole tilted towards the more prosperous south east and to smaller cities and towns with strong service industries and without the declined industrial legacy of the major conurbations. Since the most disadvantaged residents tend to be the least likely to move, situations such as this tend to lead to increasing poverty rates in declining inner urban populations, or (in a situation of overall decline in work-poverty such as that of the 1990s) to smaller reductions than in other neighbourhoods. It can be described as a process of residualisation.

However, there were two trends during the 1990s that were causing some inner urban neighbourhoods to respond differently, either seeing big reductions in poverty or, on the contrary, not experiencing the reductions seen elsewhere.

One was the re-colonisation of the inner city by professional households or students. London, with its growth in the number of high earning professional households, and high housing demand and high prices pushing would-be buyers into run-down lower priced neighbourhoods, has seen by far the biggest gentrification trend. This has taken two forms. First, central city neighbourhoods have witnessed new building or conversion of derelict factories and warehouses for inner-city apartments. Second, existing homes in low income neighbourhoods, some of them formerly public housing, have been bought up by higher income households, both in central city neighbourhoods and in 'inner-ring' neighbourhoods slightly further from the city centre. Inner neighbourhoods have gained high income residents alongside low income residents. Middle income would-be home-owners have effectively been priced out of the inner city, leading to concerns about the recruitment of staff for public services and the development of subsidised 'key worker' housing.

In other cities, both of these processes have taken place on a smaller scale. The more traditional form of gentrification of inner neighbourhoods by individual households purchasing homes in poor neighbourhoods has, in particular, been much slower to happen in cities with lower housing demand and prices and shorter travel-to-work times for city workers living in outer neighbourhoods. 'Downtown living', however, has begun to take root in most of Britain's large industrial cities, affecting central city neighbourhoods. Lambert and Boddy (2002), surveying this phenomenon, described a growing scale of residential development in and around central locations of major cities, both through new development on vacant and under-used sites and through conversion and redevelopment of obsolete industrial and commercial buildings. They described these developments as "relatively modest in absolute terms" but "indicative of a major qualitative shift in the nature and location of new housing development in UK cities" (p8). Manchester has had the

most extensive developments, led in the early-mid 1990s by pioneering property developer Tom Bloxham and his fashionable 'Urban Splash' property design company. Lambert and Boddy found record of 8630 new city centre homes in Manchester either completed, under construction or with planning permission since 1991. However, Birmingham (3760), Leeds (3480) and Liverpool (3160) also had significant numbers. Dutton (2004) has noted that households occupying these new homes tend to be of a particular kind: young, highly paid, childless, transient, and sometimes part-time residents.

Alongside these developments, the growth in student numbers, exceeding the accommodation available in university halls of residence, has led to increasingly large proportions of students in inner urban neighbourhoods close to university campuses. Typically, student colonies arise not in neighbourhoods dominated by social housing, but those with cheap private rented homes, and appear to be filling spaces that other households do not want (Rugg et al 2000). They are creating distinct residential environments in run-down inner urban areas that would otherwise probably be residualised neighbourhoods with declining populations and high proportions of less advantaged households.

Both gentrification and 'studentification' have occurred only in specific neighbourhoods. Location is critical, close to the city centre, and so is the housing stock. Neighbourhoods with high proportions of homes privately owned or rented are much more responsive to these kinds of housing market factors than neighbourhoods with high proportions of social housing. In some cases, a changing population mix has been aided by publicly funded regeneration programmes, sponsoring demolition and mixed tenure developments and upgrading facilities, services, transport and the local environment. Where they have occurred, these developments have resulted in substantial drops in the proportion of people in work-poverty, much exceeding the falls in work-poverty in adjacent neighbourhoods.

A second trend has been the growth in population in inner urban neighbourhoods with high proportions of South Asian (specifically Pakistani and Bangladeshi) residents. This growth can be partly attributed to natural growth associated with the younger population profiles of these neighbourhoods, which experienced primary immigration of working age people during the 1970s and 1980s, and also to continued immigration of family members during the 1990s (Simpson 2004). While urban neighbourhoods in declining industrial areas that had not experienced immigration had ageing populations and little in-migration of people of working age, immigrant neighbourhoods had growing populations. Even had their work-poverty rates fallen at the same rate as other neighbourhoods, they would have formed a growing share of the work-poor population and of the overall population. However, for the reasons discussed earlier, work-poverty rates in Pakistani and Bangladeshi neighbourhoods have tended to fall more slowly than in other neighbourhoods or even to rise, meaning that these neighbourhoods have become more relatively worse off while poor neighbourhoods as a whole have become relatively better off.

## CONCLUSIONS

This paper has only been able to replicate part of the analysis conducted in Glennerster et al. (1999) and as such only offers a partial picture of change. Data on the relative poverty measure may well show a different picture.<sup>12</sup> However, given the central position of work in New Labour's social inclusion policy, these findings on their own offer some important insights for policy-makers concerned with poor neighbourhoods.

Our findings underline the continuing economic divide between London and its hinterland and the rest of the country. London analysts will point out, correctly, that the decline in concentrated work-poverty that we show for the capital is partly a function of the city's dense population and intermingled pockets of wealth and deprivation, making it difficult for an electoral ward as a whole to hit the 40% threshold. Analysis at a smaller geographical level is necessary to understand the changing geography of poverty in London. It may also be a function of the fact that the revival of London's service economy, in combination with high costs of housing and living, has tilted the poverty problem in London towards in-work poverty rather than out-of-work poverty. In-work poverty is not a problem we are seeking to play down. Nevertheless, the fact remains that concentrated chunks of worklessness, taking in significant proportions of the population, are principally a problem for the Northern regions. There is no escaping the continuing effect of large scale economic decline in Northern cities and regions, and the effort that is needed to rebalance the national economy in their favour.

Another worrying development is our finding that reductions in work-poverty were not shared equally by all of the poorest neighbourhoods. Inner ring urban neighbourhoods, particularly those with high South Asian populations, tended either to increase their work-poverty rates or to see lower reductions than the national average. Such neighbourhoods were often situated alongside central city neighbourhoods which underwent significant transformations during the 1990s as a result of resurgence in 'downtown living' or the increase in student numbers. Their resistance to improvements had two different causes. Most inner ring neighbourhoods were losing population and seeing increasing proportions of work-poverty in their residual populations, as economically active residents did not come in in sufficient numbers to replace those who had left. However, where inner neighbourhoods were gaining population, it was often because of growth in numbers of Pakistani and Bangladeshi households, which tend to have lower rates of labour market participation and success than other ethnic groups.<sup>13</sup>

11 These estimates are based on Office for National Statistics (ONS) mid-year estimates of population, which take account of Census under-counting and differences in the counting of students between 1991 and 2001. These estimates are not available for wards, so the comparisons of the clusters are based on raw Census counts. The 1991 Census had a high level of undercounting than the 2001 Census, so the effect of using Census data may be to exaggerate levels of population increase and to under state levels of population decrease.

12 Preliminary analyses by Dorling and colleagues at the University of Sheffield, using the new Poverty and Social Exclusion survey data at the 'macro neighbourhood level' (areas of about 40,000 people), suggests that relative poverty may have increased, and polarisation increased. If borne out at ward level, this would offer an interesting contrast to our own findings.

13 It is striking to note the similarity between this pattern and the one observed by Jargowsky (2003) in the US. In the US, the number and population of high poverty neighbourhoods decreased by a quarter. All ethnic groups benefited, but among the fastest growing ethnic group, Hispanics, there was an increase in the proportion living in high poverty neighbourhoods. Thus the West, with its rapidly growing Hispanic population, saw an increase in its population in high poverty neighbourhoods, while other regions saw a decrease, similar to the trend observed for the West Midlands region in England. In the US, inner ring urban neighbourhoods were also the least resistant to reductions in poverty, and indeed saw increases in many cases, while central cities and outer suburbs boomed.

This suggests that neighbourhood renewal policies designed to improve public services and conditions in inner ring neighbourhoods are unlikely to be successful unless mechanisms can also be found to bring back job opportunities to these areas, and/or to rebalance their populations by encouraging the return of higher income residents to inner suburbs, not just to central cities. The latter may be successful on its own in some areas. There are specific examples of effective housing-led regeneration of inner ring social housing neighbourhoods. However, it is not clear that these neighbourhoods, in general, have the same potential for transformation through housing market restructuring as central city neighbourhoods, pointing to the need to emphasise labour demand issues and connecting inner city residents to job opportunities, as well as housing renewal and tenure diversification. Equally important, it appears that the poverty rates of Pakistani and Bangladeshi neighbourhoods are likely to remain high even when work-poverty rates fall elsewhere, demanding a better understanding of the respective roles of choice and constraint in preventing work or study for people in these communities, and systematic efforts to tackle the constraints of discrimination. Neighbourhood policies need to become sufficiently differentiated and sufficiently integrated with policies at the city and regional levels to address the different drivers of change which are shaping the new geography of poverty.

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