Community Policy Forum

ADDRESSING ECONOMIC DISPARITIES: THE CHALLENGES FACING MUSLIM COMMUNITIES

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Introduction

In recent years, minority communities have faced a rising tide of economic challenges, deepening existing disparities and limiting opportunities. The government has a responsibility to address these inequities, ensuring that economic policies actively support social mobility, fairness, and inclusion for all.

This position paper argues that the Labour Government must address the economic challenges experienced by Muslim communities, especially Black Muslim communities, where overlapping issues of race, religion, and class contribute to deeper mistrust. Years of economic marginalisation and systemic inequalities have fostered frustration, with many feeling that previous governments, including Labour, have failed to deliver meaningful change. To rebuild trust, the Labour government must tackle these structural barriers, adopting an intersectional approach that recognises how race, religion, and class intersect to shape the lived experiences of these communities. Social justice principles demand that the government actively works to dismantle these inequalities and promote equitable opportunities for all.

Approaching the Challenges

Muslim communities in the UK are among the most economically disadvantaged, with Black Muslims being some of the most affected within these communities.

Muslim communities in the UK face disproportionately high levels of **deprivation**, with 50% living in poverty compared to 18% of the general population. This is further compounded by their concentration in disadvantaged areas — 40% of Muslims in England and Wales **reside** in the most deprived fifth of local authority districts, while fewer than 6% reside in the wealthiest fifth of districts. Similarly in Scotland, 61% of Muslim adults **live** in relative poverty compared to 19% of the overall population. These figures reflect structural inequalities that perpetuate economic marginalisation. Furthermore, employment opportunities for Muslims are often disproportionately concentrated in low-paying, insecure jobs, with Muslims having the highest **unemployment** rate of any religious group in England and Wales (6.7%) in comparison to the national average (4.4%) The two-child benefit cap, upheld by the Labour government, **exacerbates** these challenges, **particularly** for larger Muslim families, with 46% of children from such families living in poverty. Despite the potential relief that lifting the cap could offer, the government's decision appears indifferent to the needs of vulnerable groups.

Research indicates that being Black and being Muslim both increase the likelihood of living in poverty. Whilst there is limited disaggregated data on the lives of Black British Muslims, it can be **inferred** from such studies that Black Muslims, who face the dual disadvantage of both racial and religious marginalisation, are particularly vulnerable to poverty, especially in areas of housing, employment and barriers to socio-economic progress. **Data** from the Census shows that 'Black people in England and Wales [are] three times as likely to live in social housing' in comparison to 14% of white British people living in social housing. **Similarly**, 7% of Black individuals in the UK are unemployed, tied with the 'Asian Other' group and

second only to Pakistani and Bangladeshi communities. Such socio-economic disadvantages significantly impact educational opportunities, limiting individuals' chances of remaining in education and securing quality employment. Economic challenges thus hinder educational attainment and job prospects, thus creating a continuing cycle of disadvantage. Such barriers not only affect their immediate financial stability but the known relationship between poverty and crime also increases their likelihood of interacting with the criminal justice system throughout their lives. Consequently, the intersection of race, religion, and poverty creates a complex landscape where Black Muslims are at heightened risk of enduring systemic inequities in various aspects of life.

This situation highlights broader systemic issues: entrenched poverty, policy decisions that deepen inequality, and the failure to address the unique challenges faced by Muslim communities, potentially perpetuating their marginalisation.

Recommendations

In order for there to be meaningful alleviation of the economic struggles that Muslim communities face, and Black Muslim communities in particular, we recommend:

1. **Addressing Economic Inequality:** The Government can do this by reviewing the Two-Child Benefit Cap, which disproportionately impacts larger Muslim families. It can also do this by enhancing employment opportunities through vocational training, scholarships and anti-discrimination measures in hiring. Making free school meals more available will also benefit disadvantaged children and close education attainment gaps.

2. **Improving Data Collection:** The Government should make an effort to collect disaggregated data that will illustrate the nuances of intersectionality and enhance policymaking.

Conclusion

To regain the trust of Muslim voters, particularly from economically disadvantaged Black Muslim communities, the Labour government must address the systemic inequalities that have persisted for too long. The intersection of race, religion, and economic hardship has created frustration and disillusionment among these communities. By reviewing the Two-Child Benefit Cap and enhancing vocational training and employment opportunities, the government can alleviate financial strain and empower individuals. Engaging Muslim communities in policymaking and ensuring diverse representation will also foster social cohesion and rebuild trust. Ultimately, these actions will not only demonstrate a commitment to social justice but also create a more inclusive society that meets the needs of all citizens, paving the way for a more equitable future.