Poverty in the UK: Can it be eradicated?

With contributions from:
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Poverty in the UK: Can it be eradicated?

Edited by Jonathan Derbyshire

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The current levels of poverty are neither acceptable nor inevitable for a country as rich as the UK. Not solving poverty is hugely costly for us, as well as being risky and wasteful. Yet, it seems as though we have reached a political stalemate: efforts to tackle poverty have been impeded by a binary discussion over the role of individual agency versus the need for a whole-scale structural overhaul of the systems that govern our society.

While there have been various anti-poverty strategies over the years, (focusing more on some groups in the population such as children and pensioners) and devolved governments have tried to make a dent in poverty using their own powers and budgets, these strategies have all lacked a clear link from the evidence to the actions proposed and the outcomes sought.

So the Joseph Rowntree Foundation (JRF) is grasping the nettle by asking what it would take to create an all-age strategy, rooted in the best available evidence for the times we are living in, to cut poverty across the UK sustainably. This will be JRF’s biggest single programme of research.

Inevitably this means taking a close look at how we define and measure poverty, a task that is contentious enough. Whichever way we cut the data, it’s clear that poverty is on course to rise again substantially by the end of the decade. Improving the evidence on what works is the next vital step in our approach. We want policy-makers and practitioners to use our results to inform national and local anti-poverty action.

However, we aren’t starry-eyed about the challenge: we know that better evidence won’t be enough. A fresh political consensus on how to achieve a low-poverty UK is needed, and while we seek to build it through our work, we also recognise the need to understand different political traditions and current perspectives on poverty.

We are therefore delighted to partner with Prospect in publishing this collection of essays, which map out a range of political visions for addressing poverty. They help us to understand philosophies, concepts and some tangible ideas — including their historical provenance — from thinkers positioned across much of the political spectrum. They offer glimpses of the space between state and market, drawing attention to how both can fail people at risk of poverty. They identify the need for a shift beyond transactional means of policy-making to relational approaches which support co-production and coherence.

This is not the stuff of party platforms. And it’s not hard to see where ideas collide, suggesting very different pathways. However, a closer look reveals some over-lapping concerns which might be the basis of a stronger consensus whether the writer comes from a centre-right, centre-left, post-liberal or nationalist perspective: a modern version of contributory welfare, a living wage as the norm, vocational learning and work with better prospects, lower-cost credit and decentralisation as a means to boost housing, transport and employment in low-growth areas are among them.

The point here is not to alight too soon upon these other specifics on the grounds that competing visions may be able to reach agreement. Nor should we privilege politicians as the sole arbiters. Employers and service providers in all sectors are in this mix too. Instead, JRF’s contribution will be to identify what makes the most (and least) difference in reducing poverty based on the UK’s own experience and international evidence and then engage with all who can effect change. Before the will to act and a stronger consensus comes the will to imagine a low-poverty UK. We hope these essays serve as a catalyst for better forms of action.

Julia Unwin, Chief Executive, Joseph Rowntree Foundation

Prospect is delighted to have worked with the Joseph Rowntree Foundation on bringing together this landmark collection of writing on the face of poverty now. One of the strengths of the JRF has been to wade into the passionate debate about the causes of poverty with cool facts, and to conduct a repeated survey of where poverty really occurs in Britain today. That is often not where many would expect—for instance the clear findings that employment is not always enough protection. Indeed, many would be startled at the conjunction of “poverty” and “Britain”—at the hardship that continues to exist in one of the world’s richest countries.

The authors of these pieces were asked two simple questions: what is the problem of poverty today, and what should be done about it? They have answered them very differently, inspired by different political and economic beliefs and different personal experience.

The essays raise the philosophical question of whether poverty is only lack of money; several focus on inequality. Others, in analysing the causes, touch on the quality of parenting and the choices that the individual makes. They are united, however, in the passion with which they approach the subject and the clarity and pragmatism with which they argue for their proposed solutions.

Bronwen Maddox is Editor of Prospect
What is poverty?

AC Grayling

There are many kinds of poverty, and although some of them are related to the standard economic form—which in its simplest terms can be defined as a debilitating insufficiency of resources—not all of them are the result of lack of money. Even rich people can be poor: in time, in the quality of their relationships and in meaningful connection with the society around them. Doubtless there will be those who regard those forms of poverty as very bearable in the presence of wealth. But among other things this point relates to the saying of Lao Zi, that “he is rich who has enough”—the implication being that the person content with little is better off than the person who has much but is discontented.

There is an allied point. People who have great stores of wealth but never use it, who never spend a cent of the millions they have in the bank, are functionally no different from people who have no wealth at all. A person who has far less in money terms but spends it on things worthwhile and enjoyable, is far richer than the miser. Here the relative notions of wealth and poverty apply to the felt quality of life, to experience and happiness; and it is a commonplace to say that wealth by itself is no guarantor of happiness. Having is not as good a marker of wealth as how it is used, even if the quantity available for that use is much less than the quantity possessed. This implies that the true measure of wealth is how much you spend, not how much you have or earn.

These points should not however be taken to mask the much more serious problem of real material poverty. This is poverty as the lack of sufficient resources for meeting life’s basic needs without serious struggle, let alone for gaining access to the social and psychological goods that bring quality to life. The two halves of the preceding sentence relate to the difference between absolute and relative poverty. The former implies a state where people have scarcely enough to survive at all, and live on the very margin of existence. The latter implies circumstances where people have significantly less than is needed for maintaining a standard of living regarded as normal or average in their society.

From an objective and summary point of view, both kinds of poverty matter equally. This is because they both involve suffering, the loss of human potential, and barriers to opportunity. They also both raise questions of justice, either in how it came to be that some are poor while others are not, or in how it continues to be that some remain poor while others are not. In cases where poverty exists as the result of injustices in the distribution of opportunities to rise out of poverty, one result can be, and often is, unrest: history is full of examples. This last is the reason why poverty is not only bad for the poor themselves.

On every count one can see why it is an urgent matter that poverty should be overcome. At the level of the most basic sentiments of humanity, no-one should find it acceptable that there are other human beings on the planet who lack any subset—still less all!—of the following: food, water, shelter, elementary hygiene facilities, access to medical attention and security of person.

But this talks only of mere existence. It should be equally unacceptable that there are people without the means to help themselves: a plot of land, seed, tools, clean water within reasonable fetching distance. And these things are valueless unless their possessors are secure in making use of them and the results of their use.

People in relative poverty are likely to have these basics or their equivalent, but they are poor because they live in circumstances where their resources are insufficient for them to take part fully in the life of their society. Relative poverty entails functional exclusion—that is, being shut out from access to the goods and amenities characteristic of a society where there is wealth to spare for culture, sports, education, travel, comfortable living, three meals daily on the table, and the like. For someone in absolute poverty, a television set might seem an irrelevance; someone in a wealthy society who is measurably poor relative to others and therefore, among other things, cannot afford a television set, is thereby disadvantaged by lack of access to the information, entertainment and connectedness that owning a television set brings.

In relative poverty, suffering is less likely to be physical but is typically psychological and social. It is well recognised that the newly unemployed suffer a loss of self-esteem and depression because having a job is valorising, as well as being a source of companionship and a way of engaging with the world. Being cut off from opportunities for valorisation and companionship is not the result of unemployment alone, however. Not being able to attend a football match or to spend regular evenings at the pub with acquaintances, not to be able to afford a simple night out at the theatre or a restaurant, are likewise exclusions from amenities that have the same effect. So too are wearing shabby clothes, being unable to afford a haircut; so too is noticing the invidious distinction between oneself and the majority.

Dr Johnson wrote, “Slow rises worth, by poverty depressed.” Both absolute and relative poverty represent a loss of human potential, in the specific sense of a loss of the contribution that people can make if given a chance to apply themselves in some sphere. In the case of someone starving in a refugee camp during an African drought, the point is obvious enough. But relative poverty can mean that an individual is unable to afford suitable clothes for an interview, or the train fare to where the interview is held. Of course in more advanced countries efforts are made to help people in these circumstances with subsidies as part of welfare; but the point generalises. Talk of “cycles of deprivation” is shorthand...
for an account of how the narrowness of opportunity for the relatively poor can persist down generations, perhaps getting worse with attrition of educational aspirations, and with them knowledge of what opportunities are on offer in life and work.

The question of justice in relation to poverty is a serious one, and has great political significance. Historically, power and privilege have existed in part because access to escape routes from poverty have been purposefully denied to majorities. There has long been active and often conscious exclusion of majorities from wealth, all the way from slavery through serfdom and feudal villeinage to the construction of less blatant economic and social institutions that perpetuate inequalities in access to the mechanisms of wealth-generation. And this has too often meant deliberately keeping some people not just from the chance of wealth, but actually poor.

It was against these arrangements that movements of the dispossessed organised themselves. The Labour movement in early 20th-century Britain was harshly caricatured by George Saintsbury as asserting that “no-one shall have what I have not; everything I have someone else will pay for,” but by inversion his satire reflects the perceived reality of institutional economic injustice: “no-one else shall have what I have; what I have, I have at others’ expense.”

While societies continue to give inbuilt advantages to those who are already wealthy so that the tendency is always for the gap between rich and poor to widen—unless measures are taken to lift the poor by various means including redistribution of wealth through taxation—the different question of why absolute poverty continues to exist in a world vastly richer than it was even half a century ago, can only be answered by pointing at the self-interest and indifference of far too many in the rich world.

The argument has been unanswerably made by the philosopher Peter Singer in his book *The Life You Can Save*. You naturally value your own life more than the life of a stranger in another country. Could you say how many times more valuable you think your own life is? Singer tells the story of a man called Zell Kravinsky who, not content with giving away most of the fortune he made in real estate, not content even with devoting all his time to charitable work, felt he should donate one of his kidneys too. Moreover he did so to a hospital serving low-income African Americans. Kidney donation carries a 1 in 4,000 chance of complications; if you are otherwise sure to die, you value your life as 4,000 times more important than his.

The implication drawn by Kravinsky from this arithmetic—namely, that it is wrong to value your own life so much more than someone else’s—will not be accepted by everyone; after all, we each have a legitimate interest in our own well-being, and we have responsibilities to those who are immediately connected with us, responsibilities that trump those to others. But there is nevertheless a strong admonition in the anecdote: far too few people do anything like enough in concrete terms to help reduce world poverty and the ills that accompany it. Singer’s book has a thoroughly practical purpose: to persuade people that it is wrong not to give charitably—wrong, note; we all know that it is good to give, but his point is that it is positively wrong not to—and that we should therefore take our obligations to the poor seriously.

Singer begins with the familiar point that if any of us saw a child drowning, we would plunge in to save it, not minding such incidentals as, for example, whether we were wearing new clothes. Now consider the fact that a thousand children die every hour because of poverty—and that the principle behind saving a drowning child one can see with one’s own eyes, and saving an unknown child on the other side of the world, is the same.

Singer sets out this point systematically thus: suffering caused by deprivation is bad; if it is in one’s power to prevent bad things happening, without sacrificing anything important to oneself, one should do so; charitable giving can help prevent bad things; therefore it is wrong not to give charitably. This argument is both valid and sound. It is logically compelling. So the question is: why do people not give, or not give enough? And if one is persuaded by Singer’s case, how much should one give?

The answers to the first question are familiar. People might wonder how much of what they give will go on administrative costs instead of helping the poor. They are only moved by suffering they can directly see. They are concerned about those near them, not people far away. They feel that what little they can do makes too little difference in the face of a gigantic problem. They feel that everyone else, or governments, should be shouldering the burden too, and if not, then why should they do it alone.

A little reflection shows that these are mainly rationalisations in favour of doing nothing or little. The truth is that most people in the richer countries of the world can easily afford to give 5 per cent of their gross income (and if significantly richer, then more: billionaires can give as much as 30 per cent without even noticing the difference), and that doing so would at least halve world poverty in less than a decade.

There are of course those—no doubt many—who will think, “I made my money so with a clear conscience I’m going to spend it on myself.” In response Singer points out that if we have money to spend on ourselves it is because we live in places where making money is possible. By contrast, millions work exceedingly hard, far harder than we do, to scrape a pitance for themselves and their families from unforgiving dry earth or in the midst of strife and conflict—sometimes failing, perhaps often failing, because of how things are in their parts of the world. Once one realises this, self-regarding justifications lose their savour. It is a simple but deeply humane point that if it is in our power to alleviate poverty without sacrificing anything important to ourselves, we should do it. An added point is that by giving a little of our substance, an amount we can well manage without, we make ourselves richer in other ways; even if by just feeling that one is making a contribution to a very great good.

As all this implies, poverty is a moral matter. It is also a prudential one; for poverty not only causes suffering and deprives the world of much talent and endeavor, but it can and too often does constitute a threat to the talent and endeavor that has been able to express itself successfully. This is especially so wherever poverty has injustice among its causes.

It is true that the individual who, having little but desiring no more than that little, can therefore be said to have everything. This was Epictetus’s teaching. The ancient Stoics preached self-sufficiency of mind along with economy in desires for possessions. It is a fine teaching, and the natural world would not be in such jeopardy if everyone were a Stoic. But the finest of such teachings is no remedy for poverty. Both poverty as a state of material existence, and poverty as a state of mind, are too harmful to their victims and to the aggregate of good in the world to be shrugged off with a misapplication of the remark that “the poor are always with us.” As Singer’s argument shows, there is a simple and clear remedy for the first kind of poverty; our hope has to be that remedying it will help remedy the second.

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he 15th chapter of the book of Deuteronomy in the Hebrew Scriptures deals with the rules for cancelling debts after seven years; and it contains two statements about the poor that are in a certain tension with each other. On the one hand: the land inhabited by the Israelites is fertile and God has promised to make it profitable for all who live there; so there should be (literally, there shall be) no poor people in the community (v.4). If there are poor, you must be generous to them and lend when you are asked, not holding back because the year of cancellation is coming close. For (on the other hand), “There will always be poor people in the land” (v.11). In plain words, poverty should not exist but it always will. In the book of Leviticus, these rules are spelled out in more detail, especially in chapter 25: the “year of Jubilee”, the great restoration of leased property and cancellation of accumulated debts that is supposed to occur every 50th year, is described fully, and there is a plain prohibition against any kind of profiteering at the expense of the needy, whether by charging interest on a loan or inflating prices for necessities. There are elements of the same set of ideas in Exodus 22, where (vv.25-27) we read that you should not take a needy neighbour’s cloak as security for a loan because it is a necessity for him.

At least three assumptions are being made in texts like this, and drawing them out may help us to clarify some of the central features of a Judaeo-Christian understanding of poverty.

(i) The environment in which this community lives is one of abundance; there is no necessity about poverty.

(ii) Where relative disadvantage arises, there need to be strict conventions that limit its effect: debt cannot be allowed to accumulate indefinitely.

(iii) Dealing with relative disadvantage must not, therefore, lead to intensified disadvantage: there are some things that must not be put at risk in transactions. Necessities must be secured.

The first of these principles is a key point. It does not so much mean that everyone is guaranteed individual abundance but that in a properly regulated society relative disadvantage is not inevitable. There is no iron law of nature that dictates poverty and wealth. Or, to put it more positively, the shared security of a population depends on that population deciding to “keep the law”, deciding to avoid practices that intensify disadvantage for some. Two sorts of public legal convention are needed: a prohibition against reducing anyone else to a state of permanent economic powerlessness and personal humiliation, and a guarantee that there will be some process that restores to everyone sooner or later the possibility of being an active agent in the community.

In terms of contemporary political stereotypes, this is not easy to place. There is a crystal-clear resistance to permanent dependency, but an equally clear negativity about anything at all that looks like widening the gap between people in irreversible ways. Leviticus 25.23-24 grounds this in a conviction that “the land”, the raw material of economic life, is not a possession but a “loan” from God: we are guests invited for the time being to make use of this environment. So the unlimited accumulation of profit is an offence against that underlying provisionality of our living here and now in an earth that belongs to another.

I have written about “relative disadvantage”: poverty in this context is not something abstractly measurable, it is the lack of security. And in a situation where—even with pre-modern economic habits—there is unavoidable fluidity in prosperity, some will do better than others. Major inequalities are not naturally inevitable, in the sense that some permanently have naturally better access to good things than others, but they will arise and they need to be countered. Poverty as insecurity is a theme that runs through the whole of Jewish and Christian scripture, and what is often called the biblical “bias to the poor” is not an arbitrary partiality for those less “well off”, but a commitment to identify and defend those who are insecure and to find ways of enabling them to recover the security they need to operate as ordinary members of the community.

This also explains why—in the Psalms, for example—the poor is often a name for the whole people of Israel considered as a small nation exposed to the violence and aggression of others. And in the Christian Scriptures it is clear that the poor whom Jesus engages with are both those who live economically insecure lives (the parables often give a vivid picture of the sorts of insecurity faced by tenant farmers or minor local administrators in a colonial system) and those who are insecure in terms of status and acceptability—the prostitutes and tax-farmers so frequently referred to. Elsewhere in the New Testament, 1 Corinthians 11.26 and James 2, emphasis is laid on God’s “honouring” of the socially powerless and (as in 1 Corinthians 11 also) the risks of importing social distinctions into the church and measuring respect according to status. James is particularly interesting in—like the gospels—giving us a glimpse of what “poverty” practically meant in terms of vulnerability to exploitation and ruinous litigation. Part of being poor is being without influential friends; it is not surprising that the Christian community, with its close-knit systems of support and its assumption that every member had a crucial role to play in the life of the whole, had attractions for those with weak networks, irregular employment and no standing capital—the sort of people who abounded in the cities of the Mediterranean. And when, in one of the most significant metaphors of the New Testament, Christ is described as making himself poor so that his people might be made rich (II Corinthians 8.9),
the point is made in the context of an appeal for more effective and generous mutual support among the communities: if there is risk here—as Christ risks his heavenly or divine status by identifying with the vulnerability of human existence—it is made bearable by the fact that generous risk creates in the long term a security for all, "wealth" for the many.

In thinking about poverty, then, anyone shaped by this tradition will be looking for the indices of insecurity in any situation more than for simple statistics of mean income. Ending poverty is not guaranteeing a particular level of material well-being, though it is important to have some measure of what minimal security demands. The scandal is less to do with the sum on which people have to live each day in some contexts than with the level of vulnerability experienced. A poor person is one who lacks secure housing, for instance: in the UK we have learned slowly to redefine homelessness not in terms of "sleeping rough" but in terms of regular and dependable accommodation. A poor person is one who is vulnerable to disease and to the lack of resources to cope with it, in themselves or in a family member (flexibility about working times and conditions, childcare, funds for travelling to a hospital or clinic). A poor person is one who—whether or not they go hungry today—has limited access to reliable long-term sources of nutrition. And, to extend the definition, poverty in this sense can be the state of almost anyone living below a certain line of influence in a society with corrupt governance and low accountability; or of those who live with low aspiration because of the failure or absence of an educational system. And it is worth noting that when all this is spelled out in such terms, we may understand better why women bear such a disproportionately heavy load where poverty is concerned.

In the light of all this, what policy issues and priorities come into focus, particularly for the UK?

(i) Most obviously, there is a question about who "owns" any strategy for poverty reduction: is it at some level the poor themselves? Or is it a process that contributes to their disadvantage in terms of agency and dignity even if it seeks to address disadvantage materially?

(ii) A neuralgic point in a climate of "austerity", but an essential one: what are the public services and the levels of service delivery that the state guarantees more or less at all costs? What is ringfenced? We have seen the attractions of policies which appear to begin from the assumption that current provision for disability or child welfare is overgenerous, and the attractions of a rhetoric which treats any alternative view as colluding with dependency and idleness. "Welfare" has become a loaded word. Perhaps we need a new vocabulary—not welfare payments but a "social share"?

(iii) Can we free our educational system at every level from the dead hand of functionalism ("how does this or that educational policy contribute to our GDP?")? The paradox is that we shall only relax the destructive tension and competitiveness of our economic life, with all its cost in the obsessional focus on material growth and its impact on actual humane values, if we give more space in education to humanistic concerns (in the proper sense of the word). And this applies to scientific as much as to arts subjects. One aspect of the poverty we seek to address is surely imaginative poverty of a kind easily fostered by a climate of drivenness in education and a crude measure of value for money.

(iv) We have had some reason to be sceptical of the "Big Society" language that had a brief vogue in the early days of the present government. Stripped of its polemical and overambitious decorations, it needs salvaging as a commitment to the active capacitating of local communities not as a substitute for statutory responsibility but as a way of realising it. This means, ideally, a commitment to co-operative patterns at local level—to credit unions and housing and food cooperatives and so on—while retaining the clarity suggested earlier about the minimal responsibility of the state for direct delivery (education, health care).

(v) Another neuralgic issue: how do we turn around attitudes to taxation? Some societies seem to take pride in high tax levels as an index of shared public responsibility: the UK has a deep suspicion of public waste, healthy enough in itself but increasingly allied to a general scepticism about public service as a professional way of life, and this needs challenging. It may be that the current concern about tax transparency will help to change perspectives a little: there is now at least a widespread perception that tax evasion by major commercial concerns is a manifestly corrupt and unjust affair.

If poverty is a matter of insecurity and the lack of active social presence—the sort of presence that can make a difference to one’s own life and those of others—there are of course many other questions that need addressing (not least the unsurprising association between poverty in all these senses and poor mental health); but the fundamental challenge is how to secure what we usually call “social inclusion”. The opposite of poverty is not so much wealth as participation, the appropriate degree of sharing in a common social project locally, nationally or internationally. This is where the enhancement of the political imagination is as important as any simply economic strategy. And—without trying to spiritualise the idea of poverty into something unhelpfully general—this gives us some purchase on the notion of spiritual and imaginative disadvantage as experienced by those who are materially wealthy. We should not simply equate different kinds of poverty here—the vulnerability of the wealthy to depression or self-doubt is not the same thing as the vulnerability of the single mother or the disabled widower, let alone the risks undergone by their equivalents in the developing world—but it is important to make some connections. And if the biblical perspective is accurate, the answer to this kind of disadvantage lies precisely in connecting—in working out what restored or rectified relations could break through the spiritual disadvantage of the wealthy. Paul in II Corinthians presents the basic process of the Christian community as the unlimited exchange of the goods God bestows: to give to others equips them to be givers and recalls me to the truth that I shall need them in due course. Anomy, boredom and frustration, the habitual companions of exceptional prosperity in individuals and societies, is not resolved by ever-increasing stimulus but by connections of mutual service, attention and care.

This means, of course, that the hope of a poverty-free society is the hope of a society in which faithful and constructive relationships are normal and there is a robust common life—cultural and productive—to share in. The need in this context for more resources to affirm the dignity of human existence is an urgent and complex thing; it is one of those areas where the contribution of religious traditions is vital, not simply as allies of an overstretched voluntary sector (though this happens and will doubtless happen more), but as providers of a radically different perspective on human sociality as well as human interiority—visions of reconciled*
and just life together, as well as the capacity to scrutinise and meditate on one’s own spiritual condition. The perspectives with which I began this essay do not, of course, see these as separate: I understand myself and come most fully to terms with myself in and as part of this community of shared abundance and limited acquisition. The sorts of policy that might emerge from the concerns listed above will not of themselves deliver the kind of social reality that the lawgivers of Deuteronomy or Leviticus envisaged; but such policies will be more firmly anchored if they are developed with some such imaginative framework. It is often enough said these days that we are still confused about precisely what a good society or a good human life looks like. My assumption here has been that unless we can answer this more clearly than we have in recent decades, we shall not in fact confront the challenge of poverty effectively or durably.

To sum up: from the perspective of Christian and Jewish faith (and no doubt others in their different idioms), the most significant defining thing about poverty is relative disadvantage—the lack of the freedom to secure our life and your children’s, to speak effectively for your concerns and needs in society, to manage for yourself the resources you need to live. Jewish scripture deals with this by imagining an institutional cap on the spiral of inequality, based on the convictions that the earth we inhabit and its resources are never a possession and that our response to need must never be such as to intensify dependency and vulnerability. In Christian scripture, the model of Jesus’s embrace of insecurity for the sake of “enriching” humanity serves as the focus of an ethics in which we are encouraged to take risks with our resources for the sake of building what will be a more stable environment for all. Instability and vulnerability are allied with a “poverty” of expectation in regard to oneself and one’s immediate surroundings, so that the enrichment envisaged is, crucially, an imaginative and spiritual matter as well as an issue about material resources. And the state has the difficult task of identifying what it is that only it can provide and must provide as an absolute minimum of security (so that, in Old Testament terms, no-one has to put up their clothing as collateral for a loan) and also identifying what initiatives (with statutory support) can genuinely be owned by a disadvantaged group as something that gives them their own voice and presence. And—to repeat, in conclusion, one of the most basic assumptions of the scriptural writers—we must remember that what kind of a society we inhabit and what provision we make around disadvantage is our choice, not the outworking of some impersonal law, whether of nature or the market. Perhaps that is the most urgent thing to recover as we debate how to confront the scandalous and lethal inequalities of our society and world.

Rowan Williams is Master of Magdalene College, Cambridge and former Archbishop of Canterbury
Can we “make poverty history”? Surely this is a goal economics should be aiming for? Campaigners adopting this slogan, as the turn of the millennium approached, had in mind global poverty rather than poverty at home in the UK, but the aspiration is universal. Poverty is surely a phenomenon that over time ought to disappear as economic growth raises living standards. Growth almost always makes people on the lowest incomes better off; periods when the benefits of growth are not shared to some extent across society are exceptional.

In the global context, rapid economic growth in some large developing countries does indeed mean that living standards have risen substantially over several decades for very many people. The count of those who are “officially” poor (with daily incomes below a World Bank threshold of $1.25 a day) has fallen by about 2bn since 1990, although another 1.1bn people still live below that extreme poverty line.

How serious a problem is poverty in the UK? It has declined over time as the economy has grown. But growth has obviously not eliminated poverty altogether.

People in the lowest tenth of the income distribution today are in many ways better off than their equivalents 50 years ago or even 20 years ago. What economics jargon labels “absolute” poverty—whether or not a person or household has the minimum needed for the basic necessities, such as enough to eat, a place to live, clothes, fares to travel to work—has declined over the decades. Being poor today is not like being poor in the 1930s or even 1960s, in absolute terms. However, “relative” poverty, how people in low incomes compare to the typical living standard in terms of their access to goods and services, has not declined by much.

The concepts of both absolute and relative poverty seem clear enough but measuring the extent of poverty is a highly technical issue. It is hard to specify a level of income that is an “absolute” minimum. Apart from the fact that it will differ in important ways between families, depending on whether there are children or on the ages of family members, for example, the definitions of minimum adequate standards for basics also change over time as societies grow richer. Opinions about the minimum necessary to live will differ greatly between Manchester and Mumbai, and between Manchester in 1963 and Manchester in 2013. For example, many people in both cities in 2013 would regard mobile phone access as an absolute necessity.

Not only is thinking about an absolute level not as straightforward as it seems, it also overlooks the social dimension of poverty. As well as not having enough money to buy basic goods and services, it also means not having the ability to take part in the same kinds of activities as most other people, like going to the cinema or buying a wedding present. And it is the lack of social status and the constant anxiety that comes with having much less money than others—the embarrassment of second hand school uniforms, or of not being able to go out with others—that contributes to people being trapped in poverty. They do not make the connections that help get better jobs. They lose self-confidence, or never develop the “soft skills” needed in many workplaces. Hence more attention is paid to relative poverty.

Many countries define relative poverty as a proportion of the typical or median level of income. In the UK, for example, the poverty line is often considered as 60 per cent of median household income, with adjustments depending on the number of adults and children in the household. Of course, different households have other kinds of differences in need, such as health or disability, as well as different perceptions of need. Further complexity comes from turning the focus from incomes to consumption, as it is what a family can spend that is most relevant to its standard of living. The people who spend the least are not always those with the lowest incomes. So there is a large and quite technical literature on defining poverty, setting thresholds and calculating the number of people living in poverty.

The Institute for Fiscal Studies (IFS) is the key source for statistics for the UK. Its figures show that the proportion of households living on 60 per cent or less of median income has declined slightly since 1990, having increased during the 1980s. The most recent figure stands at 21 per cent of households or 13m people. Other OECD countries also have an uncomfortably high proportion of their population whose incomes fall below the poverty line; the figures take the benchmark as 50 per cent of average incomes, and the proportion living in relative poverty averaged 11 per cent in 2010 (with the UK on 10 per cent by this measure).

So the extent of poverty makes it one of the key features of the British economy (and most others too). Yet it is oddly absent from mainstream economic texts. In the globally best-selling textbook by Greg Mankiw, poverty and policies to reduce it get 12 pages out of a total of 906. It is a revealing allocation of attention. Poor people are as invisible in the classroom as they are in real life. The reason is that for many economists, if the economy is growing, the poverty rate will go down. Their focus is on what boosts economic growth.

Yet it is clear from the statistics that economic growth alone does not “solve” poverty. People with low incomes and no savings are the most vulnerable to periods of weakness in the economy, as is obvious now. Besides, the growing understanding of the way a lack of money affects people’s continuing capacity to prosper has led economists from the idea of “relative” poverty to the concept of “social exclu-
sion”, with a broader focus on how having a significantly lower income than the majority affects people’s capacities and opportunities. The well-known “poverty trap” due to the way the benefits system operates, which causes individuals whose income from work goes up to lose more in benefits than they gain in take-home pay, is just one way people are kept at the bottom of the social ladder. Low incomes interact with poor quality housing at “bad” addresses, with ill-health, closer contact with crime and drugs on housing estates, a lack of access to good educational opportunities and so on. The absence of economic opportunity is compounded by a lack of engagement in civic life.

It takes far more than a bit of extra income as the economy grows and wages go up to overcome poverty. Unfortunately, it is hard for those who are not poor—which includes economists—to understand fully how social exclusion affects people. The poverty trap is not just financial, not just a matter of material access to services or housing, but a social and emotional trap too. Even if you think you appreciate that point, it is all but impossible to put yourself in another person’s shoes.

This was brought home to me recently by my experience of introducing business mentors to children at the primary school where I’m a governor and which serves a deprived catchment area in west London. They were planning a fair trade product to sell at the summer fête as one of their transition-to-high-school activities, so we invited in half a dozen people with business experience to advise groups of children. The men who turned up in suits and ties intimidated the children, most of whom had never before come across people dressed for business. It was a lesson for staff and governors; we will now add ties to the school uniform and ask male members of staff to wear suits. The children have to take as a given their right to be part of that world of aspiration and success. However, for every barrier that we spot, there will be others we do not know about or understand.

Still, the prominence in the current policy debate of issues like the squeeze on real wages and changes in welfare reflects the fact that there is genuine concern about the extent of poverty. It is a polarised debate, though, taking place in the context of a public opinion increasingly unsympathetic to redistribution through the welfare state. The most recent British Social Attitudes survey shows a marked decline since 2001 in support for redistributing income and paying unemployed people through the benefits system. No doubt the fact that the majority of the population is currently experiencing declining living standards, after inflation, helps explain this diminishing sympathy. The polarisation also reflects widely differing views on whether poverty affects the rest of the economy, and what policymakers should be doing about it. So how does it affect the economy as a whole? And what can be done?

Some economists would argue that while it is desirable to reduce poverty, this is mainly a social or even a moral challenge, and that some of the proposals to reduce poverty would in fact have an adverse effect on the wider economy. For example, it is standard economics that taxation distorts incentives, so raising taxes to pay higher benefits reduces other spending and investment in the economy. Besides, there is real disagreement about what actions the government could take to reduce poverty, an aim nobody fundamentally disputes. Where in the nexus of connected problems—jobs, pay, housing, health, education, benefits—will policy interventions be most effective? Good jobs at decent levels of pay must be a pre-requisite for bringing down the numbers of people whose incomes are too low, but how to bring this about?

The economy has been undergoing enormous structural change in recent years, due to technological innovations, and this is accelerating if anything. The character of the jobs available and the skills required is changing significantly. Technological change is one of the main factors economists believe to have been responsible for rising inequality, although others, including tax cuts for the high-paid, boardroom greed and deregulation, have played a part too. Businesses are inevitably going to want employees with the kinds of skill they need to make profits and survive. So ensuring people’s employability means education is probably the best lever for policy makers to use—although it will not have instant results.

This makes it tempting to argue instead for a more direct approach, such as raising wages for jobs at the bottom end of the income ladder. This is the principle of the “living wage”. There is no difference in economic terms between a living wage and an increased minimum wage. The Low Pay Commission, which sets the legal minimum, pays careful attention to the likely impact of increases on employment. It is likely that enforcing a living wage significantly higher than the minimum wage would reduce the number of jobs available, particularly because some of the jobs concerned are paid for either directly or indirectly out of constrained public spending. It is easy and emotionally satisfying to draw a line from corporate greed to exploitative pay, but very low pay is not confined to cleaners in big corporations. Small businesses making marginal profits in tough times and private contractors or suppliers to the public sector employ a large proportion of those on the minimum wage. If they have to pay more, they will almost certainly employ fewer people.

This is not to say that nothing can be done. Public spending on services is particularly important to people on low incomes and cuts in services correspondingly fall on them particularly heavily. The IFS has pointed out the rising burden of social security benefits and pensions in contrast to the unprecedented reductions in government spending on services, with pensions particularly insulated so far. Where the burden of austerity falls between groups of people—young and old, people with low versus high incomes—should be taken into account even by those who believe government spending should be reduced.

More constructively, there is scope to increase the capacity of people living in poverty to find and keep jobs. Amartya Sen has described the importance of people’s “capabilities”, the characteristics, attitudes and skills that enable them to make their own choices about how to lead a socially and personally meaningful life, connected to others, and to earn a sufficient income to achieve this. Many who regret the materialism of economic growth and the market economy believe that higher incomes do not bring greater happiness. However, this sits uncomfortably with a concern to reduce poverty. Sen does not fall for this paradox. He sees income as a crucial part of the resources enabling people to develop their capabilities.

The question is where to break into the vicious cycle. Even a non-austerity fiscal policy will be unable to transfer much more money in benefits. People who are poor and lack important capabilities are by definition not well-connected to people or opportunities that will help them change their situation. The work advisory and placement schemes operating now have incentives to concentrate on the easier activities and the evidence on their effectiveness is not encouraging. But schools could make a difference quite quickly, both to equip their pupils with high skills and aspirations as
they approach school leaving age, and to extend what they can provide to parents. I believe schools and colleges will be one of the most important channels for trying to reduce poverty in a lasting way. Their mission is to develop capabilities. Schools are among the few institutions accessible to almost everybody and located in every community in the country. They are “official” and at the same time trusted.

Conventional economic debates about poverty often overlook the importance of people for long-term economic growth. A country can grow without coal or gold or oil—as Japan and Singapore did. But no economy has ever grown without increasing the skills and capabilities of its people. It is understood in theory by economists that growth depends on innovation and ideas being put into practice. The concept of “human capital” is widely used in economics, and economists often talk about education as a driver of growth in developing countries.

But the economic models are abstract. They are not so often translated into the reality of the people actually available to work in our economy now. People who are poor have fewer skills and capabilities. Families on low incomes are far less likely to educate their children to a high level of attainment and to tertiary level. Poverty is a waste of potential resources. In an economy where it is hard to escape the snare of the poverty trap, where inequality is high and social mobility low, many people will be discouraged from even making the effort to acquire higher education or to be entrepreneurial. Poverty is also costly, in terms of the social security budget. This is almost a fifth of our raw “human capital” not being used to its full economic potential. An economy without poverty will be one whose entire workforce has been able to develop the skills and capabilities necessary for high-value industries to thrive and for innovation to occur.

So the conventional economic perspective which says that faster economic growth is what will reduce poverty has it exactly the wrong way round. Reducing poverty is what will increase economic growth. A country without poverty will be using its most important resource to best effect.

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Poverty, the market and the state.

Roger Scruton

Almost any thinking citizen, asked if we should seek to end poverty in our country, would answer yes. What political goal could be more clearly desirable? And yet, when asked to define what poverty consists in, or why, on some given definition, poverty is bad, many people find themselves stumped for an answer. The word conjures images of Victor Hugo's Paris or Charles Dickens's London, in which poverty was a condition just this side of the grave. The 19th-century poor were fending off death with their last resources—by begging, crime, prostitution and the sale of their children. But people described as poor today are usually in no such straits—certainly not in the United Kingdom. Of course, there are people elsewhere who are less fortunate than the poorest Briton; but for poverty to be a serious matter of destitution—certainly not in the background of the poorest among us, we find little to compare with the old days of abject poverty.

For the standards against which poverty is measured depend upon the norms to which we aspire. Faced with the question, how many knights does a retired sovereign need, every English king's head has reflected changes in our way of life. But this does not mean that standards of poverty must change to reflect changes in our way of life. Life has been created by others, and by the powers, as sets and luxuries that they take for granted. That life has been created by others, and by the powers, as sets and luxuries that they take for granted.

For this reason, campaigners have tended to follow Peter Townsend in embracing a relative definition of poverty, without attempting to define a threshold in absolute terms. Thus the last Labour Government defined the "poverty line" as 60 per cent of the median income. Using a related measure, the Child Poverty Action Group (which Townsend created) tells us that 3.7m British children are now living in poverty. The choice of children as the test case reflects the assumption that they are the first victims of poverty, since the lack of resources will affect their prospects for the rest of their lives. On the other hand, when you take into consideration the purchasing power of the median income today, and calculate what can actually be obtained by someone who disposes of 60 per cent of it, you will recognise that all but the very wealthiest of 19th-century Britons lived below today's poverty line. By the standard adopted by the last government, I was brought up in poverty—in a household without a car or a refrigerator, with only the rare holiday in a B&B in Monmouth, and with a restricted diet of which baked beans were the most reliable component. And yet, by the standards of those days, we were comfortable and, thanks to our local grammar school and the system of government grants, I enjoyed the best available education, my parents not paying a penny for my schooling right up to the day when I received my doctorate, by which time I was a fellow of a Cambridge college. I look back on my childhood with gratitude—towards my parents, and also towards the benign welfare state of those days, which enabled them to offer their children opportunities that they themselves had not enjoyed. Illness, when it came, did not lead, as it so often led in the past, to destitution and bankruptcy. Thanks to the National Health Service, serious illness was a cost that our family could bear. I would say that, for my parents' generation, and also for mine, things were getting rapidly better and that whatever the policies were that produced this effect, they must have been the right ones.

But Peter Townsend's work Poverty in the United Kingdom, published in 1979, gave quite a different impression. Townsend shifted attention from poverty to something called "relative deprivation", meaning the comparative inability to enjoy the fruits of surrounding affluence. He concluded that 15m Britons (a quarter of the total) lived on or near the margins of poverty. Reading this in 1979, at a time when I was beginning to enjoy the fruits of my parents' sacrifices, I could not restrain a measure of indignation on their behalf. They would have fiercely rebutted the description of themselves as poor, and would have added a few non-conformist imprecations against those who measure the value of life in terms of gadgets and holidays.

It is true that standards of poverty must change to reflect changes in our way of life. But this does not mean that they are relative: it does not mean that to be poor is to be relative poverty, meaning the comparative inability to enjoy the fruits of surrounding affluence. Townsend's way implies that poverty will never go away. When my neighbours have two cars each, expensive holidays in the Caribbean and mortgage-free homes in comfortable suburban locations, I am pretty likely to experience a twinge of "relative deprivation" at the sight of them. We might all get richer and richer, but my "relative deprivation" will stay just the same. It is as though nothing has improved since Dickens's day, and the whole effort of creating a welfare state, with social housing and guaranteed pensions, was wasted.

I don't think Townsend himself intended any such conclusion to be drawn. But in my view he greatly confused the issue by both defining poverty in a way that makes it inescapable, and at the same time suggesting that the reason
why the poor are poor is because the rich are rich—a conclusion that in fact follows by logic from his definition. Townshend’s analysis encourages what to me are the two greatest sum fallacy, which says that costs and benefits balance, so that one person’s loss is caused by another person’s gain, and secondly the use of that fallacy to stir up resentment towards the successful.

The zero-sum fallacy is a permanent temptation; so too is resentment towards those who are better off than we are. And the two temptations are connected. I might cope with the difference between me and my rich neighbour, if I think he has prospered at my expense. For then I might feel justified in expropriating him. Many political parties and movements exploit this feeling, notably the Communists and the Nazis in the years of crisis following the First World War. Of course, it is sometimes true that people are deprived of goods unfairly. It is all too often true that people enrich themselves at others’ expense. But this should not prevent us from turning a critical eye on the beliefs that this is always so, and that inequality is the cause of poverty.

Defenders of the free economy will argue to the contrary, that market transactions are, in the normal case, positive sum games: transactions entered freely benefit both parties, since otherwise the parties would not agree to them. The result may be an unequal distribution of rewards. However, inequality is neither the aim nor the norm, but simply the unintended by-product of our free agreements.

This does not mean that inequality is simply to be accepted. For inequality breeds resentment, and resentment must be overcome if there is to be social harmony. Wealthy people may be aware of this and anxious to do something about it. They may give to charity, devote some part of their resources to helping others, and in general display an appropriate measure of sympathy for those less fortunate than themselves. In particular they may set up enterprises that offer employment, and so give to others a stake in their own success. That is how it has usually been in America, and it is one reason why, in my experience, Americans, however disadvantaged, are pleased by others’ good fortune—believing that, in some way, they might have a share in it.

In European countries, however, it is not normal for people to be pleased by the good fortune of others. We are often afraid to reveal our wealth, our power or our success in worldly things, for fear of the aggression that this will attract. Nietzsche attributed resentment, as he called it, to a deep fault in our civilisation, manifested equally in the Christian religion, in democracy and in the socialist programmes of his day. Max Scheler, defending Christianity against Nietzsche’s charge, was more eager to attribute resentment to bourgeois morality, which measures everything in terms of material possessions. Socialism, for Scheler, was just the latest form that this morality had taken. And there is no doubt that resentment has played an important role in the attitude to inequality that prevails today. To be honest, I see no solution to widespread resentment other than the traditional American one—to put your wealth to use, and to give as many people as possible an interest in your using it successfully.

However, things have changed in ways that threaten the old American model. There has been, both before and after the financial crisis of 2008, a sudden and escalating rise in the disparity between incomes at the top end of the scale and those at the bottom. This has happened all across the developed world, and in America in particular. Joseph Stiglitz has argued, in The Price of Inequality, that the top percentile of Americans has increased in wealth not only while those lower down the scale have either remained static or fallen into poverty, but more importantly that the wealth of those at the top has been increased at the cost of those beneath them. If this were true, then any policy to relieve poverty must also address the problem of inequality, achieving some redistribution of wealth at the expense of those who currently possess it. Whether this is so is a question that all policy-makers must address, and I return to it below.

From those thoughts I draw the following preliminary conclusions:

1. Absolute poverty is an evil, and any policy that alleviates or removes it should be promoted, even if the result of that policy is an unequal distribution of wealth.
2. Poverty can be defined in absolute terms, even if the standard changes. For human society evolves, and with it the needs of its members.
3. Poverty defined in comparative terms—relative poverty—is simply another name for inequality.
4. By confounding the two concepts of poverty, we run together two quite different political goals: the relief of poverty, on the one hand, and the creation of an equal society on the other, where equality is measured in terms of material assets. While the relief of poverty is a goal shared by all political factions, the creation of an equal society is a special concern of socialists, and is seldom seen as either possible or desirable by their opponents.
5. From this it follows that the relief of poverty, when poverty is defined in Townshend’s way, looks like a uniquely socialist project. We conservatives are condemned outright, as the heartless people for whom the poor are of no account.

So how should conservatives respond? There may be good reasons for wanting an equal, or more equal society. But the easiest way to produce an equal society is to deprive everyone of everything, as Pol Pot did in Cambodia—a triumph of the egalitarian idea, but no victory over poverty. Nor was Pol Pot an exception among communist leaders. The evidence from the 20th century is overwhelming, that the single-minded pursuit of equality leads to widespread immiseration, and the concentration of power and resources in the hands of the few. Conversely, a radically unequal society, such as some people believe is emerging today, may concentrate power and resources in the hands of the few, by creating rents on the social product—in other words, positions that permit people to extract wealth without producing it. This too could throw people into poverty, though there is no evidence that it has done so to the extent or on the scale of the communist experiments. But it raises the question of what kind of inequality, and what amount of it, is acceptable.

Now, it could be, as defenders of the market argue, that wealth creation depends upon the free use of private property, and it could also be that the result will be an increase in wealth for everybody, as well as substantial inequalities between those at the top and those at the bottom. And it could be that the resulting inequality is an evil, to be remedied by some form of redistribution. But if it is an evil, it is an evil of a different kind from that of poverty, and one that must be remedied in another way. And we should be careful, in our desire to create a more equal society, that we do not destroy the motives of the wealth-creators; for without them we shall all be poor. Even left-liberals recognise the dangers here. John Rawls, in his definition of the just society set out...
in *A Theory of Justice*, incorporates the “difference principle”, according to which inequalities are permissible, provided they benefit the worst off. Conservatives would probably add that they are permissible anyway, and who are you to forbid them? But they would certainly agree with Rawls, that the egalitarian project may be just as great a threat to the poor as to the rich. Nor does history tell us otherwise.

Indeed, it seems to me that the most important lesson that we can learn from recent history is that putting equality at the top of the agenda does nothing to eliminate poverty, and may indeed make poverty more widespread. So long as we frame the question in Townshend’s terms, using idioms like “relative deprivation”, we obscure the fundamental fact, which is that, in developed countries, everybody has been getting richer, so that—until the recent downturn—absolute poverty was getting rarer. That is true, even by reasonable updated standards of what poverty consists in. And it is an achievement for which we should be grateful. The welfare state has made an important contribution to this achievement. But in the conservative view, it would not have been possible without rights of property and security of contract—the two institutions that enable us to engage in economic activity without the permission or the control of the state.

Like many people of conservative leanings I am therefore suspicious of laws that rewrite contracts for the benefit of the weaker party, since such laws violate both the right of property and freedom of contract. They also have unintended consequences that place burdens on the rest of us. The welfare state has made an important contribution to this achievement. But in the conservative view, it would not have been possible without rights of property and security of contract—the two institutions that enable us to engage in economic activity without the permission or the control of the state.

The labour market could be freed, were the penalties to the old one, but by ensuring, if possible, that those who fall into poverty have the opportunities and the will to get out of it.

One encouraging initiative has been the Gramin bank, founded by Muhammad Yunus in Bangladesh and subsequently imitated around the globe. The policy of offering small loans, together with a potential share in the bank, in order to capitalise home-grown businesses, transformed the rural economy of Bangladesh and lifted many villagers out of poverty by putting their products on the wider market. Of course it was a private act of charity that capitalised the initiative; but the bank soon proved self-supporting and, while not insulated from fraud, continues to operate in its original setting with evident benefits to the poor. The model could surely be adapted and refined to become a template for policy here in Britain.

Moreover, it suggests a principle. We help the poor by freeing the channels through which opportunities come to them. Old fashioned banking was closed to those who could offer no security for a loan, and therefore it did nothing to support the economic activity of the truly impoverished. It was one part of the poverty trap, which prevented those who had fallen into penury from working themselves out of it. The welfare system would then step in to provide for them, so ensuring that they remained dependent on handouts from the state. This was the first step towards the culture of dependency, with all its well-known adverse social and psychological consequences.

Likewise, mortgage market was in recent memory closed to the poor, who could give no security for a loan. The emergence of the sub-prime mortgage created opportunities for home ownership among people who would not previously have been able to enjoy such a thing. Sure, the sub-prime market played a part in the recent Wall Street crash. But that was because banks were trading in debts that they could not guarantee and treating speculative returns as solid assets. Again, it might be possible to work out a way of refining this particular financial instrument so as to make it available to the poor without jeopardising the goal of giving them the opportunity to acquire a secure capital asset. Indeed, in their original conception, the building societies and friendly societies of Victorian Britain aimed at just such a result: offering mortgages to poor people who thereby acquired an interest in a shared capital venture. Those charitable societies were built on the knowledge that people can raise themselves out of poverty, and that the best way to help them is to provide networks of mutual support.

We are all aware of the extent to which banks have exploited the loan market, risking capital that they did not possess for quick returns, and rewarding their directors and managers with vast bonuses while putting their shareholders at risk, often relying on the state to step in to save them when the crisis came. What is to be done in response to this—and it is only one part of a larger problem concerning how to regulate financial transactions without extinguishing them—is a difficult question. Because it has affected the bottom end of the mortgage market in America the sub-prime crisis has thrown many people into poverty and homelessness who were previously working their way up into the middle class. However, this does not imply that sub-prime mortgages are essentially precarious, or that the regulations could not be put in place that would once again make them available and reliable for those who cannot give collateral guarantees for a loan. Any reform of the financial system ought, in my view, to have this goal as a priority.
be lifted from those who seek to offer employment. For example, there are many people who could make use of domestic help and whose earning capacity would be increased if they did not have the burden of managing their households. But the majority of such people cannot afford to pay a salary out of post-tax income. By allowing them to claim their employees’ wages against tax, and by lifting the burden of national insurance, a vast area of employment opportunities at the bottom of the market would be opened. This would not reduce government revenues, since tax would be collected on the employees’ wages and there would be a corresponding reduction in benefit payments. The result would, indeed, represent a fiscal saving, while again placing the feet of the beneficiaries on the upward ladder.

Moreover this policy would cause poor people to work side by side with members of the middle class, who are as likely to be caring and responsible as their employees. The employers would be motivated to help with such matters as the education of children, and the management of the legal and other burdens that lay such a heavy shadow across the lives of the poor. In general a conservative policy will be favourable to the rich, not because they are rich, but because they have the proven ability to create wealth. And it will aim to distribute that wealth without penalising the activities that create it. It will not, in the normal case, redistribute wealth directly. Instead it will attempt to create the opportunities that people need, in order to create wealth for themselves. That this is psychologically more beneficial than welfare dependency is, I think, one of the lessons to be learned from the work of Charles Murray (Losing Ground: American Social Policy 1950-1980) and James Q Wilson (The Moral Sense). It is also more economically efficient, since it encourages the poor to produce economic value and not just to receive it. Murray and Wilson present overwhelming evidence from the American case, that the poverty trap exists, that it locks its victims into failure and discouragement, and that it is accompanied by every kind of anti-social behaviour as its victims beat fruitlessly against the walls that contain them. Yet the policies that produce this trap continue to be espoused, wherever poverty is re-defined as inequality. For then the only remedy proposed is forcible redistribution, the immediate effect of which is to depress the economy and to create new classes of the poor.

But this returns me to the question of inequality. As I suggested above, if inequalities, or extremes of inequality, are evils, then they are evils of another kind from poverty. Poverty is overcome when everyone has sufficient for a decent human life—and how much that is depends in part on the surrounding conditions. But inequality is overcome when everyone has the same. It is not because it produces poverty that inequality is an evil, for it does not do so. If it is an evil it is an evil of another kind—for example the evil of providing rents on the social product that place enormous power in the hands of people who have no motive to use that power responsibly, and who might use it in ways that threaten the prosperity and the savings of the rest of us. This we have seen in the corporate sector. But what is the remedy? Stiglitz opts for massive redistributive taxation, up to 70 per cent at the top income level, and a heavy estate tax. But there is no evidence from the European case that such measures do anything to overcome poverty, even if they make it more difficult to be rich. On the contrary, they penalise wealth creation, lead to a flight of capital and also make people less likely to save, opting to spend their money during their lifetime. My own view is that we should strive to limit the opportunities for rent-seeking by returning powers to shareholders and investors, and restricting the capacity of banks to trade in “unreal estate”. The desire to punish the rich is understandable; but it is no part of a policy to help the poor.

There is one class of poor people, however, that it is increasingly difficult to help, not because the free economy cannot extend its benefits in their direction, but because social changes have removed the protection on which they depend. I am thinking of the elderly, and in particular of those who are too frail to work. The dissolution of the extended family and the increasing tendency to exhaust the equity of the family home before the death of its older residents, have led to more and more elderly people falling into a poverty trap from which they cannot emerge by their own devices, since they have none. Until now the focus of government policy, in response to the campaigns of the Child Poverty Action Group, has been on children. In my view it would be better directed to the old, for many of whom there is no other source of help. Pension funds, as we know, are in crisis, on account of the unexpected longevity of their beneficiaries. State pensions too can provide funds only by borrowing from an uncertain future. Stopgap measures, such as the winter fuel allowance, barely touch the surface of the problem. It is significant that, when Bismarck first introduced a welfare state into Germany, it was the situation of the elderly that most concerned him, with the right to a publicly funded pension the first among the provisions that he introduced. And I cannot help feeling that this is the correct emphasis for a conservative. We should recognise that there is a collective duty on all of us, to help those who can no longer help themselves.

For the rest, however, policy should have a completely different focus—not to look after them, but to provide the opportunities that they need in order to escape from the poverty trap. For the majority of able-bodied people this trap has been enhanced by government policy and not cured by it, and the principal reason for this is the fallacious belief that equality, not wealth, is the thing that will rid us of the poor.

Roger Scruton is a philosopher. His most recent book is “Our Church: A Personal History of the Church of England” (Atlantic Books)
Where there’s a will there’s a way: poverty and the American Dream

Bonnie Greer

I am largely a product of President Lyndon Baines Johnson’s federal government initiative, “The Great Society”. It set out to re-make America and enable all of its citizens to have a part of that elusive entity, “The American Dream.” Its aim was both simple and profound: to eradicate poverty in America. Forever.

Not having grown up in the UK, I thought it best to talk about what I know best: the America created after 1964 by legislation whose purpose was to provide a decent standard of living, decent health care, a living wage, and equal education for all.

Since I’m not an expert on poverty, I thought it best to quote the words of three men directly involved in creating a revolution whose aim was to make the poor visible and then to make them poor no more.

LBJ was one of the bad guys for my generation of anti-Vietnam War protestors and student activists. He decided, in 1968, not to seek re-election largely as a result of the demonstrations directed against the American war machine and him personally. But this is what I didn’t know: “I knew from the start,” he said, “that I was bound to be crucified either way I moved. I left the woman I really loved—the Great Society—in order to get involved with that bitch of a war on the other side of the world… I would lose everything at home. All my programmes…”

For me, next to his mentor, Franklin Delano Roosevelt, LBJ was one of the greatest American presidents. His war on the domestic front remade America. He was able to do this because of his supreme political skills. When Martin Luther King and other civil rights leaders came to the White House, Johnson was asked if he wanted to see them as a group. “Naw, send ’em one by one.” He sat knee to knee and convinced each man of his desire to pass the legislation which would end segregation.

But LBJ also saw the eradication of poverty as an act of collective and individual will. He made the decision that all Americans would participate in the nation’s prosperity and well-being. Because it was their right.

Johnson had grown up in rural Texas in the early decades of the last century. Although he came from a prominent Texas family, steeped in the church and education, Johnson saw poverty—because he went in search of it.

While training as a teacher, he decided to take a break to teach the local Hispanic children in the segregated schools in his area. Decades later he returned to his alma mater, Texas State University at San Marcos, as President of the United States. He went after signing the Higher Education Act of 1965 which set out to “strengthen the educational resources of our colleges and universities and provide financial assistance for students in post-secondary and higher education.” The Act also increased the amount of federal aid to universities which enabled them to create scholarships for the poor, and low cost loans for students. And it created the National Teachers Corp. It was this single piece of anti-poverty legislation that changed my life.

It enabled me, the eldest child of a Mississippi sharecropper and Chicago factory worker, to become the first person in my family, on either side, to receive a university degree.

LBJ saw poverty and said: “We can fix that.” He drove through a programme that changed the lives of millions of people in a very short space of time. He created a generation of Americans who previously would never have had access to higher education and to a decent way of life.

A prominent beneficiary of the nation LBJ re-made is the current First Lady of the United States, Michelle Obama, who was born a little under two weeks after LBJ’s State of the Union address to both houses of Congress in which he announced his “War On Poverty”.

Before LBJ declared that war, the hard work of her parents and Mrs Obama’s own intelligence and drive would not have been enough to ensure that this black girl from the South Side of Chicago could attend Harvard and Yale. She and her generation, born after LBJ’s speech, are living proof of the efficacy of a war on poverty.

Johnson stated his intention clearly in the speech he gave on 8th January, 1964:

“Mr. Speaker, Members of the House and Senate, my fellow Americans: I will be brief, for our time is necessarily short and our agenda is already long… Unfortunately, many Americans live on the outskirts of hope—some because of their poverty, and some because of their colour, and all too many because of both. Our task is to help replace their despair with opportunity. This administration today, here and now, declares unconditional war on poverty in America… Our joint… effort must pursue poverty, pursue it wherever it exists—in city slums and small towns, in sharecropper shacks or in migrant worker camps, on Indian Reservations, among whites as well as Negroes, among the young as well as the aged, in the boom towns and in the depressed areas… It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won. The richest nation on earth can afford to win it. We cannot afford to lose it… Poverty is a national problem, requiring improved national organisation and support… Our chief weapons in a more pinpointed attack will be better schools and better health and better homes, and better training, and better job opportunities… Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper in our failure to give...
our fellow citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children... Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it...

In 1962, a book was published that would change the course of American society and give LBJ a philosophical underpinning for the work he set out to do. The Other America, by the public intellectual and prominent socialist Michael Harrington, took the reams of statistics about poverty and attached them to real people.

Before Harrington's book appeared, a consensus had been built around a volume published four years earlier: The Affluent Society, in which the influential economist JK Galbraith argued that poverty was on the wane in America. Harrington's counter-argument was that the poor are largely invisible, and therefore any account of poverty must take that invisibility into account. Galbraith, also on the political left, had not done this.

By the early Sixties, the percentage of Americans defined as poor had been in steady decline since Roosevelt's "New Deal". Harrington pointed out that this was because the size of the middle class had increased. He also observed that it is usually not the poor who write about the poor, increasing the probability of statistical miscalculation.

The Other America was doomed to be ignored as yet another "egghead" tome, and by a socialist to boot, until the act of justice that would make this possible has been performed by the three-quarters of Americans who are not poor—until then the shame of the Other America will continue.

President Kennedy began to lay down plans to create a framework in which all Americans could utter with confidence MacDonald's "civis Romanus sum". After Kennedy's assassination, LBJ took up the challenge and created a variety of initiatives, programmes that only central government could bring into being.

The name: "War On Poverty" was apt. Its purpose was to eliminate poverty; expand educational opportunities; increase the safety net for the poor and unemployed; and tend to the health and financial needs of the elderly. It created 11 major programmes:

- The Job Corps: This provided a basic education, and job training to be administered in residential centres in separate provision for male and females. The Job Corps was primarily for 16-21 year olds.
- The Neighborhood Youth Corps: This provided training for young people from impoverished communities and families.
- Work Study: Under this scheme, grants were made to universities and colleges in order to create part-time employment for students from low income families.
- Urban and Rural Community Action: This provided financial and technical assistance to public and not-for-profit organisations in order to create community programmes that, in the words of the Act, ensured "maximum feasible participation" for the poor. It gave them a "promise of progress toward elimination of poverty.
- Adult Basic Education: Grants were made to state educational agencies to help those aged 18 and older to improve their English language skills and so to improve their chances of getting a job.
These programmes gradually lowered the poverty rate to where it stands today (15 per cent, or 46.5m people). They also created a society in which education, a job, decent housing and health care were considered to be the foundation of a civilised society.

The voices of the poor began to be heard in the media and in the wider culture. The War On Poverty broke down the barriers of educational exclusivity, health and housing segregation and created a generation of people who did not have to overcome the obstacles that their parents and grandparents did. This generation has set out to remake the nation at the economic, educational, artistic and political level. They have set the bar for a new definition of accomplishment and citizenship. They have also enriched traditional institutions of higher education such as Harvard, Yale, Stanford, the University of Chicago and MIT. Above all, the War on Poverty transformed the national consciousness so that people stopped seeing poverty as a self-inflicted wound, a moral failure.

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- Voluntary Assistance for Needy Children: A coordinating and information centre that encouraged volunteering as a way to help poor children.
- Loans to Rural Families. Small loans to assist farming communities.
- Assistance for Migrant Agricultural Employees: This Act created assistance for migrant farm workers, and their families.
- Employment and Investment Incentives: This provided start-up loans for small businesses not in excess of $25,000.
- Work Experience: Payments were made to those working to create businesses and for projects designed to create jobs for families.
- Volunteers in Service to America (VISTA): This programme selected, recruited and trained volunteers to work at the local level in order to combat poverty.
- The legislation also created the Economic Opportunity Council whose aim was to create improve economic opportunities at the local level.
In this short essay I want to propose the outlines of a post-liberal approach to poverty. But first things first: what is post-liberalism? It is an intellectual child of the two liberalisms—the social liberalism of the 1960s and the economic liberalism of the 1980s—that have dominated politics for more than a generation. It is a restless and critical child, however, and cuts across some of the old lines dividing left and right.

Post-liberalism does not want to go back to corporatist economics nor to reverse the progress towards race and sex equality; it does not hanker after the 1950s. Britain is a better place for many of the changes of recent decades. But post-liberalism does want to attend to the silences, overshoots and unintended consequences of economic and social liberalism—exemplified most recently by the financial crash and the riots of August 2011.

With their emphasis on freedom from constraint, the two liberalisms have had too little to say about our duties to and dependence on each other. “Individualism plus rights” is a powerful and now deeply rooted force in society, which has increased choice and opened doors for many. But it has also taken too much for granted the glue that holds society together. As the philosopher Michael Sandel puts it: “In our public life we are more entangled, but less attached, than ever before.”

Post-liberalism also worries about the growing gap between the worldview of the political class and that of the ordinary voter. Too many voters think that regardless of whom you vote for you get the same mix of economic liberalism and social liberalism—Margaret Thatcher tempered by Roy Jenkins—whereas what much of the electorate actually wants is more like David Owen: one-nation economics plus a liberalism that is about common decency, not “anything goes”.

And it is true that the two liberalisms have reflected rather closely the experience and interests of the mobile, secular elite that dominates Britain, both politically and culturally. This group usually favours loose, wide commitments and has generally embraced market globalisation. Such attitudes are less common in the rest of the country where people tend to be more rooted and communitarian in instinct—about 60 per cent of people born in Britain live within 20 miles of where they lived when they were 14. And for those who do not make it into the magic circle of secure professional careers, the two liberalisms, together with globalisation, have been a mixed blessing over the past 25 years.

Conventional economic growth can leave us both richer and poorer. Post-liberalism shares much of the centre-left critique of predatory capitalism and wants to try to counter the drift towards greater inequality. It worries about the status and wellbeing of the least successful and wants to apply notions of loyalty, reciprocity and just deserts to the workplace as well as to welfare and community. Its mission is to reform capitalism, not just to collect taxes and “share the proceeds of growth”. And it is not agnostic about the kind of economic recovery Britain requires, seeking one that is socially and geographically well-balanced.

We all have a stake in each others’ success (and failure) but in modern Britain this fine notion has become smothered in bureaucratic indifference. In the politics of modern liberalism, both left and right have preferred regulations and targets to the more nebulous and difficult task of tending to the institutions that help to shape us. Moreover, many voters hear politicians speaking a different moral language from them, about abstract rights and communities in name only. The welfare state is a particular point of conflict. There is an increasing reluctance among middle and lower income citizens to pay their taxes into today’s welfare state. They do not believe in universal welfare; they believe that welfare should go to those who have paid into the system or who deserve to be supported by the community because of past service or inability to help themselves.

This implies that people have moral agency, though it is clearly constrained by their formation and circumstances. And society does remain in part a moral community even if looser and less prescriptive than in the past. For that reason post-liberalism is comfortable with the distinction between the deserving and the less deserving—among the highly paid as well as the welfare-dependent. The point is not to abolish the distinction but to ensure that it is a fair reflection of today’s less judgmental country, and not of the assumptions of 50 years ago.

Another reason why we are all entitled to some say in each others’ business is that modern welfare democracies create extensive networks of mutual interdependence and obligation between citizen-strangers. John Stuart Mill’s libertarian “harm principle” was an understandable reaction against Victorian moralism, but it has diminished relevance today in societies with high levels of mutual entanglement in Sandel’s sense.

Post-liberalism is universalist in that it believes all humans lives are of equal worth. But it also believes that this universalist ethic must be tempered by moral particularism: all humans are equal but they are not all equal to us; our obligations and allegiances ripple out from family and friends to fellow-citizens in our neighbourhoods and towns, then to nations and finally to all humanity. This does not have to be a narrow and selfish idea: charity may begin at home, but it does not stop there.

This moral particularism is not something to regret: a world in which people had undifferentiated emotional and social attachments would be a bleak one and a global government would be an Orwellian nightmare if not given legitimacy by
nation states. Post-liberalism sees national belonging and a special attachment to fellow citizens not as a prejudice but as a great asset in an individualistic society.

What would post-liberalism have prioritised differently to the two liberalisms, different combinations of which have dominated the main three political parties in recent years? It would have tried harder to do something about low wages and high debt. It would have controlled immigration more carefully and mitigated its effects by building far more houses. It would have helped couples with children (and thus helped to maintain the family unit) by relieving household budgets with measures such as free childcare. More emphasis would have been put on the contributory principle in welfare and, where possible, reducing the scale of means testing, with its disincentives to work and save. In education, discipline and character would have been more explicitly nurtured, as well as improved exam results, and there would have been as much energy expended on post-school vocational education as on university reform.

Post-liberalism would have been more ambivalent about the rhetoric of meritocracy which has often served to legitimize big increases in inequality. It is not against aspiration, especially for those at the very bottom, but it prefers the idea of vocation; aspiration often implies a moving up and out which tends to denigrate the routine jobs which most people still do. In a more individualistic and competitive society we come to be valued by what we have achieved rather than who we are, which creates a constant threat of low esteem for the less successful. This is an inevitable and necessary aspect of modernity, but it sets up a tension with the more egalitarian principle of a citizen entitlement to esteem and to the means to live a decent life. A major concern of post-liberalism is how to mitigate that conflict by restoring dignity and honour to the mundane and middling in a world in which status (as well as wealth) seems to be increasingly concentrated at the top.

Who are the poor?
Before considering what might constitute a distinctive post-liberal approach to poverty, it is worth considering this surprisingly difficult question: who are the poor? A huge amount of political and academic energy is focused on measuring and alleviating poverty, yet we know remarkably little about the different ways in which people become poor and even less about how long different groups remain in poverty.

The Demos report Poverty in Perspective, led by Claudia Wood and published early in 2013, identified 15 distinct groups of the poor, five in each of three cohorts—cohort one is pensioners (including stoics, coping couples, cheerful grans, trouble shared and left alone), cohort two contains families with children (including grafters, full house families, pressured parents, vulnerable mothers, managing mothers) and cohort three families without children (including new poor, insecure singles, stressed groups, one man bands, empty nesters).

I propose a simpler and much broader three-way classification. First, there are the temporary poor who have been hit by a short-term setback, loss of a job for example, but who have the capabilities not to be poor and to rise out of poverty in time (though more slowly than in the past thanks to downward pressure on wages). Second are the institutional poor, who include many disabled or sick people and some (though fewer than in the past) pensioners who do not have the means to escape a low income and are essentially dependent on how generous benefit policy is at any given time. Third are the “bad choices” poor (sometimes referred to as “troubled families”). This latter group are poor partly as a result of their own behaviour, usually involving a cycle of bad choices sometimes connected to alcoholism or drugs. There is some association with young single-parent households and poor parenting in this group. And unlike the other two groups, increased cash benefits are of only limited effect; the bad choices poor need consistent emotional investment to help push them on to a different life path, something that churches and voluntary groups can be better at achieving than the state.

There is surprisingly little in the poverty literature that enables one to quantify, even roughly, the numbers in temporary, institutional and bad choices poverty. Nor is there much work on how long people remain in different kinds of poverty. But it is obvious, and the Poverty in Perspective report spells this out very clearly, that varied routes into poverty require varied forms of help to get out.

In addressing the causes of poverty the left tends to focus on structural issues such as jobs, wages and benefits (my categories 1 and 2) while the right has focused more on personal agency (my category 3). Both matter, of course, though different groups of those in poverty have a different blend of structural and agency problems and thus require a correspondingly different balance of solutions.

The Demos research found that the largest group of families with children in poverty were the recently redundant or the working poor; both tended to be responsible and good budget managers. Clearly structural issues are the biggest problem here, and low pay is increasingly turning what ought to be temporary poverty into something more permanent. But structural issues are not the only factors. A friend of mine, now a successful professional, describes growing up in a one-parent family on a council estate in the south of England in the same circumstances as many kids who have gone on to live chaotic, troubled lives. “Me and my brother got out because our mother had different attitudes and expectations from many of our friends’ mothers. I have seen this pattern in my own extended family which hovers between the workers—people who have decent jobs as electricians for example—and those who don’t work and are involved with drugs and so on.”

Those, including ministers in the current government, who focus on the “bad choices” poor are often accused of providing only anecdotal evidence, as I do above. But talking to people who have either experienced poverty or worked with people in poverty, the bad choices category is seldom absent from the conversation. There is some harder evidence available but this surely remains a big hole that the research agenda—including that of the liberal foundations—needs to fill without fear of the political consequences.

Post-liberal reflections
So what special emphasis does a post-liberal approach suggest, in some cases parting company with a more traditional liberal position? Here are five ideas.

1. Public opinion matters. Poverty is a political issue and it cannot be left in the hands of social policy experts. Public attitudes represent a form of “data” on how well the system is working and how far it is reflecting public values and priorities. If the welfare state no longer has legitimacy in the eyes of the public, then it will lose popularity; this is what we have seen happening over the last 25 years. Public opinion is not a single bloc nor is it immutable; it is also more generous than is often assumed by mainstream liberals and less shaped by newspaper reporting. Sympathy for the poor, for example, rose in the 1980s when the number in poverty climbed sharply due to rapid de-industrialisation and other

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circumstances beyond people’s control. (The proportion of people who thought the poor were lazy was 23 per cent in the early 2000s, having been over 40 per cent in the 1970s.) Public opinion also worries about inequality and accepts a relative view of poverty. But public opinion does place limits on the nature and generosity of anti-poverty measures. The distinction between the deserving and less deserving is also important to most people; there is much more sympathy for the poor in categories one and two than for those in category three. That does not mean there is no sympathy for the “bad choices” poor, but instead of mocking the distinction liberals should make sure it is accurately delineated and that the criteria of distinction chime with modern values.

2. No one who works full-time should be poor. One of the most depressing things about recent poverty trends is the fact that more than half of people in poverty are working. In-work poverty for people with reasonable capabilities should be a temporary phenomenon, but thanks to low wages it has become permanent for too many. This is a function of falling real wages at the bottom and the emergence of an “hour glass” labour market (with around 40 per cent in high productivity/high pay jobs and 40 per cent in low productivity/low pay jobs). A living wage should be enough to live on decently without top-ups from the state. But higher wages need to be connected to other social changes. The ascendency of an ideology of meritocracy in recent decades has legitimated big increases in inequality and devalued (both financially and culturally) routine jobs. It must become possible again to provide for a family and feel that you are doing socially valuable work if you are working as a care home assistant, as a cleaner or in a supermarket.

3. Character and parenting matter. Much of the language of modern poverty treats the poor as lacking agency (“the marginalised” and so on). Yet there are evidently forms of poverty (category 3 above) that are a function of how people behave and the bad choices they make. Thanks partly to the work of Richard Reeves at Demos it is now widely accepted that the ability to defer gratification, persist with difficult tasks and acquire the skills of sociability is central to life chances. And the quality of parenting is a far better predictor of the outcomes for a child than income. The liberal approach to poverty, nonetheless, tends to stress its randomness, “an experience that virtually anyone can go through at some point in their lives” as the JRF’s anti-poverty strategy for the UK puts it. But I can confidently predict that my friend from the council estate will never be poor again, thanks in part to his mother providing sufficient “love and boundaries” when he was young. This argument about the transmission of cultures of any kind can be unpopular with traditional liberals: “policymakers and politicians need to abandon theories that see worklessness as primarily the outcome of a culture of worklessness” declared the JRF in December 2012. That may be so, yet it is also one of the clichés of social policy that already by the age of three, children in poor families have slipped significantly behind their counterparts in terms of cognitive, verbal and other key indicators of childhood development. Where has this come from if not from a culture of parenting and the transmission of behaviour from one generation to another? Agency, in other words, can become structural: it has an inherited social dimension. This raises difficult questions about whether to focus investment on failing parents or on trying to separate children from parents in order to break the transmission of bad habits through Sure Start, holiday camps, schooling and so on.

From Plato to the modern Kibbutz, true egalitarians have favoured removing children from the home. That is not acceptable in a liberal or post-liberal society, except in extreme circumstances, but beyond trying to educate failing parents better there remains little consensus on how far the state is entitled to intervene in the lives of those who are poor as a result of their own bad choices.

4. The poor need more society, not just more state. Conventional liberals who see the poor as a randomly selected, unlucky group tend to favour paternalistic interventions from the state to solve their problems. But those interventions seldom work well for people with multiple problems. People do need help, guidance and intervention in their lives, and in the past the family and community provided it as much, if not more than, the state. The tighter-knit communities of past generations can be idealised but institutions (churches, unions, clubs) and extended families were spaces in which people involved themselves in each others’ lives. Though this has faded in many places it continues to thrive in parts of ethnic minority Britain. Where the state has taken over this support role it should at least provide as much agency as possible for those trying to escape poverty and reward those who help themselves. Local roots matter too: as Duncan O’Leary has argued, the Sure Start nursery network worked well when it was run as a local service but when it was scaled up into an explicitly national system it lost some of its effectiveness.

5. Following on from the point above, ending the segregation of the poor should be a priority. Another of the negative trends of recent years is how much more separate from the mainstream poor households, especially those in “bad choices” poverty, have become, geographically as well as culturally. Whereas the poor in Seebohm Rowntree’s time, and perhaps as recently as the 1970s, generally felt themselves to be part of a wider working class, it is no longer the case. The absence of working-class cultural protection may also make the experience of poverty more stressful than in the past, even if people are materially more comfortable.

Society today is not only more individualistic and materialistic, people also tend to compare their own status or wealth position with a much wider circle than in the past. At the same time, however, the poor are often more cut off, socially and geographically, from the actual connections and networks they need to escape poverty. One cause of this separation was the unintended consequence of the 1977 Homeless Persons Act which made it a statutory duty of local authorities to house people on the basis of need. The result has been that public housing, in some areas at least, has become dominated by people with multiple problems who are usually disconnected from the labour market. Another factor here is the importing of multi-generational poverty through immigration from poor countries. Poverty rates vary enormously among Britain’s ethnic minority population, but overall they are about twice the level of the white British majority. Given the increase in the minority population in recent years that probably means that at least a quarter of households in poverty will be from ethnic minorities, and some of them will be concentrated in minority enclaves (especially people of Pakistani, Bangladeshi and Somali background). So a more general stress on the integration of minorities into the mainstream, in schooling and elsewhere, will have to be part of the broader attempt to end the existence of the poor as a separate caste.
Conclusion
Post-liberalism combines the left’s concern with the structural causes of poverty with an acknowledgment that personal agency also matters for those of working age. That means a policy focus on higher wages and greater esteem for routine jobs, along with the promotion of a culture of mutual support and resilience for troubled families, which is even harder to achieve.

Post-liberalism would also focus more attention on measuring and understanding “bad choices” poverty. In recent decades there has been a certain squeamishness about understanding the character and bad parenting routes into poverty and welfare dependence. We should know more about its causes and the means of guiding people out of it through helping themselves rather than handing them more cash, which is often only a temporary solution or no solution at all.

Overall, by combining the analysis and insights of left and right, a post-liberal anti-poverty strategy would be the best means of persuading the public that a more generous focus on ending poverty was a worthwhile investment.

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Poverty, taxes and the cost of living
Christopher Snowdon

First, the good news. Poverty has been on the decline for several years. Since 2007, the proportion of the British population living below the poverty line has fallen from 19 per cent to 16 per cent. Child poverty is at 17 per cent, down from 23 per cent in 2008, and inequality has fallen to its lowest level since 1986. If the trend of the last five years continues, we will eliminate child poverty by 2024 and abolish all poverty by 2033. We still have a long way to go before we can match the poverty rates of such countries as Bangladesh (14 per cent), Azerbaijan (2 per cent) or Namibia (0 per cent), but we are heading in the right direction.

It’s amazing what a prolonged economic slump can do. Admittedly, the percentage that find themselves unable to meet “unexpected financial expenses” rose from 27 per cent in 2007 to 37 per cent in 2011. Granted, incomes have fallen across the board and now languish at the levels of ten years ago. And, yes, it is true that the decline of poverty and inequality is the result of middle incomes falling during the deepest recession since the 1930s. But never mind any of that. If poverty is relative—as we are assured that it is—then rejoice.

Relative poverty
As the statistics above demonstrate, measuring poverty in the rich world can be a counterintuitive business. The conventional poverty line is an income that is less than sixty per cent of average earnings, but this kind of relative poverty has only a tangential relationship to living standards. Relative poverty and real incomes frequently travel in opposite directions, with the poverty rate rising when the poor get poorer. This is because relative poverty is not a measure of wealth but of inequality, and the pursuit of equality sits uneasily with the pursuit of prosperity. Inequality has declined in each of the last four recessions, largely because benefits are more recession-proof than wages. But just as changes in the Gini coefficient do not tell us whether the poor have more money to spend, a rise in relative poverty is not necessarily indicative of the poor getting poorer. In 1979, 13 per cent of the population earned less than 60 per cent of the median wage and were therefore in poverty. By 2005, the real incomes of the poorest fifth had risen by 51 per cent and yet 18 per cent of the population were now living below the official poverty line. To put it another way, increasing the wealth of Britain’s poorest people by half did not prevent the poverty rate rising by half.

The limitations of relative poverty measures are familiar to social scientists and anti-poverty campaigners. It would be an arcane, academic discussion were it not for widespread confusion about the distinction between absolute deprivation, relative poverty and minimum living standards—a confusion which the poverty lobby does little to counter and much to encourage. For example, campaigners sometimes report that GDP has grown by a certain percentage while poverty has stayed at the same level or risen, as if it should be surprising that measures of income equality do not parallel rises in absolute wealth. Relative poverty figures are conflated with descriptions of material deprivation that can only serve to mislead. For example, Save the Children has said that “in the UK, 3.9 million children live in poverty. Many don’t have access to warm winter clothing, nutritious food, decent housing or education.” As the economist Kristian Niemietz points out, some children may indeed not have access to some of these things, “but the relative poverty figures tell us absolutely nothing about the extent to which this is so.”

With the recession and “austerity” coinciding with a downturn in the conventional measures of poverty, some charities have started talking about absolute incomes for the first time in years. For those who seek radical wealth distribution and higher public spending, relative measures have become temporarily redundant, even embarrassing. It was expedient to use the conventional poverty benchmark when the economy was flourishing, but its continued use in harder economic times might give the public the impression that things are getting better. From a strictly relativist perspective, they are, but this is neither useful to the campaigners nor credible to the public.

A poverty measure that has so little regard for how much money people have and what living standards they enjoy deserves to be treated with scepticism, if not contempt, by the man on the Clapham omnibus. Finding a silver bullet for relative poverty is easy: simply bring an end to economic growth and equalise incomes by state force. Some on the ecological far-left have endorsed such a ‘steady-state’ economy as the logical outcome of the war on inequality (which is, by association, a war on capitalism and growth). However, there is scant evidence of widespread support for ending growth amongst the general public—which has experienced the reality of zero growth for the past five years—least of all amongst the poor. The steady-staters are correct in seeing a stagnant economy as the key to eliminating relative poverty and income inequality, but if the answer involves general immiseration, central planning and state socialism, we are asking the wrong question. The arbitrary and misleading measure of relative poverty should be abandoned for good.

Minimum living standards
In 1979, the pioneering anti-poverty campaigner Peter Townsend complained that when the public thought of poverty, they thought of abject deprivation and the inability to
afford a subsistence living. He argued instead that poverty in the modern age was about being “deprived of the conditions of life which ordinarily define membership of society.” The relative poverty measure attempts to track this, albeit clumsily, but organisations such as the Joseph Rowntree Foundation (JRF) and the Economic and Social Research Council (ESRC) have applied more sophisticated methods to ascertain what society considers to be an adequate standard of living at any given time. If a majority of the public say that they regard a washing machine, for example, as being a product that “all adults should have”, it is listed as a necessity. In the ESRC’s Poverty and Social Exclusion (PSE) surveys, those who lack three or more such items are considered to be in poverty. In the JRF survey—which they stress indicates the ‘Minimum Income Standard’ rather than a poverty line—a basket of goods is selected by focus groups and its annual cost calculated.

By studying what people own and consume, surveys of this kind set absolute benchmarks of material deprivation while maintaining the flexibility to change as society grows wealthier. They are not pulled hither and thither by the fluctuating fortunes of the median earner, and the criteria are set by ordinary people, not by politicians or academics. They are therefore an improvement on crude markers of relative income, but they raise questions of their own.

For example, is a narrow majority of public opinion sufficient to justify sweeping statements about deprivation and impoverishment? In the most recent PSE survey (2012), 51 per cent of respondents said that a television is a necessity (interestingly, this figure is identical to that recorded in the 1983 survey), but can the absence of a television really be an indicator of poverty when nearly half of the population feel they could do without one? Is there a danger that baskets of goods picked by focus groups who do not have to pay for them become little more than wish lists? Moreover, people have a choice about what to spend their money on. They may not be lying when they say that they cannot afford to buy a suit or a computer, but they might be able to do so if they spent less money on other products—products that the focus groups do not consider necessities.

Even if these questions can be answered satisfactorily, the results of consumption-based minimum standard surveys have the potential to mislead the public. Anti-poverty campaigners cannot be held entirely responsible for the ignorance of journalists and lay readers, but they could do much more to explain that the criteria for an acceptable standard of living change over time. The improvement in living standards in Britain in the last thirty years has been remarkable. A week’s holiday away from home—now regarded as a “necessity”—was enjoyed by only a minority of the public in 1979. A slim majority of children (56.6 per cent) did not have a birthday party, 45 per cent did not own a refrigerator. So when the public is told that the proportion of the population living below the minimum standard has doubled since 1983, they can be forgiven for assuming that this reflects falling living standards and worsening deprivation. That perception is all the more understandable if they are given these figures in a report entitled “The Impoverishment of the UK” which is then publicised in a television programme called Breadline Britain.

The 2012 survey found that 33 per cent of households said that they could not afford three or more “necessities” on the list. This was a rise from 14 per cent in 1983. It is true that the educated layman could seek out the original research online and, with a little work, see that some of the necessities named in the 1983 survey, such as carpets and refrigerators, were so common by 2012 that the researchers no longer bothered to ask about them and instead enquired about household contents insurance, computers, day trips and exercise classes, none of which appeared in the 1983 survey. The educated layman may then realise that apples were being compared with oranges, and yet the chance of him doing the requisite research is so remote, and the scope for confusion so great, that the responsibility for any misunderstanding must lie with the anti-poverty advocates rather than the public.

The list of essentials in the PSE list is frugal compared to the basket of goods in JRF’s Minimum Income Standard which finds that a single, working-age person needs £516 a year to buy clothes and £274 for alcohol (strangely, a lone parent of a newborn requires considerably more—£348—for booze). Add to this the £2,486 needed for “social and cultural participation” and the standard of living appears much more comfortable than minimal. In the house of JRF’s minimum income earner, everything is bought new and nothing, from the carpets to the coat hooks, is older than ten years. The mother buys a new winter coat, summer coat, umbrella and watch every year, along with a new pair of pyjamas, three dresses, two shirts, two pairs of trousers and five pairs of shoes. Such items are, we are assured, “needs, not wants; necessities, not luxuries”. A couple with three children supposedly requires £3,146 for motoring, £8,143 for childcare, £5,028 for their social lives, £2,634 for clothes and £1,016 for a holiday. Although JRF say that this does not represent the poverty line per se, it is difficult to interpret “minimum income” as meaning anything else.

In defence of the PSE and MIS methods, it is the public, not the think tanks, who are picking these baskets of goods. But in neither case are the focus groups asked about poverty specifically and it is therefore unsurprising that their answers reflect an average standard of living rather than a meagre standard of living. It is not difficult to imagine a certain degree of ‘logrolling’ creeping into the focus group sessions (“I’ll back your favourite item if you back mine”). While some participants may feel strongly about including their pet item, nobody will feel strongly about excluding any particular item.

It is notable that when the public is asked explicitly about poverty, they become more austere. A 2007 survey found that nine out of ten people agreed that someone is in poverty “if they have not got enough to eat and live without getting in debt”, but only 19 per cent agreed that a person was in poverty “if they have enough to buy the things they really need but not enough to buy other things they need”. These last two questions are similar and we do not know what those surveyed regarded as genuine “needs”, but there appears to be only minority support for a definition of poverty that goes much beyond having food on the table and a roof over your head. Not only does the general public not regard many of the official poor to be in poverty, but a significant minority—29 per cent in 2012—of the households which are “impoverished” according to the PSE survey do not consider themselves to be in poverty.

The role of government
Despite there being some questions about the minimum income surveys, there is much to be said for measuring poverty in terms of consumption patterns deemed adequate by a cross-section of the public. It is a method endorsed in
two monographs by Kristian Niemietz, whose work has been the foundation for much of this essay. If agreement can be reached about what items to place in an adequate basket of goods, what comes next? Does the state have a responsibility to provide a minimum, or comfortable, standard of living?

The right to a certain standard of living naturally places an obligation on others to pay for it. Few would argue that we do not have a moral duty to help those who are hungry, cold, sick or homeless. The welfare state currently provides such assistance on our behalf as a form of nationalised charity. But whilst we may have a moral obligation to help those in dire and mortal need, it is more questionable whether we have a similar duty to provide strangers with an annual holiday or a Sunday roast. It may be true that people cannot fully participate in social life without a television or a personal computer, but it is not obvious that this is sufficient justification to force others to provide them. A car may soon be seen as a necessity in Britain (44 per cent of those surveyed by the PSE believe that all households should have one—up from 22 per cent in 1983—and a car is already deemed a necessity for families by the JRF). Does this mean that society has a duty to supply automobiles for all? In years to come, it may become the norm for school-leavers to go on a 12-month round-the-world holiday, but it is not clear that those who cannot afford to partake in this experience should be entitled to compel others to pay for it.

In the final analysis, it does not matter what focus groups consider to be adequate or desirable living standards if there is not enough money to pay for them. A universal minimum income of the size implied by the JRF research is quite unaffordable regardless of whether it is generated by higher benefits, a higher minimum wage or a Citizen’s Basic Income. Out-of-work benefits would have to double and the minimum wage would have to rise by around 50 per cent to provide the JRF’s Minimum Income Standard for all. The private sector is simply not big enough to support such largesse.

And yet there can be no denying that there are problems of poverty in Britain that should not exist in one of the richest countries in the world. Looking only at symptoms that are more or less comparable over time, we see that nine per cent of households say they cannot afford to heat their home adequately—up from three per cent in the 1990s. Twenty-six per cent say they cannot afford to repair or replace broken electrical equipment—up from 12 per cent in 1999. Whether one’s politics are liberal, conservative or socialist, it seems likely that not having a suit in which to attend job interviews will hold an individual back. Similarly, a child who does not have access to the internet at home is educationally disadvantaged and socially marginalised. Regardless of whether they can be considered necessities in the literal sense, it would be better if everyone had them. The question is how this can be done without bankrupting the country and further reducing incentives to work.

**The left-wing approach**

The socialist belief that the solution to poverty lies in reducing inequality by taxing the rich and redistributing their wealth is a fantasy. Even if it were practical, there are not enough billionaires and millionaires in the country, and the wealth of even the fattest cats is dwarfed by the government’s colossal overspending. Every year, despite alleged “austerity”, the British state adds another £120 billion to the national debt. The state could arrest the 200 richest people who are domiciled in Britain, seize their assets, sell their shares, empty their bank accounts and auction their property, but the revenue would cover less than the amount that the government is adding to the national debt every three years. Seizing the wealth of the next 800 richest people would cover one more year’s deficit, but four years after confiscating the entire wealth of everyone from the Queen and Roman Abramovich to Sean Connery and Tracey Ullman, the British state would have paid off not one penny of its £1.2 trillion debt and would once again be borrowing more.

Other leftist policies such as rent controls, protectionism and making the “living wage” mandatory also fly in the face of economic reality, but by far the biggest issue in any discussion of poverty and debt is the welfare state. Its scope has extended far beyond the safety net that was envisaged by William Beveridge and Clement Attlee. We might expect those in the bottom fifth to be overwhelmingly dependent on benefit payments. It is more surprising that those in the second to bottom quintile receive half of their income from the state, but it is astounding that those in the middle quintile—which is to say, average earners—also receive more in benefits than they pay in tax. The majority of the population is now tied up in a system that takes with one hand and gives with the other. As the protests against child benefit being withdrawn from those earning over £60,000 a year demonstrated, even the wealthy are reluctant to let their ‘entitlements’ go.

A welfare-oriented approach that relies on upper-middle and high earners paying ever-larger sums of money to an ever-growing legion of the economically inactive is not sustainable. As the minimum standard of living becomes more luxurious, incentives to work are diminished and a growing class of benefit claimants comes to demand increasing sums from a dwindling class of higher earners. Those who think that our problems would be solved if we became more like Sweden fail to acknowledge that we already have Nordic levels of social spending. We spend more on family benefits (as a proportion of GDP) than any Scandinavian country. The British government spends nearly half of GDP. In Scotland, Northern Ireland and parts of northern England, the figure is closer to three-quarters. The doctrine of tax and spend has been tested to destruction. If our vision is to bring prosperity to all, we must forge a new path, the first step of which requires lowering the cost of living and fostering economic growth.

In his 2012 monograph, **Redefining the Poverty Debate**, Niemietz proposes an anti-poverty strategy based on lowering the cost of living. Among his recommendations are the following:

**Housing**

Britain’s restrictive planning laws artificially raise the cost of rents and mortgages. In 2011, the government spent £23 billion on housing benefit, almost double the sum paid out ten years earlier. By limiting the supply of new homes and subsidising rents through housing benefit, government policy benefits landlords and a minority of homeowners (those looking to sell up or downsize) at the expense of the poor, for whom housing costs make up more than a quarter of outgoings. Liberalisation of our planning laws would allow construction companies to build houses where demand exists, lowering housing costs, reducing housing benefit payments and helping prevent boom and bust in the property market.

**Childcare**

It is no accident that Britain has the least affordable childcare—and the largest number of children living in workless households—in Europe. Under the last government, childcare became a highly regulated industry with significant

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costs and barriers to entry. As Niemietz notes, “the Labour government was caught between two conflicting objectives: it was trying to make childcare more affordable while also trying to turn it into an instrument for social engineering. The first objective has been torpedoed by the cost increase which resulted from pursuing the second objective.” Despite a massive increase in public expenditure on projects such as Sure Start, the mountain of bureaucracy crushed informal childcare and resulted in the number of registered childminders falling from nearly 100,000 to just 57,000 under the last government. Fewer facilities with higher operating costs naturally resulted in higher prices. Childcare should be deregulated.

Indirect taxation

Listening to some left-wing intellectuals, one would think that Britain does not have a progressive income tax. In fact, direct taxation in the UK is highly progressive, with the top one per cent of earners paying 27 per cent of all income tax while more than half the population receives more in benefits than they pay in income tax. However, the progressive nature of the income tax system is severely undermined by the regressive nature of stealth taxes, sin taxes, green taxes and VAT which take a much larger portion of income from the poor than from the rich. In 2011/12, the poorest fifth of households spent 29 per cent of their disposable income on indirect taxes, compared with 14 per cent paid by the richest fifth. All told, the poorest households pay 37 per cent of their gross income in direct and indirect taxes. In other words, the single biggest expenditure for people in poverty is tax. It is, at the very least, morally dubious to be taxing the poor at such a rate. The most important thing the government can do to make the poor richer is to stop taking their money.

The burden of indirect taxation receives less attention than it should from poverty campaigners, perhaps because they share the ostensible aims of those who promote taxation on products such as alcohol, tobacco and petrol. Many would like to go further by introducing patently regressive policies such as minimum pricing of alcohol and taxes on sugary drinks. Two per cent of the disposable income of the poorest fifth of households is spent on alcohol taxes; 3.7 per cent is spent on tobacco taxes; 2.6 per cent is spent on motor fuel taxes. These figures do not include the cost of the product itself, only the tax.

The high cost of petrol and diesel is particularly pernicious since it increases the price of other essential goods, including food, that are transported by road. It also raises the price of transport to and from work, thereby reducing the incentive to find employment or change jobs.

Irrespective of whether the paternalistic objectives behind these taxes are compatible with a free society, the use of regressive taxation to achieve them is clearly not commensurate with a war on poverty. Sin taxes and green taxes should be reduced to the point at which they cover the cost of negative externalities (eg. excess healthcare costs) and relevant infrastructure (eg. road maintenance). VAT—which reduces the poor’s disposable income by more than ten per cent—should be reduced to the EU minimum of 15 per cent.

Energy

As noted in the latest PSE report, the rise in the number of people who are unable to adequately heat their homes is largely due to rising fuel costs. This price inflation is, in turn, due to government initiatives to subsidise inefficient “green” energy schemes. The gas and electricity bills of the average household are inflated by £185 per annum to pay for subsidies to renewable energy companies. This is expected to rise to £329 by the end of the decade. For the poorest income quintile, these sums represent 1.6 per cent and 2.9 per cent of disposable income respectively. They should be scrapped.

Income tax

Despite recent increases to the threshold at which income tax must be paid, it remains too high. Income tax should not be levied until workers have earned enough to pay for necessities. As we have seen, there is some dispute about what constitutes a “necessity”, but even a conservative interpretation of that term suggests that the current threshold of £9,440 is too low. The income of a full-time worker who earns the minimum wage is just over £12,000. The threshold should be set no lower than that.

These are just some of the ways in which the government could tackle poverty by reducing the cost of living. Most are revenue neutral or cost-saving, but some—notably lowering the income tax threshold and reducing indirect taxes—will hit government finances, at least in the short term. This can be more than compensated by reforms in other areas, such as abolishing wasteful government departments, closing down quangos and legalising (and taxing) drugs. In Sharpener Axes, Lower Taxes (2011), the Institute of Economic Affairs laid out an extensive blueprint that would, if followed, reduce government spending by £242 billion per annum and allow the nation to finally live within its means. Moreover, an approach that lowers the cost of living and dismantles the vast Leviathan of the bureaucratic state will stimulate the kind of economic growth that provides employment and boosts wages. Rather than giving with one hand and taking with the other, we should leave money in the pockets of those who have the greatest need for it and who are most likely to spend it. Generation after generation, economic growth has been the most reliable way of making the poor richer. It remains our best chance for progress and prosperity.

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Relationships, institutions, action: A relational approach to poverty and politics

Maurice Glasman

The debate around poverty, its causes and remedies, defines a political consensus. By making a distinction between necessary and unnecessary suffering it permits or forbids certain kinds of state action. If it is the case that redistributing wealth worsens the conditions of the poor and merely brings relief to educated administrators then to persist with such action would be perverse. If, however, it can be shown that redistribution creates flourishing individuals capable of participating in society then it is rational and desirable to pursue these ends. The distinction between necessary and unnecessary suffering thus defines the limits of political rationality. In delineating a domain of pain which is amenable to concerted public amelioration from a sphere of grief that is immutable, it defines the power of society to respond to the miseries of life.

The enforcement of slavery laws and denial of medical care to the poor are causes of suffering which have been overcome by political action. The insistence on an education for each child, irrespective of parental preferences for child labour is the result of state interference in what was once considered a familial prerogative, as is the case of the regulation of employment conditions within the private enterprise.

Few claim that unemployment is good, but if it is understood as necessary to keep inflation down, reform incentive structures and encourage foreign investment, then it is an unavoidable fact of life. It can only be exacerbated by political action. Unemployment may lead to the destruction of inherited skills, local practices and may cause a sense of worthlessness and isolation in the unemployed person. If both economic growth and liberty are threatened by its diminishment then the individual and society will have to find ways of absorbing the dereliction that unemployment brings. It is necessary suffering. What for some is a painful dislocation is for others an unavoidable cost of economic improvement. Whether it is one or the other depends on the political consensus that prevails.

A political consensus is an understanding of the world shared between dominant political actors that results in durable institutions which structure the distribution of power and goods within society. It is built around those aspects of the world that are held to be unalterable. The significance of a consensus shift in politics, such as the election of the Labour Government in 1945 or the election of the Conservatives in 1979, is that it redefines the scope of public agency by establishing a new framework within which political success or failure can be judged.

Politics is here understood primarily as a public struggle over the definition of sanity. It is through the successful definition of alternatives as insane that the power of consensus is established and maintained. At the heart of technical policy disputes are philosophical arguments concerning the relationship between rationality and politics, the definition of what can be done. In our society a consensus defines what people can do through democratic partnership and what has to be left to the co-ordination of the price system. The distinction between necessary and unnecessary suffering defines the power of politics to improve the human condition.

The underlying assumption in this essay is that what is required is a new political consensus that recognises the weaknesses of both state and market based approaches and argues for the necessity of decentralised self-governing institutions that uphold a notion of humanity, virtue and reciprocity in the governance of the economy and the state. Both the state and the market are absolutely necessary. If, however, they are not embedded in an institutional system that constrains centralisation and unilateral self-interest, they will flounder due to a lack of accountability in their governance and a lack of virtue in their reproduction. The result is impoverished human beings, in terms of the relationships, institutions and knowledge that could promote their flourishing.

The financial crash of 2008, in which money managers controlled the inherited assets of the nation without any kind of effective oversight is the market form of the predomiance of vice, narrow self-interest and a lack of democratic accountability. The managerial cover-ups in neglectful hospitals and the stubborn lack of transformation in the lives of the poor is the statist form. It may be said, with some justice, that under the present system, many are cold but few are frozen, but this is hardly an endorsement of the status quo. The new consensus around how we care for each other and sustain the reproduction of good practice and virtue in our relationships, institutions and politics will have to have a reckoning with 1945 as well as 1979. And this will require a radical retrieval of the Labour tradition, which was born as much in opposition to the Poor Law state as it was to a free-market economy.

The Fabian idea that there are causes of poverty that require scientific research and public policy, informed by this data, has limited leadership and research by neglecting politics, relationships, institutions and action as necessary ingredients of a new political consensus built around the alleviation of poverty. What we have had, effectively, is utilitarianism combined with a Quaker inspired desire to give “voice to the voiceless”, as if poor people can’t speak. A politics of the poor in which the poor play very little role in its leadership, formulation or enforcement is a bad politics.

I am going to suggest, by way of beginning the conversation, that poverty should not be isolated and addressed in a discrete way in relation to its causes and remedies. On the contrary, it is an extreme from of a generalised poverty in economics and politics that has demoralised society. Virtue,
and incentives to virtue, are what is required and these can only be enforced by institutions that challenge both state and market power.

In order to address the issues of virtue and institutions, tradition and good practice, it is necessary to say a bit more about capitalism and the administrative state and the consequence of relying on these two systems for growth and order.

First, we should recognise that capitalism is both the most creative and most destructive system of economic organisation. Built upon the maximum returns on investment for capital and the maximisation of self-interest on behalf of economic individuals, capitalism has three major consequences. The first is that it exerts a tremendous pressure to turn human beings into commodities. This means that that things that were not produced for sale are made available at a price on the market. Human beings and nature are primary examples of this in the form of labour, land and food markets. The second consequence is that there is a neglect of institutions, relationships and inheritance in such a system, leaving individuals and the collective state that enforces private property law as the two dominant systems. The third is that capital, particularly in its financial form, has a tendency to centralisation that deprives regions and other sectors of the economy of investment. This is manifest in the denuding of entire regions of the country of local financial institutions that could sustain local businesses. None of the building societies demutualised in the 1980s and 1990s today exists as an autonomous entity. In other words, a market system rationalises, centralises and individuates, weakening the role of tradition, institutions and relationships in the constitution of the person and the effective functioning of the system.

It is also necessary to recognise that the administrative or “welfare” state, built upon principles of neutrality and fairness, is similarly based upon the unmediated relationship between the individual and the collective and gives precedence to administrative impartiality, subordinating relational particularity to procedural homogeneity. Justice, fairness and universality are allied with efficiency here, and relationships, institutions and tradition play no role.

The consequences of the domination of the state/market dichotomy over the past 150 years are hard to exaggerate. Approaches to poverty have been built around state policy as the instrument of delivery, or around the market system as the “disciplinary matrix”. Commodification and collectivism have been the two dominant approaches and neither, alone or in combination, offers a meaningful way to transform the lives of the poor.

The missing third item in the puzzle, society, is either neglected or understood as entirely lacking in institutional identity. This is particularly hard to understand within the socialist tradition, which has become almost entirely statist in its approach, particularly where welfare is concerned.

Back To Speenhamland

Perhaps the best place to start in understanding how the market and the state came to dominate the understanding of poverty is to return to an analysis of its origins in the “Speenhamland” system which shaped British welfare policy between 1795 and 1834. On 6th May 1795, at a time of great economic distress, the justices of Berkshire, met at the Pelikan Inn in Speenhamland, near Newbury. They decided that subsidies in aid of wages should be granted in accordance with a scale dependent on the price of bread, so that a minimum income should be assured to the poor irrespective of their earnings.

Superficially, Speenhamland appears as a means through which the material poverty of the rural poor could be resisted by defying the market system and establishing an 18th-century equivalent of a citizens’ wage in which each subject was given an unconditional payment sufficient for the satisfaction of their needs. When the gap between wages and the price of bread widened, poor relief funds were used at the parish level to supplement the wages of workers and their families. However, it did not succeed in relieving rural poverty, which became worse. The Speenhamland system was replaced in 1834 by the New Poor Law, which, in place of relief based upon prices, introduced means-tested benefits organised around the workhouse.

What has been called the “shadow of Speenhamland” helped to scupper the two most serious modern attempts to establish a basic income as a means of addressing family poverty. In 1970, President Richard Nixon’s “Family Assistance Plan” was defeated in the Senate on the basis that it would turn a minimum income into a maximum and erode the work ethic. Similar arguments were used to derail Prime Minister Jean Chrétien’s initiative in Canada in 2001. It was argued that employers would take the opportunity provided by income tax relief for the poor as an excuse to lower wages. A similar debate is taking place in Britain in relation to the use of tax credits by New Labour in a period of wage stagnation.

The debate around Speenhamland is the first instance I have found of an exclusive stress being placed on state welfare provision as a “cause” of poverty, with no reference to labour market institutions and the reproduction of knowledge and practice. The Elizabethan Poor Law of 1601, for example, insisted upon the national enforcement of the Statute of Artificers of 1563 which required a seven-year apprenticeship and yearly wage assessments. The report of the 1834 Royal Commission on the Poor Law was very different and argued that poverty was the direct result of state intrusion into self-regulating labour markets. Poor relief was the cause of the perverse incentives that led to destitution, declining productivity and personal responsibility and a generalised culture of entitled indolence.

This was also the first time that public policy had been based on social science and the systematic collection of data which served as the basis for state action. Almost a century later, the founders of the Fabian Society, Beatrice and Sidney Webb, were very impressed by the sheer scale of the empirical evidence provided to the 1834 Royal Commission: “Their voluminous reports, together with their equally voluminous other statements, were printed in full, comprising altogether no fewer than twenty-six folio volumes, containing in the aggregate over thirteen thousand printed pages, all published during 1834-1835, being by far the most extensive sociological survey that had, at the date, been undertaken.”

Although the Webbs quibbled with some parts of the interpretation, they generally supported its analysis, but drew different conclusions. For them, Speenhamland marked the end of locally administered and personal systems of poor relief and their replacement by centralised state administration. We have been working within that framework ever since, one in which we are forced to choose between the state and the market, liberal political economy and Fabianism. Although there may be differences between Malthus and the Webbs about the balance to be struck between carrot and stick in the administration of welfare or “poor relief”, both sides agreed that human beings should be treated like donkeys. There is no role in this framework for intermediate institutions, tradition or relationships.
The unity of the new discipline of political economy as defined by Joseph Townsend’s *Dissertation on the Poor Laws* (1786), as well as by Malthus and Ricardo, derived from the assumption that the right to life undermined the vitality of society. The application of “nature’s penalty” of hunger was considered the most effective means of changing behaviour to effectively secure the satisfaction of needs. A biological foundation was found for the political order. Malthus did not doubt the intensity of grief caused by the establishment of starvation-driven incentives, but this was, in his view, necessary suffering. Poverty was not amenable to positive public intervention. The abolition of Speenhamland meant that those who wished to serve could find food, while the poor “Should be taught to know that... they have no claim of right on society for the smallest portion of food, beyond that which their labour could fairly purchase…”

The causes of poverty could only be overcome through the imposition of a new incentive structure. The importance of the Poor Law Amendment Act of 1834 is that it created the first national free market in labour. Aid in wages for outdoor relief were abolished. The Bank Act of 1834 stipulated that there could be no bailout for the rural banks, 240 of which went bankrupt between 1814 and 1834. The Anti-Corn Law Bill of the same year established a free market in agriculture. The earlier anti-combination laws of 1799-1800 were neither repealed nor amended and this made worker association a criminal offence. The repeal of the apprenticeship clauses of the Elizabethan Statute of Artificers in 1814 meant that knowledge and skills no longer had any status in the labour market outside designated professions. Guilds for manual trades were also abolished. Through the withdrawal of status in the economy for any institutions that upheld a non-pecuniary logic, combined with the confiscation of land by enclosure and the virtual elimination of local financial institutions, the labourer became dependent on either the market for wages or the state for relief. This has been missed by both liberal and Fabian accounts of the loss of status, land and institutions that isolated and impoverished the rural poor.

The reduction of the person to the status of a dependent pauper deprived of responsibility and recognition was partly the work of Speenhamland, but it was continued by the New Poor Law. The most decisive argument for the unprecedented creation of a free market in labour and land was that welfare destroyed the virtues necessary for the survival of society and was particularly injurious to the poor themselves. In the organisation of the economy, ethics was abolished as injurious to the common good.

One of the more remarkable aspects of the Speenhamland debate is that the establishment of the workhouse and abolition of poor relief was supposed to enhance the “independence” of the labourer. The refusal of relief and the widespread fear of the workhouse and family separation created the conditions in which precarious employment at low wages was accepted. But poverty wages do not generate autonomy.

The Speenhamland debate prepared the ground for the emergence of the Poor Law state and the free market. In the account I am proposing here, it is clear that there was a problem with severing the link between wages and apprenticeships when it came to sustaining an ethic of work and responsibility. Furthermore, the destruction of rural banks led to a drying up of capital, the abolition of guilds to the proletarianisation of work and forced enclosure to the disappearance of previous sources of food income and habitation.

In other words, the generation of systematic poverty was the result of a political economy, based on an animalistic conception of human nature, in which self-organised knowledge and interest representation was outlawed and finance capital tightened its grip. Freehold title subordinated customary practice across the board. The City of London was neither reformed nor subordinated to Parliament, though all other institutions were.

It follows that poverty is not best understood as being exclusively the result of a particular welfare system, although this is an important factor. It should be conceived instead as the effect of an economic system that generates perverse incentives and diminishes virtue, something we witnessed in the financial crash of autumn 2008.

**Defining the new consensus**

I have discussed the Speenhamland debate for three reasons. First in order to establish the inadequacy of a discourse in which the welfare system, separate from the general economy, is seen as the principal source or cause of poverty. We need a new political economy in which value and incentives to virtue are established in both the economy and in the state through the strengthening of civic institutions. It is simply humiliating to build a system around work when there are not enough jobs, when there is a lack of meaning in those jobs and when the economy itself gives incentives to vice. Second, I wanted to show that the causes of Speenhamland’s failure were exacerbated by the New Poor Law and its continuation of a separation between the poor and the rest of society and its refusal to allow the democratic organisation of interests. Third, I have emphasised that the methodological assumptions of the social sciences have a profoundly political effect on welfare policy and that neither the liberal and utilitarian approaches have been able to generate the remedies required.

What remains elusive today in the debate around welfare reform is an understanding of relational poverty (how people find themselves isolated and powerless), institutional poverty (the lack of belonging and participation in institutions that uphold a specific good and practice) and knowledge poverty (where people are cut off from inter-generational traditions of skilled work).

**Vocation, virtue and value**

If poverty is to be addressed in practical terms, three changes to the political economy are required.

The first is the establishment of a vocational economy in which apprenticeships and skills are sustained and recognised through democratic institutions that regulate labour market entry. One of the successes of the German economy is that vocation has a legal status which conditions labour market entry. Vocation is defined by a notion of work that is not defined exclusively by external rewards or demands, but is characterised too by internal goods rooted in a tradition of practice. A vocation requires discipline and judgement, and constrains vice through the concept of good practice, institutionally enforced. Honour, skill, loyalty and dedication are necessary for the preservation and renewal of value, which is judged by other practitioners and not exclusively by the price system. What academics call “peer review” is built into the vocational system. It allows for an inheritance to be received, renewed and passed on. It conceives work not exclusively as the immediate fulfilment of a task, but as something that is received from the past and orientated towards the future. Vocational institutions valorise labour, constrain capital and promote virtue. The internal goods preserved...
by vocational institutions are a direct threat to the domination of capital, but necessary for its successful reproduction since they act as a constraint on its tendency to commodify knowledge, human beings and assets.

We need to address the failures of an exclusively academic framework for further and higher education in which there is tremendous working-class and immigrant disenagement. The most important structural change would be to close down half the universities and transform them into vocational colleges which are jointly run by local businesses, unions and local political representatives. Vocation facilitates inter-generational relationships through the apprenticeship system, also bringing older and retired workers into a constructive relationship with younger people and the economy.

The second fundamental economic reform required is the endowment of regional banks to be funded by using five per cent of the 2008 banking bailout. One of the most important causes of contemporary poverty is debt and the emergence of usurious financial institutions that exacerbate it. The decimation of rural banks was responsible for farm bankruptcies and the impoverishment of households during the Speenhamland period. Regional banks would resist the centralising power of capital, allow more stable access to credit for regional and smaller businesses and encourage relationships in order to constrain the demand for higher rates of return that has destroyed the mutual banking sector in Britain.

The third change is corporate governance reform to ensure that workers can exercise a balance of power with capital in the governance of firms. Corporate governance representation for labour would supply a form of accountability that does not claim all advantage for one side and would restrain cheating, greed and avarice in working life. This is a form of relational accountability, in which the real physical presence of the workforce on boards requires the sharing of information regarding the firm and the sector and a negotiation of modernising strategy not set exclusively on terms beneficial to capital. It would also have a serious effect on wage differentials.

It is the absence of relational accountability, the lack of internal constraint on capital, and the absence of the labour interest that provides the fundamental explanation for the crash of 2008. The financial crisis was generated by the concentration of capital and a lack of accountability which allowed money managers to lie, cheat and exaggerate in the absence of specialist interests with knowledge of the internal working of the firm that could challenge them. The crash was a crisis of accountability in which “incentives to vice” were entrenched in the form of bankers bonuses and unilateral self-remuneration. It was also a result of the disentangling of capital from its origins to such an extent that it was unconstrained and exerted relentless demands for higher rates of return. These turned out to be speculative and fantastical. There was no vocation or virtue in the governance of the financial sector. The remedy for this lies in the expertise and interests of labour holding un-virtuous elites to account. Responsibility and power needs to be shared in order to be effectively exerted. In this way, the workforce is entangled in a wider set of reciprocal relationships that further generate trust and a common interest.

Relationships, reciprocity and responsibility
In welfare reform a similar move away from the unilateral domination of management towards a balance of interests in the governance of institutions such as schools and hospitals is required. The corporate governance of such institutions should be divided three ways, between funders, the workforce and users. This would initiate the workforce and users into the complexity of running large institutions, create a greater sense of ownership, constrain fantasies of relentless restructuring and create an ethos or common good within the organisation.

Then there is the need for what I call “relational” welfare. Human beings should be understood not as either selfish or altruistic, but in terms of self-interest broadly conceived. This is based philosophically on an Aristotelian account of persons in which human flourishing is understood as bound up with the well-being of family, friends and colleagues. David Brooks’s book The Social Animal: The Hidden Sources of Love, Character and Achievement gives a good account of the extent to which many different forms of academic research, in both the natural and the social sciences, are focusing on the propensity of things to move into a relationship with other things. This is especially true of human beings—we are social beings who find meaning in relationships with others and it is these relationships, rather than qualifications or formal status, that are the source of our flourishing and power. One of the problems with the previous political economy was its tendency to neglect relationships. Relationships are a source of power insofar as they generate trust and the sense of a shared destiny between people who would otherwise be estranged.

A significant part of the working class has come to see the existing means-tested benefit system as unfair, since they think it rewards those who have not contributed and inhibits virtue by rewarding irresponsibility and indolence. There is a loss of trust in unmediated state provision, which echoes a further loss of trust in politics and political leadership. A meaningful structural reform that could renew support for mutual rather than exclusively individual solutions would be to generate four contributory mutuals within the National Insurance system. These would be owned and administered by those who make a contribution in the areas of social care, pensions, health and social security. It is important that those who care for their parents and children would be viewed as giving so that there would be incentives to strengthen relationships. This would also provide an incentive for participation and engagement, as interests would be involved.

A fourth reform that would renew a sense of ownership and power among people who consider themselves administered would be to revive the idea of the Roman Tribune for the appointment of top administrative posts in the welfare system. In a system that lasted for about five hundred years in the Roman Republic, the Consuls, or leading administrators of the political system, were elected by the “plebs” at public assemblies. One way of reviving this system would be to stipulate that instead of five people in a room interviewing candidates for these jobs, 5,000 people would vote on the identity of the successful candidate. Machiavelli, in the Discourses, argues that this was one of the glories of the republic in that it made the elites accountable to the people and guarded against corruption. In the vast majority of cases people were chosen from within the ruling elite, but they had to be answerable to the people they ruled over. Introducing a similar system would also avoid endless demands for meetings and committee work. A local assembly held every two years in which the heads of social security, police, health and education submit themselves to popular ratification would engage local people in the common good. It would strengthen relationships and give people power over their lives and an incentive to responsibility and engagement.
It is clear where we need to start. In asserting the priority of the social, the primacy of people to things, the centrality of relationships and the superiority of work to welfare, people of good will should champion the introduction of a living wage, so that each worker can feed their loved ones. It is also necessary to limit the power of money, particularly in relation to debt and usury, so that the rich do not prey upon the misfortunes of the poor. A living wage and an interest rate cap are the floor and ceiling of the new political economy, but they need to be complemented by a new kind of statecraft that cherishes and strengthens civic institutions which allow virtue and vocation to flourish without the domination of the market or the state.

Maurice Glasman is a Labour peer
What comes first, poverty or inequality?

Harry Burns

The answer depends on how you define inequality. Income is fairly easy to assess so economic status has emerged as the most the most commonly used measure of inequality. By defining inequality in terms of income, we define poverty as its cause. There are, however, many types of inequality. People are unequal in terms of educational attainment, health, occupational status and criminal record. The tendency is to attribute them all to poverty. Poor people have fewer opportunities to succeed than rich people. The poor are less likely to have access to the best education. They are less likely to get the best jobs. They are less likely to be able to get access to the best health care and so are more likely to die earlier than the rich. People are not equal, so poverty must be the cause.

However, not all poor people fail. So if we wish to narrow extreme inequality in society, we need to understand what causes it and what the factors are that permit some people from poor beginnings to succeed while others from apparently identical backgrounds fail.

Alternative explanations

The economic explanation inevitably dominates the debate. It is relatively easy to classify people by the socio-economic characteristics of the place they live, and most countries have such a measure, often based on postal address. Our buying power and hence our attractiveness as consumers is judged by postcode. And it has become a matter of routine to relate inequality across all outcomes to socio-economic circumstances. By association, we have to accept that the fundamental cause of inequality is poverty. However, many have offered more complex explanations of cause and effect. Marx suggested that alienation is the prime cause of inequality. Capitalism, he argued, made the worker a slave to the system, undermining his ability to see himself as the master of his own actions. Continued poverty was the result. Wilkinson and Pickett in their 2009 book The Spirit Level suggested a variation on the income hypothesis by which relative, not absolute, income inequality leads to anxiety about status which leads in turn to poor health which exacerbates poverty.

The World Health Organisation offers a much broader set of explanations for inequality in health. It defines the social determinants of health as the circumstances in which people are born, grow up, live, work, and age, as well as the systems put in place to deal with illness. These circumstances are in turn shaped by a wider set of forces: economic, social and political. But this definition is so broad as to be unhelpful in shaping a practical response to the problem. It does make it clear, however, that there is more to it than poverty.

The economic argument polarises public opinion and the solutions offered present difficult choices. If poverty is associated so strongly with adverse outcomes for society, why not make everyone equal by imposing high levels of taxation on the rich, give their money to the poor so that everyone will have a better life, including the rich? The arguments against such a response need not be repeated here other than to say that the logical conclusion of a purely economic explanation for inequality prevents society acting to end the injustices associated with it. However, inequality has consequences that affect us all and if we are serious about improving outcomes for people in difficulty and helping them to live better lives, we urgently need to know how to do it. Effective action requires a better understanding of the causes of inequality.

A thought experiment

Imagine a philanthropist who decides to create a truly equal society by building a model town and randomly selecting 20,000 people and their families to live in it. The residents are selected only by age. They are from the young, working population aged between 25 and 45. Otherwise, they are randomly selected in terms of sex, partnership status, occupation and social class. They are truly a random selection of the population.

On entering the community, they are all given large and well-equipped homes. The houses are individually designed with free access to opportunities for recreation and active living and are convenient for public transport. Each family is given £100,000 to buy cars and furnish their houses. They are also given jobs in local enterprises. These jobs are designed to match the skills and abilities of each individual. All jobs are paid the same. Everyone, whether they are chief executive of a company or a worker in a call centre, earns £100,000 a year after tax. Their children are taught in local schools with high quality facilities and high teacher-pupil ratios. This is a community with no structural inequality. Everyone earns the same. Houses and cars are broadly similar and children mix in the same schools. There should be no status envy.

However, the town and its inhabitants exist in an open society. The residents are free to move away and to live elsewhere, and outsiders can move in according to normal market processes. Our rich philanthropist sets off to explore the world for three years. What does he find when he gets back? How has the society changed? Has it remained equal?

Some things would have changed. First, there would be a mild increase in inequality. At the top, frustrated by an earnings cap of £100,000 a few ambitious high-fliers have moved on, seeking more money. At the bottom end of the social scale, a few people have slipped off also. One or two brought mental health or addiction problems to the town.
They have not held on to their jobs and the money has run out. They want to sell their houses and move back to the areas from which they came. They have not integrated well and have struggled to make friends. Their children were doing well at school but the parents were ill at ease and the sooner they all get back to their old haunts the better.

The other interesting and notable phenomenon might be the effort put in by the majority of residents to hold the community together. The vast majority of people liked the sense of cohesion and worked hard to help those at the bottom settle and deal with their problems. Most people valued the sense of community they found and thought it worth working to maintain.

Statistically, it might be difficult to measure any inequality developing in the town. Migrants, whether upwardly mobile or not, have moved out and sold their houses to people able to afford the asking price. The inequality in the original cohort, however, widens as people move up or down the social scale. After a few years, the sense of cohesion in the original group of residents gradually weakens. It becomes like any other community.

Inequality is not cured solely by economic means although they might, for a time, mitigate the problem. There are innate, psychological drivers that lead people to success or failure in their lives irrespective of economic circumstances and we need to recognise that such factors interact with external, structural influences to produce successful lives and to maintain well-being. You can give people better access to resources, but they have to know how to use them.

**An alternative view**

Inequalities in life expectancy in Scotland have been studied in great detail for many years. The widest disparities in life expectancy in the West Central Scotland. As a surgeon working in the area, it became clear to me that poverty brought with it more complex patterns of illness compared to those patients.

Deaths are caused by molecular events in cells and arteries. Diseases that are named and classified attempt to understand the causes of inequality as it affects health, an obvious question is how social and economic conditions influence molecules in the blood and death certificates. Deaths are caused by molecular events in cells and arteries. Diseases that are named and classified attempt to understand the causes of inequality as it affects health, an obvious question is how social and economic conditions influence molecules in the blood and DNA in cells.

Understanding the chain of causation which links socio-economic conditions to molecular events offers opportunities to develop effective interventions to alleviate inequality. Here, again, we often encounter simplistic explanations. For example, poor people smoke more, drink more alcohol and eat the wrong foods. Some do. However, it has become clear that the inequalities seen in Scotland cannot be fully explained by such conventional risk factors. All of these behaviours contribute to ill health but they are not in themselves significant enough to explain the gap in health. Even if they could account for the gap, it would be necessary to ask why these behaviours are more common in those lower down the social scale.

For hundreds of years, medical progress has been based on the concept of “pathogenesis”, that is, the study of the mechanisms by which external agents cause disease. Efforts to improve health have largely focused on preventing exposure to micro-organisms and other physical and chemical causes of disease. During the latter half of the 20th century, interest grew in the notion that health could be purposefully created by enhancing human resilience rather than simply avoiding the causes of disease.

An important advocate for this approach was the American sociologist Aaron Antonovsky, who coined the term “salutogenesis” to describe the processes by which society creates health. His ideas were based on studies of adults who, as children, had been in concentration camps. Most were unhealthy in some way but many had survived their experience to live successful lives. He concluded that individuals were more likely to be healthy if, in early life, they had learned to view the world as structured and predictable and if they felt they had acquired the internal resources needed to cope with external events. Antonovsky defined these attributes as “a sense of coherence”. He suggested that individuals who lacked a sense of coherence and who felt themselves unable to control events affecting them were likely to suffer chronic stress which would in time lead to breakdown in health. He believed that a sense of coherence was created in the first three decades of life and especially by the experience of consistent and nurturing parenting in very early life. Subsequent studies have shown that it is perfectly possible to develop and enhance a sense of coherence in later life but, clearly, the earlier it is formed, the more likely the individual will succeed in creating a healthy and positive life for himself.

An important part of his concept of creating well-being was his description of “generalised resistance resources.” These are the biological, material and psycho-social factors that make it easier for people to perceive their lives as understandable, manageable and meaningful. Typically, they include access to money, support from friends and family, knowledge, experience, intelligence and self-esteem. A sense of cultural identity and links to traditions that provide a stable set of answers to problems of daily life are also important resources which enhance resilience. If a person has access to such resources, he will find it easier to deal with the challenges of life. They help the person to construct coherent life experiences on which to build future success.

A sense of coherence allows the individual to use external resources effectively. Together, they provide and continually enhance the capacity to manage the infinite number of complex stressors encountered in daily life. This is an important aspect of Antonovsky’s work which differentiates it from other coping strategies. He recognises that it is the constant interplay between external structural factors and the innate sense of coherence that allows growth and development of the individual in the face of constant challenge.

At a cellular level, there is ample evidence that individuals whose origins lead them to have an impaired sense that the world is coherent and manageable are indeed, chronically stressed. The mechanisms underlying chronic stress are far more complex than simple status envy and probably have their origins, as Antonovsky suggested, in adverse experiences in early childhood. As well as having elevated stress hormones, a range of other biological processes are activated which are probably partially responsible for increased risk of heart disease, stroke, cancer as well as behaviour problems. For example, the *Adverse Childhood Experiences* study examined the relationship between childhood neglect, abuse and parental absence in several thousand Californians. The more adverse events children experienced, the greater their risk of addiction and alcoholism in adult life. Boys who experienced violence in childhood were significantly more likely to be violent towards their partners as adults. Michael Meaney, a researcher at McGill University in Montreal has shown that young men with a history of abuse in childhood are less likely to form the receptors in the brain that are necessary for the control of the stress response. Chaotic
How should we respond?

While the physiological and psychological processes which lead to disadvantage are becoming increasingly well characterised, the action required to prevent or reverse the developmental impact of chaotic lifestyles is less well understood. The evidence that does exist comes from observation of projects and programmes in which individuals and communities have been transformed. These programmes are rarely capable of rigorous scientific evaluation and sometimes it is necessary to rely on anecdote. However, when they are viewed in salutogenic terms, it becomes clear that one of the key features of their success is the extent to which they allow individuals to take control over the events of their daily lives. They help people discover and develop the internal assets they have which builds a sense that they can manage the world around them rather than simply being at the mercy of external events.

Often, the efforts of our society are directed at doing things to people, not working with them. We undermine their capacity to be in control of their lives and turn them into passive recipients of services. This approach is precisely the wrong thing to do if we want to enhance a sense of control. Children from chaotic backgrounds are often difficult to manage at school. They end up being excluded from the very environment they need in order to grow. Chaotic parents often find their children being taken away from them. The children endure the uncertainty of successive foster homes while the parents have whatever self-esteem they have managed to retain being further undermined. We need to find better solutions.

The evidence of 40 years of sociological and psychological research strongly suggests that inequality cannot be dealt with solely by making people equal in terms of physical resources. They need, in addition, support in developing capacity to make effective use of all the assets available to them, including social and cultural resources. Voluntary organisations are more likely to understand this than the public sector and many organisations exist to help people develop their untapped, and often unrecognised assets. These assets help them to live with a sense of wellbeing and control rather than having the state manage the deficits in their lives.

As a first step in improving health and narrowing inequality in society, we need to ensure every child has the opportunity to have the kind of upbringing that allows them to develop a conviction that the world makes sense and that they can manage their lives positively. If we can achieve that, and at the same time, improve access to the socioeconomic and cultural supports that allow their parents to provide an environment for them to grow and develop, then we will have taken an important step in transforming the future of families living chaotic and difficult lives.

In 1971, I was a medical student at Glasgow University when the student body elected the Clydeside communist trade union leader, Jimmy Reid, as Lord Rector of the university. His rectoral address to the students was reprinted in full in the New York Times, which compared its significance to that of Abraham Lincoln's Gettysburg address. The speech was about alienation. Reid defined it as, "the cry of men who feel themselves the victims of blind economic forces beyond their control. It's the frustration of ordinary people excluded from the processes of decision making. The feeling of despair and hopelessness that pervades people who feel with justification that they have no real say in shaping or determining their own destinies."

Jimmy Reid understood the forces at work in a community which was losing its sense of purpose as its traditional industries were collapsing. Forty years on, the areas from which those workers came are amongst the most deprived in Britain.

So, what, then, causes inequality? Unequal outcomes in society can certainly be caused by the corrosive effects of poverty. However, science leads us to the conclusion that it is not enough simply to improve material well-being in order to narrow inequality in our society. We also need to pay attention to those psychological resources which allow people to feel in control and build relationships and establish social networks. We need to ensure opportunities for people to see their lives are meaningful and have purpose. Without such internal resources, attempts to narrow inequalities simply by improving external social circumstances are unlikely to be effective. There is at work in deprived communities a continuing cycle of alienation that leads to failure in a number of aspects of life. That failure leads to inequality and consequently to poverty, and continued poverty makes breaking the cycle even harder.

Harry Burns is chief medical officer for Scotland
Full education in a free society
Andrew Adonis

"A person who has difficulty in buying the labour that he wants suffers inconvenience or reduction of profits. A person who cannot sell his labour is in effect told that he is of no use. The first difficulty causes annoyance or loss. The other is a personal catastrophe. This difference remains even if an adequate income is provided, by insurance or otherwise, during unemployment; idleness even on an income corrupts; the feeling of not being wanted demoralizes. The difference remains even if most people are unemployed only for relatively short periods. As long as there is any long-term unemployment not obviously due to personal deficiency, anybody who loses his job fears that he may be one of the unlucky ones who will not get another job quickly. The short-term unemployed do not know that they are short-term unemployed till their unemployment is over."

Full Employment in a Free Society, Lord Beveridge (1944)

Lord Beveridge's report of 1944 sought "Full Employment in a Free Society". In 2013, we are once again enduring mass unemployment. But whenever this scourge returns it has a new complexion. This time round, in the wake of the crash of 2008, its most glaring feature is the predominance of unemployment, and underemployment, among the young.

In early 2013—nearly five years after the start of the downturn—the unemployment rate for young people is still above 20 per cent. This equates to nearly a million young people not in education, employment or training. Expand the parameters to include all 16-24-year-olds who are economically inactive (not in work and not looking for work) and the figure reaches 1.65m.

This compares with an unemployment rate for the population at large that is currently hovering just below 8 per cent. The proportion of young people who are "idle"—idleness being one of Beveridge's "Five Giant Evils", wider in its meaning than "unemployment"—is two and a half times higher than among the population as a whole. This is fraught with peril, not only for the individuals concerned but also for society at large.

By contrast, the latest figures from the Office for National Statistics show that just over a million people over the age of 65 are in work. The highest since records began. At a time of significant unemployment, the relative position of pensioners is improving while young workers are noticeably worse off.

Youth unemployment has many causes and requires bold action across the economy at large. However, a critical factor is education. The OECD reported recently that 19 per cent of 25 to 34-year-olds in the UK who left education at 16 are now unemployed, compared to 9 per cent in 2000, while among those with degrees, the unemployment rate stands at only 4.7 per cent. It is not being young that makes you unemployed, but being young and unskilled.

The least educated and trained are always at the greatest risk of unemployment. "Least educated" does not simply mean those gaining virtually no basic qualifications from school or college by the age of 18—the "underclass" of concern to policy-makers before 2008—but rather the broad swathe of 16-24-year-olds, many of them with some school leaving competences and qualifications but who are part of the "forgotten 50 per cent" not on a university track. From this broad swathe of young people come the mass of the unemployed and "idle" young—and their plight needs to be addressed with the boldness and urgency of a new Beveridge.

Where in 1944 Beveridge called for a policy of "full employment in a free society", 70 years on the imperative is to achieve "full education in a free society".

The cost of youth "idleness"
One of the simplest measures of the effect of early unemployment is the impact that it has on the individual's earning potential. That is to say, how much less will someone who is unemployed early in their career earn later? Using the National Child Development Survey, Paul Gregg and Emma Tominey analysed "the impact of unemployment during youth upon the wage of individuals up to 20 years later."

Previous studies had found that those who experienced significant youth unemployment could expect wages that were up to 25 per cent lower than the average.

It had not been proved, however, that it is the unemployment which causes the lower wages. A correlation is not the same as a causal connection. Those with lower educational attainment, for instance, might be both less likely to find work and have a lower earning potential once in work. To address this, Gregg and Tominey controlled for a range of factors including "educational achievement, region of residence and a wealth of family and individual specific characteristics."

The result of their analysis couldn't be clearer. Youth unemployment leads to a "wage scar" of at least 8-10 per cent. Those who experience further periods of unemployment after the age of 23 can expect their earnings 20 years later to be 12-15 per cent lower than those who do not experience youth unemployment.

This is not just a function of the luck and aptitude of individuals. The same results are found when looking at the effects of recession. Lisa Kahn has looked at the consequences of graduating from university in a bad economy and found them to be "large, negative and persistent." This is significant enough for Kahn to suggest that, theoretically at least, individuals who graduate in a recession may be better off over their lifetime if they delay entering the labour market until the economy picks up.

It is also worth briefly looking at which young people are
most affected and why. Gregg’s evidence from the National Child Development Survey indicated a significant “dependence induced by early unemployment experience for men but only minor persistence for women.” Many studies have also shown that it is the least skilled young people who suffer most. Gregg concludes that the “evidence of scarring offers a strong justification for early intervention to prevent long-term youth unemployment” and suggests that combining this with an “attack on low educational achievement” would be most likely to succeed.

This intuitively sensible position is also supported by the economist Simon Burgess, who observes that “for the unskilled, there is evidence of an enduring adverse effect” which results in “the unemployment experiences of cohorts coming of age in poor labour market conditions [being] more unequal within the cohort than those of luckier cohorts.”

Another way of measuring the effect of youth unemployment is the extent to which it increases one’s chances of being unemployed later in life. In aggregate, it is the tendency for periods of mass unemployment to raise the natural unemployment rate. Put simply, if more people are unemployed now then more will be unemployed in the future.

Olivier Blanchard and Lawrence Summers introduced this idea of “unemployment hysteresis” in 1986. They argued that the fundamental issue lies in the “asymmetry in the wage-setting process between insiders who are employed and outsiders who want jobs.” One of the outcomes of the wage negotiation process, they argue, is a wage which ensures the jobs of those who are currently employed. A sudden reduction in employment shifts this “equilibrium wage rate, giving rise to hysteresis.”

They have, however, been criticised for putting the emphasis in the wrong place. For example, Lawrence Ball believes that, “There is more evidence for stories in which the long-term unemployed become detached from the labour market. These workers are unattractive to employers, or they don’t try hard to find jobs.” This line of argument is supported by evidence which shows that “a long duration of unemployment benefits magnifies hysteresis.”

Whichever of these two explanations one finds most convincing, it is not in doubt that periods of unemployment are extremely damaging to the individual concerned. It might be that changes to the benefits structure, or to trade union legislation could help to minimise hysteresis, but it is doubtful that these policy mechanisms alone will ever produce a hysteresis-free society. And the implementation of either would be unlikely to address the critical imbalance in the distribution of unemployment.

Equipping young people with the skills necessary to thrive in the workplace, combined with preventing extended periods of unemployment while they are young, are therefore the crucial factors in ensuring that idleness is not a recurring theme in an individual’s life.

Youth unemployment is not just “a personal catastrophe.” It is also a significant problem for the national economy. The UK currently spends over £4.5bn on out of work and housing benefits for under-25s, a combination of housing benefit, job seekers allowance, employment and support allowance, income support and incapacity benefit. That’s a lot of money that could be put to better use. £4.5bn could bring back the Education Maintenance Allowance and still have nearly £4bn to spare. And that’s before taking into account the positive effects of an extra million people in work (extra tax revenue, higher GDP growth, and so on).

However, £4.5bn does not begin to price the cost to families, communities and society at large of mass youth unemployment. Back in 1944, Beveridge wrote: “Full productive employment in a free society is possible but it is not possible without taking pains. It cannot be won by waving a financial wand... To win full employment and keep it, we must will the end and must understand and will the means.” Nor will youth unemployment be eradicated by waving a fiscal wand. And a revival in demand and employment is, of itself, unlikely to eradicate idleness among the young. For this to happen, education needs to be extended dramatically: in schools, in terms of standards and qualifications achieved; in the quality and quantity of apprenticeships for those not on track for university; and in terms of early workplace experiences that offer real training and opportunity.

Schools

The last 25 years have seen a significant improvement in school standards. Essential school leaving qualifications—as measured by the achievement of five GCSEs between A* and C, including English and maths—are now achieved by a majority of young people. In the mid-1990s just 30 per cent reached this benchmark; now it is reached by nearly 60 per cent of school leavers.

However, this is still far short of what is required. Four in ten 16-year-olds are not gaining decent GCSEs; their job prospects are poor and their risk of “idleness”—unemployment or underemployment—is very high. Finding a good job, with a good salary and an opportunity to thrive, is very difficult for them.

The challenge is to transform our “60 per cent” school system into a “90 per cent” system. That is, a system in which nine out of every 10 young people leave school with 5 good GCSEs including English and maths. And it needs to be achieved as soon as possible.

In 2011, 28 non-selective schools in England reached the 90 per cent benchmark. There were 123 schools which achieved above 80 per cent. There is also good international evidence to show that this is possible nationwide. On similar benchmarks, Singapore manages to achieve 82 per cent nationally, while the United States peaked at 80 per cent in the late 1960s and now consistently hovers around 70 per cent. The US is rightly concerned about “high school drop out”, but it is at a lower level than in the UK.

The old conservative social reflex that in education “more means worse” once dominated public thinking in Britain. Now, thankfully, it is largely dead. One of the best arguments against this outdated thinking is to be found in David Hopkins’s book Every School a Great School. Hopkins writes: “It is salutary to recognise that whether the goal of ‘every school a great school’ is achieved or not, its realisation is more about professional and political will rather than strategic knowledge. It is now twenty-five years since Ron Edmonds asked his felicitous question: ‘How many effective schools would you have to see to be persuaded of the educability of all children?’”

A 2013 Ofsted report, “Unseen children: access and achievement 20 years on”, found that only 36 per cent of children who receive free school meals (in other words, children from the poorest families) achieve five good GCSEs, compared to 63 per cent among students not eligible for free school meals. Bridge these class divides and 60 per cent quickly becomes 90 per cent; dropping out becomes further study or training; dipping in and out of unemployment becomes a steady job; and a country with too many poor people becomes a low-poverty Britain.

A notable success story in this field is the London Challenge, in which successful schools and their management
teams were partnered with their less successful counterparts, driving up standards in the process. In 2007, inner London schools were second only to those in the North East as the worst performing schools in England. Only 42 per cent of students achieved five GCSEs at grades A* to C, including English and maths. By 2012, inner London schools were second only to outer London schools as the best performing in England, with over 60 per cent of all students achieving the GCSE benchmark.

The London Challenge programme was established in 2003 and assessed by the schools inspectorate, Ofsted, in 2010. They concluded that, “Since the introduction of London Challenge, secondary schools in London have performed better and improved at a faster rate than schools in the rest of England”. By 2010, only 2.4 per cent of London’s secondary schools received an “inadequate” rating and 30 per cent were judged to be outstanding. This compares with more than 4 per cent of schools in the rest of England being “inadequate” and just 17.5 per cent achieving “outstanding” status.

So how did they do it? According to Ofsted, the key was using “independent, experienced education experts, known as London Challenge advisers, to identify need and broker support for underperforming schools.” They also highlight four additional factors:

- Clear, consistent leadership from the advisers appointed by the Department for Education.
- Programmes of support managed by experienced and credible advisers.
- Identifying the actual needs of each school, starting with support for the leadership before the main work of improving teaching and learning.
- Robust systems to track pupils’ progress and provide effective interventions for those at risk of underachievement.

The London Challenge approach should now be extended nationwide. For an average secondary school—both in terms of size and attainment—getting from 60 per cent to 90 per cent means an extra six students each year meeting this basic level of GCSE success. Any good teacher would be able to point to six students in their school who could make it across that line with the right interventions. And excellent teachers would be able to tell you what those interventions should be.

Improving school standards also requires that we expand the supply of outstanding teachers. The Teach First scheme, which in 2013 is recruiting 1,300 top graduates to teach in schools serving deprived communities, is an example of what can be done when there is sufficient will. And this from an organisation which was only established in 2002.

Every school also needs a strong governing body and leadership team providing a powerful vision and ethos. This too can be achieved even in the toughest neighbourhoods, as demonstrated by the success of the programme to establish academies—indeed state schools managed by high-capacity sponsors dedicated to educational transformation—since its launch in 2000.

**Apprenticeships**

Alongside a revolution in school standards, there needs to be a revolution in the quality and quantity of youth apprenticeships. Current apprenticeship numbers are deceptive. Most of those called “apprentices” are well into their twenties and are, in reality, mainstream employees. The government claims big increases in apprenticeship numbers, but 70 per cent of current apprentices turn out to have been working for their apprenticeship provider beforehand. Many of them have simply been given the title “apprentice” after adult training schemes were re-named.

Of 780,000 19-year-olds in 2011, about 300,000 went on to full-time higher education. Fewer than 130,000—including under-19s too—started an apprenticeship. Between 250,000 and 300,000 young people each year are consigned to a black hole of unemployment, or unskilled and part-time work with barely any education and training.

Now, thanks to the Richard Review (published in November 2012 by businessman Doug Richard), we have the beginnings of a plan to change that. Richard recommends one apprenticeship qualification per occupation, devised by employers, and proposes a minimum standard of numeracy and literacy to be an integral part of every apprenticeship assessment. He recommends a competence test at the end of the scheme—more akin to a driving test than the current modular system which leaves many apprenticeships incomplete. In Germany, apprentices undergo a final examination in the vocational school and an oral examination and practical test in the workplace. The same should happen in Britain.

We need far more apprenticeships, specifically designed for young people, on the Richard model. Some firms are leading the way—Rolls-Royce, Jaguar Land Rover and Network Rail all provide examples of best practice. A Whitehall apprenticeship scheme has recently been launched. It needs to become a gold standard in the public sector, just as the civil service “fast stream” is for graduates.

UCAS, the university admissions service, says it would be willing to become an integrated higher education and apprenticeships admissions service if the government and employers approached it to do so. This is an excellent idea, as it would enable school leavers to apply both for university and apprenticeship places in tandem. This could be valuable in raising the profile of apprenticeships and effectively advertising vacancies nationwide.

Only one third of large employers and one in 10 small businesses offer apprenticeships. In much of the public sector apprenticeships are rare. A revolution is needed in the supply of youth apprenticeships, in terms both of quality and quantity, with employers in the public and private sector doing more on their own account. Government and employers can also work in more creative partnership.

There are two other key issues. First, barely a quarter of the 126,000 apprentices under the age of 19 are studying at the equivalent of A-level or higher. Although apprentices are expected to be “working towards” an acceptable standard of functional maths, English and information technology, it is unclear how often that is achieved. We need far more higher level apprenticeships, especially in engineering, where there is an acute shortage of graduates.

Secondly, apprenticeships need to last a decent length of time. Over recent years, almost half of all apprenticeships have lasted a year or less, with many lasting just a matter of weeks. No university would award a degree on this basis. Apprenticeships should not be dumbed down either.

Trade unions can also contribute in promoting and supporting apprentices in the workplace. Some of the most exciting work being done by trade unions is in the area of training and apprenticeships. The outstanding “Union-Learn” project being run by the TUC is a case in point. All partners have a key role to play in training a workforce fit for the future.
Jobs
Learning does not stop when young people leave formal education. As we have seen, initial experiences in the labour market can be equally formative. We must regard this as an integral part of a young person's educational and professional development because it is crucial to their life chances, earning potential and the likelihood of their avoiding poverty.

However, in-work poverty is a real risk even for those young people who avoid unemployment. The National Minimum Wage (NMW) has been a success but it has only risen by 38p in the last three years. The fact that the NMW is not sufficient to avoid poverty—especially for those in London—is demonstrated by the rise in support for the Living Wage (LW). This is the idea that everyone should be paid enough to live decently and provide adequately for their family. It is an ethical argument against in-work poverty and it is also a calculation that takes into account local variations in the cost of living.

For young people, there is even more cause for concern. Those under 21 have a lower NMW rate than those over 21. Over three quarters of 16-20 year olds are paid below the LW, compared to just 14 per cent of 41-50 year olds. Nearly half of all people paid below the LW are aged 30 or under. This is not surprising given salary progression over the course of one's career, but it means that in-work poverty is a reality for many young people.

There is a strong case to be made for raising the NMW. It is both moral and financial. If the NMW were to be increased to the LW rate, the taxpayer would save over £2bn. That's approximately £3.6bn in savings from the private sector—roughly a third of which comes from income tax, a third from National Insurance Contributions and a third from a reduced benefits bill, coupled with an increase in public sector pay of £1.3bn.

When the NMW was introduced, the naysayers predicted that mass unemployment would be the result. No such effect occurred. Recent research by the Resolution Foundation found that large parts of the UK economy could afford to pay a higher minimum wage. Raising the NMW must be done sensibly, over time and in conjunction with the Low Pay Commission. But it must be done if we are to end in-work poverty.

We need to take a holistic view of education, employment and training for young people and not allow so many of them to slip through the net. There should be virtually no people under the age of 25 in neither education, employment nor training, and there should be no in-work poverty. As Ángel Gurría, Secretary General of the OECD, said on the publication of the organisation's recent report: "High youth unemployment is not inevitable, even during an economic crisis; it is the product of the interaction between economic context and particular policies." The state needs to act to improve these “particular policies” and build a low-poverty UK.

Andrew Adonis is a former Transport Secretary and Minister for Schools.
An end to child poverty
Patricia Lewsley-Mooney

How do we turn strategies into reality and talking into doing? What would society and the economy look like if poverty was eradicated? Poverty itself is a controversial concept. Children in need, just like people with disabilities, have long been the favourite “objects” of charity. At times people have been given support and help not as a matter of right, but because individuals have felt pity for them.

It is an indictment of society that we have children and young people living in poverty. We should not be in any doubt about the overwhelming impact of poverty on children’s lives—it goes beyond income and a lack of basic necessities to health, education, play and social interaction and ultimately children’s life outcomes.

We must be clear about the relationship between poverty and other inequalities which has an impact on every aspect of a child’s life. In Northern Ireland, while our relative and absolute child poverty rates are comparable with other parts of the UK, 21 per cent of children live in “persistent child poverty”. This is more than double the rate in Great Britain. This suggests a very particular experience of child poverty in Northern Ireland and that the same children are experiencing poverty over a longer period of time. Moreover, the areas with the highest density of child poverty correspond very closely to the areas of Northern Ireland that experienced the worst of the Troubles over many decades.

The correlation between poverty and poor educational and health outcomes has been well documented over recent years. While the number of young people leaving school without any formal qualifications has been falling, it remains the case that young people who experience poverty are more than three times as likely to leave without any qualifications.

The same is true of health outcomes:
• Those living in poverty are more likely to have a disability or chronic health problem.
• Life expectancy is lower: people living in poverty live on average 2.6 years less (women) and 4.5 years less (men).
• They are twice as likely to become a parent during their teenage years.
• They are twice as likely to be admitted to hospital due to self harm.

The “charitable” approach to child poverty places the responsibility on the shoulders of children and their families, instead of looking at systemic, structural factors. What we really need are ambitious, innovative solutions. Tinkering round the edges or cosmetic exercises resulting in slight adjustments will not overcome the blight of child poverty.

One way of doing this is to move from a charitable approach to poverty to a rights-based approach. This requires a focus on those who are particularly vulnerable, the marginalised, disadvantaged or socially excluded.

Placing the tackling of poverty within a rights-based framework will ensure that we focus on overcoming structural inequalities and hold government to account in providing an “adequate standard of living” for all our children and young people.

Almost 25 years ago, the United Nations adopted the Convention on the Rights of the Child (UNCRC). It built on previous instruments such as the Universal Declaration of Human Rights (1948), and has been ratified by 193 states. The UNCRC was one of the first human rights treaties to include civil, political, economic, social and cultural rights. It sets out in detail what every young person needs in order to have a safe, happy and fulfilled life regardless of their sex, religion or social origin.

The UNCRC is based on the following four general principles:

Article 2: The right to non-discrimination
Children in poverty have the same right to education, health, family life and protection as other children. Economic and social disadvantage should not be a “vehicle for discrimination”.

Article 3: The right to have their best interests taken into account
It surprises me how often this principle is overlooked in relation to children in poverty. For example, the Welfare Reform Bill currently progressing through the Northern Ireland Assembly seeks to make the receipt of benefits “conditional”. Benefit levels may be reduced if recipients don’t take certain required actions, including potentially working full-time for their benefits. The Equality impact assessment (EQIA) on this Bill, required under Section 75 of the Northern Ireland Act 1998, when considering adverse impacts in relation to “age” did not take into consideration the children who would be affected. Through no fault of their own, children could find themselves going without more and more basic necessities.

Article 6: The right to life
We have seen the impact of poverty on infant mortality, on children’s chances of surviving to adulthood and on their life expectancy. Strategies to reduce child poverty must target resources towards realising the right of poor children to life and the fullest level of development.

Article 12: The right to have a say and to have it listened and acted upon
This is a key right for all children—to have a say in decisions affecting them and to have their views taken seriously. It is particularly important for children in poverty, who all too often experience social exclusion, isolation and powerlessness. Furthermore, the involvement of children in developing and implementing child poverty reduction strategies leads to better policy and more effective actions.

The following additional rights should also be taken into consideration:

**Article 4**: Governments should undertake to meet the socio-economic rights in the UNCR to the maximum extent of their available resources

States need to show that they are prioritising children’s socio-economic rights within their budgets.

**Article 26**: The right to have help from government if poor or in need

Governments should provide extra money for the children of families in need.

**Article 27**: The right to an adequate standard of living

Children have a right to a standard of living that is good enough to meet their physical and mental needs. The government should help families who cannot afford to provide this.

The Office of the United Nations High Commissioner for Human Rights in 2003 published a report entitled “Human Rights and Poverty Reduction: a conceptual framework”. It shows how one significant effect of poverty is to limit choice, and to inculcate in people a sense of powerlessness. “Empowerment”, it argues, is critical in tackling poverty: “A major contribution of a human rights approach to poverty reduction is the empowerment of poor people, expanding their freedom of choice and action to structure their own lives... Human rights empower individuals and communities by granting them entitlements that give rise to legal obligations on others.”

Children are rights-holders and they are entitled to the rights set out in treaties, laws and conventions. They are entitled to claim these rights, although as rights-holders they also need to respect the rights of others. Rights-holders can hold duty-bearers to account for their actions. Duty-bearers are those with the legal obligations to protect, respect and fulfil the rights of the rights-holder. The responsibility of the duty-bearer rests with the state or government and includes parliament, government departments or ministries, local authorities, the courts, police, teachers and any other workers delivering services on behalf of the state.

In Northern Ireland it has been two years since the child poverty strategy was produced and while there has been some progress, a lot more needs to be done. Specific Northern Ireland child poverty targets set are no longer being honoured, and the commitment is now to contribute to meeting the four child poverty targets contained in the Child Poverty Act 2010.

In April 2012 I released two reports looking at the impact that welfare reform proposals may have on children and young people. It is not only families on benefits who are affected by poverty; 55 per cent of those children and young people in poverty in Northern Ireland come from families with at least one working parent. My fear is that the introduction of the Welfare Reform Bill could make the situation worse for families already facing hardship, leading to even more children living in poverty and creating a class of “working poor”.

While I appreciate that welfare and benefits need to be reformed, I fear that “reform” is just another word for cuts. The children’s rights impact assessment of the welfare reform proposals in Northern Ireland published by my office shows that many thousands of children and young people may suffer significantly reduced living standards.

Already I have met children who go to bed cold and hungry one or two nights a week because the benefit coming into the house doesn’t last, and families who turn mattress into the kitchen and turn the oven on for heat. How can we ever expect these children to go to school the next day and concentrate on their education?

We need government departments to work together to make sure they are investing in opportunities for our children and young people to learn, grow and flourish. In Northern Ireland we need a statutory duty to cooperate to deliver on the UNCR in legislation so as to bring us into line with other UK jurisdictions. We need strong children’s rights indicators used by every department in government to monitor delivery and to assess the impact that policy and legislation have on children.

I believe that some of the points raised in the reports I published on welfare reform around operational flexibilities have been listened to, but the Northern Ireland Assembly needs to make sure that children and young people do not become victims in the process of implementing changes agreed in Westminster.

Over the past six years there has been a real lack of momentum in delivering on children’s rights in Northern Ireland, while there have been positive developments in other parts of the United Kingdom. The main reason for this is the absence of a systematic, comprehensive approach to children’s rights as a political priority.

I have been advising the Northern Ireland Executive on how they can bring about positive change for children—before they start school, when they are in school, when they need health and social services support; and when families and their children struggle to climb out of poverty.

However, concerted action must be taken to overcome the barriers to effective delivery, including training on children’s rights for government officials, in order to equip them to proof policies, budgets and legislation for children’s rights as they are in development. Budgets should be examined to see how they are spent on children, and a more “joined up” approach should be adopted to planning and delivering services for children. There is a need for better information and analysis, but most important of all is the meaningful participation of children in developing and implementing strategies and policies.

While we have many well-intentioned strategies, we need to see strategic visions translated into concrete and measurable outcomes for children. Some good practice has been identified, but on the whole the picture of government delivery for children in Northern Ireland is not a positive one. However, we at least recognise the barriers to effective delivery for children, and government now needs to take the advice on how to overcome them.

The Office of the First Minister and Deputy First Minister has commissioned the National Children’s Bureau (working with C4E) to develop a child poverty outcomes model. This work aims to inform and empower those in departments who are charged with delivering against each of the key objectives in the child poverty strategy. The outcomes
model uses the data which departments are already collecting to reduce the impact of poverty. The overall aim of the project is to establish a cross-governmental approach in which every department understands its role in reducing child poverty and makes an effective contribution to improving outcomes.

Child poverty is a deep-rooted problem and it is my job as Commissioner for Children and Young People to monitor and hold government to account. Over the term of the previous Northern Ireland Assembly, there had been a rolling back in practical measures to implement children's rights but the executive now has a chance to change that, by creating and implementing robust children's rights legislation. Such a commitment could have a significant impact on the lives of the children and young people currently experiencing poverty in Northern Ireland. As Kofi Annan put it: "Whenever we lift one soul from a life of poverty, we are defending human rights. And whenever we fail in this mission, we are failing human rights."

Patricia Lewsley-Mooney is Northern Ireland Commissioner for Children and Young People.
Conservatives have done more for the working man in five years than the Liberals have in fifty.” That was the view of an early Labour-Liberal MP on Disraeli’s 1874 administration. It reminds us that Conservatives have a tradition of social reform that goes back well over a century. Tory ministers would be right to argue that several of the reforms undertaken by the current government, such as changes to the income tax threshold and policies such as the “Pupil Premium”, belong to this Tory tradition.

There’s little doubt, however, that Conservatives need to go further to reanimate this tradition and show that they have distinctive policies aimed at tackling poverty. A recent poll, conducted for the former deputy chairman of the Conservative Party Lord Ashcroft, showed that only 9 per cent of voters think that the Tories best understand low-paid public sector workers and only 14 per cent believe that it best understands low-paid private sector workers. Some 64 per cent believe that the Conservatives are the party of the rich, not ordinary people.

Conservatives need to carve out a unique approach to low pay and poverty in order to reverse this impression. Rather than being seen as the creature of big business and the wealthy, the party should be in a position where it is seen as looking after the interests of the cleaner, the shift worker and the checkout assistant. This will involve building on an impressive heritage of social reform in order to set out a distinctive conservative message of compassion about poverty and help for the low paid.

The Conservative social reforming tradition
Political realities and moral imperatives meant that, as soon as the suffrage was expanded, the Conservatives had to develop a compelling offer to low-income voters—initially, in contrast to the laissez-faire economics of the Liberals and later as a socially reforming non-socialist alternative to Labour. Conservatives rejected the class division that they thought dominated socialist thinking and the narrow view of “economic man” that shaped liberal political thought. Instead, they saw citizens as belonging to an organic community, with responsibilities and motivations beyond the purely economic.

The predictions of the unlikely duo of Karl Marx and Lord Salisbury turned out to be unfounded. Marx argued that universal suffrage would be “a far more socialistic measure than anything which has been honoured with that name on the continent. Its inevitable result, here, is the political supremacy of the working class.” Salisbury, meanwhile, regarded universal suffrage as a disaster for Conservatism, arguing that, “the Conservative Party...have...dealt themselves a fatal blow by the course which they have adopted.”

However, it was the Conservatives who went on to dominate most of the century and a half following the 1867 Reform Act and Salisbury, as prime minister at various times between 1885 and 1902, was one of the main beneficiaries. A mixture of patriotism and social reform proved to be attractive to working-class voters. Friedrich Engels displayed his frustration when he said, “Once again the proletariat has discredited itself terribly... It cannot be denied that the increase of working class voters has brought the Tories more than their simple percentage increase; it has improved their relative position.”

The record of Benjamin Disraeli’s government on social reform was impressive. Slum clearance, the improvement of working-class housing, Public Health Acts, a Factory Act, the legalisation of picketing and laws that allowed workers to sue employers if a contract was broken all provided a firm basis for the nascent Tory tradition of social reform. (Keir Hardie would later praise Disraeli’s administration and an early Fabian Society paper referred to “Tory socialism”.)

This continued under Salisbury’s premiership, particularly where the improvement of working-class housing was concerned. The defection from the Liberals of Joseph Chamberlain added some social reforming zeal to the government and Lord Randolph Churchill offered a brief, but tantalising, glimpse of a radical Toryism, known as “Tory democracy”, which had social reform at its heart.

The governments of Stanley Baldwin and Neville Chamberlain’s kept up this tradition of tackling poverty through social reform, introducing pensions and unemployment benefit. Postwar Conservative governments also have a proud record, consolidating the welfare state as a safety net, achieving full employment and successfully making housebuilding (including the construction of council houses) a Tory issue. Social reform was central to Harold Macmillan’s Toryism. For example, his tract The Middle Way, published in 1938, contained a proposal for a minimum wage, 59 years before one was eventually introduced. And by spreading the opportunity for home ownership and share ownership to the poorest, the Thatcher government in the 1980s continued this tradition of giving people a real stake in society.

The Conservatives’ mistake on the minimum wage
In hindsight, the approach to low pay taken by the Major government looks like a political and moral mistake. In the mid-1990s the Conservatives held out against the introduction of a minimum wage; it also abolished the wages councils that had been established under Churchill. This made the party look uncaring, mean and governed by dogma, and reinforced the perception that the
The left should be lauded for its commitment to fighting poverty that still lingers. It is possible, however, to construct a Conservative approach to tackling poverty based on the Tory tradition of social reform—poverty and low pay damage many of the institutions that conservatism most values.

**Poverty undermines conservative institutions**

Despite poverty reduction often being seen as a left-wing cause célèbre, the impact of poverty can be hugely detrimental to institutions that conservatives hold dear. The family unit, for example, can be seriously damaged by poverty; but also offers a potential route out of deprivation. Parents in low-paid work often have to juggle multiple jobs at anti-social hours, with the result that they are able to spend less time with their family. Poverty places considerable emotional pressure on families and relationships, leading to higher levels of family breakdown than elsewhere in society. Forty-one per cent of children in lone parent households are in the lowest 20 per cent of incomes, compared to 22 per cent of children in families with couples.

Poverty also has an impact on educational attainment, making the conservative ideals of aspiration and achievement much more difficult to realise if life chances are decided at birth. There is a marked difference between the educational performance of the poorest and the most affluent children. Children from the poorest fifth of families are over a year behind the richest children in terms of vocabulary development by the age of five. This gap continues to grow over time, with children eligible for free school meals half as likely to achieve five or more A*-C grades at GCSE as those who are not.

The poorest in society are also less likely to play the kind of active role in civil society that conservatives cherish. Electoral turnout amongst the poorest social group is the lowest of any social group—only around 50 per cent of “DE” voters voted in 2010 compared to over 70 per cent of middle-class voters. The “class gap” in political participation has grown considerably over past few decades.

**The centre-left’s approach hasn’t worked**

The left should be lauded for its commitment to fighting poverty over recent decades, but its approach hasn’t been as successful as it could have been. Although progress was made during the Blair years, particularly among children and pensioners, other groups, such as poorer working-age adults without children, saw their incomes change very little. While GDP growth between 2003 and 2008 was 11 per cent, median incomes barely increased at all. At the same time, levels of worklessness, benefit dependency and educational failure also remained high.

The left has focused too much on the surface problems of poverty and neglected to deal with its root causes. It has taken a one-dimensional approach to poverty, concentrating on income and ignoring other dimensions such as debt, housing, poor childcare and education facilities and worklessness. Inter-generational welfare dependency, worklessness, family breakdown and poor educational attainment were problems that tinkering with tax credits did little to address. At the same time, an approach that focused on benefits rather than getting people back into work didn’t do enough to raise real incomes. The centre-right shouldn’t repeat that mistake.

**A centre-right approach to tackling poverty**

This should focus on all of the factors that contribute to poverty—the cost of living, the housing crisis, worklessness, lack of educational attainment, poor quality childcare and welfare dependency.

Welfare reform, despite being condemned by some anti-poverty campaigners, is essential to ensuring that people are able to make the most of their potential and to tackling inter-generational benefit dependency at its roots. As well as ensuring that those who can work do work, welfare reform should also give greater assistance to the long term unemployed to help them get back into work.

Education reform is also integral to tackling the long-term roots of poverty. The statistics illustrating the rich-poor educational divide are stark and suggest that poor schooling is a factor in the entrenching of inter-generational poverty. Measures such as the pupil premium and the expansion of academies will help to address the educational divide (the transformation of education in London after Tony Blair’s reforms shows what can be done). But, on its own, schools reform is not going to tackle poor educational attainment or disengagement, which often spans several generations. Conservatives need to consider how childcare can be improved in poorer areas and how the introduction of a vocational stream in schools, designed in consultation with employers, can help to tackle disengagement. Policy makers should also ask how family members can be encouraged to play a central role in improving educational outcomes.

The rise in the cost of living and the squeeze on living standards since 2005 has had a particularly severe impact on the poor. The rising cost of energy, fuel, transport and housing makes a greater impression on the budgets of the poorest than the rich. That is why the decision to freeze fuel duty was so important and so widely applauded. But there is more to do to cushion the poorest from the rising cost of living. If affordable, fuel duty should continue to be frozen or be cut further, and measures should be taken to limit the impact of energy and utility price rises, including making sure that utilities don’t abuse their oligopoly status and scrapping the wasteful EU Renewable Energy Directive.

Housing is one of the most significant pressures on incomes and the housing shortage is one of the biggest single drivers of inequality. Government reforms to encourage housebuilding are a step in the right direction, but it’s clear that more must be done to help the 1.8m on the housing waiting list. Planning reform has a major role to play here, enabling development even on parts of the greenbelt when people who are directly affected (rather than local bureaucrats) don’t object. Conservatives should also tackle the practice of land banking, where developers hold on to land that has planning permission while they wait for prices to increase.

**The centre-right should admit its mistakes**

Creating a distinctive and compelling centre-right approach to poverty also means being honest about past mistakes, as well as successes.

This is certainly the case with the minimum wage. Conservatives should look to strengthen it and to ensure that it’s enforced properly. There have only been a handful of cases in which the minimum wage has been successfully enforced after non-compliance in recent years. The fine for non-enforcement is £5,000—one tenth of the fine for fly tipping.

The centre-right needs to look to increase real incomes, particularly those of the poor and in doing so build on the changes to income tax thresholds that have lifted the poorest out of tax altogether. The government should consider ways...
of substantially increasing the minimum wage, while cushioning the effect on job creation by reforming taxes on employers. Over recent years, the minimum wage has failed to keep up with the increase in the cost of living and the government is spending millions on tax credits to top up low wages. In such circumstances, increasing the minimum wage seems both right and genuinely conservative, since it would encourage work and reduce dependence on the state, as well as ensuring that the benefits of growth reach everybody.

Conservatives should also consider the impact of deindustrialisation and the chronic worklessness that now afflicts many former industrial communities. Norman Tebbit has argued that, “many of these communities were completely devastated, with people out of work turning to drugs and no real man’s work because all the jobs had gone.” The areas with the highest levels of worklessness are those areas which depended the most on heavy industry, and some of the men who’d worked down the pit or the steelworks didn’t work again. It’s important for the centre-right to take measures to encourage job creation. Welfare reform is a crucial part of this, but so are measures to encourage job creation in places that have been unemployment blackspots for decades. Powers over planning and welfare should be devolved to the great northern cities to help them become engines of job creation.

Conservatives must also reconsider their approach to “regulation” and big business. People living on low incomes and tight budgets are hit particularly hard by increases in the cost of basic utilities and services. Conservatives should insist that price increases driven by the abuse of a dominant market position are unacceptable. The authentically conservative position is to stand up for the consumer against vested interests and monopolies.

Regulation is an important issue for many on the centre-right. They’re correct to argue that regulation should be set at a level where it doesn’t get in the way of businesses creating jobs. But the centre-right should also remember that for most people, and especially for the poorest, one man’s “regulation” is another man’s economic security. Here the centre-right needs to find a better balance between economic liberalism and the traditional conservative belief in family, stability and security.

There is a space for a conservative approach to tackling poverty. Government changes to education, welfare and the tax code provide a sound platform on which to build it. Such an approach would tackle the deeply ingrained root causes of poverty, as well looking to raise the real incomes of working people on low incomes. This would be both morally right and genuinely conservative.

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When one of the towering figures of the 20th-century left asked in 1971 “Who Speaks for Wales”, the answer he gave was “Nobody”. Much has changed since Raymond Williams said that. With our own (inadequate) measure of devolved government administering and promoting the nation’s interests, there are a number of ways of answering Williams’s question today. But, at some level, his answer still stands. Wales has to try and get its voice heard within the unbalanced and stifling structures of the British state.

The three major parties implicitly—and their over-exposed right-wing challenger explicitly—conduct their politics in “Yookayan” terms. The only party that can genuinely lay claim to speak, unambiguously and consistently, for Wales is Plaid Cymru, which—as Williams himself acknowledged—is the only genuine party of Wales.

Plaid Cymru’s fundamental conviction is that Wales has the skills, resources and the will to govern itself, and to find its own solutions to the most pressing crises we face today. But while Wales is culturally and sportingly vibrant, and punches above its weight in a variety of areas, it remains economically weak compared with the rest of the UK. It is important to remember why Wales is in this situation, and to recall that, historically, Wales has more than paid its way. Wales is not doomed to dependency-status, yet that belief seems to dominate Welsh politics.

For all their ideological differences (and there aren’t many any longer), the “big three” British parties are united in their desire to put their own needs before those of Wales. All three have accepted an economic system that is designed for the rich and the powerful: the banking crisis, a product of the Thatcher-Major-Blair-Brown continuum, is one we are all paying for—except, it seems, the banks and the politicians who allowed them to get away with it. Swingeing cuts and brutal austerity measures are the effects of an ideological alliance between the London-centric parties and the banks and corporations.

Even the tax burden seems tailored for their benefit. Inequality has risen and social mobility has fallen: this process began under Thatcher and continued, faster and more ruinously, under Blair, making the UK the most unequal of the developed European states. Quite simply, there is no prospect of any of the London parties being willing to address this. Nor will they address the creeping privatisation of public services nor a subsidised private rail system that has turned into the most expensive and worst-run in Europe.

While Wales’s problems are not unique to it—they are shared by many regions in England and in Scotland and other countries in Europe and beyond—we are, post-devolution, able to think for ourselves and demand better than what we have been given. As the poet Idris Davies put it, “all sometimes hope the future shall be greater than the past”. The first ten years of devolution may have lifted the nation’s confidence and self-belief, but it has provided little by way of economic improvement for people in Wales.

There are reasons for this. In the early years of devolution Labour was cowed by its anti-Welsh wing into staying timidly “on-message” for Tony Blair. Economic powers were not even on the agenda. Devolution has been disappointing because it hasn’t been proper devolution. Too much of Wales’s economic future remains out of our hands, in the grip either of a coalition government we did not elect or a corporate and financial elite we would never have a chance to elect anyway.

It is surprising how little has changed in the last 50 years—not just for Wales but for those areas of England and Scotland and the north of Ireland that have been left out of the political calculations of the London-based parties and abandoned to dependency and decline after decades during which they gave so much to the UK. Wales has contributed much to Britain’s economic success. Even today, with just 5 per cent of the UK population, Wales produces more than 50 per cent of its steel output. The great industrial strength of our past has been allowed to wither and the result has been managed decline.

The north-south and east-west divides are now festering wounds. To overcome them, there needs to be a fundamental shift in our politics. Scotland has found its own solution to this. Whatever the outcome of next year’s referendum there, the ties that bind it as a nation to the rest of the United Kingdom will inevitably loosen, whether that is through independence or through some form of enhanced devolution (or “devo-max”).

An independence referendum is not currently on the agenda for Wales, but in the meantime we must build our confidence as a nation. We must work to make sure that we do not allow a generation of Welsh youth to languish while progress waits. The economics of renewal goes hand in hand with the politics of liberation. Demonstrating that we can reverse our economic disadvantage and that our poverty is not inevitable is a big part of our job in Plaid Cymru. We want to see the radical rebuilding of the Welsh economy from the bottom up.

Of course, what we want will be almost impossible to achieve by acting alone. We will need to work with others who share our interests. It makes sense for those of us who are marginalised to work together in order to seize power from the centre. Wales, the north-east and north-west of England, the Midlands, Cornwall and Scotland have all paid their way. Yet all the current political arrangements have to offer us is more of the same. Thanks to devolution, Wales is now in a position to ask for more—not more money or
more handouts, but more control and especially more control of what we own collectively.

The challenge for Plaid Cymru now is to turn that voice into action at both a local and a global level in order to find practical solutions to the dual challenges of the economic and climate change crises. We know that many people are struggling. This can’t be as good as it gets and we only have to look to neighbouring countries to see alternative ways of doing things.

Despite the crisis of the European project, there remains throughout Europe as a whole much better social mobility and less inequality. There seems to be a correlation between workers’ rights and economic vibrancy. Germany remains highly productive, green-centred, responsible and egalitarian. In the Scandinavian countries, social mobility is high, education and child care provision are good, as are health services.

Plaid Cymru looks to other countries as models on the basis of which to build a Wales in which young people can stay and work and raise their families—a Wales capable of sustaining itself. Wales cannot go on only being a tourism and retirement destination in which only low-grade jobs are on offer and in which industry is at the mercy of global forces we cannot control.

Taking over the levers of power for ourselves is a large part of what Plaid Cymru is for. We have little chance of sorting our economic problems out until we do so. Our economy is weak because it is also passive and reactive—we have for too long accepted the Westminster view that we have nothing of our own. Yet the history of the 20th century shows that Wales contributed and produced. But when the jobs went and the coal and steel works were closed, we were told that we were a burden and that we should be grateful for whatever crumbs fell from the Westminster table.

Obstacles remain. The history of Wales as an “extractive economy” left it with a rail system that led out to London and the ports. We have existed for the benefit of others rather than ourselves. The rail and road systems in Wales are symbols of this. Big towns and cities have inadequate transport links, and are in fact worse served than they were 100 years ago.

Wales is rich in water, and yet the people of Wales have no control over what their water costs, how it is used or where it is taken. It is plugged in to both the UK and the world economy, yet the Assembly has no powers for granting energy generation consents larger than 50 megawatts, which means it has no jurisdiction over the country’s biggest carbon emitters, and thus no ability to benefit from large-scale renewable energy projects. Plaid Cymru is committed to changing this.

The current levels of poverty in Wales are part of an ongoing story of UK-wide inequality that shows no sign of abating. The Prime Minister tells us that “we’re all in this together”. But Wales is more “in it” with people in the north of England and Scotland, who are paying the price for having given their all to a British state that repays them with dependency status and lectures from old Etonians.

Plaid Cymru realises that models for the sort of country we want to be will not to be found in Westminster; we reject the parochialism of “London knows best”. Wales’s problems are not unique, but it is the Welsh people who must take charge of resolving them. The fundamental reason Wales is suffering is that its people have not been in control of its future.

Having suggested that “nobody” spoke for Wales, Raymond Williams went on to say that this was “both the problem and the encouragement. Encouragement because the most valuable emphasis in Welsh culture is that everybody should speak and have a right to speak: an idea of equal standing and participating democracy which was there in the experience before it became the theory. Problem because Wales has suffered and is suffering acute, economic, political and cultural strains, and by the fact of history has to try to resolve them in a world of crude power relationships and distant parliaments.”

Plaid Cymru is the party that challenges those power relationships and has argued consistently that decision-makers in distant parliaments be made accountable to people in their communities. Plaid Cymru must speak for Wales. If we don’t, then no-one will.

Leanne Wood is leader of Plaid Cymru
The myths and potential of social justice in Scotland

Gerry Hassan

Modern Scotland is defined by the narrative of difference, by the belief and sense that we are unique—more progressive, enlightened and inclusive than the rest of the UK, meaning, England. One way this is articulated is in the notion that Scotland is a political community with a commitment to the ideas of social justice and egalitarian values: in short, this is a social justice nation.

The narrative of difference has arguments for and arguments against it. The divergence case can point to the huge chasm between the Conservative vote in Scotland and England, and the gap between the Labour or Tory lead in both countries, which reached a record difference in the 2010 UK election (a 25.3 per cent Labour lead in Scotland and an 11.5 per cent Tory lead in England producing a two nations gap of 36.8 per cent).

Then there are the social policy divergences. A very marked and illuminating set of responses north and south of the border was recorded in an Ipsos-MORI survey carried out in May 2013 which showed that 58 per cent of Scots believe that public bodies produce more professional and reliable public services, as against versus 19 per cent who choose the private sector; in England and Wales the figures are 30 per cent for the public sector and 29 per cent for the private sector. Fifty per cent of Scots believe that the public sector provides better value for money, compared to 17 per cent who think the private sector does; in England and Wales, the figures are 27 per cent private and 25 per cent public sector.

One counter to this story is provided by the Scottish Social Attitudes Surveys which found that Scotland is only marginally more left-wing than England: 78 per cent of Scots, compared to 74 per cent of English voters, said that the gap between high and low incomes was too large; yet 43 per cent of Scots support governments adopting redistributive policies versus 34 per cent in England. The account that stresses difference has become the “official story” of modern Scotland, while the anti-divergent view is the prevalent academic account. There are elements of truth in both. Scotland is clearly distinct—in its politics, culture and institutions, in how it talks about itself and the world. On the other hand, it shares a set of common values and histories with England and the rest of the UK. So rather than pose this debate in simplistic terms, as both sides of this argument have done, we have to see Scotland (and indeed the UK) in more complex, nuanced shades.

The other dimension of this debate is the reference to “social justice Scotland”, the view that this is a more equal, fairer and inclusive place than the rest of the UK, both in terms of public policy and outcomes. Often cited is the Scottish articulation of a social democratic settlement through free higher education and free care for the elderly. There is also an assumption that Scottish society is less disfigured by inequality than the rest of the UK.

In terms of inequality, Scotland isn’t that different from the rest of the UK. The gap between the wealthiest ten per cent of households compared to the poorest ten per cent of households is 1:93.4 in Scotland, compared to 1:95.8 in England and 1:89.5 in Wales (the difference between Scotland and England being entirely explained by the presence of London). Oxfam Scotland’s recent report, “Our Economy”, offered a similar picture.

Social justice nation: limits and opportunities

Much of the social justice debate, particularly in relation to the independence referendum, takes place in an intellectual vacuum. A revealing example of this came during a Newsnight Scotland broadcast in May 2013, featuring the Scottish Nationalist MSP Kenny Gibson and the Labour MSP Ken Macintosh. When Gibson was asked what social justice policies independence would make possible, he replied with the abolition of the bedroom tax. Invited to offer his own prospectus, Macintosh didn’t mention any specific policy. The best two MSPs could come up with was a return to the status quo that had obtained in one area before April 2013.

Lest this be considered an isolated case, a similar example was provided by a Newsnight Scotland special on the future of welfare and pensions broadcast in September 2013, featuring Labour MSP Jackie Baillie, Jamie Hepburn of the SNP and the Tory MSP Alex Johnstone. In an exchange between Baillie and Hepburn following a question about a “fairer welfare stat”, Baillie could only offer the abolition of the bedroom tax, to which Hepburn added the restoration of direct payments of housing benefits. Johnstone, meanwhile, offered no suggestions at all—just more of the same. This led a member of the audience to observe: “Everyone has been excellent at telling us what they wouldn’t do. We won’t have the bedroom tax, we will go backwards. No one has been very good at giving us solutions. We want to know what you would do. You have the opportunity for some brave new ideas. What would you do differently?”

This lack of detail and imagination points to a deep complacency: a notion that Scotland is a land of social justice because, in a few select areas we have chosen to protect and extend universalism. What this debate fails to examine is the consequences of our decisions on tuition fees and care for the elderly, and the distributional consequences of other choices we have made. It is far easier just to use these as totems of Scottish distinctiveness.

In the course of researching this essay, I asked a dozen experts, practitioners and academics in this area (most but not all based in Scotland), what their three policy suggestions...
for advancing social justice would be. All the respondents were promised anonymity. Among the interesting findings are a number of detailed, radical suggestions of the kind that is missing from current political debate. What follows are some of the main themes and points to have emerged from their responses.

First is the question of power—identifying who has it and why, what their claims are and establishing whether it is exclusionary in practice and intent. Second is the limited nature of democracy and the centralisation that goes hand in hand with the collusion of government and public institutions with inequality. One person commented: “We need to take democracy seriously. It is no coincidence at all that Scotland is both one of the most centralised states in the developed world and also one of the most unequal states in the developed world. Governance by professionals is stripping the nation.”

Another related reply ran: “Rethink the city. Empower communities. Give them charge of planning, provide speedy powers of compulsory purchase and designate the land round cities as zoned for community food enterprises, recreation and leisure.”

Third, there was an awareness that public finances have become a mess and that the absence of proper land taxes has led to successive housing bubbles. “We need to sort out tax,” said one respondent. “There is no problem with public services. There is a problem with public finances. The efficient distribution of resources through the economy that tax generates is key to making everyone richer.”

Another suggested a “land value tax to end land speculation, asset inflation, housing bubbles, bring underused and vacant land into productive use and liberate the unproductive capital tied up in land values for investment.”

Fourth, early years support is needed, but rather than being a fashionable panacea, it has to be part of a whole-life education policy. This has to address some sacred cows such as re-organising teaching to tackle literacy, and the issue of educational apartheid: “Universal childcare, free at the point of use. This would promote greater gender equality in the workplace and effectively recognise the claim that childcare (more specifically the childcare sector) is part of Scotland’s infrastructure.”

“Abolish illiteracy,” said another. “Far too many Scottish kids leave school being unable to read, which blights their entire lives from the basics of being unable to read a bus timetable to important things like acquiring skills which inevitably involves reading something. It can be done and does not involve huge sums of money or paying teachers vast amounts.”

Fifth, there was agreement that the culture of governance is critical: “The rate and direction of economic development in Scotland affects all our citizens. Yet the boards of economic development institutions reflect but a narrow strata—private sector, financial and business services—of economic activity. Government policy is unduly influenced by myopic employer representative groups.”

Sixth, the corollary of the argument that social justice cannot just be about the state is that it cannot be done without government’s active support and advocacy. One respondent stated that the “Over-arching ambition of Scottish government [should be] to reduce the gap between rich and poor—all policies should be proofed for this.” Public services and the private sector continually fail the poorest in society. Another commented: “Drive down the costs of services especially for low income households—access to cheaper credit, fairer energy tariffs”.

Finally, there was an understanding that social justice isn’t just about welfare policy, but also about political economy. “No businesses are welcome in Scotland unless they contribute to the common good,” wrote one respondent. “Robustly, not just superficially. So beyond Amazon, jobs of true quality work in sustainable industries that pro-actively support local communities.”

Learning from New Labour
This brings us to the sensitive subject of New Labour and learning the lessons of its successes and failures. A recent LSE survey of social policy over the period 1997-2007 showed that the familiar view that nothing substantial changed under the Labour government, and that public spending wasn’t used effectively, is fundamentally mistaken. However, the failures of the period also have to be acknowledged. It is now clear, for example, that redistribution cannot be done by stealth. Gordon Brown’s approach of avoiding headline income tax rate rises (and cutting corporation tax) boxed Labour in. It was political cowardice and part of a calculation not to offend “Daily Mail England”.

It is also clear that a politics of social justice needs advocacy, leadership and ownership. Central to the New Labour project was the idea that “middle England” was resistant to progressive politics and couldn’t be persuaded otherwise. This was based on deep misgivings about the state of public opinion, which sometimes shaded into a belief that Britain was a conservative country.

Then there was the question of what New Labour saw as permissible in pursuit of social justice. This wasn’t about taking on the institutions of power and privilege or tackling the anti-social behaviour of the new ruling class; instead New Labour welfarist agenda focused on the behaviour and habits of the most vulnerable, stigmatising millions of people as members of an “underclass”. When Tony Blair, in 1998, railed against “the forces of conservatism” holding the country back, he didn’t mean the new forces of money, wealth and self-interest; he had the labour movement in mind—hardly an attitude that was conducive to a social justice agenda.

After the New Labour era, progressive English opinion seems to have retreated, understandably, into an anxiety that occasionally spills over into fatalism and pessimism. There is an acquiescence with social conservatism and confusion on the “national questions” facing the UK, particularly about the Scottish debate. An example of the latter was the Labour commentator Anthony Painter’s comparison of the results of the 2011 Scottish Parliament elections with the victory of George Galloway in the Bradford West by-election the following year. He described both as “disastrous electoral results for the left”.

People need to see themselves in a politics of social justice, and that can be very difficult as the words and concepts behind it mean different things to different people. Look at the way politicians fall over the word “fairness”, a term weaker and more ambiguous than “social justice”. Liberal Democrat members of the coalition government often use the word in order to differentiate themselves from the Tories.

“Social justice” is an abstract concept and, as such, requires fleshing out if it is to make sense to individuals. There is a growing chasm in the increasingly individualised societies of the west between how we live our lives and the wider sense we make of society, politics and public life. This is the difference between our own individual stories and collective ones. There is a growing disconnection between the two
which undermines the progressive agenda.

The language and politics of social justice need to be re-examined. This shouldn’t be surprising. The left in the UK has endured thirty years of retreat and defeat. An anti-cuts, anti-privatisation politics isn’t enough any longer. It has been tried at various points since the early 1980s, but with diminishing returns.

Some on the left today see the burgeoning debate on inequality as proof that a new dispensation is emerging, but beyond the small constituency reading The Spirit Level or the work of Danny Dorling, there remain huge challenges. “Inequality”, like “social justice”, is an abstract term which means different things to different people. The implications of inequality do not make it any simpler to develop a popular politics which addresses this.

One of the most important questions here is that of agency, the vessels that people can call their own. The retreat of traditional collective vehicles of change, such as political parties, trade unions and churches, has turned politics into a minority pursuit for the political classes and their assorted hangers-on. This isn’t conducive to any politics that seeks to challenge vested interests and the status quo. There is a direct link between the rise of inequality, the closed shop of political elites and the narrowing of political debate.

The question of vessels, then, is key. The old methods are in retreat or, in the case of political parties, have become advocates for the new social order. Their replacements will be entities which people create, inhabit and own, and which are not an extended part of the state or the business sector. They will draw from the best that progressives have achieved in Britain.

Examples of this already exist, such as London Citizens, which moved from grassroots activism to exercising serious political influence. Unfortunately, a survey of the Scottish political scene in general and the independence debate in particular reveals widespread atrophy and disconnection, though more thoughtful and illuminating debates are taking place in certain small niches and micro-cultures.

**Two establishments and the third Scotland**

Behind the two competing establishments in Scotland—the old Labour one and the new SNP one—there is another embryonic political constituency, a “third Scotland” which is inspired more by visions of self-government and self-determination than the constitutional formalities of independence or enduring Union. This “third Scotland” can be discerned in groups such as the Radical Independence Conference, the National Collective and the Jimmy Reid Foundation. It has a significant generational pull on people in their twenties, but given the weight of the two establishments, and the nature of the media and political culture in Scotland, it remains relatively weak.

For too many, Scottish politics is just about parties, politicians and institutions. Two personal anecdotes illustrate this limited outlook. Some time before 2007, when Labour still saw itself as the natural party of government north of the border, a Scottish Labour minister said to me after I had published a book looking at the future of Scotland through the idea of stories: “I liked it when you wrote your Fabian Society pamphlets and you didn’t do this story stuff.” Move forward a few years, past the watershed of 2007 and the SNP coming to office—a Nationalist cabinet minister proposed to me that all independence requires is “the extension of the Scotland Act 1998” to cover all aspects of domestic policy.

These two exchanges demonstrate the narrow frame of reference within which most the Scottish political class operates. Two points flow from this. First, most of this class is closed to anything more creative and imaginative than the traditional policy recipes. Second, there is a very limited notion of what independence might mean. For many, independence is not in any sense about far-reaching, fundamental change. Attention is focused on “the full powers of the Parliament” and on change which is seamless, without any upheaval, and certainly no rupture. There is no notion of wider cultural or social change. In short, independence is presented as the continuation of the status quo in Scotland.

This mindset is the product of the managed, ordered society born in the late Victorian period with the expansion of public administration and government and the establishment of a plethora of committees of the great and the good, drawn from a tiny spectrum of elite opinion. As the state increased in size and status in the 1920s and 1930s, and again after the Second World War, this group was handily positioned to become the enlightened guardians of the people, deciding what was in their best interests.

Writing in 1953, Naomi Mitchinson caught the tenor of public life in Scotland very well: “It seems to me that you are bound to assume that a self-governing Scotland is going to be immediately morally better, and I don’t see it unless there has also been a revolution. I can’t see how the people who are likely to govern Scotland under any democratic system are going to be any different from the undoubted Scots who are in positions of local power.”

What is revealing is how ambiguous yet potent this remark is. Is Mitchinson making an anti-independence or a pro-independence observation? Or is she making a comment which transcends such binaries and addresses the need for radical change and democratisation? In fact, what she is saying could have come straight from the prospectus of the “third Scotland”.

I want to conclude by addressing the wider implications of the Scottish debate as it is currently constituted. Given that the majority of Scots do not want to live in a conservative Britain—by which I mean the continuation of the prevailing dynamics and trends of the UK at an economic, social, cultural and political level—this leaves us with three possible futures.

First, is the future of what we could call “progressive Britain”. This is associated with the Labour vision of Britain, but not exclusively so. If it is to have continued traction and appeal north of the border, its advocates have to explain how it will be realised bearing in mind the realities of modern Britain.

Second, there is continuity, conservative Scotland. This was once the position of Scottish Labour, but seems to have become the vision of the SNP leadership. It suggests that independence is the best guarantee of ensuring the continued existence of the established order of Scottish society. This approach is about minimising the risk and uncertainty involved in independence, but it invites the question why people would embrace upheaval if there were to be little prospect of change.

Finally there is the prospect of the “third Scotland”. This puts social change in the vanguard of constitutional transformation. It has to answer how, given its weak institutional voice, it can overcome the entrenched interests of conservative Scotland and the adherents of the first two propositions.

The idea of a progressive Britain looks less and less likely in the short to medium term. Continuity Scotland looks like the position of “middle Scotland” and the new and old es-
Almost thirty years ago, Bernard Crick wrote a Fabian Society pamphlet called *Socialist Values and Time* in which he explored how to nurture and advance progressive values. He argued that much of what passed for radical politics was unreflective and based on a kind of instant gratification culture of the left. Previous generations used to talk about achieving socialism “in the lifetime of the next Labour government” or “fundamental and irreversible shifts in power”, as if this could be enacted by sheer human will power and wish-fulfillment.

Instead, Crick argued that progressives needed to “campaign on three different levels”. These were: “(i) short-term tactical reforms within the system to build a basis of popular confidence for advance; (ii) middle-term strategies to change the system; and (iii) long-term persuasion to work a new system in a new spirit.” He concluded with this observation: “These levels do not contradict, they complement each other so long as the distinctions about time are clear.”

It follows that a new language of politics has to start from the recognition that social change is different not only from the old top-down ways, but also from the base determinism of much of the left and the new right. We have to invent a culture and practice which is less hectoring and judgmental, and which instead is comfortable with fun, humour and play. We need to create a more varied typology of political activism involving campaigners, practitioners, creative producers, ideas entrepreneurs, advocates and nurturers of change.

What we definitely do not need are interpreters of the third Scotland” is almost entirely but not exclusively pro-independence, and insists that what matters most is radical economic and social change—which is seen as more important than independence in many accounts, but also enhanced by it.

As a progressive Britain is off the agenda for the foreseeable future, the debate will be between continuity, conservative Scotland, on the one hand, and the “third Scotland” on the other. The former shapes the parameters of mainstream politics, while the latter is institutionally weak and will struggle to have an impact in the short to medium term.

**After Fabian grand design Britain (and Scotland)**

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How to build a new welfare society

Neal Lawson

Many books have been written on the subject of poverty and I cannot possibly do them all justice. I want to pick out two that have been important to me and then examine what they say about what needs to be done to build a more equal society.

They are *Left and Right: The Significance of a Political Distinction* by the Italian theorist Norberto Bobbio and *Work, Consumerism and the New Poor* by the Polish sociologist Zygmunt Bauman. I've picked them not just because they made a lasting intellectual impact on me in terms of how I think about poverty—which they did—but because I read them at a profoundly important moment in my uneven political development. I read them in 1998, a year in which I became increasingly concerned by the direction New Labour was taking both the party and the country. I had spent all my active political life up until that point believing that the election of a Labour government was essential to help the poor. I have spent all my active political life since becoming less sure that that is the case!

I had been a member of the Labour Party through years of heavy student and factional activism in the 1980s and was always on the left of the party (albeit the soft-left). But after the gut wrenching loss in the 1992 general election, I, along with many others, effectively moved rightwards. This wasn't intentional, but winning became everything and in the search for "power at almost any cost" corners were cut and things were forgotten that shouldn't have been. Like the slow boiling frog, I wasn't aware of what was happening to me. Though that isn't an excuse. These two books woke me from my vote-grabbing torpor and reminded me why I had wanted to win in the first place.

Bobbio reminded me that there is a right and left in politics and always will be. The left, at any one moment, wants more equality than is presently the case. The right resists such a move because it is defined by the belief that society is either equal enough already or should be less so. There are other important political distinctions—not least that between authoritarianism and liberalism—but Bobbio re-grounded me. As long as you want a more equal society, you remain on the left. Because of Bobbio, I found my feet on the left again.

I then went on to Bauman (and have never stopped reading every word of his I can). Now the scales really started falling from my eyes. Bauman's book is a history of modern poverty. It recounts the story of the enclosures and the shift from the land to the factories and the rise of what he calls the "producer society". This was the age in which society was reproduced through work and labour—we understood ourselves, others and the world around us primarily through the prism of work. The culture, structures and relations of society were predominantly those of work. Poverty in this era was defined as the failure to produce. But while this was an age of exploitation, it was also an age of solidarity. The creation of a working class led to an industrial and political movement that could bargain for a better deal. And although the relationship between capital and labour was based on exploitation, and therefore much suffering and misery, at least workers were a class unto themselves—they shared the same lives, neighbourhoods and cultures. They had each other. And although they suffered from bouts of unemployment they tended to be kept sufficiently fit and healthy to be ready either for war or an up-turn in the economy.

Bauman then goes on to explain the shift to the consumer society in which we know ourselves not by what we make or do, but by what we buy. Today it is through the culture, practice and operation of consumption that society reproduces itself. Shopping is not all we do, but it is the predominant cultural mode in contemporary society. This has had an impact on poverty in ways we are only just beginning to understand.

Today's poor are failed consumers and their plight is in many ways worse than the poor of the past. This is because they are not part of a class, they are not needed for war or employment and have nothing to hope for other than to become like the celebrities they worship. They have no value, no hope of salvation, no enemy to overthrow and nothing to do except face a life of failed consumption in a world dominated by shopping. Their only role is to be "othered", ridiculed, despised and feared so as to keep the rest of us on the treadmill of never-ending "successful" consumption. They are a warning of what happens if you don't buy things you didn't want, with money you don't have, to impress people you don't care about.

The good life now is not anything public, rather it is a private world in which enough is never enough. If you are a successful shopper, that is down to your own abilities and hard work. Those who fail do so because they are lazy and indolent. Successful consumers might feel like kings or queens of their own lives, but the reality that Bauman describes is more akin to life in *The Matrix*, where human beings exist solely to service a machine over which they have no control.

The consumer-industrial complex of designers, marketers, psychologists, advertisers and retailers swamp us with every more sophisticated designs and techniques to keep us on the treadmill. What matters is our place in the consumption pecking order relative to others. Enough is never enough. Through the process of privatisation and individualisation the cultural, emotional and even physical space in which to be a citizen, and not just a consumer, is closed down. This is a war of all against all.
Finally, Bauman tells us that the second great shift of our era—on top of the move from the producer society to a consumer one, though allied to it—is the separation of power from politics and politics from power. Corporate power went global with the ability to ship capital, investment and production to where taxes were low and regulations were lax. Politics, meanwhile, remained stubbornly local. Corporate blackmail now trumps democracy. If governments don’t do as companies say, they will relocate to more compliant states. “If we are capable of compassion yet at the same time powerless, then we live in a state of irritability,” wrote the Polish activist Slawomir Sierakowski recently, summing up the times succinctly. Humanity, in other words, has created the conditions in which we cannot be human.

The lessons to be drawn from Bobbio and Bauman’s books can be summarised as follows:

1. There is still a difference between left and right and where you stand depends on whether or not you believe society should be more equal.
2. Poverty today is based around the concept of the failed consumer which drastically constrains the scope for action to redistribute power, income and wealth.
3. Power and politics have been separated in a way that restricts the ability of governments to make corporations accountable to society.

So, in the words of Lenin, “what is to be done?”

A better vision

The starting point is to recommit ourselves to being “on the left” through the belief in greater equality. This isn’t a matter of saying we are on the left—after all, Thatcher never, or rarely, said she was on the right—but it does mean being committed to a more equal society. Why? Because we have a profound and unbending belief in our shared humanity. We acknowledge our shared hopes and fears, such that when we look into someone else’s eyes, we do not see an “other” but simply a reflection of ourselves. This belief in equality is not a belief in sameness, but in variety and diversity. We believe that everyone is born different but that we share an equal right to make the most of our uniqueness. This means, in turn, that we believe that those who suffer from sheer brute bad luck, who, through no fault of their own, were born less healthy, strong, fast or intelligent than others, need extra help to ensure their equality alongside their fellow human beings. When misfortune strikes—ill health, loss of work and so on—then society needs to intervene to help people. We really are all in it together.

From this insight we need to move to a better vision of the good life and the good society than that offered by consumer capitalism. The great trick of consumerism is to entrap us in a world of seduction, a never-ending steam of goods and services we think we desire. Products are built to become obsolete over a much shorter duration so that we keep going back for more. The problem is that the space in which alternatives to consumerism might flourish is being squeezed. It isn’t that a better life doesn’t feel urgently desirable to most of us, but that nothing better seems feasible now that power has escaped democratic control. The onslaught of consumer culture is such that it simply doesn’t feel as if there is any way out of this.

Better organisation

The answer, therefore, lies not just in a better vision of the good life and the good society, and not just policies and polling, but in a theory and practice of change that will give us the confidence that we can indeed move from where we are to where we want to be.

And that theory of change—about how to shift from one paradigm to the next—must complement the vision; there cannot be any separation of ends and means. So if the vision of the good society is one in which people are empowered to create a more equal and sustainable world, then they must be equally empowered on the journey towards that world. Democratic equality is what we fight with and what we fight for.

The problem of conventional party politics is not just that it has been intellectually hollowed out, but that, organisationally, it has moved towards a command-and-control model of change. While political parties remain necessary for aggregating popular demands and directing the state, in a world in which power has gone up to the global level, parliamentary majorities on their own can’t deliver lasting change.

Poverty endures not just because there is a Conservative-led government, although that helps. Poverty persists because neo-liberals have at their disposal a whole array of vehicles to entrench their political position, intellectually and culturally: academics, think tanks, pressure groups, newspapers, TV and radio stations, employer organisations, the consumer industry and so on.

Progressive politics was strong when two countervailing forces—the existence of an industrial working class and the Soviet Union—helped to tame capitalism in the postwar years and so to underpin a new settlement that delivered unprecedented levels of equality in this country. The fear of real revolution was as palpable as the bargaining strength of the unions was irresistible. As trade union power declined and the Soviet Union unravelled, neo-liberalism seized the agenda and has dominated it ever since—and it continues to do so even after the financial crash of 2008.

So the fight for poverty today requires a new set of countervailing ideas and forces strong enough to bring capital back to the table to negotiate a more just social settlement. Those ideas cannot just be a rehash of the post-war demands for social security and full employment, as important as those things were and indeed are. Instead, the promise has to be for a level of human freedom and well-being that can only be delivered collectively through diverse participatory structures—not just the old forms of statism.

Such countervailing forces are produced by shifting and unlikely alliances that are constantly negotiated and renegotiated in the pursuit of a good society. No single party or organisation can bring about genuine change on its own. Instead, alliances of egalitarians, environmentalists, democrats, civil libertarians, trade unionists, localists, feminists, and social entrepreneurs are going to have to search for common ground. Such alliances will have to operate at multiple levels—locally, regionally, national and internationally—if power and politics are to be reconnected.

This is a tall order, to be sure, but it is the only way to operate in a complex peer-to-peer world driven by social media and flat structures.

A new poverty narrative

A new welfare society, in which the state plays a crucial, but not dominant role, will require the establishment of a new national consensus, indeed a new national mood. This will be based on an understanding that there is a deep-seated problem that affects the vast majority of us and will require that majority to find a shared solution. The pervasive national mood of insecurity, fragility and anxiety is the dark emo-
tion that grips society and which has, somehow, to be lifted. It is a mood that is shared across the nation and could form the basis for a new settlement for the welfare state.

Before the crash of 2008, when, economically, things felt healthy, Compass, the organisation that I chair, coined the term “social recession”. It referred to the sense that, despite economic growth, something wasn’t quite right with society, that somehow the quality of our lives didn’t match up to the quantity of things we were busily consuming. Despite unparalleled wealth, life for many felt fragile, empty and unsustainable.

Our instinct was correct. The economic crisis, and the austerity measures that followed, entrenched financially what had previously gone wrong socially and culturally. Today we caught in a pincer movement of job and wage insecurity compounded by welfare insecurity. In the past, when work followed tight economic cycles, you were unlikely to be randomly unemployed and if you were unlucky enough to lose your job, you could expect to be reasonably looked after by the state. Today you are much more likely to lose your job and the only certainty is that there will be a minimal welfare state there to support you when it happens. It is the precariousness of economic activity, allied to the never-ending demands of the consumer society, that defines so many people’s lives today.

Insecurity isn’t only economic, however; it is also social, cultural, commercial and environmental. Growing class, gender and racial inequalities exacerbate it. Nothing is permanent and little can be relied on. The crisis of insecurity is multi-dimensional:

- Outsourcing, downsizing, takeovers, restructuring, the decline of professionalism and zero-hours contracts have transformed the culture of work.
- Pay has been flat-lining since 2003 for all but those at the very top.
- There is a severe squeeze on family and leisure time as we try to “keep up” on the learn-to-earn-to-spend treadmill.
- Pensions are under severe strain in both the private and public sectors.
- There is a severe shortage of affordable housing and homelessness is on the rise again. Another asset boom means another crash is inevitable.
- Debt has risen to record levels—the UK has one of the highest household debt to GDP ratios in the world.
- There is a growing reliance on the largesse of charities such as food banks.
- In education, there is a tyranny of choice as parents scramble to get their children in to the right nursery, primary school, secondary school and university, with all the additional costs involved—a house in the right catchment area, fees if you can afford them, private tutors and so on.
- Immigration has become neuralgic once again, with concerns over identity, loss of community and pressures on overstretched services, housing stock and wages.
- Climate change prompts the fear that we are living lifestyles that require more than the one planet we have.
- Despite the near-death experience undergone by the global financial system in 2008, banks are still too big to fail and derivatives continue to be traded at multiple levels of GDP.
- Emerging risks such as cyber crime, terrorism, energy and food shortages compound the sense of insecurity.

Societies have always faced deep crises but the mood today is aggravated by the concern that little can be done—that in the face of all this we are powerless to act. The separation of power from politics leaves us feeling that insecurity is permanent. The focus is on the individual and what they can do to save themselves. We must work harder, retrain and try to insure ourselves against forces beyond our control. But there are no individual solutions to socially created problems, of course—hence the crisis.

Those who can’t keep up are both denounced for their weakness and used to reinforce the existing tight rules of the game. Those in poverty are denigrated and humiliated to such an extent that they play a defining role in keeping everyone else on the straight and narrow of perpetual insecurity—for fear of becoming poor. So we end up in a situation where the state exists for those who don’t deserve it. The state, which should be there to help the poor, is increasingly used to punish them.

Trust, a good proxy for security, is shrinking: only 35 per cent of people in the UK trust others, compared to the over 70 per cent of Swedes who trust their fellow citizens. Generalized Anxiety Disorder (GAD), otherwise known as chronic worrying, has become a recognised medical term. The knot tightens further.

Building a welfare society on the basis of national security

An age of insecurity hits different social groups in different ways. The poorest get hit first and hardest. But what is distinctive about this era is that everyone feels insecure—it is a shared emotion and, as such, a potential point of empathy and common ground between different social classes. Insecurity is universal. The white-collar worker spends more time in the office because of the fear of losing his or her job or not getting that “essential” promotion and with it a pay rise. Meanwhile, the cleaner in the same office is working three shifts a day just to make ends meet. Both feel vulnerable. Neither sees much of their partners and neither has time to read their child a bedtime story. Guilt and anxiety grow inexorably. Insecurity may find different expressions, but the roots are the same.

By understanding the extent and scope of this insecurity and projecting it onto the decision-making system, more broadly-based support could be built for the recognition that socially created anxiety cannot be met effectively by the individual search for security. This is an issue for responsible business leaders just as it is for compassionate Conservatives. It is about family and place as much as it’s about corporate responsibility. The idea of insecurity and the related notion of social security (security offered by society rather than the state, or at least the old lumbering, remote state) may provide the basis for the emergence of the countervailing forces necessary to the building of a better society. These won’t be the class-based forces of the past, although workers and trade unions have a key role to play. They will be shifting alliances of forces that share common ground but don’t and can’t agree on everything.

Karl Marx under-estimated the ability of capitalism to re-invent itself culturally and over-estimated the potential of the working class. But he was surely correct when he said that between two rights force decides.

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Do as you would be done by: poverty and disability

Jenny Morris

When I was growing up, in the 1950s and 1960s, my mother always told me to “Do as you would be done by”. She had no particular religious or philosophical reason for saying this; it was just that, to her, it was an important rule to live by. In thinking about what a positive vision of a low-poverty future would mean for disabled people, I’ve been reminded of this important value.

Disability is not a minority experience—most families will be affected by impairment and/or long-term ill-health at some point in their life cycle. On one level, poverty means the same for disabled people as it does for everyone. Money isn’t everything, but having enough is a passport to a chance of enjoying life. There are, however, particular ways in which disabled people experience, and are at risk of, poverty, and these have implications for what a vision of “an end to poverty” would look like.

Create a level playing field for those whose personal circumstances put them at risk of social and economic disadvantage and exclusion

For disabled people an end to poverty means an end to the poverty of opportunity created by the experiences of segregation and exclusion. Unequal access—to a home, to a private and family life, to our communities—creates a poverty of experience which can amount to a denial of basic human rights.

An end to poverty for disabled people therefore means a society which uses its resources to create and maintain an infrastructure that enables disabled people’s housing, transport and assistance needs to be met. It means creating and sustaining education and employment opportunities. More than that, it means changing attitudes about the kinds of lives we can reasonably expect people to live. An end to poverty for disabled people means an end to the social barriers which create a poverty of experience.

Poverty is about more than not having enough money: it is about being excluded. It is about not being valued for who you are, feeling that you don’t belong and have no place in society. When young disabled people were asked what social exclusion meant to them, not having enough money was not the first thing they talked about. Instead they talked about not being listened to, having no friends and finding it difficult to do the kinds of things non-disabled young people do, such as shopping, clubbing and going to the cinema. They also talked about being made to feel they have no contribution to make and feeling unsafe, about being harassed and bullied.

An end to poverty for disabled people would therefore mean a society which did not put barriers in the way of some people being included. Such barriers are not only the obvious ones—like a failure to change teaching practices so that all children can be included, or the hateful attitudes which can result in verbal and physical abuse against disabled children and adults. There are also the more subtle barriers to participation which flow from the perception that the behaviour and appearance of some children and adults do not “fit in” with what is considered “normal”.

If disabled people don’t have positive rights to assistance, opportunities will always be granted at the discretion of others. Independent living—as defined and campaigned for by the disabled people’s movement—is not an optional extra. It is about promoting and protecting people’s human rights. Ending poverty for disabled people entails the full realisation of the right to independent living contained in Article 19 of the United Nations Convention on the Rights of Persons with Disabilities. This places an obligation on states to take measures to ensure that disabled people enjoy an equal right to live in the community, with the same choices as others. Independent living is not only about having choice and control over the assistance needed; it is more fundamentally about the “freedom for a person to interact with and within their community on equal terms”.

Treat independent living as an investment not only in individuals but in the kind of society we all live in

Resources spent on independent living are an investment in the potential of individuals who need additional support in order to experience a level playing field.

There have been times when such public expenditure was seen as making a contribution to the economy as well as to individuals’ well-being. Mobility Allowance rates were rapidly increased soon after its introduction in the mid-1970s, partly to enable the payments to be enough for the new car leasing scheme, Motability, launched in 1978. The organisation also received government grants towards the cost of administration and to subsidise expensive adaptations.

At a time of significant economic crisis and large reductions in public expenditure, there was all-party support for, not only increasing the amount spent on disability benefits but also for introducing a scheme which resulted in many thousands of disabled people having access to a car. In retrospect, we can see what a wise decision this was. Not only did this benefit disabled people, it also benefited the wider economy.

By 2009, Motability was estimated to support 21,080 jobs, to contribute £2bn to the UK’s GDP and generate £468m in tax receipts every year. It accounts for 10 per cent of new cars and 2.5 per cent of used cars sold every year.

In the current economic climate, however, the government is taking an approach which, far from generating demand in the economy and protecting the living standards of
disabled people, is reducing the numbers who are helped with additional costs and in particular who can have access to a car.

An economic case such as this can be made for independent living, but it is the moral case which is the stronger. Do you want to live in a society in which if, tomorrow, you became unable to earn your living you are not able to heat your house or feed your family? Do you want to live in a society where, if you have a child with a learning disability, you cannot visit your local park or museum because of other people’s attitudes? Do you want to live in a society in which, in the early stages of dementia, you cannot use the bus because the driver will assume you are drunk rather than offer you the information and assistance you need to get off at the right stop?

Don’t treat poverty as the result of individual failings

Most social policy aimed at alleviating or preventing poverty makes implicit or explicit judgements about individual behaviour and motivation. These judgements are made about the supposed causes of the circumstances in which people find themselves with the inference being some have just not tried hard enough to avoid or pull themselves out of poverty. For example, current policies aimed at reducing expenditure on housing benefit blame the individuals in receipt of this subsidy—for “over-occupying”—rather than the shortage of housing, high rents and low wages. Households with at least one disabled member make up the majority of people affected by the “bedroom tax”, a policy which is intended to halt the increase in expenditure on housing benefit by encouraging people to move to smaller properties. Yet most of those affected by the bedroom tax are finding there is nowhere for them to move to and therefore face increasing rent arrears and hardship as they struggle to pay for food and other bills.

It is not the behaviour of individual tenants which has created an increase in rent subsidies, but the failure to invest in affordable housing and the massive sell-off of social housing since the 1980s. An end to poverty would mean jettisoning policies which, instead of addressing such structural issues, actually create poverty and hardship.

Current attitudes towards state benefits are also heavily influenced by the “less eligibility” principle—the concern of politicians and pundits since the era of the Poor Law that if it is possible to be better off out of work then the working classes would believe their name. Recent welfare reforms are designed to “make work pay”, one consequence being that many disabled children will experience a reduction in benefit levels as they transition into adulthood.

Such an approach will fail to prevent poverty for many. It will fail disabled people for two reasons. Firstly because it assumes that jobs are available and that all that is lacking is individuals with sufficient motivation to seek them. This goes against the evidence that disabled people face barriers to employment which are beyond their control—at every level of qualification a disabled person is much more likely than a non-disabled person to be lacking work, even if he or she wants it.

The second reason is that it is the lowest paid jobs which are often the only ones open to disabled people and, in the absence of a living wage, it is inevitable that the principle of “less eligibility” will mean a benefit system which fails to provide households with enough of an income to prevent them falling into poverty.

So an end to poverty would mean an end to the assumption that the benefit system can be used to coerce people into being economically “independent”. This would also mean replacing the negative concept of “welfare dependency” with a recognition of the social good of being able to rely on society to make provision for those who, for whatever reason, are not able to earn sufficient income—a sign that we have chosen to use redistributive taxation to create a level playing field for those who would otherwise experience significant disadvantages.

Address the factors which create and exacerbate impairment and ill health

There is a two-way relationship between poverty and disability. Disabled people are more likely to be poor but poverty itself creates and exacerbates impairment and ill health. For example, children who grow up in poverty are more likely to acquire a long-term disabling condition by the time they reach adulthood. An end to poverty would mean responding to such evidence and, for example, recognising that most children in poverty have at least one parent in work.

Current policies emphasise that unemployment is bad for health, and that, conversely, work must be good for you. But while unemployment is undoubtedly correlated with poor health, evidence-based policies would also recognise that working conditions can create, or exacerbate, poor health and impairment and that good employment, by contrast, is protective of good health.

In order to end poverty for disabled people we need to respond to such evidence and intervene to prevent global economic forces from pushing down wages, creating poor working conditions and insecure employment.

An end to poverty means recognising that decent working conditions are in all our interests and that when workers do not have effective means of representing their interests (such as trade unions) we are at risk of creating workplace environments which are bad for health. An end to poverty means placing the creation and protection of “good employment” at the heart of government policy, as recommended by the World Health Organisation.

This also requires that we develop and implement policies for a minimum income for “healthy living”, whether this is delivered through paid employment or through support funded out of taxation (or a combination of both). Without such a basic income guarantee (whether it takes the form of a citizen’s income or a living wage) we cannot hope to end the two-way relationship between poverty and disability.

Tackle the structural barriers to employment instead of trying to “fix” individuals and their motivations

If we want to narrow the “employment gap” (and the “wages gap”) for disabled people, then policy needs to shift from ‘fixing’ unemployed disabled people to fixing the workplace and the economy.

Our individual and collective welfare is undermined and threatened by a dysfunctional economy which fails to create enough jobs to keep up with the rise in population, doesn’t provide secure employment at a living wage and allows the taxation system to be determined by the demands of global capital rather than the needs of our citizens.

People who experience impairment and/or illness are at a disadvantage in a society and an economy in which the market is the sole arbiter of opportunities and life chances. Unfettered global economic forces particularly affect those who employers would not choose to employ unless there is a shortage of labour supply. It is, therefore, the behaviour of employers and investors that should be the focus of govern-
An end to poverty for disabled people means policies that maximise the chances of getting employment which pays a living wage. Instead of focusing on “fixing” individuals, such policies would aim to create enough jobs to keep up with the rise in population and halt the fall in real wages and the increase in underemployment.

Create a society which is committed to social security in its literal and not its stigmatising sense

Global pressures create job insecurity and low wages. If the state does not intervene there will always be people who—because of where they live, or because of their personal circumstances—will struggle to support themselves and their families through their earning power. The reasons why a person is unemployed, or underemployed, are often complex—factors which are entirely external to the individual can create further disadvantage. It is too easy simply to see lack of skills, or low “motivation”, as the reasons for unemployment. We should resist making such judgements, and our social security system should not even try.

Current eligibility criteria for out-of-work support divide people into those who cannot work because of impairment or illness (ESA Support Group), those who could at some point (ESA Work-related Activity Group) and those who should be able to work (Job Seekers Allowance). However, in most circumstances there are a range of factors influencing whether someone can get paid employment or not and it is very hard to say that two people with the same diagnosis will have exactly the same chances of getting work. Yet the state has set itself the task of judging whether someone is “fit for work”. Such judgements are inevitably flawed, inconsistent and contentious.

Eligibility for an out of work benefit should not be based on assessing whether someone is “fit” for work. If you’re out of work, you’re out of work—and that should be the basis for qualifying for an out-of-work benefit. We need an entirely different approach to employment and unemployment—one that focuses on our society’s responsibility, on the one hand, to support people who are not able to earn enough to meet their needs and, on the other, to maximise employment opportunities for everyone, in all circumstances and in every part of the country.

Taking such an approach to people who are out of work would focus on two things:  
• Enabling a decent standard of living through an income replacement payment.  
• Maximising people’s chances of getting paid work through personalised employment support services, anti-discrimination legislation and economic policies aimed at increasing levels of employment generally.

A society which had an enabling concept of social security at its heart would take pride in being able to support its citizens so as to maximise their potential.

Help disabled people to pay for the additional costs they face as a result of illness or impairment

An end to poverty for disabled people would mean funding additional costs incurred as a result of impairment and/or ill health. Support should be delivered solely on the basis of the need for such assistance, not on making judgements about “fitness” to work.

Disability Living Allowance (DLA), introduced in 1992 and replaced by the Personal Independence Payment (PIP) in 2013, was an “additional costs” allowance, paid regardless of income or employment status. This was a recognition by society that people with impairment or long-term health conditions have additional requirements. It helped to create a level playing field, in the same way that child benefit does.

The current direction of policy and public debate is undermining the legitimacy of an additional costs benefit. Instead of such payments being seen as a major contribution to enabling disabled people’s inclusion in society, they are seen as a sign of “dependency” and reserved for the most “vulnerable”. Support is being withdrawn from people with lower levels of impairment—a short-sighted policy which will create poverty and, for some, will lead to greater levels of impairment and/or ill health.

An end to poverty would instead mean delivering an extra costs payment which aimed to give disabled people the ability to overcome some of the barriers they face. It would also mean recognising that universal payments such as DLA and PIP, which are not means-tested, are an efficient way of delivering support. They create no disincentive to seek employment or increase hours and wages, have lower administration costs and, by recognising additional costs, they reduce inequality.

A society built on trust rather than suspicion

Our social security system is underpinned by the assumption that people are not to be trusted. Those who are experiencing illness and/or impairment cannot be trusted to honestly explain how they are affected. Those professionals who have specialist knowledge of illness and/or impairment are not to be trusted to honestly assess the impact on individuals. Instead of assuming that most people are honest—and that the few who are not will eventually be found out—we develop systems which rely on targets and computer generated assessments to determine who will be helped and who won’t.

Attempts to reduce the numbers of people eligible for out-of-work sickness and disability benefits by redesigning assessments and eligibility criteria go back at least 20 years. GPs used to be responsible for “signing people off” when they were too ill to work; the government of the early 1990s decided they were being too “generous” and, in replacing invalidity benefit with incapacity benefit, appointed their own doctors to carry out assessments. These are now replaced by computer generated assessments outsourced to a private company. Each change is motivated by a desire to reduce the numbers qualifying for out-of-work sickness and disability benefits and is legitimised by the argument that previous assessments were too “generous” and that the new one would be more “objective”—the inference always being that some people were qualifying for help who should not have.

Allegations of deception and over-exaggeration have also been made to justify the replacement of DLA with PIP and the bringing in of a computer generated assessment similarly outsourced. Such allegations were made in the context of a supposedly “unexplained” increase in the numbers receiving DLA. In fact, the government’s own statistics show that almost all of the increase in the numbers receiving DLA is accounted for by demographic factors (primarily that recipients keep DLA after reaching retirement age) and greater awareness of the benefit. New claims by 18-64 year olds have actually been falling since 2002.

The arguments put forward for replacing DLA were not only based on a false premise but they promoted a lack of trust in the honesty of individuals and of those whose pro-
Professional training gives them expert knowledge of the impact of impairment and ill health.

An end to poverty would mean a society based on trust, rather than on the assumption that most people are dishonest.

An efficient social security system

Instead of putting our efforts into dividing people between the “deserving” and the “undeserving”, or coerking them into certain kinds of behaviour, we should ensure that people who need assistance receive an efficient and accurate service. Current inefficiencies actually create poverty—for example 30 per cent of people referred to the Trussell Trust’s food banks by front-line professionals were referred because of delays in the payment of benefits.

Current procedures place barriers in the way of people getting their needs recognised, creating long delays and increasing rather than reducing the risk of extreme poverty. Having outsourced assessment for out-of-work sickness benefits to a private company, the system is still requiring medical evidence to back people’s claims. GPs, already overloaded by recent reforms to the NHS, are increasing their charges for providing such evidence and some are refusing to provide it at all. It is unlikely that someone receiving the temporary rate of ESA (£71.70 per week) can afford the lowest charge of £30, let alone the £200 that some consultants require for medical evidence relating to a claim.

The high rate of benefit appeals (particularly concerning ESA), and the high success rate of those appeals, illustrates how inefficient and inaccurate the current system is. Over 1.1m benefit appeals were heard by tribunals between April 2010 and December 2012, at a total cost of nearly £500m. The current success rate of ESA appeals is running somewhere around 40 per cent, although where support from a welfare rights organisation is available it is claimed that about 90 per cent of decisions are overturned.

Co-produce policies and services with the people who rely on them

There are many examples of the value of involving disabled people in developing and delivering the policies which affect their lives. Lifetime Homes Standards are now part of building regulations, though previously we were told that such standards were practically and economically impossible; direct payments and personal budgets are at the heart of social care policies, though it used to be claimed that most disabled people were not able to exert choice and control. The benefit system and employment support services have, however, remained to a large extent involvement-free zones.

When systems and procedures are created without the involvement of people who are on the receiving end, their operation can create significant problems. Some current and proposed rules actually create poverty rather than address it: for example, if Universal Credit is paid monthly in arrears with an added seven-day waiting period this will mean a minimum of 38 days without money. Sanctions hit the most vulnerable—those who find it hardest to fit in with bureaucratic rules, who have low levels of literacy, whose lives are already under great stress. There are increasing numbers of people who are falling out of the “welfare” system altogether. A social security system will only prevent people slipping into desperate poverty if its rules and procedures are developed in partnership with those who have lived experience of being disabled and/or out of work.

Current policies which are intended to help people into work and to remain there have also been developed without reference to the relevant lived experience. Instead, these policies are predicated on the belief that outsourcing to the private sector will deliver better results, even though there is no evidence to suggest this. On the contrary, this market-based model is no more likely, and may be less likely, to deliver good outcomes than previous systems. The tendency to focus on people who are “nearest to the labour market” remains whilst disabled people who face significant barriers are not provided with the type of help which would make a difference.

If the social security and employment support systems were co-produced with people who need such assistance, it would result in help which increased self-esteem and a sense of social worth. It would also promote autonomy and the experience of being able to bring about change, building up people’s sense of security and belonging in the process.

Instead, however, current policy and practice not only make people feel insecure, they often create insecurity. People feel stigmatised and labelled as “scroungers” and “skivers”. They feel they have little or no control over what happens to them. They feel at the mercy of organisations, procedures and individuals who can—by imposing sanctions, devising methods of assessment which fail to recognise their needs and creating inefficient and inaccurate procedures—make decisions which leave them without enough money for food, heating and rent.

Change our attitudes as to what we can “afford” as a society

Current social policy debates are dominated by the assertion that we face levels of public expenditure which are not affordable. However, in order to bring about an end to poverty we need to turn this around—instead of talking about what level of public expenditure we can afford, we should be talking about what kind of economy we can afford. The kind of economy we currently have is bad for the wider health of our society because it creates great inequality, insecurity and poverty.

We are making bad decisions, based on misconceived ideas about what we can “afford”. For example, in order to “make work pay” we reduce benefits rather than increase the minimum wage. We could pay more attention to the estimated £69.9bn lost to the UK Treasury through tax evasion and the £25bn lost through tax avoidance (in comparison with benefit fraud which amounts to about £1.2bn). And we could spend more than the current 0.38 per cent of GDP on programmes which are intended to help unemployed people to find and retain employment. The UK is fourth from the bottom of the table of OECD countries, with only Slovakia, the Czech Republic and Estonia spending less.

Levels of public expenditure are not the problem—the collapse in tax revenues is, as is the nature of our economy, based as it is more and more on low-waged, low-productivity and insecure jobs. It is these factors which make a welfare state, based on universal principles which deliver social and economic rights, economically unviable.

Conclusion

An end to poverty for disabled people is tied inextricably to wider economic policy. Our experiences and future prospects should no longer be discussed in a vacuum of social policy. If we do not have a change in the kind of economy we have today, then disabled people do not have much of a future at all, and certainly not one which would see an end to poverty.
An end to poverty for disabled people would mean accepting that “the market” cannot deliver a level playing field for those affected by impairment and/or long-term illness. It would mean acknowledging that economic forces create high risks of unemployment amongst disabled people; recognising that intervention is needed in the form not only of real employment rights and support for disabled people, but also economic policies designed to create secure employment paying a living wage.

At the same time, it would mean action to break the link between an inability to undertake paid work (whether because of impairment, ill health or caring responsibilities) and poverty. Current policies assume paid work to be the route out of poverty. More than that, there is an assumption that, without being economically productive, a person cannot be “independent” and thus cannot be a contributing member of our society.

An end to poverty would mean acknowledging that ill health or impairment is something that can happen to anyone, and that the associated costs should not be borne by individuals but by all of us collectively. An end to poverty would mean that this provision should not be made grudgingly, but willingly and generously—from the recognition that this is in all of our interests.

An end to poverty would mean recognising the wider social, environmental, attitudinal—as well as economic—barriers which create exclusion and segregation. It would mean acknowledging and addressing the poverty of experience which flows from the failure to build an inclusive society.

While writing this article I have been reminded time and again of my mother telling me to “Do as you would be done by”. My vision may be unrealistic—especially given where we are currently—but it is this age-old “golden rule” which needs to be at the heart of our society if we are to have any chance of bringing about an end to poverty, not only for disabled people but for everyone. Jenny Morris worked with the last government on “Improving the Life Chances of Disabled People” and the “Independent Living Strategy”. She is the author of “Rethinking Disability Policy” (Joseph Rowntree Foundation) and writes a blog at jennymorrisnet.blogspot.co.uk/
Conservatism is not an ideology associated with analyses of poverty. Its dictionary definition is resistance to change, and those resistant to change are most happy with the status quo, and unlikely to be in poverty. Conservatism is also reactive, concerned with questioning innovation rather than identifying and correcting social problems.

Nevertheless, the issue of poverty is an opportunity for conservatives. Conservatism’s focuses on the effectiveness of policy, plurality of value, localism and the importance of meaningful institutions suggest that it has something important to say, even if only as a corrective to misguided and uncritically accepted policies.

What is conservatism?
Defining conservatism is surprisingly hard, and various supposed or self-described ‘conservatives’ have adopted incompatible positions in recent years. ‘Conservative’ means more than “right-wing”. I shall focus on the classical conservative tradition, whose key text is Edmund Burke’s Reflections on the Revolution in France.

Uncertainty, knowledge and change
The key concept here is uncertainty: the conservative claims that rationalist ideologues cannot know what effects their policies will have. The first principle upon which conservatism is based is the knowledge principle. Because society and its mediating institutions are highly complex and dynamic with natures that are constantly evolving, both data and theories about society are highly uncertain.

That in itself says nothing about change, but if we add to the mix a consideration of risk we get the second principle of conservatism, the change principle. Because the current state of society is typically undervalued, and because the effects of social innovation cannot be known fully in advance, then social change must always risk destroying beneficial institutions and norms, and cannot be guaranteed to achieve the aims for which it was implemented. It therefore follows that societies should be risk-averse with respect to social change, and the burden of proof placed on the innovator, not his or her opponents. It also follows that change, when it does come, should ideally be incremental, reversible where possible and rigorously evaluated before the next incremental step.

From these two principles, many things follow, including the conservative emphasis on authority, tradition, social stability, the rule of law, sound money, personal responsibility, conformity to norms and plurality of values. Much social wisdom about how people coexist, cooperate, allocate resources and settle disputes is encoded in the traditions and institutions of a society, and is rarely formulated explicitly. Changing or abolishing institutions and suppressing conditions and practices therefore risks destroying intangible social resources. On the other hand, conservatism does not condemn change; the two principles just described merely shift the burden of argument. Change is more desirable when the state of society is less satisfactory, and therefore when the risk of change is relatively small. Burke wrote: “To make us love our country, our country ought to be lovely.” The loveliness of a country is surely inversely proportional to the extent of poverty within it.

Conservatives therefore reject universalist ideas about “humanity”—humankind is an abstraction, but real people are situated in contexts which matter to them. Theories of universal justice like that of the political philosopher John Rawls ignore the things that matter most to people, their specific circumstances, family, friends, religion, job, gender. People do not have a defined identity, but their identities certainly matter to them and are deeply entwined with significant contexts in their lives.

However, it is important for those making decisions about a society to understand it. One must be realistic about its faults. Data and information are uncertain, yet also necessary; they need to be interpreted carefully. Most important are consistent series of data that can be used to understand the effects of policies over time. Yet Conservative governments have often neglected data collection—Margaret Thatcher’s government cut funding for the statistics office, which she later regretted, while the current coalition government has also cut back on data collection. We have lost surveys on local services and community cohesion, on drinking and drug taking among children and even the national census. Local councils, too, spend much less time consuming data. At a time when “big data” is has revolutionising science, business and social policy, UK governments are in danger of finding themselves in a position of almost total ignorance. The knowledge principle tells us that government policy will be even less informed than usual—and the consequences of that policy will therefore be even more unpredictable.

Unintended consequences
It will always be impossible for policymakers to determine what their policies will achieve. This is the problem of unintended consequences. This is especially tragic for the poor, who are often harmed by half-baked interventions. Free-spending governments often spark inflation whose malign effects hurt those at the bottom of the pile; when a pound buys less, those with fewest pounds suffer most. In Latin America, the poor will turn against a politician who can’t control inflation, which is why the populist Argentinian President Cristina Fernández de Kirchner has gone to absurd lengths to falsify inflation figures.
When it became independent in 1957, Ghana was as well-off as South Korea. However, misguided western-influenced post-colonial ideology, intended to make the nation self-sufficient and to eradicate poverty, put it at an enormous disadvantage. The Koreans, in contrast, went down the capitalist route with relatively few safety nets for the poor. The result? The gross national incomes per head of the two nations in 2011 at purchasing power parity were $1.8k and $30.3k respectively. India’s economy and politics are hampered by concern for the relief of poverty, which remains stubbornly high. Meanwhile poverty has declined rapidly in China since Deng Xiaoping instituted the “socialist market economy”. Its rough and ready capitalism has brought 680m people out of extreme poverty since 1981, and now generates sufficient surpluses to put in place, for the first time, decent healthcare and pensions.

There are many examples of ill-conceived policy in the major democracies having unintended consequences. The push to sell subprime mortgages in the United States was driven by politicians of the left who wished, for entirely compassionate reasons, to get poor people on to the bottom rung of the property ladder. A flood of misdirected mortgage credit from government-backed lenders Fannie Mae and Freddie Mac was unleashed by members of Congress concerned about stagnating incomes among the less well-off.

Another example: “sin taxes” are designed to make people live longer and healthier lives, but when the price of a packet of cigarettes goes up, the poor suffer most. Cigarettes provide a social bond—a shared cigarette is often a focus for interaction and conversation across classes and social groups. Furthermore, high prices of fags and booze have helped drive thousands of pubs out of business; but pubs are useful meeting places and support diverse social networks (that is why pubs nowadays only thrive in soap operas). Those heterogeneous social networks stifled by health campaigners can be useful in ameliorating the effects of poverty. Wide and diverse networks are correlated with higher income.

The seven deadly sins of poverty policy
Adam Smith was, according to Emma Rothschild, “tolerant in his view of government interference, especially when the object [was] to reduce poverty”. However, the knowledge principle implies that it is impossible to know whether some policy will have all and only the desired effects. Here are seven sins of poverty policy.

Calls for redistribution
Taking money from those who have it and giving it to those who do not may seem a no-brainer, until we consider potential unintended consequences. Capital taken from its owners might alleviate poverty temporarily; yet left with its owners, it might be put to productive use funding permanent jobs. The net effect of redistribution might be to put people out of work (either by moving capital to a less productive area, or by incentivising investors to leave the economy altogether), thereby exacerbating the problem it is intending to address.

Ignoring personal responsibility
People the best judge of their present and particular needs, so interference in their decisions should be sparing. This is important to reduce moral hazard, where people indulge in riskier or less productive behaviour because they know that they are likely to receive support if the risks don’t pay off. Individuals should make the decision about whether to risk their current assets, but in most circumstances should shoul-
der the burden of risk. That does not mean that risks cannot be socialised, but we must avoid unrealistic discounting of risk and subsequent transfer of resources from the prudent to the reckless.

Welfarism
The valorisation of personal responsibility entails a mistrust of unconditional transfers to the poor. At a certain level of income it becomes rational not to work, which is hardly sensible. We should reject the canard that people on benefits prefer that way of life, but many find themselves in a trap in which extra work will affect them negatively. Being sheltered, or trapped depending on your point of view, by an impersonal system is neither pleasant nor empowering. An important strand of conservative thought has documented the ill effects of welfare on the poor.

Ignoring local norms and existing identities
Surely no-one would maintain that “the poor”, despite always being with us, form a homogenous group with a single set of interests? Yet that is how the welfare system treats them. Poverty has multiple causes and multiple forms. Conservatism finds meaning in the local and the situated, not in some abstract statistical characterisation which draws an arbitrary line at earnings of, say, $2 per day or 40 per cent of median income. Experiences of poverty, and solutions to the problem, will vary across communities depending on the traditions, institutions and communal resources (economic, social and intellectual) to which a poor person has access. Furthermore, these traditions will be an important aspect of a person’s identity, and even if they are mutable, it is not the business of government to change them.

The implication is that localism should loom large in the search for acceptable means to address poverty. Giant, faceless bureaucracies are more likely to suck the humanity out of communities than to provide welcome support. They are more likely to dismantle local identities and to treat poor people as rational utility maximisers to be “nudged” towards a particular kind of lifestyle. It also means that links and communications should be fostered between different communities—the function of bridging communities or brokering between different attitudes is vital for genuine understanding of the problems associated with poverty, and construction of solutions that might help. It should also be pointed out that if that bridging role is not occupied by reliable people, the vacuum can be filled by malevolent forces, such as loan sharks, who can exploit the short term needs of the poor to their longer term detriment.

It is also worth pointing out that the same is true of private sector attempts to address poverty by improving the economy. Microlending has been an important innovation, while decisions to lend money ought always to be taken by a person with experience of a local context who can size up a commercial operation or an individual’s financial situation. Lending decisions made by algorithms in large banks rather than people in small bank branches, allocate money much less safely and productively.

Paternalism
If we accept local norms, then we should eschew paternalism. Paternalism often arises when those on the left are frustrated at the failure of anti-poverty strategies—the poor are blamed, not the policies. Labour politicians complained about Britain’s “vulgar” 1950s consumer boom, despite the widespread dissemination of labour-saving devices which liberated a generation of women from drudgery. Even after
Ignoring wider legitimacy

Transfers of resources from the relatively well-off to the poor have to be democratically legitimated, ideally by a politician standing up and making the case, risking rejection at the ballot box—something few politicians have dared to do for some decades in the UK. Redistribution of wealth “on the sly” can only end in tears. There are three likely outcomes.

First, those who believe they make a net contribution without being consulted will become angry, leading to unpalatable and usually false myths about the “feckless poor” and benefit cheats. Indeed, the closer one is to the possibility that one might need benefits in the future, the angrier one is likely to be; the left has always struggled with the undeniable fact that those most irritated by alleged welfare “cheats” are often disadvantaged themselves.

Second, the relatively well-off will use their greater numbers and greater propensity to vote to co-opt the system and milk it for themselves. Education and pensions are areas where one suspects the poor get an especially raw deal. It is a reasonable hypothesis that the serious waste in welfare, both in terms of needless use of government-funded services and of evasion and fraud, is down to wealthier citizens, not those in poverty.

The third possibility is the New Labour solution of bypassing taxpayers by borrowing the welfare money, which is fine until the economy is bankrupted (when the money then has to be clawed back to pay interest to rich investors), and which anyway is less useful than borrowing to invest in infrastructure and education.

Universal, bureaucratic solutions

A faceless national bureaucracy is unlikely to provide the help that the poor need, because the poor are not homogeneous. It is also unlikely to weed out fraudsters, which requires a nimbleness it will not have. However, it will be set up to deter fraud, and therefore simply repel or confuse the majority of honest folk who it persists in viewing as helpless supplicants. The chief beneficiaries of a faceless bureaucracy are faceless bureaucrats, who become a political grouping with their own interests and claims on government resources. The poor are short of money, not stupid, and they understand this. It should be no surprise, therefore, that many view the welfare state not as a benign benefactor, but as a nut to be cracked.

Small-scale schemes are far better. Something that works in a council estate may not work in a crowded immigrant-dominated neighbourhood or in an area of rural deprivation. Even a major success such as the conditional cash transfer scheme Bolsa Família began as a small-scale experiment. Local people understand context, and the poor understand most about what they need. Such people need power and respect, not handouts.

To avoid these seven sins, conservatives should argue for more power to the poor, less interference and fewer unconditional handouts.

Conservatism, rooted in respect for the local and the situated, and sensitive to the complexities of real-world contexts, is well-placed to contribute to debates on the conceptualisation and measurement of poverty, and to criticise some of the more abstract line-drawing exercises. However, as noted earlier, conservative voices are rarely heard. Adam Smith’s interest in poverty was already being airbrushed out of accounts of his philosophy as early as 1800.

I will now briefly discuss three well-known distinctions, arguing that conservatism offers distinctive accounts of them.

Absolute versus relative poverty

One thorny issue is the distinction between absolute measures of poverty, in terms of a particular amount of money or a quantity of wealth or goods below which one is counted as “poor”, and relative measures, for example as a proportion of median incomes. Perhaps the most stark statement of the importance of absolute measures is Keith Joseph’s famous declaration, in 1979, that “An absolute standard means one defined by reference to the real needs of the poor... By any absolute standard there is very little poverty in Britain today.”

This statement was influential, partly because Joseph seemed to be sketching a route-map for the then-nascent Thatcher revolution. Yet even though he had spent some time on a Quaker project living with miners in Rotherham, he had an abstract and statistical view of poverty, and found it hard to empathise with the everyday demoralisation of the able-bodied poor. The association of conservatism with absolute conceptions of poverty has remained strong. Many have complained that Conservative governments have used Joseph-style arguments to airbrush the phenomenon away.

However, the Burkean tradition is sensitive to the state of society as it stands, not as we might like it to be. Key indicators evolve—the modern suburbanite leads a millionaire lifestyle compared to his or her postwar equivalent, while what was considered a comfortable existence in 1945 would be intolerable now. For example, it is virtually impossible to imagine life without a fridge in a modern democracy, whereas as late as 1970 40 per cent of the population managed without one. Even Thatcher argued that “Capitalism works by increasing what used to be the privileges of the few to become the daily necessities of the many.”

This view of the changing nature of necessity has been evident within the conservative tradition since the beginning. Smith, for example, was quite clear about it: “By necessaries, I understand not only the commodities which are indispensably necessary for the support of life but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without. A linen shirt, for example, is strictly speaking not a necessity of life... [b]ut in the present time... a creditable day labourer would be ashamed to appear in public without a linen shirt.”

Conservative attitudes to inequality are nuanced. Some commentators have claimed that the preservation of inequality is central to conservatism. This cannot be correct. Conservatives do not recognise inequality as intrinsically evil, but different societies have different tolerances—a level of inequality acceptable in the US may be unconscionable in the UK, never mind Sweden. Not all inequalities can, need or should be addressed in politics. Even if we accept, as Ruth Lister has put it, “the importance to children and young people of clothing as an expression of their emergent identities”, it cannot be the job of the taxpayer to furnish them with acceptable designer gear—especially as in a consumer society stigma can attach not only to the goods one consumes but also to how one comes by them.

Some levels of inequality may be argued to be a social
problem. The dust hasn’t settled on the evaluation of Wilkinson and Pickett’s influential book about inequality, The Spirit Level, but their evidence, if substantiated, would have to be taken seriously, while other researchers have found that inequality may induce dangerous patterns of debt and leverage. Higher levels of inequality undoubtedly make it harder to reduce extreme poverty. So the conservative should assess inequalities on a case-by-case basis, to understand whether, in a particular context, social stability is threatened by inequality at particular levels.

Money versus status
The truism that poverty is a lack of money seems to coarsen the issue. To focus on the quantity of money to which a person has access will tempt us into some of the seven sins. For instance, the fungible nature of money could lure the unwary into an arbitrary, context-independent “cut-off”, which would lead to pointless debates about whether someone on £50 per week is or is not poor, ignoring the question of whether he or she lives in London or West Belfast, is disabled or not and has a particular level of education. Furthermore, when such definitions are incorporated into policy, the consequences of earning £50.01 as opposed to £49.99 can be enormous.

There have been a number of alternatives proposed, most notably by Amartya Sen, who follows Aristotle in arguing for a focus not on income but “capabilities”. This is a salutary perspective, sensitive to the idea that different people value different things and different things are required for “creditable people” in different cultures.

Nevertheless, although Sen’s arguments are important, we cannot define poverty independently from levels of wealth. Someone who is incapable yet wealthy is no doubt in an unfortunate and unenviable position, but is certainly not poor. It also threatens to nullify the notion of poverty, since “capabilities” and “opportunities” can be defined and discussed in many ways. After all, everyone is denied some opportunity at some point in their lives.

Yet the distinction is always worth bearing in mind. Poverty is bad because it brings with it a lowering of status and a lack of respect. The low-paid person often becomes invisible. Poverty brings needless expense—the inability to buy cigarettes, smartphones or satellite television subscriptions. The idea of transfers based on need will, in the minds of taxpayers, raise the question of what “need” is exactly. Welfarism encourages this, and governments respond with benefit caps, workfare schemes, anti-fraud devices and other ways to push the poor around to please disaffected taxpayers.

Deserving versus undeserving
Conservatives certainly have form with regard to the idea of the “undeserving poor”. Personal responsibility is important, but all too often Conservative politicians find the path of least electoral resistance to lie in demonising the poor as welfare scroungers (they are not alone in this: Labour has done its share of populist pandering). This is a shameful practice, but we should bear in mind that parties indulge in it because they see electoral gains in doing so. They go where voters lead them.

The notion of desert is important for democratic legitimacy. If money is transferred from taxpayers on the basis of need, there will be inevitable calls for control and conditions. It will be visible if welfare is “frittered away” on cigarettes, smartphones or satellite television subscriptions. Even some Labour politicians, like Frank Field, believe that a contributory principle is more just. And although Chris Mulkin bizarrely blamed the “benefit culture” on the Thatcher decade, he still argued that it was real: “It hangs around our neck like a huge albatross,” he said, and we are “destined for ever to go on manufacturing sullen, indifferent, useless youths; pouring [money] into a bottomless pit.”

The idea of transfers based on need will, in the minds of taxpayers, raise the question of what “need” is exactly. Welfarism encourages this, and governments respond with benefit caps, workfare schemes, anti-fraud devices and other ways to push the poor around to please disaffected taxpayers.

It is far better to try to create opportunities. Translation roles, such as brokering between communities and government, and bridging between different cultures, are important. Training and education are vital functions of government. Spending on infrastructure is helpful too: for the equivalent of the staggeringly high sum being spent on the High Speed Rail link, many local rail, bus and tram networks could be improved or updated, making it easier and cheaper for people to find and get to work. Unhelpful Victorian ideas about the deserving and undeserving poor disappear when a politics of support, recognition and agency replaces bureaucratic redistribution.

The role of the market
Conservatism is not slavishly devoted to free markets as the only, or most efficient, method of resource allocation, and it does not advocate marketisation where markets did not exist before without careful study and analysis. Although markets can undermine social stability, conservatives admire them and support them where possible.

Smith understood that markets operate in a context and depend on many other social structures (for example, the rule of law and widespread social trust). More modern thinkers, whether neo-liberal free market evangelists or market-bashing anti-capitalists, are far less sophisticated. Right-wing economists ignore the social context of markets while sociologists of the left fail to see the value they add.

Markets are important for several reasons. First, we...
should reject the charge that they promote selfishness. It is true that markets do not prevent people acting in self-interest, but that is not the same thing as selfishness. Selfishness will cause a market to fail, because to succeed you have to do what someone else wants doing. You have to make yourself useful to someone else, otherwise nothing will come your way. You have to be other-directed. You have to think of others to prosper. Markets promote sociability, not selfishness. Compare a transfer system, where one is not obliged to think of the needs of others or a planned economy, in which political lobbying of producer interests replaces demand and supply.

Second, markets may not allocate resources perfectly, but they do do it well. An aid programme can’t necessarily get mosquito nets where they are needed, but the free market in books managed to get the latest Harry Potter volume to devotees within minutes of its going on sale at midnight. If we assume that smartphones might be useful to the poor, could any system other than a free market ensure that 36 per cent of Americans with less than high school education, 43 per cent of those earning under $30,000 a year and 77 per cent of 18-29-year-olds earning under $30,000 possess a smartphone? Any government-sponsored effort to get smartphones to the young or poor would miss the target and subsidise middle-class expenditure that would have happened anyway, and also inhibit technological innovation as companies stopped competing on services and began reaping oligopoly profits from a dozy government department with a budget to spend.

Third, markets require trust to operate properly. Trust is a useful habit, closely related to social capital; the ability to trust enables cooperation and reciprocity. It does not come naturally, especially when the risks of trust are high. Free markets help coordinate the rewards for trust and trustworthiness.

Fourth, the free market allows people to spend their money wisely or unwisely, and no doubt results in some people being fatter, less healthy, and less edifyingly entertained than others. On the other hand, it does pay people the courtesy of respecting their autonomy. Any other system ultimately diminishes autonomy, telling people what they need and giving them what they should have. Sometimes this is important for social reasons—many areas thought to be intrinsically valuable (from the production of French cheeses to healthcare to the preservation of art and ancient monuments) are often insulated from market forces. There is a political argument to be had over which goods should be allocated by free markets and which not, but if there is to be liberty and autonomy in a society, free markets are an essential part of the mix.

Finally, markets are the most reliable source of the economic growth that has seen the number of people in poverty in the world halved since 1990.

In many ways, the problem of poverty is to identify who needs which resources to pursue their own aspirations and projects, and then to target and distribute resources appropriately. Targeting and distribution is what free markets do well—it is important not to neglect their capabilities.

**Conclusion: empowerment**

Tackling poverty is not the process of getting a fixed list of resources into the hands of a passive group of supplicants. The inevitable failure of such a process leads to the normal frustrated paternalist scorn for the supplicants who, either through ingratitude, ignorance or fecklessness, have frittered the resources away before they improved themselves sufficiently to take their place as fully-fledged “stakeholders” in society. This is a fundamentally corrupting and disrespectful view which is almost designed to alienate the poor.

Ultimately, conservatism is about taking power from governments and giving it back to people, not as individuals but in their community settings. Empowerment can take many forms. Support needs to be personalised and targeted, and technology can be an important aid to this. Local solutions, including payment by results to allow experimentation and innovation, need to be tried. The tools for self-government should be provided, including open data to allow community groups to understand and negotiate their own environment more fully. Indeed, some techno-optimists, such as the Conservative MP Douglas Carswell, foresee government withering away and civil society stepping into the breach.

Such an outcome is unlikely. But there is much to be said for supporting poor communities and devolving power. To understand a community, one needs to be involved in it. Old-fashioned welfare provision often involved building a concrete bunker and plonking it down in a shopping centre—the poor would go in and out and interaction would be minimal. New-fangled welfare is now online, and the human element has shrivelled still further. We need data, which makes the government’s neglect of data collection so regrettable. But data is only one half the story. The qualitative side of the story is also important. Lines of communication need to be opened between policymakers and those who live or work in disadvantaged communities or campaign for disadvantaged groups.

There are many means of tackling poverty. Most of them involve leaving people alone to make their own decisions about how to earn money and to provide an infrastructure to support their decisions where necessary. For the conservative, societies are vulnerable to interference. People understand their own situation. Outsiders don’t.

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Urban deprivation and the built environment

Maria Adebowale

Understanding and tackling the roots of poverty is a challenge and requires unlocking material resources and allowing people to take part in social, economic and environmental decision-making.

Overcoming poverty requires getting to grips with the role that urban places and spaces play both as material resources and as critical social, economic and environmental assets. Social policy and research has, under different party political platforms and grassroots movements, sought to ameliorate urban poverty and remedy injustice by using spaces and places to increase employment, improve public health, tackle pollution and reduce civil unrest.

We are often reminded today that, for the first time in history, there are more people living in urban areas than not. We therefore need to understand the power of urban place-making in improving jobs, enhancing well-being, and bringing culture and education to a changing and diverse population of city-dwellers.

The city we live in, what it looks like, how it is looked after, and the opportunities it provides have an impact on our ability to take part in society. For many, local place and spaces are a daily and visible reminder of economic power and the value placed by society on us as individuals, as neighbours, as members of families and communities.

Creating places that people want to live in is not just a matter of aesthetics and design. Patterns of urban degradation, of both the built and natural environment, are linked globally to multiple forms of deprivation. There is a growing body of evidence to support the claim that place-shaping is central to the process of tackling the roots of poverty and supporting resilient communities. It can act as a collective community asset to alleviate poverty, a source of investment and as a focus for participation and community-driven interventions that transform neighbourhoods.

Poor quality and badly looked after green spaces have a disproportionate impact on marginalised, socially and economically excluded communities and groups. The task of place-making therefore has to be to create opportunities for empowerment and to show how communities can design their way out of poverty. Tentative steps have already been taken towards integrating the place-making agenda with campaigns for sustainability and environmental justice. Informally shared indicators have aimed to measure how far we have got in relation to access to green spaces, quality of housing stock and decision-making.

In the past, governments’ quality of life and well-being strategies have led to policy commitments designed to eradicate poverty through place-making. There is a historical legacy here: “slum clearance”, environmental equality, localism, urban design, urban renewal, asset-transfer and regeneration. Place-making that aims to reduce the impacts of poverty has, at its heart, a social agenda that seeks to improve the quality of life, specifically that of the most vulnerable, by improving both the natural environment and built infrastructure, and by seeking to go beyond minimum standards.

An effective place-making strategy requires the adoption and enforcement of regulatory frameworks at national level. As yet, however, there is no integrated approach of the kind that is needed, let alone a strong sense of policy leadership for place-making in poor urban neighbourhoods.

What is really needed is to find political, social and environmental solutions to the poor physical condition of deprived neighbourhoods. We need to overcome the tendency for place-making to be purely design-led, and to find an approach that moves from aesthetics to wider social, economic and environmental concerns. A model of this sort would be an essential tool for tackling poverty and improving the built and natural environment. A number of exciting place-making projects already use this model to focus on innovative and collaborative projects that are concerned both with how a place looks and feels and with the empowerment of communities to take up ownership of projects that provide the opportunity for living spaces and places which can enhance identity and self-reliance.

Nevertheless, neighbourhoods with shrinking green space and poor built infrastructure are still being robbed of valuable assets, both outdoors and indoors: places to eat, to meet neighbours, grow food, create social enterprises, get training and to celebrate heritage, art and culture. The present economic climate is particularly gloomy for already poor urban neighbourhoods with cuts to local authority services, shops closing down and the selling-off of green spaces. The danger is that poor places create inequalities that become ingrained in the psyche of a neighbourhood and of the people who live there. For many, the only solution is to plan their escape and to take what social and economic capital they have with them.

Of course everyone has the right to choose to move and live where they like. But having to leave your home, friends and family in order to live somewhere with basic infrastructure and services should not be the only answer for people living in poverty. Until we find ways of dealing with these concerns, we will continue to create the tinder for urban breakdown.

In order to use place-making to tackle poverty, therefore, we need to understand how changing urban conditions create and exacerbate deprivation, and then to establish how-community-led solutions can be devised.

Maria Adebowale is the founding director of the Living Space Project.
The centuries-old and still widespread idea that the poor will always be with us resonates neatly with both the sceptical and the compassionate Tory mindsets. The former, perhaps best represented by the philosopher Michael Oakeshott, holds that trying to do much more than the bare minimum is a fool’s errand—a well-intentioned but ultimately counterproductive exercise, indulged in only by idealistic and interfering busy-bodies, which will either make no difference or make things even worse. The latter, commonly associated with the one-nation Conservatism was rooted in the “organic” Toryism of Burke and Coleridge and which supposedly went on to characterise the party under leaders such as Disraeli, Baldwin and Macmillan, holds that helping out those at the bottom not only makes moral but also liberal sense.

However, to another kind of Conservatism—the neo-liberal strain which came to dominate the party after Margaret Thatcher became leader in 1975 and which continues to dominate it today—poverty, or at least involuntary poverty, shouldn’t exist at all, at least in any permanent sense. After all, if someone is willing and able to sell their labour, then the market should provide, even if the ups and downs of the economic cycle mean that it will occasionally be tougher to find work than usual. Of course, people can price themselves out of work by refusing to take a job at the going rate, but the drop in living standards that they will, or at least should, experience as a consequence should soon see them mend their ways.

For Thatcherites, then, unless someone is incapacitated (for instance, by poor-health, by disability or simply by their age), long-term, structural deprivation can only be the consequence of hindrances to the operation of the market—state-imposed regulation that can and should be swept away, for example—or else the unwillingness of the poor to take advantage of the myriad opportunities to find work that will allow them to look after themselves and, of course, their children. The existence of long-term need is down to the individual and his or her family rather than being the product of a society and an economic system bound to create structural inequalities and to fail to generate sufficiently plentiful and well-remunerated employment. Such a stance dovetails nicely with the belief that state-supplied welfare carries with it huge collective costs that might be more efficiently borne by the individual and/or by charity and in any case carry with them massive moral hazard—which is why any help given to people by government should do no more than ensure access to the bare necessities and should certainly never mean that those who cannot or, worse, will not help themselves end up better off than those who do.

It is this Conservative credo, as much as the country’s fiscal crisis or the party’s desire to find “wedge issues” that will eat into Labour’s support among increasingly hard-pressed and (if polls are to be believed) increasingly hard-faced voters, which explains the coalition government’s welfare policies—policies which many of its self-styled progressive opponents regard not just as wrong-headed but harsh to the point of being punitive. In other words, the Tories in government are only doing what comes naturally, as well doing what they sincerely believe has to be done and will in the end turn out to have worked. True, by reducing and restricting help only to the deserving poor—a category which in their minds still exists even if, as is the case with its logical corollary, the undeserving poor, they never explicitly refer to it—their policies will help to further “residualise” the British welfare state, making it more American and less Scandinavian, so to speak. But those policies are not simply an attempt to detach the middle classes from state provision, the better to shrink it. On the contrary, they may well be a considered response to the palpable failure of 13 years of New Labour government to solve entrenched problems by supposedly “big state” (as opposed to “big society”) means. But they are also more than that. The coalition’s policies to combat poverty, such as they are, represent what has, since 1979, become the Tories’ default setting—one that David Cameron (who, after all, only ever sought to re-style rather than fundamentally re-engineer his party) has done little or nothing to alter.

That said, there is one aspect of poverty in the UK that has always presented—and continues to present—something of a quandary even for Thatcherites: the continued existence of large numbers of British children living deprived and therefore stunted lives on the margins of society. Since, on the one hand, many, possibly most, 21st-century Tories still don’t buy into the idea of relative deprivation, notwithstanding a short-lived and presumably cosmetic flirtation with the concept by one or two modernisers when the party was in opposition, there is considerable reluctance to provide sufficient assistance to families in order to mount a serious attack on social exclusion. On the other hand, a situation in which millions of children in this country are going without what many people, for all their growing lack of sympathy with so-called scroungers and skivers, would regard as the essentials of a decent life suggests that all is not well or as it should be. Nor is child poverty easily blamed, even by the most zealous fan of the free market, on the victims themselves. It is also associated with poor educational outcomes and with social and economic costs that even most Tories would agree are best dealt with sooner rather than later.

Given this, recent news that the number of British children living below the breadline appears to be increasing rather than declining, as it did under New Labour, presents
the Conservative-led government with a serious problem—one that is not merely presentational but practical and philosophical, too. This could of course be a blip—a temporary consequence of regime-change that will right itself soon enough as the economy picks up, the market is allowed to clear and welfare changes force parents to face up to their obligations. And even if all this takes more time to happen than the Conservatives would like, child poverty, in and of itself, is unlikely to cost the party the next election. However, if things don’t get back on track reasonably soon, then voters as well as campaigners will have every right to call into question not just the sincerity of David Cameron’s commitment to mending what he once liked to call “broken Britain” but also the credibility of his party’s still-Thatcherite approach to reducing deprivation more generally. The Tories may have “won the argument on welfare” with Labour and with the great British public. But if they lose the war on poverty—particularly child poverty—it could well prove to be a hollow and very short-lived victory.

Tim Bale is professor of politics at Queen Mary University of London and author of “The Conservatives since 1945: the Drivers of Party Change” (Oxford University Press)
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