

ANTI-POVERTY STRATEGIES FOR THE UK

JRF wants to reduce poverty in the UK and to achieve a consensus on how to do this.

OVERVIEW

The UK has had a number of anti-poverty strategies in recent years, often focusing on particular groups, like children or pensioners, or with a specific regional scope.

What they have all lacked however is an evidence-based link between the policies or actions suggested within the strategy and the outcomes sought. JRF has repeatedly criticised such strategies on these grounds, so we are grasping the nettle by asking what it would take to create an evidenced, all-age strategy to reduce poverty across the UK.

AIMS

The main aim of the programme is to produce an evidenced anti-poverty strategy for all age groups and each nation of the UK.

- We want policy-makers and our stakeholders to use the outputs we develop to inform national and local anti-poverty strategies.
- We intend to encourage a debate, based on the evidence, among poverty stakeholders about what a low-poverty UK would really be like.
- We aim to assess and strengthen the political consensus on how to reduce poverty. While we hope to build as large a consensus as possible from which to launch the strategy, this may entail producing some options that cater for different perspectives on poverty, or suggest a range of ways to alleviate it.

There are a number of questions underlying this process that we will seek to answer. They provide a broad framework for the programme itself.

- What meanings and measures of poverty should be used? What does 'a low-poverty UK' really mean?
- What kind of economy and society is compatible with low levels of poverty?

- What are the underlying drivers of poverty?
- What impact do different interventions have on poverty and its drivers?
- How much do these interventions cost and how do they interact?
- What are the barriers to action and how might they be overcome?

We will complement the research we are commissioning for this programme with a range of other activities, including seminars, political and public events, all while working closely with people with direct experience of poverty to ground our efforts.

LANDLORD, EMPLOYER, COMMUNICATIONS

This programme of work supports – and is informed by – our work as an anti-poverty employer, landlord and communicator. We will share what we learn from all these areas with other people and organisations.

As a landlord, we help residents:

- provide a platform for people in poverty to share their experiences.
- encourage and lead informed and challenging discussions about reducing UK poverty;

As employers we will:

- ensure that we 'practise what we preach' when it comes to sustainable, inclusive and progressive employment – in a way that can be a model for other employers;
- put our lowest-paid colleagues first when reviewing pay and benefits, give them training and development opportunities to help them progress, and pay all staff at least the Living Wage; and;
- minimise our use of agency staff who don't benefit from these commitments; provide paid internships and apprenticeships, and offer work placements.

As communicators, in addition to supporting all of the above work, we will:

- encourage and lead informed and challenging discussions about reducing UK poverty; and
- provide a platform for people in poverty to share their experiences

KEY ACTIVITIES

We are commissioning a range of evidence and policy reviews to better understand the existing body of knowledge on issues influencing poverty. They will examine the links between poverty and a specific topic and in particular look for evidence about effective solutions in policy and practice.

The first seven of these reviews, with budgets of £40,000 each, are now underway with their findings due towards the end of 2013.

Other activities planned for 2013 include:

- visions of a low-poverty UK by thinkers from across the spectrum;
- partnerships with organisations working directly with people who have experienced poverty, to make sure their voices are heard;
- a series of events with stakeholders, such as a conference that aims to identify the questions we need to answer to better tackle poverty;
- a thinktank seminar series exploring some of these issues in further detail.

Review	Organisation	Project lead
International and historical anti-poverty strategies	New Policy Institute and Poverty Alliance	Tom MacInnes
Personal relationships and poverty	Tavistock Institute of Human Relations	Judy Corlyon
Area regeneration and localisation	CRESR, Sheffield Hallam University	Richard Crisp
Gender and poverty	Fran Bennett and Mary Daly	Mary Daly
Institutional care and poverty	Centre for Crime and Justice Studies	Roger Grimshaw
Employment, pay and poverty	Policy Studies Institute and the Work Foundation	Kathryn Ray
Disability, mental health, impairments, long-term conditions and poverty	New Policy Institute , University of Kent , University of Ulster and Declan Gaffney	Tom MacInnes

FORTHCOMING WORK

We are commissioning two further sets of reviews. The next 13 reviews have a budget of £20,000 each. Contracts for these will be awarded through a limited tendering process and will end in December 2013.

- take-up of benefits;
- means-testing versus universalism;
- family structure;
- community and neighbourhoods;
- adult and tertiary education;
- advice and support;
- transport;
- fuel and other essential goods and services;
- problem drug and alcohol use;
- homelessness;
- migrants;
- wellbeing; and
- devolution.

The final 14 reviews have budgets of £10,000 each and are due to end in November 2013. These will be directly commissioned:

- crime;
- the informal economy;
- savings, wealth and assets;
- credit and debt;
- pre-school education;
- primary and secondary education;
- health and social care;
- childcare;
- refugees and asylum-seekers;
- demography;
- sexual orientation;

- religion;
- Universal Credit; and
- welfare-to-work.

2014 amounts to the most challenging aspect of the programme – bringing together all the evidence from these reviews to produce the strategies. This will be done with the [assistance of our groups of external experts](#) and by drawing upon modelling of the impacts of the policies and secondary analysis.

- In 2015, we will launch the strategy for the UK.
- Strategies for Northern Ireland, Scotland and Wales will follow in 2016.

LINKS

- [A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives – DWP/DfE](#)
- [Tackling Poverty – Welsh Government](#)
- [Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland – Northern Irish Government](#)
- [Devolved Administrations Anti Poverty Strategies – DWP](#)
- [Household Below Average Income \(HBAI\)](#)
- [Programme Advisory and Task Groups](#) (PDF)

Source: <http://www.jrf.org.uk/blog/2013/10/ten-questions-uk-poverty>

02 October 2013

TEN OF THE MOST IMPORTANT QUESTIONS TO ASK ABOUT UK POVERTY

Poverty research must provide useful answers for policy and practice, says Chris Goulden.

To deal with entrenched problems of poverty in the UK, serious improvements need to be made to knowledge about the causes of poverty and the effectiveness of potential solutions.

A two-day exercise led by a partnership between JRF and the Centre for Science and Policy at the University of Cambridge identified [the most important unanswered and researchable questions about poverty](#). As well as the potential benefits of improving the evidence base in general, this is part of [our programme developing strategies to reduce poverty in the UK](#).

Participants were invited from a range of organisations across the UK. Over 40 people from government and non-governmental organisations, and academics or researchers working in universities or think tanks, took part. They were asked to identify an initial set of research questions by consulting widely with others, and to propose questions that would make a real difference to poverty in the UK but had not yet been adequately answered. We started off with [470 questions, which were reduced to 100](#) through a democratic process of discussion and voting.

The categories of questions covered a number of important themes, including attitudes, education, family, employment, health, wellbeing, inclusion, markets, housing, taxes, inequality and power. Ten of the most important questions were:

1. What values, frames and narratives are associated with greater support for tackling poverty, and why
2. How do images of people in poverty influence policy debates in different countries?

3. What are the most effective methods of increasing involvement and support for the education of children among their parents or guardians?
4. What explains variation in wages as a share of GDP internationally?
5. What is the nature and extent of poverty among those who do not or cannot access the safety net when they need it?
6. How could targeting and incentivising payment of the Living Wage make it more effective at reducing household poverty?
7. What are the positive and negative impacts of digital technologies on poverty?
8. How do environmental and social regulations or obligations affect prices for those in poverty?
9. Who benefits from poverty, and how?
10. What evidence is there that economic growth reduces poverty overall, and under what circumstances?

We hope these questions will be used in a range of ways. Most directly, it's an important input into our [anti-poverty strategies programme](#). But we also expect that practitioners, policy-makers, researchers and funders will use it to help shape further research programmes across a range of economic and social science disciplines.

The full paper, **100 Questions: identifying research priorities for poverty prevention and reduction** by William J. Sutherland *et al.*, is published in *Journal of Poverty & Social Justice* as an Open Access paper and can be accessed [here](#).

MONITORING POVERTY AND SOCIAL EXCLUSION IN SCOTLAND 2013

This *Findings* from the New Policy Institute analyses the latest data on poverty and exclusion in Scotland. It shows changes over the last decade, and highlights the big challenges ahead.

Key points

- In the decade to 2010/11, the child poverty rate in Scotland fell from 31% to 21% after housing costs (AHC). From having a higher rate than England and Wales, Scotland now has a much lower rate.
- Over the same period, the number of working-age adults with dependent children living in poverty fell, while the number without dependent children rose.
- Since 2008, the number of under-25s who are unemployed has almost doubled to 90,000. They are the only age group for whom unemployment has grown in the last two years.
- The number of people working part-time who want a full-time job has risen from 70,000 in 2008 to 120,000 in 2012. This has led to a rise in the number of people working part-time, while the number working full-time has fallen.
- Over the last decade, the proportion of people claiming an out-of-work benefit has fallen across Scotland from 17% to 15%. The largest falls were in Glasgow and its surrounding areas, where the rate was and remains highest, now standing at 22%.
- Health inequalities in Scotland are not only stark but growing. A boy born in the poorest tenth of areas can expect to live 14 years less than one born in the least deprived tenth. For girls, the difference is eight years.
- Rates of mortality for heart disease (100 per 100,000 people aged under 75) are twice as high in deprived areas as the Scottish average.
- Cancer mortality rates in the poorest areas (200 per 100,000) are 50% higher than average, and have not fallen in the last decade, while the average has fallen by one-sixth.

The research

By a team at the New Policy Institute

JANUARY 2013

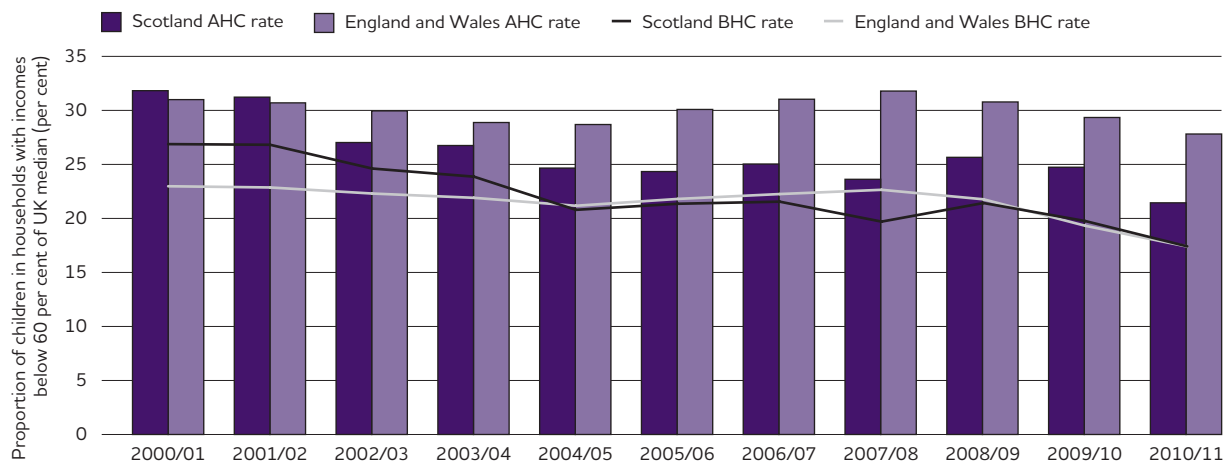
Low income

The most common measure of poverty is based on household income. A household is said to be in poverty if its income, after taxes, is less than 60% of the UK median for that year.

This threshold is adjusted for household size and composition. It can also be measured before housing costs are deducted from income (BHC), or after their deduction (AHC). The latter measure is preferred here, as housing is an essential, unavoidable cost. Moreover, the BHC measure includes housing benefits, which are not disposable income – they must be paid to landlords, whether private or social.

The most recent data available is for 2010/11, which only covers the first year of the Coalition Government in Westminster. In that year, the poverty threshold was £215 a week for a couple with no children, £125 for a single adult, £301 for a couple with two young children and £211 for a lone parent with two young children.

Figure 1 – Child poverty over time in Scotland compared with England and Wales



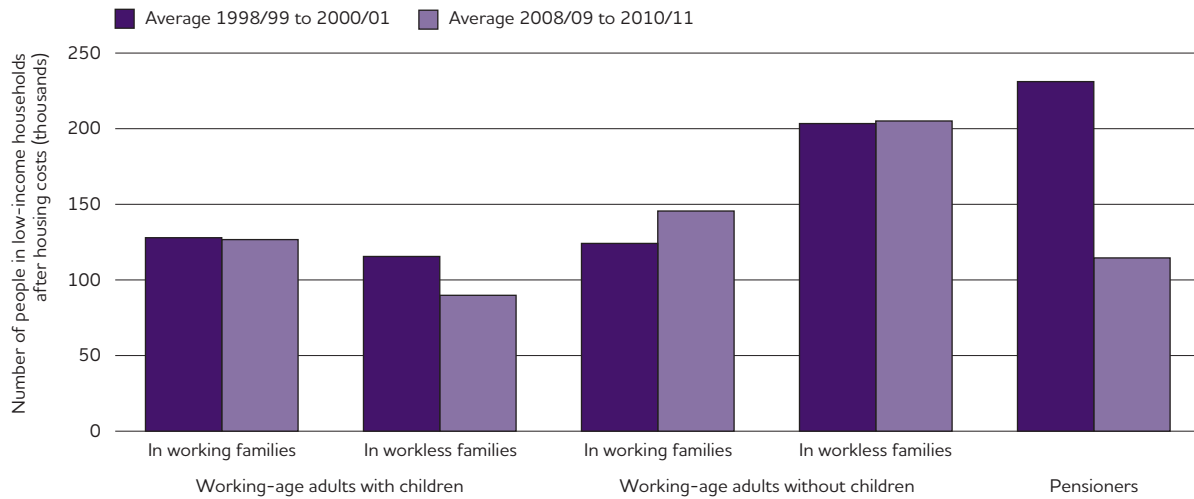
Source: Households Below Average Income, DWP

Over the last decade, child poverty in Scotland has fallen on both BHC and AHC measures. On the AHC measure, child poverty fell in Scotland too, and by much more than in England and Wales. As a result, the AHC child poverty rate in Scotland is now, at 21%, seven percentage points lower than the rest of Great Britain. A decade ago, the rate in Scotland was one percentage point higher.

This difference is mainly due to the high and rising cost of housing in England and Wales, and particularly the south of England. Among those in the bottom half of the income distribution, housing costs are 25% higher in England and Wales than Scotland. A decade ago the gap was 10%, so Scotland's lower housing costs help to keep poverty down.

The fall in child poverty in the most recent year may seem surprising, coming during a period of high unemployment. In fact, the reason why child poverty fell across the UK in 2010/11 was because the median income, against which it is measured, had itself fallen. In the UK, median income fell from £373 to £358, after taking account of inflation and housing costs. In Scotland, the fall was from £393 to £370. Any fall in poverty under such circumstances is limited cause for celebration.

Figure 2 – The number of adults in low income in Scotland over time



Source: Households Below Average Income, DWP

Figure 2 looks at the three years to 2000/2001 in comparison with the three years to 2010/11 using the after housing costs measure. Over that decade, the make-up of the population of adults in poverty has changed substantially. First, pensioner poverty has seen a huge fall, from 230,000 to 120,000. This fall can also be seen elsewhere in the UK.

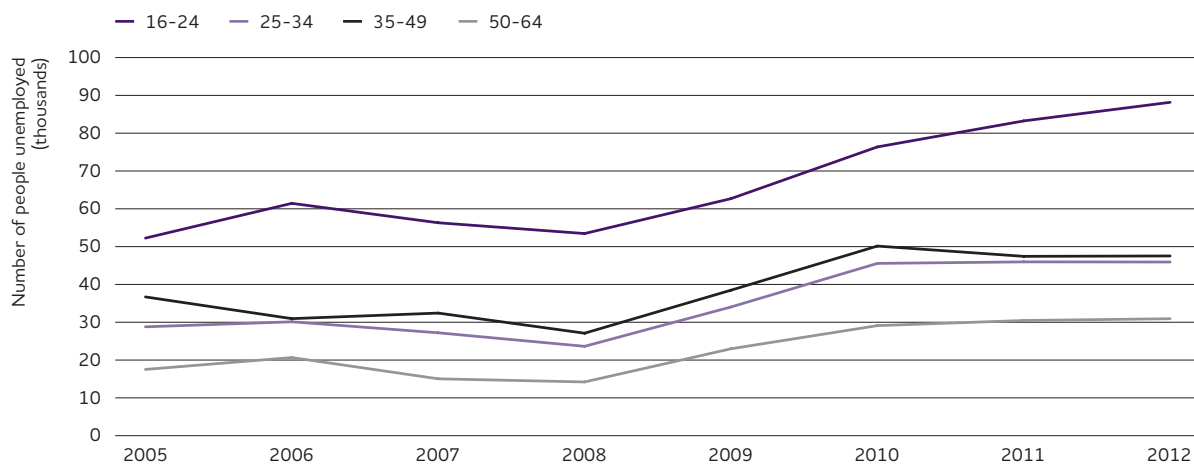
There is a difference in the trends in poverty between working-age adults with and without dependent children. Among those with children there was no change in the number living in low-income, working families (the figure remained at around 130,000), and a fall in the number living in low-income, workless families from 120,000 to 90,000.

Among those without dependent children, there was a rise in the number living in low-income, working families from 125,000 to 150,000, and no change in the number in workless families (around 210,000).

Overall this means that the number of working-age adults in poverty remained unchanged over the decade to 2010/11, but there were changes from workless families to working families and from those with dependent children to those without.

Work and unemployment

Figure 3 – The number of people unemployed in Scotland by age



Source: Labour Market Statistics, ONS

By mid-2012, some 210,000 people in Scotland were unemployed. This represents a rise of 90,000 (80%) since the low point of mid-2008. Almost half of this rise was among those aged under 25.

With the onset of recession in 2008, unemployment rose for all age groups. But since 2010, the only subsequent rise in unemployment has been among young adults.

By mid-2012, around 90,000 under-25s were unemployed. This amounts to an unemployment rate (unemployed people as a proportion of those either in work or unemployed) of 21%. The rate for over-25s was 6%. Both these figures were almost identical to the equivalent for England and Wales.

Rising unemployment does not tell the full story of the changes in the Scottish labour market since 2008. The total number of people in work is lower, and the mix of part-time and full-time work has changed too. The total number of people in part-time work rose by 60,000, whereas the number of people in full-time work fell by 120,000. Moreover, almost the entire rise in part-time work is among people who say they want a full-time job, from 70,000 to 120,000.

Additionally, the number of people in self-employment has risen from 265,000 to 300,000. Over the same period, the number of people in employee jobs fell by almost 100,000. All the rise is among those 'working for themselves', often people now doing similar work to that which they were previously employed by someone else to do.

Out-of-work benefits and welfare reform

Figure 4 – Proportion of adults receiving out-of-work benefits by area over time



Source: DWP tabulation tool for May 2002, February 2007 and February 2012, and ONS mid-year population estimates

Figure 4 shows the proportion of working-age adults claiming one of the key out-of-work benefits – Jobseeker’s Allowance (JSA), Incapacity Benefit (IB), Employment Support Allowance (ESA), Income Support (IS) or Carer’s Allowance (CA).

Over the last decade, there have been falls in the proportion of people claiming out-of-work benefits across Scotland. The largest falls have been in Glasgow and the West (West Dumbartonshire, Inverclyde, Renfrewshire and North Ayrshire) where 22% of working-age adults now claim an out-of-work benefit, compared with 25% in 2002. Elsewhere in Scotland, falls have been much smaller – around one percentage point.

Moreover, since 2007, while there has been no further fall in the proportion of adults claiming these benefits in Glasgow, there has also not been a rise, whereas in most of the rest of Scotland there has been a rise.

Looking deeper into these figures, all the fall across Scotland comes from a decline in people receiving IB or ESA. This fall happened right across the last decade, though it was more pronounced in Glasgow where the proportion of people receiving these benefits was and is highest. Both in terms of numbers and rates, there were falls across all age groups.

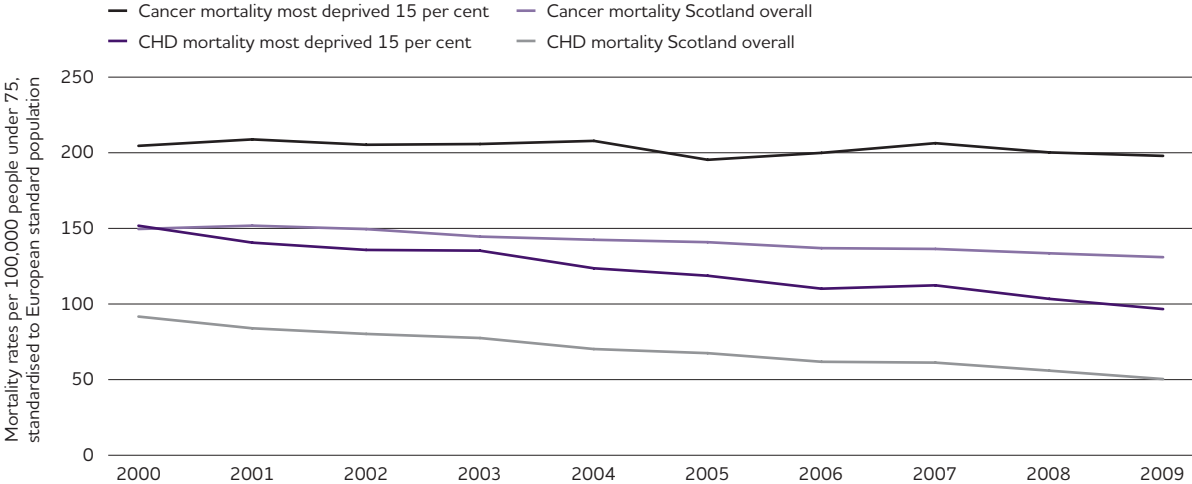
Since 2007, all areas of Scotland have seen a rise in the proportion of people claiming JSA, but the rise in Glasgow and the West is offset by the fall in those claiming IB or ESA. This is not true in the rest of Scotland, hence the different patterns since the onset of recession.

Further reforms to the benefits system may or may not change this pattern, but they will certainly have an impact on the lives of many people in Scotland. The replacement of Disability Living Allowance (DLA) with the Personal Independence Payment (PIP), and the ensuing mandated 20% reduction in caseload will result in around 60,000 working age people in Scotland losing at least some of their entitlement (Source: Inclusion Scotland). (Welfare reform briefing, October 2012, Inclusion Scotland, <http://www.inclusionscotland.org/reports.asp>)

It is estimated that around 65,000 people currently claiming ESA or IB will leave the benefits system entirely due to a combination of time-limiting the benefit and increased work capability assessments (Source: Beatty and Fothergill, Incapacity Benefit Reform, the Local Regional and National Impact, Sheffield Hallam University 2011). Some may find work, and benefit reform as a whole is centred on improving incentives to do so. For those who do not, the effect is straightforward – lower incomes and deeper poverty.

Health inequalities

Figure 5 – Health inequalities by area deprivation



Source: General Register Office Scotland and Analytical Services (Health), Scottish Government

Figure 5 shows the mortality rates (adjusted for population size and structure) of coronary heart disease (CHD) and cancer. It compares these rates in the most deprived 15% of areas with the Scottish average.

Between 2000 and 2009, coronary heart disease mortality rates in the 15% of most deprived areas fell from around 150 per 100,000 aged under 75 to around 100 per 100,000. In Scotland on average, they fell from 90 to 50 per 100,000. So the fall was steeper in the more deprived areas, but the rate is now double the average.

However, this is not true for cancer mortalities. While the average fell from 150 per 100,000 aged under 75 to 130 per 100,000, the rate in the most deprived areas barely changed at all. The rate of cancer mortality is now 50% higher in the most deprived areas than the Scottish average.

The difference also exists in overall life expectancy. A boy born in the most deprived 10% of areas has a life expectancy of 68, eight years below the national average and 14 years below boys in the least deprived areas. For girls born in the most deprived 10%, life expectancy is 76, four years less than the national average and eight less than girls in the least deprived 10%.

Compared with 2004 to 06, life expectancy at birth for men has increased by around one year regardless of deprivation. For women, however, while the average increased by one year, women in the most deprived 10% of areas only saw an increase of 0.75 years.

Poverty and Scottish independence

From now until the referendum in late 2014, the issue of independence will dominate the Scottish political landscape. Poverty is currently far from central to the independence debate as it stands but it is vital that it becomes so. This discussion is, after all, about the kind of country Scotland wants to be and should cover areas that are central to tackling poverty – health, schools, childcare, benefits, taxes, work and pay, services, housing and more. The Scottish Government already has powers over many of these areas.

It is important that the discussion of independence does not obscure the need for policy development in all these areas to tackle problems that will exist whatever decision the Scottish people take in 2014.

Conclusion

This *Findings* highlights real and growing problems – rising poverty among working-age adults without dependent children, rising numbers of people working part-time for want of a full-time job, and high young adult unemployment. They are problems that cannot wait.

FOR FURTHER INFORMATION

This summary is part of JRF's research and development programme. The views are those of the authors and not necessarily those of the JRF. You can download our UK-wide *Monitoring poverty and social exclusion 2012* report at <http://www.jrf.org.uk/publications/monitoring-poverty-2012>

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Source: <http://northeastchildpoverty.wordpress.com/2013/03/28/the-impoverishment-of-the-uk/>

The Impoverishment of the UK

By Stephen Crossley



The Poverty and Social Exclusion Team have just published their first report *The Impoverishment of the UK* which documents the deprivation suffered by a growing number of people living below what the public agrees is a minimum standard of living. It is the result of the largest ever study of poverty conducted in the UK, funded by the Economic and Social Research Council and building on surveys completed in 1983, 1990, 1999 and 2002/ 03. The team involved comes from five different universities across the UK and is full of internationally renowned experts on poverty, deprivation and social exclusion. In short, its findings, one might hope, should carry some weight.

The first thing to note is the title of the report – the ‘impoverishment’ of the UK. There is nothing natural or organic or inevitable about poverty. Nor is it an accident, as Nelson Mandela pointed out. It is man-made and as the title points out, the UK – or at least a large proportion of it - has been *made* poor. The UK is, of course, a phenomenally rich country, but it is a rich country with a shockingly high number of poor people in it. Certain politicians and newspapers try to argue that it is poor people themselves who are the architects of their own poverty through their ‘addictive behaviour’, their ‘bad cultures’, their sexual promiscuity or their ‘something for nothing’ attitude. However, as Peter Townsend, one of the original members of the PSE team before his death in 2009, points out, we should ignore this view and take greater interest in the part played by *‘the state, industry and the wealthy classes in ‘manufacturing’ poverty in the first place’*. In a passage particularly relevant to the living standards approach of the PSE team, he goes on to say:

‘we have to look at the influences exerted by the rich in defining and controlling the conditions, and setting the fashions, which are continually redefining and reconstituting the structures of need which citizens experience in their everyday lives’ (*The pursuit of equality* 1983, *Poverty*, pp11-15)

The report contains some truly shocking facts and findings - around 2.5 million children live in homes that are damp, roughly 14 million people cannot afford one or more essential goods, about 5.5 million adults go without essential clothing. However, one of the most surprising – and potentially worrying – trends is the increase in the levels of social deprivation. The report

highlights that the rhetoric of ‘austerity’ is beginning to have an impact on social activities and networks, which are being regarded as ‘luxuries’ or ‘non-essentials’ by growing numbers of people. So, for the first time, and bucking the trend in surveys going back over the past 30 years, being able to give presents to family and friends once a year was not considered to be a necessity by the majority of people. Similarly, having friends around for a meal or drink once a month or children’s friends visit for tea or a snack once a fortnight were no longer seen as necessities by the majority of people. At a time when we’re being told by politicians that we’re all in it together and ‘The Big Society’ (remember that?) was lauded as the answer to a shrinking state, the result of political language and decision making is that we are actually becoming increasingly individualised, struggling to construct and maintain our own lives and with few resources spare to fulfil any social roles or obligations. Not only has the UK suffered an economic recession, but we appear to be going through a social recession as well. Perhaps, as the research suggests, we might be reaching a point where there genuinely is *‘no such thing as society: there are individual men and women, and there are families’*. However, Margaret Thatcher went to on to say that *‘people must look to themselves first. It’s our duty to look after ourselves and then to look after our neighbour’* and on, this, I would agree, especially at the current time, where, as the conclusion of the report points out *‘the impacts of the current government austerity measures are set to hit hard those whose standard of living is **already** well below that seen by a majority to be minimal’* (my emphasis).

The word crisis is much used at the moment, by politicians and by media commentators. Whenever I hear it, I am reminded of a quote from Milton Friedman, one of the architects of neo-liberalism, and who would probably largely agree with the political and economic decision making of the Coalition Government:

“Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable.”

Whilst there may be no Plan B, that doesn’t mean there aren’t any alternatives

The Tonight programme on ITV will provide the first look at the results of the Poverty and Social Exclusion Survey 2012 tonight at 7:30pm

THE WRONG WAY TO TACKLE POVERTY

Peter Taylor-Gooby, University of Kent

Everyone, from advocates of Universal Credit to the authors of the EU 2020 Growth Strategy believes that the best way forward for unemployment and poverty is to get more people into paid work. This is a big mistake. Very few of the policy-makers pay any attention to the quality of the jobs people end up in, or the pay rates. The new poor live more stressful lives and *they earn* their poverty. We must stop thinking of the work-first world as automatically social progress.

The Coalition's flagship reform of the welfare state for those of working age is the Universal Credit programme, currently being rolled out. This brings together the six main means-tested benefits into a simpler system intended to have clearer and more obvious work incentives. The idea that mobilising the poor into paid work is the best way to deal with poverty pervades welfare state policy across the developed world. It underlies the US life-time capping of benefit entitlement, the Australian Work First programme and the German Hartz IV cutbacks of insurance benefits. It is reflected in the EU's current 'Europe 2020' programme with its goals of 'smart, sustainable and inclusive growth', in which 'progress in increasing the employment rate helps to reduce poverty'.

There is some truth in this. In general, people in paid work are less likely to be poor than unemployed people. At the same time, employment rates are rising with the most striking changes are among women. The proportion of women in European countries in paid work rose by between a quarter and a third between the 1960s and the onset of the crisis in 2007. The work first programme can claim to be working with the grain of social change.

The idea that jobs solve poverty misses a bigger picture. Through the developed world the share of GDP growth that goes to the working population in earnings has been falling steadily for about 40 years. Whether calculated as percentage of Gross Value Added, as in the work of the Resolution Foundation, or of GDP growth as in recent ILO studies, the 'wage share' has fallen. Put simply, workers receive somewhere between a sixth and a twelfth less of what they produce than their counterparts did in the 1950s and 1960s and their share is continuing to decline.

Within the context of a falling wage share, inequalities in market incomes have been steadily rising. The work of Atkinson shows that this is not simply the runaway escalation of top end incomes. The rich have done very well and those in the middle have certainly improved their position during the stable growth of the 15 years before the 2007 crisis. What is striking is that the incomes of the bottom ten per cent have stagnated or fallen while other groups have moved away from them.

The UK is at the most unequal end of a general pattern. In terms of declining wage share, precipitate growth in top one per cent incomes and flat-lining at the bottom end, its performance has been much closer to that of the US than of any of the larger European countries. Current government policies bear particularly heavily on the poor. Cautious Treasury estimates in Table T2C of the 2013 Budget suggest that the poorest fifth of the population lose about twice as much from the impact of current cuts to

benefits and services and tax changes as do those in the middle. Independent IFS calculations put the ratio for those without children at more than double that.

Most of those in poverty live in working households. Among families the proportion in households with at least one member in work has risen from 50 to 68 per cent since 1996 according to DWP statistics (Households below Average Incomes 1995-6 to 2011-12, Table 5.5ts).

A further indicator of low quality work at the bottom is the extent to which jobs require training. New data from a careful study by the Centre for Learning Life Chances in Knowledge Economies and Societies shows that over the past 30 years of time spent in in-work training shows an interesting pattern. Participation in training in Britain rose in the late 1990s and flat-lined in the early 2000s. After 2006 it fell back to roughly the 1995 level. Training is weakest at the bottom end of the labour market. No progress is being made in improving the quality of work or the opportunities for those who enter.

The work-first welfare state is seen as the answer to poverty across Europe. This may reflect the difficulties governments face in developing traditional tax-and-spend welfare in a more globalised and ruthlessly competitive world. Many of those who are keenest on this approach ignore the fact that the share of GDP going to workers is falling, market incomes are becoming steadily more unequal and the working lives of those at the bottom are less satisfying and meaningful than in the past.

The UK Coalition is at the forefront of the work-first welfare state. The trends to falling wage share and inequality are reinforced by government policies that cut benefits and impose tougher conditions on the working poor. We should perhaps be more honest. The new job-centred welfare state is not about reducing poverty or improving the lives of those at the bottom. It is about mobilising them into paid work regardless of stress level or the impact on family life. It is also about ensuring that they contribute to the rising living standards of more advantaged groups.

*These issues are discussed in more detail in Peter Taylor-Gooby (2013) *The Double Crisis of the Welfare State and What We Can Do About It*, Palgrave Macmillan, Basingstoke

Peter Taylor-Gooby, OBE, FBA, AcSS, FRSA is Professor of Social Policy at the University of Kent, Chair of the British Academy programme on New Paradigms in Public Policy and of the HEFCE REF2014 and RAE 2008 Social Work and Social Policy Panels. Previously President of the British Association for the Advancement of Science's Sociology and Social Policy Section, he has contributed to Downing Street and Treasury roundtables, Government Office for Science Foresight Reviews, Council of Europe Policy Fora and Blackett Reviews. Recent books include: New Paradigms in Public Policy (2013), Reframing Social Citizenship (2009), Risk in Social Science (with Jens Zinn, 2006), Ideas and the Welfare State (2005) and New Risks, New Welfare (2004).

Preventing poverty in an unequal society – Adrian Sinfield

CRFR seminar on Preventing and Ending Poverty, 27 November 2013

‘We want to challenge myths and stereotypes about people experiencing poverty and encourage a debate, based on the evidence, about what a UK without high levels of poverty would be like’ (JRF briefing for the Poverty Strategy project).

What would a society without poverty be like? This question has been posed all too seldom and pursued even less. Staying with that question leads me to one particular conclusion: preventing poverty must be given much more attention than it has been receiving in recent years. It is often acknowledged, but it is astonishing how quickly we slip off it into being ‘realistic’ about what can be done now. The hardships of those trapped in poverty of course call for immediate action. But, however effective the ways of getting people out of poverty, it seems self-evident to me that we will never make a major impact on poverty unless we improve, develop and restore the strategies needed to prevent poverty from occurring and recurring.

This I would argue requires much more attention to those who are not in poverty and how and why they manage to remain out of it. What secures people in our society and keeps them protected from poverty? The main source of income for most working-age people and those dependent on them is their employment. This plays a key role in keeping many out of poverty. ‘In a society where unemployment is accepted, great material and social gaps develop, resulting in the mutual isolation and alienation of different groups. Any social order not based on full employment must imply a restriction of living conditions and a squandering of human resources’ (Terms of reference to the *Swedish Royal Commission on Long-term Employment*, 1974).

More people are in work today than ever, but at the same time more of these workers are in poverty. We have neglected what Beveridge said in his 1944 report, *Full Employment in a Free Society*: full employment means ‘decent jobs, fair wages, of such a kind, and so located that the unemployed can reasonably be expected to take them’.

The dominant ‘work-first’ strategy is well challenged by Peter Taylor-Gooby in *The Wrong Way to Tackle Poverty* in the reading. ‘Work-first’ absorbs much attention and deflects us from asking other questions about the nature of poverty and its causes, and so the solutions to it. Peter emphasises what Beveridge called ‘the evil of inequality’ and the growing inequalities within the now much smaller share of national resources that is going to labour power. If paid work is to be ‘the best form of welfare’ to end poverty, then decent wages have to be paid and the problems which cause people to lose or leave work need to be tackled. This was a point that Lisa Harker’s independent report for the DWP stressed was of particular importance for helping to prevent lone mothers fall back into poverty (2006, p 40).

The low-pay no-pay cycle not only fails to prevent poverty but can impose long-term undermining effects on family life and health (see the JRF Recurrent Poverty studies, and especially Tracy Shildrick et al in *Poverty and Insecurity*, 2012). A strategy with a better balance between preventing and relieving poverty would give more attention to removing low pay, very long hours and other family-unfriendly working conditions.

This is a particular challenge given the need to develop preventive policies that work with and support the necessary transition to a sustainable economy. Remarkably little attention has been given to how these might be most effectively combined. The rich, heavy consumers and polluters of the world’s limited resources seem to gain ever greater admiration while those in poverty and

making less demands are vilified. In arguing for *Prosperity without growth* (2009) Tim Jackson noted that ‘there may be more room than commonly supposed, even within the conventional framework, to stabilise economic output’ (2009, p 81). We need to pursue this.

The preventive value of a good welfare state

‘Why some affluent Western democracies maintain substantial poverty and others are more egalitarian and accomplish low levels of poverty’ is mainly due to ‘the generosity of the welfare state’ (Brady, 2009). This is how David Brady summarises his comparative study of 18 ‘rich democracies’ over more than 30 years. Countries with lower rates of poverty tend to have maintained universal systems with more effective preventive strategies. Good benefits are needed to prevent people falling into poverty when earnings are interrupted or cease: a decent level of benefits enables people to cope and to plan more easily when faced with problems that interrupt or limit earnings. Total income support should be set above the poverty line and in accordance with established Minimum Income Standards. Good and accessible social services are also a necessary part of an effective welfare state. High quality child care and support for those with disabilities, for example, play an important part in preventing as well as reducing poverty.

The preventive value of a decent social security system in helping to maintain consumer spending and so maintain demand and employment is considerable and must not be neglected. By contrast, cutting basic benefits only undermines other strategies to boost the economy as well as adding to poverty and weakening communities. The social as well as economic effects of the automatic stabiliser of social security need much more attention than they have received (Sinfield, 2012).

The factors preventing more discussion of and attention to prevention

Attempts to restore the balance between preventing poverty and other poverty-related measures need, I would argue, to take account of the factors that help to deflect attention from the importance of prevention in significantly reducing poverty and creating a society without poverty.

a) The widening and persistence of social and economic inequalities combined with declining [social](#) mobility handicap policies to prevent and reduce poverty. More work needs to be done in analysing and tackling the broader, structural factors, ‘the major drivers of poverty, such as high levels of wage and wealth inequality’ (Harker, 2006, p 9), which undermine preventive policies.

Measures to promote greater equality across all groups can help to prevent and tackle the greater risk of poverty, and long-term poverty. For example, ‘despite significant improvements in recent years, “women's concentration in low paid part-time jobs, occupational segregation, and lack of affordable childcare” continue to make them more vulnerable to poverty and also make it more difficult for them to establish themselves in secure, well-paid employment that protects them from falling back into poverty even when in work’ (Breitenbach and Wasoff, 2007).

More, therefore, needs to be done to construct a broad equality agenda within which specific goals of preventing and reducing poverty, inequality and deprivation can be achieved for all groups vulnerable to poverty. ‘Woven into inequalities of income and wealth are those of class, gender and race, cross-cut with social divisions associated with sexual orientation, age and disability’ (Lister, 2008). The reduction of employment discrimination can benefit many vulnerable groups enabling them to access better-paid and securer jobs that protect against poverty (eg, on vulnerable ethnic groups, Hudson and Radu, 2011; de Lima et al, 2011).

The ways that location can also expose some to greater risk of poverty need also to be taken into account in this complex weave. The recent analysis of the higher cost of a Minimum Income Standard in remote rural Scotland (HIE, 2013) brings this out clearly: it also shows the preventive value of universal services such as free prescription and eye tests, and free travel by bus and ferry for those over 60 or with disabilities.

Over forty years the basic benefit for those out of work has fallen 50 per cent behind average earnings. By the same measure the total remuneration of the FTSE 100 top executives has risen by 1000 per cent. Can we make a major impact on poverty unless we recognise that 'the welfare state is only a way of redistributing *some* income without interfering with the causes of its maldistribution' (Cole, 1955, p 88)? 'To recognise inequality as the problem' rather than poverty 'involves recognising the need for structural change, for sacrifices by the majority' and acknowledging 'the limits of conventional welfare' (Titmuss, 1965, pp 132 and 131),

b) Another factor that undermines preventive policies, and indeed deprives us of the resources to fund them, is the burden of total taxation that falls marginally more heavily on poorer than better-off income groups, despite the general assumption of a progressive tax system. The regressive impact of council and indirect taxes on those in or very close to poverty must be acknowledged and tackled. In addition, most tax reliefs with the exception of tax credits help those with higher incomes more: they quietly reinforce inequalities at the expense of those more vulnerable to poverty and can undermine more public policies to tackle inequality and deprivation.

The fact that total taxes in the UK have remained 'resolutely proportional' (National Equality Panel, 2010, p 50) for so long despite strong beliefs to the contrary has weakened the case for a more progressive system that would increase disposable incomes at the bottom. Meanwhile the continuing 'upside-down' and 'subterranean' support through large tax reliefs and generous occupational welfare to the better-off, and some of the best-off in particular, protects those already well-protected against poverty. It seems little recognised that it results in a considerable loss of public revenue that not only limits publicly-funded support for the rest of the population including the poorest, but may even push their tax contributions up.

c) Discriminatory language and tone exclude vulnerable groups and also weaken support for preventive and other policies to protect them. I would argue that this has now become a significant barrier to greater attention to broader strategies of prevention and even facilitated their undermining. The discussion of 'povertyism' (eg, Davies, 2008) might be used to examine the political and social construction of poverty in terms of individual behaviour: it is easier to cut benefits and services for those that the rest of society have been encouraged to regard as 'undeserving'. Directing attention to the alleged behaviour of those already caught in poverty can close off discussion of broader-based policies that strengthen its prevention. It fosters a divisive view of life of 'we the people', the givers, and 'them the poor', the takers. This polarises poverty discussion when we need to be examining how processes are working to help or trap people in poverty.

d) One final aspect deserves mention – the persisting neglect in routine analysis of measuring preventive effectiveness in evaluating policies. For example, child poverty fell by 900,000 over twelve years, and as many again were prevented from falling into poverty (Brewer et al., 2010). Yet this second point remains virtually unmentioned, let alone taken account of in discussion and policymaking. It indicates the lack of a prevention focus that needs to be tackled if prevention is to be mainstreamed.

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Preventing Poverty: Policy or Reciprocity?

Prevention of poverty is as difficult to achieve as poverty is to define. Using the relative measure of poverty – the proportion of individuals with household incomes less than 60% of the median – then there will always be some people who are considered poor. However, this is a blunt instrument and only one of many measures. The current definition being used in the Joseph Rowntree Foundation's poverty reviews* is

'... when a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).'

There are multiple reasons why a person's resources are insufficient for their needs, why this can remain so for shorter or longer periods of time, and why it can change. Poverty might be more or less severe and it might affect members of a household differently, according to their access to and use of the available resources (Coria, 2012), and the risk of poverty for each member may be substantially different, especially if consideration is given to the life-cycle approach, the gender perspective or power dynamics (Ludwig-Mayerhofer, 2011).

In recent years two distinct policy approaches, based respectively on structural individualistic theories, have been used in the UK to address poverty.

The previous (Labour) Government, in its attempt to eradicate child poverty and to halve it from the 1998/99 level by 2010 used the structural approach to raise the income of poor families with children. Fiscal redistribution through tax credits, increases in benefits and tax thresholds for low-income families, did succeed in lifting 1.1 million children out of poverty, even though the target was not met.

The current (Coalition) Government's view is that such a strategy is not only unsustainable but also fails to **prevent** poverty by not tackling its root causes. Their first *Child Poverty Strategy* paper – *A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives* (2011) drew heavily on two independent reviews (Field, 2010 and Allen, 2011) which pointed to family poverty frequently being the result of intergenerational disadvantage, with the result that poor children in turn become poor adults.

There are several, and often overlapping, sociological theories which explain why this might happen, including both the direct and indirect effects of poverty (Conger *et al*, 2000), attitudes and expectations of education and work (the 'culture of poverty')

(Ermisch *et al*, 2001) and adverse effects of poor neighbourhoods (Barnes, 2004), as well as culture and gender e.g. families from certain ethnic groups, those which include a disabled person, or those headed by a lone parent.

However, the Government elected to pursue the prevention of poverty through a series of interventions which include:

- Making clear that '*work, not welfare, is the best route out of poverty*' (p2); ensuring that those capable of paid employment are in work; and removing the perverse incentives which served to create a '*benefit dependency*'. Those who do the '*right thing*' (take a full-time job) would be supported where necessary through the new Universal Credit.
- Giving children a better start in life so they do not end up being poor adults: extending the offer of 15 hours a week free early education (previously available to all three and four year-olds) to the most disadvantaged two year-olds.
- Keeping families together by helping them avoid separation and divorce through the provision of relationship support interventions. Poverty is often a consequence of divorce (as well as being a cause) and can lead to negative impacts on children's future life chances both directly (Mooney *et al.*, 2009; Coleman and Glen, 2010) and indirectly through the financial hardship and stress-related mental ill-health of their parents (Smith, 2004).

Poverty has thus become in danger of being seen as an individual or family failing rather than a continuing social problem. In the 2011/2012 British Social Attitudes Survey over 30% of those polled thought that many receiving welfare benefits '*don't really deserve any help*' (NatCen, 2012). This has unfortunate associations of Victorian values of the poor who are undeserving of support, which has cast a long shadow over how poor people in this country are viewed by others.

It is also redolent of a period in the 1970s when the concept of the 'cycle of deprivation' was brought to UK prominence by Sir Keith Joseph (then Secretary of State for Social Services). The consequence was a collaboration between the then Department for Health and Social Security and the Social Science Research Council which led to a review of the existing evidence and a large-scale research programme exploring the 'transmission' of deprivation between generations. The account of the existing research (Rutter and Madge, 1976) merits re-reading in the current climate, in particular bearing in mind that in the title – Cycles of Disadvantage – 'cycle' had become plural to emphasise that more than one process was at work, 'deprivation' became the broader concept of 'disadvantage', and 'transmitted' was not included. Some 35 years later the first two reappeared in their original form in the current Government's first *Child Poverty Strategy* and the concept of 'transmission' was re-introduced:

'We want to break the cycle of deprivation too often passed from one generation to another.' (p4)

Although many of the researchers involved in the various studies which contributed to the research programme on transmitted deprivation turned away from the personal interpretation of poverty towards the more structural one, there is value in considering how personal relationships can help prevent poverty through intergenerational transmission of a different (and positive) kind. Studies which have looked at the part played by parents in helping their adult children both practically and financially through transfers of money and time have found that money tends to be transferred downwards from parents to adult children until parents are well into their seventies (see, for example, Albertini *et al* 2007; Deindl and Brandt, 2011). Recipients are most often those in need because of unemployment, low paid employment, health (physical and mental) problems, the presence of young children, and lone parenthood. The greater their need, the more is given.

In addition, large-scale studies, including *Growing Up in Scotland*, have also pointed to the role of family members and friends, but especially grandparents (grandmothers), in providing childcare which allows mothers to work. This is not always because of the prohibitive cost of formal childcare (important though that is): some mothers prefer it for emotional reasons – such as trust and shared values. But the fact that it is more frequently used by less well-off mothers – young parents, lone parents, those in low-paid employment – suggests that cost **is** a factor. Flexibility is a further consideration – informal care covers times when formal care is not available, when children are ill, when there are school holidays etc.

Many grandparents reduce their working hours or stop working in order to fulfil this role. Inevitably this brings a reduction in grandparental income though not necessarily poverty: rather, it has the effect of an equalising process by which the burden of low income is more evenly spread across the generations, and poverty in the families of adult children can be prevented.

Taking the personal/individual responsibility approach to preventing poverty requires co-ordination of family policy. If it stresses that work is the solution to avoiding poverty, then the means to enable parents, and especially mothers, of young children to do so must also be available; namely adequate, accessible, affordable childcare and the availability of other family members to provide this where necessary. If policy requires them to be in work, and remain there for longer, a significant care gap arises which has implications for the income of the next generations.

Public assistance or family support?

The research from mainland Europe gives some indication of whether poverty can best be prevented by structural means - family policies and local practices - or individual ones - motivation, responsibility, self-help, altruism, and reciprocity.

Using data from the Survey of Health, Ageing and Retirement in Europe (SHARE) which involved 60,250 dyads from 13 countries, research by Brandt and Deindl (2013) shows that in those countries in which the welfare regime is generous, more parents give to adult children, though not necessarily in large amounts. Conversely where welfare regimes are not so magnanimous, fewer parents give but those who do, give larger amounts. The same applies to practical support: parents give more help when more state services are provided, but typically for fewer hours per week.

In generous welfare states, support relations between parents and children are of a more voluntary nature and are not based on obligations to provide essential care. When the state provides the essential level of support needed, this frees other family members to give according to their ability to do so. A crucial factor here is the level of retirement pensions available to parents. Where this is set at a reasonably generous level it allows the latter to provide extra support to their adult children and grandchildren because they have more economic resources available. It also removes the obligation on adult children to support their elderly parents though they, in turn, reciprocate by providing additional, non-essential care and support to their parents when it is needed.

Thus the combination of public assistance and familial giving leads not only to more intergenerational support, both upwards and downwards, but it is also likely to lead to a better quality of family relationships by giving more autonomy to potential givers.

Prevention of poverty is not easily achieved, but the best chances of success appear to come from an integrated family policy harnessed to individuals' acceptance of responsibility and reciprocity.

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