

NewStatesman

The rising tide

What would Beatrice Webb say about
poverty in the UK today?



in association with

Webb Memorial Trust

Tackling poverty and inequality

THE PROBLEM OF SOCIAL POLICY IS NOT A NEW ONE. INDEED, IT IS EDUCATION ON THIS VERY SUBJECT THAT THE WEBB MEMORIAL TRUST HAS PROVIDED SINCE 1944. BUT ITS EARLY TRUSTEES ALSO HAD ANOTHER AIM – TO PROVIDE A MEMORIAL TO THE SOCIALIST PIONEER, BEATRICE WEBB

Beatrice Webb was an astonishing woman of the time. Although born in the 19th century, one of nine children in a pretty affluent London family, she became very interested in the plight of the working class and in particular the issues around poverty. She formed an impressive partnership with husband Sidney Webb, who became a leading London councillor and then a Member of Parliament. Together they founded the London School of Economics – as well as, of course, this famous magazine, the *New Statesman*.

THE BEGINNINGS OF WELFARE

Her achievements did not end there. Indeed, she became very well-known for her submission to the Royal Commission on the Poor Law's 1909 *Minority Report*. Critically, and very radically at the time, she expounded the view that poverty was not the fault of the poor but was a result of economic mismanagement and the lack of strong social structures. She stressed the need for full employment and for those in poverty not to be excluded from local authority general service provisions. In particular, she advocated "a national minimum of civilised life open to all..." by which she meant "sufficient nourishment and training when young, a living wage when able bodied, treatment when sick and modest but secure livelihood when disabled or aged".

And so the first seeds of the welfare state were sown. Interestingly William Beveridge, the architect of the 1942 Beveridge Report, was one of Beatrice's researchers in the early part of the 20th

century – and Harold Wilson was part of Beveridge's team a few decades later.

LEARNING FROM EXPERIENCE

The Trust decided to mark the centenary of the *Minority Report* with some substantial work on poverty, and so set out to provide an answer to the question: "What would the Webbs be proposing now to address poverty in the UK?" The project was designed to raise awareness of the work of the Webbs, review lessons learned about the welfare state and develop some original and practical proposals to alleviate poverty in the UK.

The Trust commissioned the Fabian Society to look at what measures to reduce poverty had worked and what hadn't, including lessons learned from other countries, to analyse the causes of poverty and inequality, and to come up with some conclusions as to how they should be tackled. This culminated in 2009 with a successful conference and a major publication called *The Solidarity Society*, which particularly emphasised the importance of "universality". Academics were also commissioned to contribute to the debate, the results of which can be read in the book, *A Minority View: What Beatrice Webb Would Say Now*.

Other initiatives funded through the Trust include *Decent Childhoods* by child poverty experts Kate Bell and Jason Strelitz; research by North East charity, the Cyrenians, into the backgrounds of the homeless; and an IPPR project on economic inequality in the North of England, all of which are avail-



Beatrice Webb, advocate for the poor

able on www.webbmemorialtrust.org.uk. The Smith Institute has also produced two books: *Beatrice Webb: Her Quest for a Fairer Society* and *From the Poor Law to Welfare to Work*. It is also carrying out a major project on workplace democracy.

Over the next five years, the Trust is to be wound down. During this period we hope to raise the debate on the issues of poverty and inequality, something that has become more and more relevant in the light of the economic situation and proposed changes to welfare and benefits. So up to 2016 we will fund projects, hold events and produce publications. Above all, by learning from the past and engaging in some radical thinking about the future, we want to leave behind some clear and practical proposals which can help to shape a new model for a 21st century welfare state of which Beatrice Webb would be proud.

Richard Rawes and Mike Parker, chair and secretary, Webb Memorial Trust

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The rising tide of poverty

Is the government committed to tackling poverty in the UK? It's an issue that has been the subject of much debate, with tough economic conditions, high unemployment and changes to the welfare state leaving many commentators fearing the worst for the poorer members of our society.

But as this supplement highlights, the question should not be whether the government

should tackle poverty, but *how*. Supported by the Webb Memorial Trust, *New Statesman* explores what has changed since 1909 when Beatrice and Sidney Webb conducted their seminal research into the causes of poverty and what, if anything, can we learn from the past? What role can the labour market play? And why are those most affected by poverty – children and young people – excluded from the debate? ●

This supplement, and other policy reports, can be downloaded from the NS website at newstatesman.com/supplements

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Despite years of effort and millions of pounds invested,
Britain has failed to tackle poverty

Time to think differently

By Barry Knight

Rising unemployment, public expenditure cuts, a difficult business climate and a potentially calamitous Euro crisis: there appear to be few prospects of reducing poverty, and informed predictions suggest the problem is to get much worse.

While these issues have pushed poverty up the political agenda, thinking about how to deal with it appears to be stuck. Two attitudes driving the present debate virtually guarantee we will be unable to reduce poverty. On the right, we find the re-emergence of the distinction between the deserving and undeserving poor that blames the victim rather than seeing the problem as a feature of a weak society. On the left, we find the tendency to hold the government responsible for everything and blame it when things go wrong. This blame game does nothing to find a solution. On both right and left, it sets up a “them and us” situation instead of a “we”.

To make progress, we need to see poverty in the same way Beatrice Webb did – that it is a result of weak social structures and economic mismanagement for which we are all responsible. We also need to ask the right questions – many of which are under discussion within these pages – such as: How has the welfare state and public investment in education, health and housing impacted on poverty? What is the role of trade unions and the voluntary sector? How important is the labour market?

The state can make a huge difference but it can’t do all the heavy lifting. Other players, including private citizens and businesses, need to play their part too. The perspective that a good society with-

out poverty is everyone’s responsibility enables us to begin to address the issue of poverty without polarizing the debate. No political party wishes to see poverty increase. The central question, therefore, is not whether we need to focus on the issue at all, but on the means of eliminating it.

The Webb Memorial Trust is following the approach laid down by Beatrice and Sidney Webb, which is to develop a narrative of the common good, identify the means of achieving it, and then work with different parties to develop a consensus.

We also asked many of Britain’s leading commentators to come up with a solution to poverty. From their answers, which are

“Informed predictions suggest the problem is to get much worse”

published in a book called *A Minority View: What Beatrice Webb would say now*, it is clear there is no single agency and no single solution. It is not about asset development on its own, or decent incomes, or raising the status of women, or affirmative action for minority ethnic groups, or proper levels of benefit; it is about all of those things. The failure of any one of them is part of a systemic failure, and it is the system we need to address.

In seeking answers, it is clear we cannot go backwards. Many seek a return to Beveridge, looking to recreate an insurance-based welfare system. Although this is an idea worth exploring, the conditions that enabled Beveridge to develop his plan

have changed forever. It was a plan predicated on industrial society, full employment, short lives, male breadwinners, low mobility and low immigration.

In looking forward, the territory is clearly difficult to navigate. Academia is strong on analysis, but weak on solutions. Moreover, proposed solutions would be difficult to implement because, not only are governments cutting back on expenditure, public attitudes are against it; the *British Social Attitudes Survey* found 63 per cent of people believed parents who “don’t want to work” were to blame for the poverty of their family, for example.

The prevalence of such social attitudes reveals a further uncomfortable reality for those campaigning to end poverty. Put simply, their efforts to win the hearts and minds of the public have failed. A new approach is needed, perhaps focusing on the concept of “fairness”, which is an idea free from much of the ideological baggage that surrounds current thinking.

In framing a new debate, we need to look to youth, the only likely source of energy for change. While public and voluntary institutions are reeling from the changed circumstances and are thinking more about survival than development, young people are driving forward new social movements that have the capacity to bring about change. Yet they are rarely involved in formulating plans and practices. As the article on page 12 highlights, it is perhaps time for a generation that has failed to solve poverty to hand over to those for whom it will matter most. ●

Barry Knight is principal advisor to the Webb Memorial Trust

We need to learn from the past if we are
to build a fair society for the future

History repeats itself

By Paul Hackett

Eradicating poverty has a long and bloody history. Aristotle was troubled by it and warned that “poverty is the parent of revolution and crime”. In a world of slavery, extreme hardship and mass ignorance, poverty was understandably often seen as a moral and religious question.

It was the work of the Webbs in the early 1900s that advanced our understanding of the structural nature of poverty. For Beatrice Webb, knowing its causes meant it was “now possible to abolish destitution”. The task facing the generation that followed was how to craft effective policies which were tolerable to a public that had for centuries believed in nothing less than the “deserving” and “undeserving” poor.

The causes and definitions of poverty change, but the policy issues and political choices around eligibility and entitlement are the same. There is also a sense of urgency to developing policies for our troubled times. Real incomes are falling faster today than at any time since the 1930s, and are expected to do so for the foreseeable future. This together with cuts in services, reduced benefits, and rising unemployment will push many more into poverty.

So, what have we learnt from previous anti-poverty policies? First, that the state has taken on more responsibility, which has unquestionably been a good thing. The welfare state and investment in public services has saved millions from a life of poverty. However, non-state institutions, such as trade unions and the voluntary sector, and social interventions in the labour market—for example, workers rights and better corporate governance – have also played a significant role.



Poverty increased under Thatcher's rule

The success of post-war anti-poverty policies was a result of redistribution by the state (tax and transfers), but was also due to full male employment and strong labour-market institutions, which ensured decent levels of pay. These three policy pillars had wide political and public support and were mutually reinforcing.

The period from 1979 to 1997 witnessed a gradual collapse of the three pillars, largely as result of a deliberate policy of “leaving it to the market”. The result was a rise in poverty and inequality. The shifting of bargaining power away from the labour market gave rise to more low pay and greater reliance on in-work benefits (with an ever rising welfare bill). The Thatcher years also marked the death of the “social contract”, which fuelled antipathy towards those pushed onto benefits.

The New Labour era saw a reassertion of the public commitment to the welfare state and a new emphasis on higher transfers, such as child benefits and the minimum wage. The impact of this was a reduction in poverty – child and pensioner poverty dropped back down to their mid-1980s levels, for example. But despite these policies and sustained economic growth, in-work poverty continued to rise and income inequality widened. Although poverty rates would have been much worse without these reforms, success was hampered by Labour’s blind spot on high pay and the value of collective bargaining for those on low pay. More could have been done to secure a fairer distribution of labour market incomes. Even in good economic times, anti-poverty policies are most effective when they connect social policy, such as tax and benefits, with policies that support jobs and fair pay.

The tensions between relatively high insurance-based benefits and concerns over affordability can’t be ignored. However, achieving that “something for something” fairness becomes harder as an increasing number of people become dependent on means-tested benefits, and even more difficult as the pay gap widens and as unemployment increases.

Experience from the post-war period shows it is possible to build a fairer society under conditions of great adversity. We need a new social contract which provides properly resourced social protection, full employment, and which strengthens existing institutions that work to improve levels of pay. ●

Paul Hackett is director at the Smith Institute

Cross-party dialogue is essential if any government is to make progress on poverty

All together better

By Kate Green MP and Chris White MP



All parties oppose poverty. Although this may be a banal point to make, it is important to stress that no political party wishes to see poverty increase. This is useful to emphasise because it means that we can focus on means and not ends, and on how we reduce and eventually eliminate poverty, rather than engaging in circular debates about whether we need to focus on the issue at all.

Labour, Conservatives and Liberal Democrats all have notable legacies

when it comes to reducing poverty. The Conservative Party in the 19th Century passed a number of Factory Acts that helped to improve the conditions of the working poor, and the Liberal Party (one of the predecessors of the Liberal Democrats) began the 20th Century with a series of bold welfare reforms such as creating the labour exchange and unemployment insurance. The Labour Party, born from the trade union and co-operative movements, built on this to create the modern welfare state in the wake of the Second World War (on the

William Beveridge: the father of the British welfare state

back of a report of a Liberal, William Beveridge) and on taking government in 1997 pushed forward with a range of policies which helped to reduce poverty, including a national minimum wage.

The point of this recap on the history of the major parties' efforts to reduce poverty highlights that no political party "owns" the issue of poverty, and that all parties have an interest in working together to create long-term consensus around policies.

Making real reductions in poverty takes time, usually beyond the lifetime of one government. This means parties need to work together to ensure continuity of approach and follow up on the progress that has been made.

The decision by Iain Duncan Smith to continue with the previous government's child poverty target and to maintain the Child Poverty Unit is an important step in ensuring that the efforts and progress made in the years up to the last General Election are not lost.

In a democracy, where changes of government are frequent, it is easy for good ideas and innovative proposals to fall between the cracks. The same is also true within the British Cabinet system. In the past ten years, there have been nine separate Secretaries of State for the Department of Work and Pensions. If there is going to be progress on reducing poverty, then ministers need to be given the opportunity to embed themselves in their portfolio.

Moreover, this constant movement makes cross-party dialogue more difficult, with new ministers or spokespeople feeling that they have to make an impact or define themselves by reinventing or simply opposing the policies of previous incumbents. More continuity would therefore not only help policy implementation but would also help in the creation of consensus.

“No party on its own has been able to find the answers in isolation”

All political parties should make a concerted effort to work together on tackling poverty, and the All Party Parliamentary Group (APPG) on Poverty is an effort to create the dialogue and space required for policy makers to come together and work together without the need for tribalism.

While the APPG on Poverty has only been in existence in its present form since the General Election, we hope that it and other groups within Parliament will be able to come together to develop the cross-party policy discussions that will do much to help tackle poverty.

For example, all parties agree that in

general, for those that can work, work should always be a more attractive option than not working. And each party can bring different elements to the poverty debate which they have specifically championed over the past few months.

For example, under the leadership of Ed Miliband, the Labour Party has taken up the cause of the living wage. This would see workers paid a wage which enables them to have a good standard of living – outside of London this is presently considered as £7.20 and within London, around £8.30. This would build upon the work that was done to create the national minimum wage under the last government and provide a real incentive for people to seek employment and stay in employment.

The Conservative-Liberal Democrat coalition is pursuing the issue of benefit reform. Under the proposals for Universal Credit which the government has articulated, benefits would be made simpler and people would be able to keep more of their benefits when they start work. By changing the tapering to ensure that it always pays to work and that those that begin work are not forced to temporarily reduce their standard of living, the Universal Credit aims to create a far stronger incentive for people to get into jobs.

So there is shared interest in how employment can be a secure route out of poverty, and the opportunity to ensure that the ideas of the different parties complement one another.

There is also significant overlap between all parties in using the skills, knowledge, dedication and passion of the voluntary sector, charities and social enterprises in order to reach out to local communities and use those organisations which have been most effective in fighting poverty.

All Members of Parliament know of excellent projects that have been particularly effective at addressing poverty, and MPs can play a role in disseminating best practice and ensuring that the individuals and organisations running these schemes get the attention and recognition they need in order to keep making a difference.

It would also be in the interests of the poorest people if, rather than operating in an “either/or” scenario where there is a constant battle of ideas between each side about who has the upper hand,

instead political parties feel it is their duty to work together in areas where potential collaboration has been identified. For instance, the efforts that have been made to re-start talks between parties on the issue of adult social care is something that should be welcomed, and could form an example for a similar initiative on poverty.

There are clearly limits to what can be done between opposing political parties, and that is where individual Members of Parliament can have an important influence on the process. By coming together, they can build bridges between the parties and ensure that policy consensus is developed on issues as broad as poverty.

The truth is that so far all parties have fallen short of their goals when it comes to reducing poverty, and this shows that no party on its own has been able to find the answers in isolation.

So we would like senior politicians of all parties to feel able to talk to each other at all times on matters as complex as poverty. The media can assist in this by not polluting the atmosphere with excessive discussion of “u-turns” and coverage of confrontation.

Finally, if we are going to create a broader consensus on tackling poverty, politicians need to ensure that they work not just between themselves but also with interest groups, charities and businesses. Given the important role that these organisations play in feeding into the political process, and the way in which their practices too will impact directly on individuals' experience of poverty, any effort to improve communications and develop solutions on poverty must also include these important players.

Over the past few years, all the major parties have spoken about the need to create a “new politics” in the wake of the expenses scandal and the reduction in public confidence we have seen in politicians over previous decades, and to create a society which tackles the culture of excessive rewards and high levels of inequality. We agree that now is a good time to begin building that new politics and we believe there is no better place to start than with the issue of poverty. ●

Kate Green is MP (Lab) for Stretford and Urmston, and Chris White is MP (Con) for Warwick and Leamington

Tighter targeting of benefits will drive down living standards instead of improving them.

Instead, government should be looking to give something to everyone but more to the poor

Testing times

By Andrew Harrop

The British political classes seem to be turning against universal welfare. The government's controversial welfare reforms include tighter targeting of Child Benefit, Employment Support Allowance and Tax Credits. To add to that, not a week goes by without someone, often from the left, calling for the means-testing of Winter Fuel Payment or the concessionary bus pass.

The argument seems to be that in a time of austerity, universal entitlements are an expensive luxury: as cuts bite we should target limited resources efficiently at those who most need the help and that means more means-testing. The logic may be seductive, but it is also dangerous, since new Fabian Society research reveals that tighter targeting usually ends up harming the poor families it is intended to help.

We examined data on the level of expenditure, the degree of targeting and the amount of poverty alleviation associated with 11 OECD welfare systems at different times between the 1970s and the 1990s. The results demonstrate, counter-intuitively, that the more you means-test, the less poverty alleviation you achieve. This happens because welfare systems which mainly target low income groups have been funded much less

well than more universal arrangements. In other words, the greater efficiency of targeting is more than off-set by the decreased generosity associated with designing welfare systems in which most taxpayers are not recipients and do not have a stake.

So while it goes without saying that the one-off effect of moving from a universal to a means-tested entitlement is "pro-poor", this evidence suggests that the long-term effect is likely to be "anti-poor". More generous welfare systems offer broad entitlements and give middle-income households a stake in a system, in which they both pay in and take out. It is this majoritarian participation that helps build public support for welfare. By contrast, increased targeting of benefits erodes this public support and furthers damaging ideas of undeserving welfare "scroungers" and a "them-and-us" mentality.

Equal opportunities

Armed with this compelling evidence, the left needs to regain its confidence about universalism. First, egalitarians need to understand that paying money to affluent families or pensioners is perfectly compatible with a progressive system, where the poor are the net



beneficiaries and the rich are the net contributors. As soon as you think about tax, the problem disappears. Offering a payment to everyone, no matter their income, poses no difficulties as long as the taxation system asks for much more from higher income groups than they take out in benefits.

Critics on the right argue this is a wasteful "money go-round" and that it would be better to reduce both taxes and entitlements for the rich. The left should take issue with this because it would end broad public participation in welfare which our research shows to be linked to decent provision for poorer groups.

The "small-state" argument also raises a fundamental political fissure about the nature of welfare. For the tax-cutting right, it is a safety-net, and "dependency"



on the state is a morally compromising alternative to self-reliance. This position was once a minority view in British politics, but it is no longer the preserve of compassionate conservatives like Iain Duncan Smith. In a distinct break from 20th century liberalism, deputy prime minister, Nick Clegg, has said that “dependency of any kind offends against the unwavering liberal commitment to self-reliance and welfare dependency is no exception”.

The alternative post-Beveridge perspective is that welfare is social insurance and we should all expect to both pay-in and take-out. From this viewpoint, welfare is a lifecycle insurance system, which guarantees all of us entitlements when our incomes or our outgoings are under greatest pressure –

Increased means-testing results in negative attitudes towards those claiming benefits

when we are sick, unemployed, parenting or retired. In practice, the public’s strong support for universal benefits suggests most prefer this view, over the idea that welfare receipt is morally compromising.

Politicians on the right tend to be ambivalent themselves. No one seriously disputes the social insurance principle when it comes to the state pension. We all pay National Insurance and we all expect a public pension as a consequence. The coalition is keen to extend the universal principle here, by raising the state pension and reducing the role of the means-tested Pension Credit. Our universalist commitment is just as strong when it comes to the NHS, a service-in-kind

rather than a cash benefit. Yet somehow, for entitlements linked to children, disability, unemployment and the newer pensioner benefits, the same social insurance argument gets short shrift.

Spreading it thin

The case for universalism is further bolstered when we think about the “squeezed middle”. A true supporter of a “safety net” state would presumably expect people in the middle of the income distribution to stand on their own two feet. But there is little doubt that maintaining living standards is becoming increasingly difficult for people on moderate, fixed incomes. This is the argument for spreading tax credits well up the income distribution and also for universal pensioner benefits (even today, very few pensioners have more than middling incomes).

Consider the apparently modest move of removing Child Benefit from higher-rate taxpayers. It hits people like my friend, a recently-divorced assistant head-teacher with three children. She may pay tax at 40p but she’s in the middle-third of the income distribution, coping with rising costs of living and about to lose the only support the state offers her.

The final argument against means-testing is perhaps the least contentious; that targeting creates perverse incentives. Politicians on left and right have long bemoaned the way means-testing strips people of reasons to find employment, progress in the workplace or save for a pension. The tighter the means-test and the worse the cliff-edges the more of a problem this all becomes. Indeed, the incentive problem is the main argument advanced in favour of the coalition’s idea for a higher state pension.

The enemies of universalism are going to learn that you cannot have it both ways – you either strip-back “dependency” or you create “work incentives”, but you cannot do both. To succeed in reducing disincentives, particularly for second earners, Iain Duncan Smith’s Universal Credit will have to stretch much further up the income spectrum than he currently envisages. Ultimately his new edifice may look very similar to Gordon Brown’s original plan of a tax credit system founded on the principle of progressive universalism. ●

Andrew Harrop is general secretary of the Fabian Society

Workplace democracy has a key role to play in both reducing poverty and achieving stable economic growth. But it needs government and business to restore the balance of power first

Bread and roses

By David Coats

Responsible capitalism is now firmly on the political agenda. Ed Miliband may have been derided by right-wing columnists for his distinction between predatory and productive corporations, but David Cameron has also correctly understood that a shift in public mood has occurred. He too is looking to the corporate sector for change as he knows that the Conservatives, if they are to remain credible, must colonise territory that Labour has staked as its own since the conference season.

Yet the remedies proposed so far by the coalition look wholly inadequate to the task. A little more transparency on executive pay, legislation to promote co-ops and the deputy prime minister's suggestion that Britain's largest companies should transform themselves into John Lewis clones are unlikely to trouble the members of the CBI's president's committee. Moreover, even Labour's more ambitious prospectus – compelling listed companies to include worker representation on remuneration committees – may disappoint; it is hard to see how a group of under-resourced employee representatives will be able to construct arguments that the conventional inhabitants of Britain's boardrooms find persuasive.

There is clearly a deep-seated problem with the way recent governments have regulated markets for the public good.

Excessive rewards at the top have been matched by inadequate rewards for the low paid. Today, half the children in poverty are in households with at least one adult in work and more than half of all adults in poverty live in households where at least one person is working; neither of which is hardly a success story for the model of “caring capitalism”.

It is now time to be clear about the nature of the problem and the inevitable difficulties politicians face in curbing excess at the top, making corporations behave responsibly and eliminating in-work poverty. This is really a question of power: who has it, how is it being used

“There needs to be some institutional process of negotiation”

and how are the powerful held to account?

Before the advent of Thatcherism, the post-war consensus rested on strong foundations: a commitment to the maintenance of full employment; a generally redistributive welfare state funded through progressive taxation; and the existence of institutions that delivered a more egalitarian initial distribution of incomes (or what some economists call “pre-distribution”). The 1979-97 Conservative governments

abandoned the commitment to full employment and there was much tinkering with the welfare state. But the real revolution was in the labour market: employment rights were weakened, trade unions subjected to extensive legislative intervention, wage floors eliminated and fair wages policies abandoned by government. By the end of this period an impartial observer would have been struck by two significant changes: the decline in trade union membership and the coverage of collective bargaining, and the transformation of social norms.

It is almost as unpopular to talk about industrial or workplace democracy today as it is to mention the continuing importance of social class in determining health, life expectancy and life chances. But it is very unlikely that significant progress can be made in reducing either in-work poverty or inequality unless there is some restoration of an appropriate balance of power in the labour market. Moreover, it is very unlikely that social norms will change unless they are subjected to a sustained and strategic challenge. Thatcherism was a medium-term transformational project. Social democrats must be equally strategic and determined if they are to achieve their goals. The Labour government's inability to tackle both high pay and in-work poverty stems largely from its failure to challenge much of the post-Thatcher



settlement, not least the tolerance of income inequality.

In an important IMF paper, *Inequality, leverage and crises 2010*, Michael Kumhof and Romain Ranci re, suggested the growth of income inequality and in-work poverty were not just symptoms but causes of the global economic and financial crisis. Achieving stable economic growth in the future, they said, depends on improving the bargaining power of those on low or middle incomes.

Powers of persuasion

This profound conclusion challenges much of the pre-crisis orthodoxy which assumed flexible labour markets, weak trade unions, low taxes and low out-of-work benefits were all necessary conditions of economic success. However, what Kumhof and Ranci re did not do was explain how bargaining power might be restored or what institutions were needed to achieve that outcome.

To argue for a straightforward revival of trade unionism is not an entirely persuasive response given union weakness in the private sector and the relative failure

to organise in growing areas of employment. But it is difficult to identify other sources of power that might rebuild the pre-distribution pillar of the post-war consensus. Some may point to the consciousness-raising effects of the Occupy movement. Others may note the effectiveness of the living wage campaigns promoted by organisations such as London Citizens (often with union support). And there is a case that more transparency in executive pay may empower campaigners to hold businesses to their publicly-announced corporate responsibility commitments. No doubt these are all valuable interventions in their own way, but they do not change the fundamental power dynamic inside Britain's major corporations. Living Wage campaigns are admirable but how can employers be encouraged to pay a living wage not just this year but for the foreseeable future? There needs to be some institutional process of negotiation, management decisions need to be subject to legitimate challenge and workers must feel that they are participants in the workplace, not simply the victims of events beyond their control.

Simply put, the question must be: if not

A protestor makes his point at a recent union-organised march

trade unions then what? Perhaps the answer lies in mandatory works councils adapted from the German model. Or maybe a solution can be found by making it easier for unions to organise. There is also something to be said for opening up boardrooms by introducing mandatory changes in board composition, compelling listed companies to draw their non-executive directors from a wider pool of candidates.

Public policy can make a difference – there can be no doubt, for example, that labour law changes accelerated the process of trade union decline – but it is not possible for the state to legislate for responsibility and expect immediate change. Companies have to be held to account and it is unlikely to be a disaggregated group of shareholders who do this. Reviving the case for workplace democracy is critical to combating poverty and must play a leading part in creating a sustainable economic model. ●

David Coats is a research fellow at the Smith Institute



"It's nice to have a big house, if it's too small it's crowded"
YOUNG PERSON, NORTHUMBERLAND

CHILDREN & YOUNG PEOPLE

A picture says a thousand words

A project by Children North East shows how young people are central to solving poverty

By Sara Bryson



**“Having a big TV is a status symbol”
CHILD, SUNDERLAND**



PHOTOS SELECTED FROM THE CHILDREN NORTH EAST PROJECT

Two years ago this spring, the Child Poverty Act became law. Brought into statute with cross-party support, it committed Britain to lifting all children out of poverty by 2020. Today, rather than being closer to that aim we are getting further away. Eradicating poverty in a society riven with structural inequalities was always going to be a challenge. That challenge continues to grow, at least in part because we continue to ignore the most obvious solution: children themselves.

What is persistently absent from debates on childhood poverty are the views and lived experiences of children and young people themselves. Yet they have been a driving force in every significant movement resulting in social change

in modern society. Children and young people may live in the same dire conditions as their adult counterparts but they are not bound by the same shackles of responsibility and fear. They are at the forefront of movements that encourage society to think differently.

The American civil rights movement was steered by youth action, which in many cases was a response to the conditions of poverty, as much as to institutional racism. When in spring 1951 black students refused to abide by Virginia State's segregated schools policy, they were also protesting at overcrowded classrooms and crumbling buildings. The result was the famous *Brown v. Board of Education* legal case that led to the phas-

In the picture: children and young people document what poverty means to them as part of a Children North East project

ing out of segregated schools from 1954.

Also cited could be the courage of the young lions in South Africa who played a central role in the fall of apartheid in the early 1990s. Today too, young people have been instrumental in the fall of dictatorships throughout the Arab Spring. Close to home, the Occupy movement in New York, London and countless other locations has been led by young people. While some commentators have dismissed the movement as a left-wing spat, it is the first grassroots challenge to the orthodox ideology that “we’re all ►

► in this together". It is also genuinely international, using viral communication to link together over 600 Occupy "communities" in 95 cities throughout more than 82 countries.

Even if you do not accept the notion that young people are central to processes of social change, their voice in current debates about childhood poverty is glaringly absent. This seems fundamentally mistaken given that they are increasingly being asked to shoulder the burden of the economic crisis.

Out of the picture

The removal of Educational Maintenance Allowance (EMA) and the rise in the costs of tuition fees has taken significant numbers of young people out of education; according to the latest UCAS statistics, applications for entry to higher education in 2012 is down 7.4 per cent. Analysis of the cuts so far also reveals that youth services have been disproportionately affected. Meanwhile, in November 2011, youth unemployment reached record highs when it broke through the one million mark, equating to 20 per cent of 16-24 year olds being out of work. All of this paints a bleak future for the country's younger generations.

What happens if their concerns are not accounted for by the nation's decision makers? The events of summer 2011 provide an answer, as riots spread across major cities. Unlike most major media outlets, which recycled chaotic images of theft and violence, The Children's Society spoke with young people about what led to the trouble and what is needed to prevent further occurrences. The majority of respondents blamed poverty, believing young people took part to get goods they couldn't afford to buy.

It is, perhaps, unsurprising that young people are driven to dramatic action, whatever its rights and wrongs. Even policy makers are overwhelmed by the scale of the problem of childhood poverty; each new piece of research suggests numbers are likely to continue to rise. Alan Milburn, the Independent Reviewer of Child Poverty and Social Mobility, suggested in December 2011 that the 2020 Child Poverty Targets are not going to be met. He went further to argue that figures are going in reverse. Indeed, the Institute for Fiscal Studies is forecasting a rise in relative poverty of about 800,000 and a rise in absolute poverty of about 900,000 by 2014 among "all children and working-



Alan Milburn: "child poverty levels are rising"

age individuals." Meeting the child poverty targets by 2020, says the IFS, would require "the biggest fall in relative poverty after 2013-14 since at least 1961".

Such findings have generated many column inches in the press and academia, analysing what is to be done. However, research the backgrounds of the average academic, MP, policy adviser or journalist and you will struggle to find many who have lived through poverty themselves. Like the civil rights protestors, those who understand better how to tackle poverty are those who carry it in all that they do.

In the summer of 2011, Children North East distributed more than 1,300 disposable cameras to children and young people and asked them to document their lives and record what they thought poverty looked like where they lived. They returned 11,000 images that highlighted powerfully the issues that they face. Images depicted poor quality housing that was overcrowded, damp and in disrepair; the participants described being embarrassed to bring friends home. The wider environment was also significant. Alongside the litter, boarded-up homes and shops, this was where the majority of them spent their time.

The immediate environment was also important since these children and young people were unable to access opportunities that weren't within walking distance. The majority hadn't experienced holidays and were reliant upon day trips organised by children's centres and youth projects to see and experience anything beyond their housing estates; traditional routes such as school holidays and outings were so overpriced that many

parents were unable to afford to send their children on them.

The first exhibition of the photographs took place at a conference on Child Poverty, hosted by Children North East and the Webb Memorial Trust in November 2011. Over 250 delegates packed out the Sage centre in Gateshead to hear from leading thinkers such as Richard Wilkinson and Danny Dorling. Together they generated 120 actions in response to what they saw and heard from young people themselves about the reality of living with poverty. These included ensuring families were aware of minimum standards for housing; making use of disused shops and homes; tackling in-work poverty, and engaging children and young people themselves in finding solutions.

Throughout 2012, Children North East will be touring the photographs across the North East region. Children and young people will host the exhibition, which will become the central focus for policy discussions with families, local service delivery agencies and decision makers. Ideas for changes that will make the most impact so far include neighbourhood clean-ups and using empty shops to set up youth cafes.

Finding the right focus

The current failure to come anywhere close to the ambitions of the 2010 Child Poverty Act has prompted numerous concerned responses. Some commentators have suggested that, if we are going to see a reversal in child poverty rates, then what is required is a radical shift in policy. There are whispers that we need changes of a scale unseen since the foundation of the welfare state. That would require a real movement in our society, rooted in the lived experience and action of those to whom it would matter most. The welfare state was not created in abstract, but with the people who benefitted most from it. Those very people, in housing estates around the country, became the nurses, midwives, teachers, housing officers and employment advisors that brought Britain into recovery following the devastation of the Second World War.

If such a shift in thinking and action is necessary, then so is a new approach to involving children in ending poverty. That approach must see young people as part of the solution rather than the passive recipients of the problem. ●

Sara Bryson is policy and development officer at Children North East

Who is poor?

Children, the disabled and non-white households suffer most

The government's child poverty targets may be legally binding but they are not going to be met, according to Alan Milburn, the coalition's adviser on social mobility. Indeed, they haven't just been missed, but levels are going rise, he says.

The former Labour health secretary has called on the government to focus its efforts – and spending (he reckons it will take £19bn to meet the 2020 target) – on childcare services, parenting, education and employment, specifically for those families with children of preschool age.

However, it's not just children that suffer. As the data below demonstrates, disabled and non-white households also fare pretty badly – the latter are twice as likely to live in poverty as white households, for example. And despite the sensationalist media headlines that claim people on benefits are living a life of luxury, 75 per cent of people who are

out of work are on the breadline, compared to just 6 per cent of those working full-time. As unemployment rises, as many commentators are predicting it will, this figure also looks set to increase.

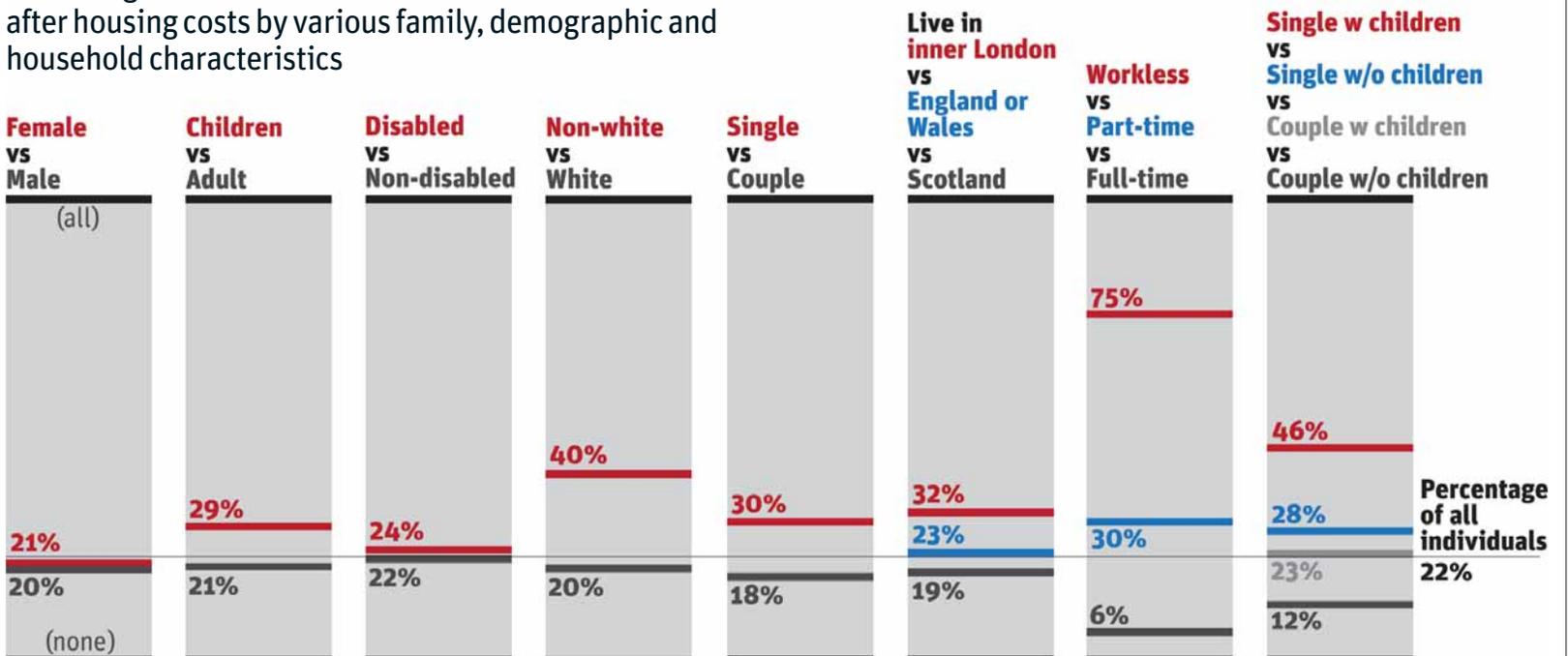
So how can individuals reduce their risk of falling into poverty? According to the data below, the answer lies in finding a partner, a full-time job and moving to Scotland.



* LATEST FIGURES ARE EXPECTED IN MAY, WHEN LEVELS ARE WIDELY EXPECTED TO HAVE INCREASED

The characteristics of the poor

Percentage of individuals below 60% of the median income after housing costs by various family, demographic and household characteristics



SOURCES: DEPARTMENT OF WORK & PENSIONS, 2011



“POVERTY IS NOT DUE TO A WEAKNESS OF INDIVIDUAL CHARACTER, BUT IS A PROBLEM OF SOCIAL STRUCTURE AND ECONOMIC MISMANAGEMENT”

These words are as relevant today as they were in 1909 when Beatrice Webb included them as part of her submission to the Minority Report.

Beatrice Webb had a plan of what a good society free from poverty would look like. It took 30 years for her views to be accepted, but they became the basis for Britain’s welfare state, and in the 30 years following the Second World War, British society made good progress on poverty as a result.

Since 1944, the Webb Memorial Trust has worked to advance education and learning with respect to the history and problems of government and social policy. Initially delivered via debates and discussions at Beatrice Webb House in Surrey, in 1987 we refocused our efforts to concentrate on funding research



Beatrice Webb House

and conferences that aim to provide practical solutions to poverty and inequality.

Never has this work been more important.

Tough economic conditions, rising unemployment and changes to the welfare state mean more people are living in, or are at risk of, poverty than they have been for the last 20 years.

To find out how the Webb Memorial Trust aims to tackle poverty and inequality in the UK, and to learn more about the achievements of Beatrice Webb, visit www.webbmemorialtrust.org.uk

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